

MID-STATE SPECIAL EDUCATION
EXECUTIVE COMMITTEE MEETING
Regular Board Meeting
Official Minutes
November 15, 2017

PROCEDURAL BUSINESS

The regular meeting of the Mid-State Special Education, Executive Committee was called to order by Chairman Mr. Fred Lamkey at 10:11 a.m.

MEMBERS PRESENT

Mr. Dave Meister, Morrisonville; Dr. Gregg Fuerstenau, Taylorville; Mr. Fred Lamkey, Edinburg; Mr. Jason Bauer, Pana, Mr. Ron Graham, South Fork; Dr. Scott Doerr, Nokomis; Mr. Brad Turner, Mulberry Grove; Dr. Wes Olson, Bond County; Mr. Mike Shackelford, Brownstown; Ms. Julie Healy, St. Elmo; Ms. Melissa Ritter, Ramsey; Mr. David Powell, Hillsboro Ms. Debbie Poffinbarger, Litchfield; Dr. Becky Schuchman, Carlinville; Mr. Aaron Hopper, Panhandle.

OTHERS PRESENT

Mrs. Angela Armour, Director; Mrs. Lyn Becker, Administrator of Special Education Services; Mrs. Brandy Buske, Administrator of Special Education Services; Mrs. Michelle Rexroad, Business Manager; Mrs. Vickie Throne, Secretary; and Shera Hunt Secretary

Recognition of Visitors: Ms. Robin Yockey, Auditor

MEMBERS ABSENT

Mr. Rich Well, Vandalia

NEW BUSINESS

Ms. Robin Yockey, Auditor with Mose, Yockey, Brown, & Kull, LLC presented the FY17 Audit. The reports provided were: Mid-State Special Education Consolidated Annual Financial Report, Mid-State Special Education Central Annual Financial Report, Bond/Fayette Region Annual Financial Report, Christian Region Annual Financial Report, and the Montgomery County/Carlinville Region Annual Financial Report. Ms. Yockey reported that she will present all reports together. She provided a comparison of fund balances for Fiscal Year 2016 to 2017. Included in the Consolidated Annual Financial Report is the reporting that is recognized by ISBE. She noted a difference this year is the second report that is included in the financial statement. It is the report that states that the audit was performed in accordance with Government Auditing Standards which holds us to a higher level. All school districts and joint agreements in the State of Illinois are required to have an audit performed under Government Auditing Standards. It requires that we be in compliance with certain provisions of laws, contracts, and regulations. It also focuses on internal controls over financial reporting. Mrs. Yockey reported that there were a lot of changes in the business department, administration and new bookkeeping software. The new software also changed the account structure by trying to bring it all under one reporting entity rather than having four separate accounts as in prior years.

As a result of all the changes, when Ms. Yockey received the unadjusted fund balances it was noted that there were material misstatements in several areas. Ms. Yockey detailed those referring to the actual finding sheet. Federal funds were overstated, the amount of flow-thru to our recipients was understated, there were some misclassifications of personnel money, and payroll liabilities had a large debit. The

actual payment for payroll liabilities posted to the ledger ahead of the July 1 payroll which created some material differences. She explained when there are a lot of adjustments the auditor is required to ask why and to evaluate internal controls. Included in the report this year, there is a finding that states there is material weakness of internal controls of financial reporting. The recommendations included the setup some new accounts to have separate flow thru accounts for different types of revenue as well as different transfer accounts to better track the funds. This will allow for the executive administration level to be able to monitor the flow thru revenue and see that it matches the transfers to either sub regions or member districts. Ms. Yockey reported that under the Uniform Guidance Report that there were no compliance findings or findings over internal control related to the federal grant.

Ms. Yockey reviewed the Results of Operations and noted that there are some changes affected by the timing of receipts and disbursements. She noted the consolidated amount is almost a break even. Material Variances were finally phased out as we no longer consider the personnel payments as revenue since they are flowed to the districts. Disclosure of Highlights note that deposits are adequately collateralized, no expenditures were over budget, and there was a line of credit approved and in place but not drawn upon. New commitments included were a copier lease agreement and computer service contract.

Ms. Yockey reported on the GASB 68 Pension Disclosures. The Disclosure of State Liability is approximately \$68,000,000. Ms. Yockey reported that if on an accrual basis, pension liabilities included on financial statements is \$2.0 million for TRS liability and \$894 thousand for IMRF.

A motion made by Mr. Graham and seconded by Mr. Turner to approve the FY17 Audit, as presented, carried by a roll call vote of 15 yeas, 0 nays.

Mrs. Armour reported that during the audit Ms. Yockey provided a legal reference related to procurement standards for non-Federal entities and indicated Board action was needed to document use of previous procurement standards. Mrs. Armour reported that we are awaiting legal direction on this from our attorney. Mrs. Armour is recommending that we add this under old business for our December meeting since we are waiting on legal direction.

Mrs. Armour reported that she has been working through the PRESS policy updates. Merry Rhoades has reviewed and provided input. Mrs. Armour reported that most changes are just wording changes such as “district” to “joint agreement.” In working with the attorney Mrs. Armour discovered that there was a revision of Policy 6:120-AP 1, Special Education Procedures Assuring the Implementation of Comprehensive Programming for Children with Disabilities, in May of 2015 recommended by the Illinois Council of School Attorneys (ICSA) and IASB. An update was not made to MSSE policy at that time, so review and revision of this administrative policy is recommended. Mrs. Armour reported that the MSSE Policy Committee will meet briefly following the Board meeting to offer direction, if needed. The following policies are included for First Reading: Policy 2:260 Uniform Grievance Procedure, Policy 6:120-API Special Education Procedures Assuring the Implementation of Comprehensive Programming for Children with Disabilities, Policy 8:70 Accommodating Individuals with Disabilities. Policies undergoing 5 year review: Policy 2:220-E3 Closed Meeting Minutes, Policy 4:70 Resource Conservation, Policy 4:170 Safety, Policy 7:80 Release Time for Instruction/Observance, Policy 7:160 Student Appearance and Policy 7:725 Orders to Forgo Life-Sustaining Treatment.

A motion made by Mr. Bauer and seconded by Mr. Hopper to approve the First Reading of Policy Revisions/Updates and Policies Undergoing 5 Year Review, carried by a roll call vote of 15 yeas, 0 nays.

Mrs. Armour reported that the MSSE Finance Committee met on Tuesday, November 14th to discuss allocating the Evidenced-Based Funding payment to districts. It has been confirmed that the FY18 dollar amount to be received for GSA for this year is the exact same number as Personnel Reimbursement for last year. Mrs. Armour reported that Dr. Doerr pointed out that legislatively down the road there may need to be a fix for the personnel reimbursement. The recommendation of the Finance Committee is to

maintain the distribution for each district based upon the previous receipt of Personnel Reimbursement by Mid-State for FY17. This number for each district is divided by the 22 pays we anticipate receiving. The plan is to flow the prior months payments received to each district. Mrs. Armour noted that special accounts have been set up in SDS to track the payments.

A motion made by Dr. Doerr and seconded by Mr. Powell to approve the recommendation of the Finance Committee related to Evidenced-Based Funding Flow-Thru/GSA received by Mid-State to the member district carried by a roll call vote of 15 yeas, 0 nays.

CONSENT AGENDA

The Balance Sheet for October 31, 2017 as well as the FY18 receipts versus expenditures report was provided for review. The ending monthly balance for October was \$2,934,281.61. The November projected expenditures this month are anticipated at \$851,157.89 and revenue is projected at \$86,574.22. The projected November 30, 2017 ending balance is \$2,159,167.94.

The payables list for November was provided for review. The MSSE Central total \$1,096,915.83, Bond/Fayette Region total \$469.36, Christian Region total \$668.86 and MC/C Region total \$1,245.45 with notable expenses indicated.

The open and executive session minutes of the November 15, 2017 meeting, the destruction of executive session audio recordings older than 18 months, the financial report and approval of bills were presented for approval.

A motion made by Mr. Graham and seconded by Dr. Schuchman to approve the consent agenda, carried by a roll call vote of 15 yeas, 0 nays.

UNFINISHED BUSINESS

None

DIRECTOR'S REPORT

Mrs. Armour reported that on November 8th at Litchfield High School and on November 9th at the MSSE office, Gary Wright, Teachers Coalition on Health consultant for Egyptian Area Schools Trust, provided a very valuable informational meeting to employees regarding insurance changes.

Mrs. Armour encouraged districts to contact us to verify the Special Education Pre-Kindergarten numbers as they are finalizing the base enrollment numbers for EBF.

Mrs. Armour reported that November 13th through November 17th we celebrate National School Psychology Awareness Week with schools around the country. This allows us to highlight the important work school psychologists and other educators do to help all students thrive.

Mrs. Armour reminded everyone that all bookkeepers and superintendents are welcome to attend a training we are hosting on December 1st at 10:00 a.m. Our ISBE IDEA Grant Coordinator will provide information on the IDEA grant, completion of MOE and Excess Cost and we will have time to answer questions and work on completing Excess Cost.

EXECUTIVE SESSION

A motion made by Mr. Turner and seconded by Mr. Powell to enter into Executive Session carried by a voice vote of 15 yeas, 0 nays at 10:42 a.m.

A motion made by Dr. Olson and seconded by Mr. Graham to return to open session carried by a roll call vote of 14 yeas, 0 nays at 11:14 a.m.

ACTION ON BUSINESS ITEMS FOLLOWING EXECUTIVE SESSION

Personnel:

A motion made by Mr. Graham and seconded by Mr. Turner to employee Shera Hunt as a clerical staff member effective November 14, 2017, carried by a roll call vote of 12 yeas, 2 nays.

A motion made by Mr. Powell and seconded by Mr. Graham that Vickie Throne be appointed as the Mid-State Executive Secretary with her salary adjusted, as presented, effective October 26, 2017 carried by a roll call vote of 11 yeas, 3 nays.

DISCUSSION

The next Executive Committee Board meeting is scheduled for Wednesday December 20th, at 10:00 a.m. at the Mid-State office in Morrisonville.

Mr. Shackelford reported that he is unable to secure a certified school nurse. He asked if it would be possible to have Mid-State hire a nurse to help in districts when evaluations are needed for annual reviews. Discussion occurred.

ADJOURNMENT

A motion made by Mr. Graham and seconded by Mr. Fuerstenau to adjourn the meeting at 11:30 a.m.

Respectfully submitted,

Mrs. Vickie Throne, Executive Secretary

Chairperson

Date

Executive Secretary

Date