

**Hempfield School District  
Finance Committee Minutes  
December 6, 2011, 5:00 pm**

**Attendance:** (Board) Bob Sauders, Bill Otto, Lauren Good, (Administration) Mary Lynne Kniley, Brenda Becker, Dan Forry, (Presenters) Nicole Cradic and Jill Gilbert

**Discussion items:**

- **Presentation by Trout Ebersole & Groff LLP**
  - Nicole Cradic and Jill Gilbert brought a summary of the audit report, and reviewed various highlights of the financial results with the group.
    - The audit has an unqualified or “clean” audit opinion, and only a minor procedural notation within the items cited.
    - A summary of financial results was reviewed. The General Fund ended the year with about \$124 thousand added to the fund balance, and \$1.1 million was added to the retirement reserve to continue to build a balance for the pending PSERS rate spike issues. Results of other funds were also reviewed. Particular recognition was given to the profit turnaround in the Food Service/Cafeteria Fund.
    - There was discussion about audit process, and a suggestion made that in future years, we build in time for the auditors to meet with the Finance Committee without administration members in attendance as a normal part of the process. This would be in addition to the Board President having a meeting with the auditors as has been done in the past.
  - The audited financial statements will be posted publicly on the district website after board approval.
- **Budget process for 2012-13**
  - Mary Lynne shared that the PDE-2028 form will be prepared in the next couple of weeks, as PDE just made the web-based software available for that process. There was a handout that summarized the current financial outlook for 2012-13, which shows a budget shortfall of about \$4.4 million. There was some discussion about the timeline for what must happen when; next steps include posting of the PDE form for the public, advertisement of the pending adoption and application for exceptions, and the January vote on the Preliminary Budget. Ultimately a balance budget must be developed and adopted by the end of June for the new fiscal year that begins July 1, 2012.
- **Financing update**
  - Mary Lynne brought the committee up to date on the status of the variable rate financing. Final legal review of all paperwork is continuing, with closing anticipated 12/14/2011. Signatures will be needed from the board president that is elected this evening; those documents are expected on Monday (will need to set an appointment for the signatures).
- **Other business**
  - It was noted that the April 24<sup>th</sup> date on the upcoming meeting schedule is the return trip for those attending NSBA in Boston, so that meeting will need to be rescheduled.
- **Future meeting dates** (meetings scheduled at 4:30pm in board conference room unless otherwise noted):
  - February 7, 2012
  - March 6, 2012
  - April 24, 2012 (note that this will need to be rescheduled)
  - June 5, 2012