

The Board of Trustees held their regular Wednesday meeting on October 10, 2012 at 7:00 p.m. in the School Library as posted. Those in attendance were Chairman Cecil Martin, Vice-chairman Bryce Scrimsher, Trustees Lori Zenner and Dustin Heinzerling, Superintendent Alan Felgenhauer, Principal Shannon Morris, Clerk/Treasurer Loretta Hammond-Nichols, Auditor Kim Keys, ASB President Kimberley Reiners, four staff members, two students, two patrons and Guest Representative Bradbury. (Absent – Trustee Kathryn Bomar)

ORDER/SALUTE

Chairman called the meeting to order at 7:00 p.m. and those present joined in the flag salute.

Superintendent requested that the Auditors Report be moved up on the Agenda. Board agreed.

Jurgens and Company Auditor Kim Key presented the annual audit report to the Board. The review included the following overview of letter to the Board that no issues or problems were found with only usual adjustments made to accounts. The revenue and expenditures were compared to last year without any changes to the structure of the audit with a note that next year changes will be made to that structure. The first report to review was on page 43 with the Schedule of Revenues and Expenditures for the governmental funds. The revenues were more than budgeted with expenditures over budget as well. The total revenues were more than the expenditures in total. The big difference between the budget years was the Federal ARRA JOB Ed Funds, Erate reimbursement, loss of levy funds and Medicaid reimbursement for revenue. The difference for expenditures were about \$40,000.00 less for extracurricular, less counselor services of \$23,000.00, additional special needs services, an increase to administration for network upgrades to the computer system infrastructure and no personnel for maintenance. Next report reviewed on page 10 was the Statement of Net Assets which compares the school finances like a business. The unforeseen Erate reimbursement, ARRA JOB Ed funds and budget cutbacks due to loss of the levy funds with the OPEB liability resulted in additional capital assets with a restricted fund balance of \$146,406 and unrestricted balance of \$347,441. The financial position of the District is in good standing at the end of the fiscal year. The Independent Auditor's Report on pages 1 and 2 letter reports that the financial statements of the school were presented fairly with conformity to accounting principles. The pages 3-8 that follow is the Districts Management Discussion and Analysis for the fiscal year that explains the events and financial condition of the school stating those conditions that may affect future budget years. Page 11 is the Statement of Activities Report which shows the District-wide functions by revenue category that funds the programs. Instructional program with a net cost of \$431,829, Support services had a net cost of \$243,090 and the non-instructional programs for Food Service, Community and Capital Outlay with net cost of \$29,280. The Depreciation for the year was \$133,108. The net assets increased with the computer network upgrades. The revenues for the year covered the costs of the programs. The Balance Sheet on page 12 itemized by fund for the General M&O, Capital Projects, Food Service and Special Programs by the Assets, Liabilities and Fund Balances according to the different type of balances for non-spendable, restricted, assigned and unassigned. All fund balances total \$668,233. The Reconciliation of the Balance Sheet for Governmental Funds to the Statement of Net Assets on page 13 explains the difference in fund balance due to the full accounting accrual report basis, the depreciation of assets and the OPEB benefit liability. The Statement of Revenues, Expenditures and Changes in Fund Balance for Governmental Funds on page 14 shows the revenues by fund with transfers and the expenditures by category with net difference in fund balance for each fund. General M&O fund balance increased \$85,114.00, Capital Projects balance increased \$8,568.00, Food Service Account decreased fund balance by \$9,034.00 and the Special Accounts balance decreased by \$1,757.00. Total fund balance for all accounts increased \$82,891.00. Page 15 is the report of Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds to the Statement of Activities. This report shows the difference for the fixed assets with depreciation and deferred revenue for taxes and the OPEB benefits liability expense. On pages 16 and 17 is the Fiduciary Accounts that the District holds in trust for the students. These accounts are not available for district expenditures. Pages 18 – 31 are the required footnotes for the different reports that explains accounting policy, presentation, measurement focus, cash equivalents, investments, risks, property taxes, inventory, capital assets, payables, compensated absences, restricted assets, fund balance classification, estimates used, accounts receivable,

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long term liability, OPEB plan description with annual cost and net obligation, Pension plan description, interfund transfers, receivable and the payables between accounts. The reports on pages 33 – 35 cover Budget to Actual comparison of the General M&O, Capital Projects and Food Service Accounts. The General M&O revenue accounts were up due to ARRA Job Ed funds, Erate reimbursement, Medicaid reimbursement showing an increase even though the levy failed. Expenditures for the M&O were more than budget due to the network upgrades, additional special needs services, restoring benefits and additional wages to staff after drastic budget cutbacks. The expenditures were less than the revenues in total for a net increase in the fund balance. The Capital Projects revenues were up and the expenditures were down due to the roof repair versus replacement. Food Service Account revenues were down due to declining enrollment which affect the charges for services, less commodities available to program which then means the program must purchase more groceries. The District utilized the Lewiston bid prices which did help save on the cost of meal preparation. Additional cost savings to the Food Service Program was a cutback to personnel expenses. Overall the program had a net loss of \$9,034.00. Page 38 and 39 is the combining Balance Sheet for the Special Funds. Pages 40 and 41 are the Combining Schedule of Revenues,

Expenditures, and Changes in Fund Balances for the Special Funds. These funds were similar in reporting as last year with the expiration of the ARRA funds. The additional account reported is Carl Perkins which is funded every three years as participation in a local consortium. Pages 44 and 45 discuss the internal control and compliance issues in the audit. The audit did not find any noncompliance issues and each year the noted internal control issue is lack of separation of duties for personnel due to the cost effectiveness of hiring additional staff for the separate duties, this is not advised. The district does not have any long term debt and is in good financial status.

Chairman noted the OPEB cost for medical insurance that is driven by the retirees as an unseen cost to the group rates.

Superintendent Felgenhauer thanked the Auditor for the presentation.

SUPERINTENDENT REPORT

BUDGET STATUS (9/30/2012) – Superintendent reported with the Audit the Fund balance is good. We are three months into this years' budget and to date looks good.

ISBA Information – Region II meeting is on December 4th at the Timbercreek Buffet in Lewiston. The three propositions with the executive board decision and follow-up are provided for your review. The resolutions for consideration at the November conference were included for your review. The scholarship auction reminder is in your packets.

SCHOOL Roof Update-The leak repair sealant has been applied and hopefully holds through the winter. This spring we will be looking at getting quotes to replace the roof over the elementary wing.

BUILDING Facility Update- Food Service Program is experiencing problems with backed up drains, disposal replacement and dishwasher issue that needs repaired. The milk cooler broke as well. Roto Rooter dislodged and cleaned out a tree root to clean out the backed up drains.

Report regarding the tax revenues being up 5.7% versus the projected 5.2%. Mr. Luna has requested a 5.1% increase for the education 2013-14 budget next year.

The staff at Culdesac work hard and with a smile. They are here to help the students succeed and our new Principal is doing a great job.

PRINCIPAL REPORT

Enrollment – We have an additional seven students with a total of 89 enrolled with 51 elementary and 38 secondary students. Our 2nd/3rd grade is at 18 students and we will be looking how to help that staff out.

Federal Funds Update-November 6 and 7 we will be reviewed by the SDE for our Title I/II/VI Funds. Mr. Tiegs and Mrs. Stowers are gathering all the materials needed for the review. We will be providing meals/refreshments to the review staff and pay mileage for the travel expense.

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STUDENT of the Month-Elementary winner is Caleb Wing in the 5th grade and Secondary winner is Jakob VanWingerden in the 10th grade.

STUDENT Progress Reports-Those students not doing well will receive notice from the teachers.

VOLLEYBALL Tournament- LCSC is hosting the play in game for Highland on Saturday the 13th. The team will be playing Timberline.

ASB Activities-Principal Morris asked Teacher Carson Kachelmier and ASB President to present the Homecoming events. Mr. Kachelmier explained that the events include staff, students, community and invited the Board to attend and participate. Homecoming week will have a different activity each day. The events include dress up day, hall decorating, pep assembly, parade, powder puff football on Friday, October 26 and a dance that follows. The parade will be at 4:00 p.m. down Main Street of Culdesac with the Powder Puff Flag Football starting at 7:30 p.m. at the softball field. The Market is providing Chili Dogs for concessions. The community dance will be from 7:00 to 9:00 p.m. in the school gym.

ASB President Kimberly Reiners informed the Board that the different classes will be decorating the halls to promote school spirit. Fundraiser for Homecoming Royalty is by donation to help offset the cost of the event. Spirit week will consist of dress up days for careers, twins, movies and holiday themes. The ASB is renting a photo booth for the dance to take pictures.

ASB is providing on November 9th the annual ASB Carnival and Auction. This is the same night as Parent/Teacher Conferences. Hopefully this will encourage more parents to attend.

Mr. Kachelmier reported that on November 13th the LCSC Jazz Band will be performing for the Community at the School. The event will start at 6:00 p.m. The idea is to have a Night of the Arts theme. Student art will be displayed, dance team will perform and the PTSA may be sponsoring an ice cream social that night as well.

Principal Morris informed the Board that a Hells Canyon Field Trip is planned for the 4th and 5th grade students and possibly with Highland class as well. Fundraisers will be needed to fund the \$2,266.00 for the expense. The boat can hold up to 50 people. We will be taking both classroom teachers and looking for 5 chaperones to supervise.

PUBLIC COMMENTS

ASB is selling green lanyards for \$8.00 with the Culdesac wolves paw prints as a fundraiser.

PTSA will be having a membership drive with a goal of signing up all staff and board members. The PTSA meet the first Wednesday of the month at 4:30 p.m. which allows the staff an opportunity to attend. Last year the PTSA sponsored the reading program by awarding book worms to students who completed a book. This then entered the student name into a drawing for the end of the year Kindle E-reader given away. Two Kindles were awarded by the random drawing. This year the students earn AR Points by reading books for prizes. PTSA is replacing the broken slide on the playground with a climbing piece.

Representative John Bradbury spoke about his years of experience as a District Judge and his concern for the rural school funding and he will be running for Senator in the next election. He believes that the funding is going to the urban community and less to the rural schools. The propositions one, two and three serves the decision choice of Boise versus the community. Schools with high special needs students' test scores do not fairly represent the professional staff and their ability to teach. Orofino School has a 3rd grade class with 50 students and two teachers. The class size increase for rural schools does not provide a first rate education for students.

Chairman thanked Mr. Bradbury for attending.

BOARD COMMENTS

Trustee Lori Zenner is excited to see the school participate in events as this brings the community together.

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Trustee Bryce Scrimsher expressed that it was nice to see Principal Morris attend Senior Night for the Volleyball girls at Highland.

Chairman Cecil Martin thanked Mr. Felgenhauer for his support of the staff in realizing their hard work even during a down turn in the economy and during tough decisions which the staff came together to work through the tough times.

Chairman reminded the Board of the ISBA Conference hosts an auction as a fundraiser for scholarships that are available to Board member children and grandchildren. Unique donations like sack of potatoes, honey, gift baskets, toy pedal tractors, hand-made boots, blankets and all types of crafts are some of the items.

CONSENT AGENDA (Agenda/Minutes/Finance Report/Current Bills/Employee Leave Report Approval/Surplus Technology Equipment Declaration)

Superintendent explained that the surplus declaration is for old computer equipment that the Technology Club requested as a fundraiser to get started.

Lori Zenner moved to approve the consent agenda as presented/Seconded by Bryce Scrimsher/Motion passed.

UNFINISHED BUSINESS

FUEL BID

Chairman read the single bid from Coleman Oil Company. The current rates are \$3.7010 for Unleaded, \$3.8058 for Diesel, and \$3.5562 for Dyed Diesel. The bid is for a price margin of .15 cents.

Bryce Scrimsher moved to accept the fuel bid as presented/Seconded by Lori Zenner/Motion passed.

NEW BUSINESS

AUDIT REPORT APPROVAL

Trustee Lori Zenner moved to approve the Audit Report as presented/Seconded by Bryce Scrimsher/Motion passed.

ANNUAL SUMMARY PUBLICATION APPROVAL

Trustee Lori Zenner approved the annual summary publication/Seconded by Bryce Scrimsher/Motion passed.

CELL PHONE REIMBURSEMENT

Chairman explained that during the interview process the discussion of cell phone service for the Superintendent was discussed. The reimbursement rate of \$25.00 per month is proposed for the Boards approval. This would be retroactive back to July when the job started.

Trustee Bryce Scrimsher moved to reimburse the Superintendent for cell phone services of \$25.00 per month/Seconded by Lori Zenner/Motion passed.

EXECUTIVE SESSION

Lori Zenner moved to enter executive session as per IC 67-2345 for personnel and student matters/seconded by Dustin Heinzerling/Board Poll: Yes, Yes, Yes and Yes/Affirmative response. (Clerk excused – Superintendent to record minutes)

INTO EXECUTIVE SESSION: 8:22 P.M.

Board discussed personnel issues.

Student matters were discussed.

OUT OF EXECUTIVE SESSION: 9:16 P.M.

No decisions were made during executive session.

Superintendent/Acting

Clerk
Adjourned: 9:17 p.m.

Chairman
Clerk
