

Lemont Bromberek CSD 113A
Finance Committee
Meeting Minutes
April 21, 2010
6:30 pm
Old Quarry LRC

In attendance: Al Malley, Bob Beckwith, Duane Bradley, Kevin Doherty, Jay Tavian, Karen Siston, Tim Goodwin, and Sue Ruane

- I. Review Committee Minutes – Minutes from the February 17, 2010 meeting had been sent out via e-mail. Minutes approved without objections.
- II. Meeting schedule – Tentative schedule has been made through September, 2010 with meetings occurring on the 3rd Wednesday of every month. Summer meetings are tentative until board meetings are scheduled.
- III. Update of Policies – The policies we discussed at the last two meetings (Fund Balance Policy, Cash on Hand Policy, and Revenue to Expenses Policy) have been presented to the Board. The Board will obtain a legal review and put it before the Policies Committee before taking a vote to implement the policies.
- IV. FY11 Budget – PMA will come out to the next meeting. There is no extra cost for this. They will present our current costs (2010 – 2011 staffing expenses, current vendor contracts, broken down into monthly payments) so we can review prior to the FY11 budget being finalized. Duane will review copier contracts, summarize and report back to the committee.
Bob Beckwith provided a statement that as of 3/21/10, the total amount of money owed to us by the state is \$1,041,924.
After \$3.5 M TAW payment made in April, we have approximately \$4.5M in cash. We will receive some revenue from DuPage County in May/June. It is possible that we may need to issue another Tax

Anticipation Warrant, dependent upon when money is received from counties and/or state.

Jay Tovian and Bob B. explained that there will be a new Treasurer's Report for the next Board Meeting. Al Malley has concerns that the report does not show the cash on hand. However, the committee likes that it shows the percentages of budgeted amounts used to date so areas that are over budget can be targeted quickly.

- V. Imprest Account – the Imprest Account is an internal checkbook that can be used in the same way petty cash is used or to pay mid month bills that cannot wait for Board approval. Bob B. clarified that payments from this account are itemized for the Board in the Board packet. Jan Ceranek holds the checkbook for this account and 2 signatures are required for any check.

Al, Mario, and Duane will do a review of the Imprest Account procedures and report back to the committee.

(There is also an Activity Fund Account but this is only for payments made out of funds collected for a specific activity.)

- VI. Audit RFP – We have new auditors – Mulcahy, Polcik, & Salvador. The fee is \$27,000/year for 3 years. This fee was in line with the four other firms that were considered. This fee will include the transfer from a cash-based to an accrual-based accounting system.

- VII. Banking RFP – Our new bank is Suburban Bank. They have agreed to waive fees for 3 years. They also provide on-line services. In addition, the dollar amount for checks requiring two signatures has been lowered from \$100,000 to \$3,000.

** Discussion on accrual v. cash based method. Argument for making the change to the accrual method: This is GAAP and will provide a historical record for the district. There will be adjustments that need to be made for the first year to show if there are inconsistencies solely due to the accounting change. The accrual is only done at the end of the year, not each month.

- VIII. Financial Plan to ISBE – This was approved by the Board.

- IX. Finance Committee Membership – Kevin Doherty made the proposal that if a current member misses 3 consecutive meetings, this member should be removed from the committee and another person can take their place.

Sue Ruane also noted that the Charge Statement does not include staff members. We will try to include staff members in the Charge going forward.

It was also noted that our Charge specifies that all members should have a 2 year term. This means that the terms of the current members would expire in January, 2011. However, we may want to transition new members into the committee in stages for continuity.

- X. Other business – Al Malley raised the issue of the Board not taking the recommendations of the Finance Committee (particularly with respect to the cash/accrual method). Kevin Doherty responded with several other items that had to be taken into account before this decision was made.

Discussion then turned to the role of the Finance Committee going forward. It was decided to table this discussion for the current meeting but it will be placed on the agenda for the next meeting.

- XI. Next Meeting

May 19, 2010

6:30 pm

Old Quarry LRC