

**Salmon School District #291
Board of Trustees
Special Session Minutes
October 24, 2018**

Present were Chairman Chuck Overacker, Vice Chair Juniper MacFarlane, Trustee Richard Natelson, and Trustee Dorrie Prange. A quorum was present. Also present were Superintendent Chris Born; Director of Finance, Planning, and Program Evaluation, Eileen Holden; and Clerk, Deb Cheney.

SPECIAL SESSION

Special session began at 6:01 p.m. Chairman Overacker led everyone in the Pledge of Allegiance.

ACTION ITEMS

Approve Agenda

Superintendent Born recommended the Board approve the agenda.

Trustee Natelson motioned to approve the October 24, 2018 agenda, second by Trustee Prange. Passed 4/0.

NEW BUSINESS

2017-2018 Audit – Dan Coleman

Dan Coleman reported on the 2017-2018 audit via Skype.

Mr. Coleman reported that the audit went really well. He looks at compliance items and the budget. He stated that everything checked out like it should. There are no exceptions or findings on the audit. Mr. Coleman stated that he appreciates Jan and Eileen's hard work.

Salmon School District has the largest number of funds that Quest audits of all the school districts they work with.

There are three main areas that are addressed in an audit:

- 1) Auditor's Opinion: It is unmodified. This is the best he can give.
- 2) Compliance on Other Matters: Everything turned out fine.
- 3) Report on the Single Audit (Federal Funds): Everything checked out fine. He commended the business office for doing a good job.

The financial audit included major and non-major funds. The three major funds are General Funds, Forest Reserve Funds, and Child Nutrition. Mr. Coleman reported that all major and non-major funds are fine.

Mr. Coleman reported that Salmon School District 291 has about a one-month operating fund balance in the General Fund. He stated that is it nice to have between 1½ months to 3

months reserve in case of emergencies. The remaining Forest Reserve Funds are helping offset the lack of the recommended three-month operating expense reserve in the General Fund.

Child Nutrition Fund – There was a loss of \$8,221. There was a fund balance to start the year, which helped absorb the loss. Holden stated that over the years, the Child Nutrition Fund has had even larger losses and the District is watching this fund closely, to minimize this loss in the coming year.

Vice Chair MacFarlane asked about the Medicaid fund. Holden reported that she had projected a loss of \$50,000 and that this year’s loss was a little more than \$44,000. Mr. Coleman reminded the Board that for every Medicaid dollar billed, the District is reimbursed approximately 70 cents. He stated that Districts would always have a loss. Money is transferred from the General Fund to cover the negative balance.

Trustee Natelson asked about the funds used for the Salmon Jr. Sr. High School roof repair. Director Holden stated that money from the Forest Funds would cover the cost of the remaining roof repair next year. She stated that having a consistent balance in the Forest Funds gives us a higher rating if we decide to run a bond, thus saving the taxpayers money.

Mr. Coleman stated that Director Holden has a good understanding of finances.

Superintendent Born recommended the Board approve the 2017-2018 audit.

Vice Chair MacFarlane motioned to accept the 2017-2018 audit as presented, second by Trustee Natelson. Passed 4/0.

The Board thanked Jan and Eileen for their hard work. They stated that Mr. Coleman is good to work with. The Board asked if the District can auto renew auditing services with Dan Coleman from Quest. Superintendent Born stated that he would check into it. In response to the question of where the auditor is paid from, Director Holden stated that the audit is paid for out of the General Fund, and the audit is a requirement. Director Holden stated that there were the fewest adjusting entries this year and thanked Jan Seher for her hard work on the year-end activities.

There being no further business, the meeting adjourned at 6:31 p.m.

Chuck Overacker, Chairman

Date

Deborah K. Cheney, Board Clerk

Date