

DOWNERS GROVE GRADE SCHOOL DISTRICT 58

FINANCIAL ADVISORY COMMITTEE MEETING

January 11, 2019

The Financial Advisory Committee met on Friday, January 11, 2019 at 7:00 a.m. at the Administrative Service Center.

Call to Order

The meeting was called to order at 7:00 a.m.

Present

John Miller, Darren Hughes, Allen Altic, Jose Anaya, Kari Cremascoli, Todd Drafall, Matt Durbala, Todd McDaniel, Geoff Neustadt, Katie Hannigan, Randy Hoppe, Jason Suchy, Andrew Schmidt, Katie Maffei, Steve Olczyk, Jeff Riemer, Jim Swider, and Rachel Mayer. Susan Jones and Andrea Meade, auditors from Miller, Cooper & Co., were also in attendance.

Absent

Brian Dietrich, Greg Frer, Dan Pekofske, Cynthia Pietrucha, Brian Riegler.

Approval of Minutes

Jeff Riemer moved and Allen Altic seconded the motion to approve the minutes from the November 9, 2018 meeting. Motion carried.

Audit Review

Susan Jones and Andrea Meade presented highlights from the audit report. Miller Cooper issued an unmodified opinion, which is the highest level of assurance that a district can receive. New reporting requirements regarding pensions and benefits led to liabilities going up by \$39M. This change in net position should not change the District's credit rating. Total revenue was \$93.2M, and total expenditure was \$97.9M. This difference also reflects that construction projects funded by bond proceeds are in expenditures but not in the revenue stream for FY17-18. There is a positive fund balance of about \$24M, which is an increase of about \$2M without new liabilities. IMRF is about 90% funded.

CAFR

Switching from the current audit format to a Comprehensive Annual Financial Report (CAFR) could increase transparency and possibly bond ratings. The District's current bond rating is AA; moving to a CAFR could help move that rating to AAA. The Village of Downers Grove, as well as Districts 68 and 99 use the CAFR format. A CAFR would require additional disclosure information about demographics and statistics. Additional cost is unknown at this time.

Review of Year-to-Date Financial Reports

The Year-to-Date reports show expenses on track, while revenue is trailing. Cash on hand is a concern, with \$1.5 M less on hand this year as compared to last. More information will be available in March.

Fund Transfer

A transfer of \$2M from the Working Cash Fund to the Transportation Fund is recommended to alleviate low cash flow due to the lack of timely state reimbursements for transportation and special education.

School Fees

The Business Office has proposed that the majority of school fees be raised by CPI, or 2.1%. However, larger increases in fees for Outdoor Education and Preschool are recommended to account for the actual cost of these programs (and expansion of Preschool from four days per week to five).

Reception of Visitors

No comments were made at this time.

Topics for Future Meeting

- Investments
- CAFR
- Longfellow
- Consumer Price Index

Adjournment

Jeff Riemer moved and Darren Hughes seconded the motion to adjourn the meeting. Motion carried.

Adjourn

Meeting adjourned at 8:02 a.m.