

**GRAND FORKS SCHOOL BOARD
AUDIT COMMITTEE
GRAND FORKS PUBLIC SCHOOL DISTRICT #1
MEETING MINUTES
November 28, 2017**

A meeting of the Grand Forks School Board Audit Committee was held on Tuesday, November 28, 2017, at the Mark Sanford Education Center with Douglas C. Carpenter presiding.

Committee Members Present: Doug Carpenter, Matt Spivey, Elizabeth Meihaus, Dr. Larry Nybladh, and Ed Gerhardt. **Committee Members Absent:** None.

Others Present: Brady Martz Auditor Brian Opsahl, Michelle Emineth, Mary Osowski, Meeting Secretary Cindy Johnson.

Call to Order. Carpenter called the meeting to order at 5:06 p.m.

Review of 2016-2017 Audit Report. Copies of the draft 2016-2017 Audit Reports and Management Reports for Grand Forks Air Force Base Public School District No. 140 and Grand Forks Public School District No. 1 were reviewed. Opsahl reported that both districts were issued an Unmodified Audit Opinion, which is a clean audit. Opsahl also reported that there were no deficiencies and no findings for both districts.

The following District #140 highlights were discussed:

- The total net position as of June 30, 2017 was \$346,146 restricted for capital projects and \$1,837,848 unrestricted for a total of \$2,183,994.
- The total general fund balance as of June 30, 2017 was \$264,770.
- Per the Generally Accepted Government Auditing Standards, also known as the Yellow Book, there were no findings or comments.
- Per the Uniform Guidance Audit (Single Audit Report), an unmodified, clean opinion was given for the federal Impact Aid program with no findings on internal controls.

Matt Spivey joined the meeting at 5:16 p.m.

The following District #1 highlights were discussed:

- The management letter contained some recommendations that were similar to last year's recommendations related to funds with deficits, none of which rose to the level of a finding. The Special Assessment, Building, and Self-Funded Insurance Funds have deficit balances. Other recommendations were to either re-issue old outstanding checks or release them to the state as unclaimed property and to have an individual other than the person performing the bank reconciliation to review and sign off on the bank reconciliations each month.
- The increase in long-term liabilities is not actually new debt but rather an increase in the net pension liability (TFFR plan).
- The total net position as of June 30, 2017 was \$66,343,779 net investment in capital assets and (\$63,442,760) unrestricted for a total of \$2,901,019.
- The total general fund balance as of June 30, 2017 was \$18,856,780.
- The total special assessment fund balance as of June 30, 2017 is (\$407,943).
- The total food service fund balance as of June 30, 2017 is \$1,984,499.
- The total building fund balance as of June 30, 2017 is (\$1,604,843).
- The self-funded insurance fund balance as of June 30, 2017 is (\$954,076).
- Per the Generally Accepted Government Auditing Standards, also known as the Yellow Book, there were no findings or comments.
- Per the Uniform Guidance Audit (Single Audit Report), an unmodified, clean opinion was given for the federal Head Start program with no findings on internal controls.

Administration reminded the committee that the operating deficit in the general fund was planned due to deferred maintenance expenses. The deficit in the self-funded insurance fund was not planned but administration was aware it was coming, which is why premiums were increased.

The audit reports will be forwarded to the appropriate school boards with a recommendation for approval.

Approval of Minutes. It was moved by Spivey and seconded by Carpenter to approve the minutes of December 14, 2016, as written. Motion carried unanimously.

Adjournment. There being no further business, Carpenter declared the meeting adjourned at 5:42 p.m.

APPROVED _____
(Date)

Douglas C. Carpenter, Committee Chair

DRAFT