

**Finance Committee Minutes**  
**November 4, 2015**  
**Main Office Large Conference Room**  
**4:30 pm**

Present: Mrs. Kelly Unger via telephone, Mr. Charles Kleinschmidt, Mr. Robert Vining, and Mrs. Kathryn Strouse

Guests: Mr. Paul Farrell, CPA and Mr. Jon DiBenedetto, CPA

An agenda was distributed to members prior to the meeting.

MBIT Audit Reports for fiscal year ended June 30, 2015: Mr. Paul Farrell, CPA and Mr. Jon DiBenedetto, CPA, from Dreslin and Company, Inc., MBIT's local auditors delivered and reviewed with committee members present their report for fiscal year ended June 30, 2015. The review began with discussion of the opinion, their audit of MBIT's records, that there were no findings and that the Business Office is to be commended for their efforts. The review continued with explanation of the entity wide statements. Mr. Farrell addressed the accounting changes for adoption of GASB 68 – Accounting and Financial Reporting for Pensions which affects the entity wide statements only. Adjustments of over \$13 million were made causing the net position to change from positive to a negative. Mr. Farrell emphasized that all school districts in Pennsylvania are adopting GASB 68 and the impact of adoption is yet to be realized. The discussion continued with review of the Governmental funds which remain consistent in presentation and format. Fund balance increased by \$3,697 to \$716,582 for the General Fund. The review continued to the proprietary fund (Li'l Bucks Preschool). Mr. Farrell is recommending that a separate bank account be established for Li'l Bucks as it has accrued a healthy fund balance. The review continued to the fiduciary funds, review of notes to financial statements. The notes to financial statements provide greater explanation of the financial information presented in the entity wide and governmental fund statements. Finally, there is new disclosure in form of required supplemental information regarding pension cost. The committee asked questions about whether or not there were findings and recommendations for changes to improve financial reporting and Mr. Farrell responded that there were none other than recommendation to open a new bank account. The committee thanked Mr. Farrell and Mr. DiBenedetto for attending the meeting and will make recommendation to Executive Council regarding opening the new bank account.

2016-17 Budget Preparation: The Business Manager reviewed a summary of the first draft of proposed 2016/2017 General Fund budget. The summary shows the net budget increase of 3.71%. The assumptions used to prepare this draft were discussed. Salary and wages have been projected as follows: teacher salaries based on current matrix placement and adjusted for expected or known level changes; administrators per Act 93 agreement; and all others using 2%. The Business Manager reviewed the information he had gathered from member districts regarding support staff increases with committee members. Regarding benefits, the assumptions are medical plans 10%, PSERS 29.69% with some increase to cost of dental and discussion of unemployment cost. Cost of purchased property services reflect an increase in cost of maintaining facilities. The Member District contributions were reviewed and it was noted that state revenue increase is following the increase in the employer contribution for PSERS. The available fund balances were reviewed and their use in 2015/2016 was discussed.

Bond Refinancing Update: The Business informed the Committee members that he had participated in a rating call interview by Moody's and that the Series of 2015 bonds were given an Aa3 rating. The bonds are scheduled to be sold on November 5. The latest information, received today, from the bond underwriter and PFM indicated that the bonds are expected to deliver a 7.65% savings.

Updates: The Business Manager shared the monthly and year-to-date results for Li'l Bucks Preschool and Adult Education.

Before adjourning, the Business Manager discussed the bank account for the Middle Bucks Summer School consortium. The account was opened when the joint venture began with the intent that when the summer school ended, the account balance would be distributed to the participant's (School Districts) based on their participation. There is approximately \$13,000 in the account. The Business Manager requested a motion to close the account be made by the Executive Council. After brief discussion, the committee members present were supportive of the motion being made.

The meeting adjourned at 5:45 PM.