

Finance Committee Minutes
August 1, 2013

Meeting was called to order at 6:30 a.m. at the Pana Unit Office Board Room

Meeting was called to order by Clint Foor.

Members present: Metzger, Beyers, Foor

Members absent:

Superintendent Present: Yes

Visitors: David Dively

The committee discussed the following:

1. *Approval of the Minutes from June 6, 2013.* Motion by Metzger; Second by Beyers.
2. *Review FY13 End of Year Financials* – Dr. Lett indicated that Robin Yockey will be at the Oct. meeting with the audited numbers for FY13. Unaudited the deficit for FY13 Ed. Fund was (\$479,233), much better than the projected deficit (\$1,102,296). Dr. Lett reviewed each of the projected fund balances and explained why the unaudited deficit was lower than the projected. One significant reason was the timing of the receipt of revenues and some revenues being higher than expected, i.e. Corporate Personal Property tax. Also, some expenses were lower than expected such as utilities due to receiving better rates from third party suppliers.
3. *Review of Tentative FY14 Budget* –Dr. Lett indicated that the projected deficit for the Ed. Fund for 2014 is \$1.2 million. The total deficit is \$1.39 million. O& M funds will be used to replace roofs on the elementary schools. The sales tax revenue collected will be received in Fund 60 and then transferred to Fund 20 to replenish the fund for the expense of the roofs. The legal opinion obtained supports the district's ability to finance the roof replacements in this manner.

We would like to get a better rate of interest on the Lola Elliot funds used to support the art programs. Currently the rate is .2%. At the present time, the district is spending down the accrued interest on the account to pay for materials and supplies.

The Transportation fund is a great concern. FY13 ended with a positive fund balance of \$11,736. Dr. Lett is expecting a significant deficit for 2014. We may need to consider parent transport for co-curricular activities at some point in the future. It may be necessary for booster organizations to help with transportation and our basic program needs. The Transportation Fund could be out of money by the end of the following year. Working Cash could provide short term help with this problem, but the district will need to find ways to reduce costs.

Dr. Lett explained that the big cost for the Tort Fund is insurance. A percentage of administration salaries are being paid from Tort. The Risk Management Plan is conservative on this issue. He explained that we could do a time study to determine if the current amounts could be increased. Bushue may be able to help with this.

Dr. Lett reviewed the notable revenue and expense changes for FY14. For revenue these included decreased interest and prorated GSA. Notable expenses included Cornerstone (\$126,675), Mid-State Special Education (\$96,700), and SES (\$105,200). Dr. Lett indicated that GSA proration remained at 89% of 2011 GSA. Enrollment has continued to drop. We have lost all of the 200 students gained from Tower Hill annexation.

4. *Other Financial Considerations* – Mr. Dively shared information with the Committee on proposals received by Xerox and T.A.P. to replace the copiers located at the High School, Jr. High, and Unit Office. The proposals included both a lease option and a purchase option. Dr. Lett pointed out that unlike the lease option; the district did not have a revenue stream for the purchase option. After some

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discussion, the Committee asked that information on a 3-year lease proposal be sought and to find out what the warranty on the equipment would be if it was purchased. Dr. Lett indicated to the Committee that he would work with Mr. Dively to put together a recommendation for the August BOE meeting.

A motion was made by Beyers and seconded by Foor to adjourn the meeting of August 1, 2013 at 8:27 a.m.

Member

Member