

**Minutes for Thursday, March 2, 2017 South Hero School Board Meeting  
At Folsom Education & Community Center**

**6:04 p.m.** Meeting called to order by Kris Bowser, Board Chair

**In Attendance:** Kris Bowser, RJ Sweeney, Bentley Vaughan, Board members; Emily Bowser, Board Secretary; Lynn Carpenter, GISU Business Manager; Randall Northrop, Auditor; Tim Maxham, Melanie Henderson

**Adjustment of Agenda:** none

**Review of FY16 Audit,** presented by Randall Northrop

- The Opinion is modified, due to the auditor being unable to determine cash balances of some accounts and/or activity for most, if not all, of the duration of FY16.
  - The Treasurer presented the argument that she didn't have bank statements for the accounts in question and that the banks were refusing to give them to her. In Mr. Northrop's experience he believes this to be an untenable position for her to hold.
- There are several accounts and funds which are now included in the audit report. For whatever reason, they were not included in prior years' audits.
- Mr Northrop made the following recommendations to the Board:
  - Regarding bank statements, the Treasurer should obtain and maintain all statements and give copies to the GISU office, or the Board.
- Review of Internal Control Report:
  - Bank Statements are not being kept. Mr. Northrop recommends the Treasurer obtain/maintain all bank statements and give them to GISU and/or Board.
  - Fiduciary and governmental money must be kept separate. Currently the Treasurer has them commingled.
  - Not all bank balancing accounts have been reconciled, however Mr. Northrop believes this will be rectified by the end of the fiscal year and is working with Lynn Carpenter.
  - School accounts have multiple signatories. State statutes mandate that only the Treasurer (and Asst. Treasurer if one exists) be signatories for school monies.
    - Kris Bowser asked who is addressing this issue. Lynn Carpenter reported that the SU is taking steps to resolve this.
  - Financial activity is not being reported to Board accurately. The Treasurer maintains accounts that are not reported to SU, so Board cannot get, and has not gotten, accurate financial statements. Mr. Northrop recommends that the SU and Board pursue rectifying that, but is not optimistic that they could resolve that issue.
  - There are funds without policies/rules about using monies. Fiduciary money (bequest, etc) often comes with direction for use, but if that's been lost, as it

seems to have been in several cases, the Board may require Judicial approval to utilize those funds.

- The board has over \$100,000.00 that is not insured or collateralized. In the event that the bank holding those funds fails, that money will be lost. However, Mr. Northrop found the Treasurer reluctant to rectify that.

**Board Discussion:**

- Review Town Meeting Presentation
  - RJ Sweeney asked Lynn Carpenter to clarify why there's a surplus, so he can explain it clearly.
  - Tim Maxham reviewed the Town Meeting procedure, the School Board will be presenting last.
  - The Board discussed the issue of the audit and agreed that the standard response if the issue came up at the meeting was to say that it is new information and the Board has no answers at this time, as they will have only had the audit information for two days.
  - Tim Maxham recommended talking about using the Robinson donation, and the Board agreed: it's already part of the presentation.
  - The Board discussed keeping Act 46 as a separate issue from the budget. Melanie Henderson has a presentation if it comes up, but Tim Maxham assured the Board that, as Town Moderator, he will ensure that Act 46 will be a completely separate issue from the budget discussion.
- Costco Business Account
  - The school has an Executive Costco Membership Card now, as Costco does allow purchase order systems, and the card will incur the 2% end-of-year cash-back rewards. Costco does not invoice, so meticulous record-keeping will be required.

**Board Action:**

- Kris Bowser made motion to pay bills. Motion passed unanimously.
- Kris Bowser made motion to approve minutes for 02/02/2017. Motion passed unanimously.
- Bentley Vaughan made motion to adjourn at 6:56 p.m.

**Public Comments:** none

**Executive Session:** none

**Board Correspondence/Sharing:** none

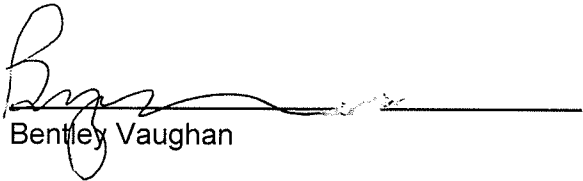
**Follow-up/Old Business:** none

Meeting officially adjourned at 6:56 p.m.

Next meeting will be Thursday March 16th at 6:00 p.m. Folsom Education and Community Center

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Kristina Bowser

  
RJ Sweeney

  
Bentley Vaughan