

From the EAWRCHS Board ...

1st Regular Board Meeting December 2, 2014

What follows is an unofficial summary of the East Alton - Wood River Community High School District #14 Board of Education 1st Regular Meeting of December 2, 2014.

Audit Presentation - FY 2014

Annette Hipkiss was here to present the 2014 Audit Report to the Board. She reported on the following:

- Cash “net position” of the District: Ms. Hipkiss reported that the net position of the District’s cash dropped by about \$300,000 from FY 13 to FY 14. This is an overall statement of cash flow to the District and not itemized by fund.
- The District will pay down a large amount of its bonded indebtedness in this current fiscal year, due to two bonds being retired in FY 15. Superintendent Pearson noted that the Levy the Board should adopt next week will reflect about a 22-23 cent drop in next year’s tax rate, due to the retirement of those two bonds.
- The IMRF payments - as an actuarial amount - were about 92% of the projected “fully funded cost.” This is an increased percentage of the share, compared with the last two years. Mr. Duncan wondered if the District should levy more to get to the 100%, to which Dr. Pearson remarked that the IMRF billing to the District was being paid in full, and this “actuarial” amount was as a result of a political decision several years ago by the IMRF board to gradually ramp-up employer contributions over time. He reminded the Board that the IMRF “tax” used to be much lower to fully fund each district’s share, but that the investment market bust of 2008 drew down many of the assets of IMRF pension fund. Rather than asking employers to make up the difference immediately (with large rate increases to its local property owners), it has stair-stepped the increases incrementally. The District is paying its full share, in other words, of what it is being required to pay by the IMRF.
- The Education Fund - as is the case in the last couple of years - has lost over \$644,000 in terms of expenses outpacing revenues. Combined with a transfer to the Debt Service Fund of 125,000, the fund balance on June 30, 2014 now stands at \$792,000, down from \$1,563,000 on June 30, 2013.

- Both the Operations and Maintenance Fund and Transportation Fund also added to the loss of operating funds, with a combined additional loss of \$36,000, compared with June 30, 2013.
- The Tort Fund now has a positive fund balance of \$18,000 - it had a negative fund balance last year of -\$77,000.
- Ms. Hipkiss observed that this was a clean audit and there were no Federal grant issues or adjustments this year. She also complimented our Treasurer and Bookkeeper for the accurate and timely bank reconciliations in preparation for the auditor's visit earlier in August.

The Board thanked Ms. Hipkiss for the Audit Report.

Review of Agenda Items for the December 9, 2014 Regular Meeting

Estimate of Tax Levy (with adoption at the December 9th, 2014 Meeting): Dr. Pearson reminded the Board that he was still recommending a tax levy based upon a 5% growth assumption in the assessed valuation of the District, which should be conservative enough to capture any assessment growth in the restricted rate levies, without requiring the levy hearing and expensive black-bordered ad in the Telegraph. He also reminded the Board that he would ask for \$100,000 levies in both the IMRF and Social Security levies and \$480,000 in Tort, which would both allow those funds to stay in the black and, at the same time, work to keep the rate down.

Adopt Policy Revisions: The superintendent reviewed over a dozen policy revisions, which are recommended by the Illinois Association of School Boards, and which, for the most part, reflect either statutory changes or case law decisions. The Board will consider these over the course of the December and January meetings, with an eye towards adoption at the January 13, 2015 Regular Meeting.