

1. Status of 2014-2015 revenues/expenses vs. budget

- Explanation of any deviations between budget and projected actuals

Current revenue is higher than estimated budget amounts. EIT and real estate total about \$450,000 more. Expenses are tracking close to budgeted amounts. Deviations less than \$100,000 in each category. May not end up with deficit on supplies. Spending has essentially stopped. Dr. S puts a hold on spending each January.

- Projected fund balance for 6/30/2015 in each fund balance category
 1. Non-spendable
 2. Restricted
 3. Committed
 4. Assigned
 5. Unassigned

Eric handed out summary of fund balances. Listed amount in each category.

Athletics assigned fund = \$43,770. Used for trips and expenses. Is this too much? Previous budgets had far more in this fund but we should only be using it for officials and certain limited purposes. We never get below \$30,000+ in this fund. Should move some of this money to another fund category. Our annual contribution to this fund is adequate, but the total amount is too high to begin with. Eric can consider reducing or eliminating our contributions to the athletic/activities assigned funds for a year to bring their balances down to a more reasonable level. Dr. S and Eric will consider the amount to reduce.

Should we move some/all of the Committed amount to a separate fund? Put it into separate accounts to highlight the purpose of each fund. Would this have an impact on our bond rating? Eric will look at it.

- Impact of Policy 626 on our various fund balance categories: "The School District will strive to maintain an unassigned general fund balance of not less than five percent (5%) and not more than eight percent (8%) of the budgeted expenditures for that fiscal year."

We have an estimated \$549,000 to move from our general fund into a committed account or other account to get under our 8% limit.

2. 2015-2016 Budget

- Grouping budget by Committee: BG&T, Communications, Athletics, Technology, etc.

Everyone agrees this format for budgets by committee is very helpful. Need to fix some reports to collect data from other accounts. Technology report needs to include cost/savings of computer leases ending.

- Develop plan for budget reports
 1. One-page budget summary
 2. Long-term apples-to-apples trend charts of actuals
 3. Summary of major changes from last year's actuals
 4. List of non-recurring expenses (one-time costs)
 5. Separating discretionary vs. contract-mandated costs

Administration will create easier-to-use reports (maybe PowerPoint slides) to make it easier to evaluate budget.

Need description of one-time expenses (e.g. band uniforms, computer purchases)

- Develop plan for Finance meetings between now and June budget adoption.

Need updated reports 1-5 each month. Will update those reports each month.

- Other topics
 1. Charter school enrollments
 2. Private school enrollments
 3. Transportation contract

Students in charters have leveled off in the past 3 years. Seems to be flat. Budgeting around \$850,000 for charter costs. Can budget slightly less next year?

Private school enrollments are hard to predict. But current budget practices seem to be working to keep us within a reasonable band each year. No need for major changes.

Transportation costs are budgeted to be 5% higher. Had underestimated this in past years. Was caused by unexpected IU spike in transportation costs.

3. Long-term financial projections: Future cash flow projections to support capital plan

- Impact of lighting, roofing, HVAC, and parking lot improvements
- Need for additional funds

If we have \$550,000 in funds to transfer from our general fund balance, the committee would like to continue moving that money into the capital fund. Possibly also move interest savings from refi into capital fund as well. Could be another \$200,000-\$300,000?

With current capital fund of \$6.6 million + \$550,000 in 2015 transfer + refi savings gets us close to Matt's target of \$7.7 million.

4. Financial policies

- Handling of December & July payments as per Policy 616
- Next round of updates

Certain items are getting paid in July without being part of the authorized exempt items. We can't issue payment for items before the Board approves the expense unless it is exempted. Do we need to revisit the policy? Maybe add more exemptions? Before we revise the policy, let's try to make sure we follow the policy.

Eric's office is now redacting student names from invoices. They are trying to follow the intent of student privacy rules. But vendors continue to include names on their invoices. Eric will ask the administration and vendors about alternatives – maybe ID numbers instead of names?

Need to do a better job tracking which checks have been sent to Matt for review. This month there was a gap of 50 checks that had not been sent to Matt. Had to expedite sending them to Matt in time for the meeting. Eric will talk to his office.

5. Anticipated budget adjustments to be made this month

- Any expected this month? Next month?

None this month.

6. Debt report – Refinancing

- 2010A refinancing
- Updated bond profile

Eric sent out updated bond profile with latest info. Information needed for state reporting as well.

Eric will send out new net cost vs. old net cost.

990 series in budget is the gross amount. The reimbursement is tracked in a different account. You have to combine the two numbers to get the total net debt service.

7. Status of delinquent tax collections and tax appeals

- EIT GIS system

Dr. S met with Dave Montz to discuss GIS system for tracking unpaid EIT. Dr. S is in favor of this system. Will help us collect delinquent EIT. Should be something we do in all 3 Boroughs. Montz and Dr. S will present this system to Dormont and CS to get all 3 on board.

- Status of risk contingency fund

Allegheny County has pushed for tax-exempt properties to justify their status as tax exempt. Many are not able to justify it and will go back onto the tax rolls. Could mean an increase in tax revenue to KOSD. Annie asked our solicitor to look into this issue for us. They will get back to us. Maybe the County has a list? Story was in PG. Eric will do some homework.

8. Audit report

- Any particular items the Board should know?

Not discussed.