

FINANCE COMMITTEE REPORT

Thursday, November 20, 2014

UPDATE:

The Finance Committee met on October 27th. The following items were discussed:

A PRESENTATION WAS GIVEN FOR THE 2013-14 AUDIT

Ed Furman from Maillie, LLC, presented the 2013-14 audit presentation. Mr. Furman discussed the audit process this year and how data is collected and processed by the on-site auditors. Changes to the financial statements for the year ending 6/30/2015 regarding unfunded pension liability were discussed and it is estimated the value will be approximately 3x payroll expenses. Maillie is presenting an unqualified audit opinion of the 2013-14 financial statements. The Committee will move forward with approval of the final audit report at the November full board meeting.

Informational Items

Revenues/Expenses & Balance Sheet	The committee discussed current year estimates to the end of the year. It is too early in the fiscal year to generate long-term projections.
General Fund Financial Reports	Mr. Skrocki noted current real estate tax revenue had caught up to prior month based on collections after September 1. Mr. Skrocki also noted that delinquent real estate taxes are lagging as compared to the prior year. Total expenditures for 2014-15 are higher through the end of September compared to the prior year because of a \$3 million transfer to the self-insurance fund.
EIT, Transfer and Delinquent Property Tax	Mr. Skrocki noted the district realized strong earned income tax (EIT) collections in September and were \$600 thousand higher year to date compared to last year. Real estate transfer taxes are about \$382 thousand less than last year.
Community Education Fund Statements	Mr. Skrocki discussed a question from the prior month related to sports camp revenue compared to prior year. The difference is because 34k of a summer camp occurred in June which was applied to 13-14 which occurred in July of last year. Tech services 15k vs. 2k from last year to this year. Mr. O'Donnell asked that the business office review the technical salaries in the aquatics programs.
Extended Care Fund Statements	Revenues are up 58k from last year due to tuition and lunch price increases.
Nutrition Services Fund Statements	Operating revenues up 13k from last year and net income up. Mr. O'Donnell requested a report of current staffing to current student enrollment for each building for next month's meeting.

OTHER BUSINESS

Enterprise Fund Balances	Mr. O'Donnell questioned what appropriate fund balances would be for each of the enterprise funds. He discussed that the extended care fund balance does not need to be set with a 3 month operating revenue standard and money could be used from community education for other purposes. Mr. Skrocki explained that the school nutrition and extended care funds are in a "survival" mode and operate to break even because of increased costs in payroll and benefits. Mr. O'Donnell will defer to the business office for reviewing appropriate fund balances for these funds moving forward.
Bill Payment Process	Mr. Skrocki explained the current bill payment process and the district's obligations to paying for expenses for goods and services. A sample of another district's policy was presented to show how checks can be approved for ratification after payment instead of approval for payment before disbursements are made. Mr. Brown had questions related to examples 1 to 8 on page one of the sample of which Mr. Skrocki explained the specific examples. The committee is supportive of the concept which will be moved to the ECP committee to draft a policy.
Budget Timeline/Process	The 2015-16 budget calendar was presented with key dates noted: Feb 10, May 12th, and June 18th. May's work session was recommended to be used for the preliminary final draft approval because of the 30 day public notice requirement which will be setup as an action meeting (similar to the Feb 10th meeting). Mr. O'Donnell requested the calendar be sent to the full board.
Delinquent Real Estate Tax Collection	Mr. Skrocki discussed the 5% collection fee to delinquent taxpayers and how the district is currently absorbing those fees. Changing the policy to bill taxpayers for this fee would require board resolution with a 1/1/15 effective date (not retroactive) which would apply to the July 1, 2014 tax bills. The tax collector will put out notice for delinquent tax collection in November and this notice will include a note that taxes turned over as delinquent will now incur the 5% collection cost. The committee will move this forward to a work session for approval to change to the new methodology. This change will realize a savings of approximately \$180 thousand per year.
Grant Update	Expenses for the contracted grant writer are approximately \$22 thousand year-to-date. The district is receiving a Dow grant for \$30 thousand for STEM initiatives and a PDE food service equipment grant for a new oven/steamer costing \$29,200 at Oak Park Elementary.
Summary of Items Moved to Work Session and/or Action Meeting	Draft of bill payment policy to ECP committee.
	Presentation of Final Audit to the full board in November.
	Delinquent tax collection 5% fee methodology to the November Work Session.

The next meeting will be on Monday, November 24, 2014 at 6:30 p.m. or following the Support Services Meeting