

RECORD OF PROCEEDINGS

NEW ALBANY FINANCIAL REVIEW AND REPORTING COMMITTEE (FRRC)

The monthly meeting of the Financial Review and Reporting Committee (FRRC) was held on Monday, April 15, 2013 at 9:00 a.m. at the Administrative Offices of New Albany – Plain Local Schools.

Members Present: Joseph Armpriester, Philip Derrow, Ms. April Domine, Ms. Becky Jenkins, Natalie Matt, Tom Pace, Mark Ryan, Michael Sawyers, Kevin Stahl and Brian Steel

Members Absent: Molly Cooper, Dave Demers, William Neville and Parag Patel

- Welcome and Introduction: Mark Ryan conducted the welcome and had everyone introduce themselves to Michael Sawyers, the new Chief of Operations & Strategic Development. The March minutes were approved also with the Members Present name change from Kevin Steel to Brian Steel.
- Accrual Reporting: Ms. Jenkins submitted a draft of the general fund modified accrual based financial statements for the committee's review/discussion.

Jared Cottrell from Kennedy, Cottrell & Richards explained the types of financial reporting contained in the District's CAFR (Comprehensive Annual Financial Report) which are: 1) Budgetary - necessary for state compliance. 2) Full accrual reporting or GAAP basis accounting and 3) Modified accrual accounting which is current assets and current liabilities/cash basis accounting.

Phil Derrow asked if it would be possible to get a bi-monthly report that captures all of the financials for the district in order to have clarity and transparency for the community. The FRRC indicated that the modified accrual does not accomplish the level of reporting they would like to see. Ms. Jenkins asked more questions around what the committee was trying to accomplish with the accrual based reports. This is a time intensive process because the day-to-day processing is required to be completed on a cash basis.

After further discussion Ms. Jenkins explained that some of the information already presented in the financial report accomplishes some of the goals of the committee. One such goal is to "flatten" out the variances (ie. When there are three pays in one month). Ms. Jenkins advised the committee that she will bring Jared Cottrell back to a future board meeting to review the CAFR to get a better idea as to whether the annual CAFR accomplishes the reporting goals of the group.

- Financial Reports – March 2013: Ms. Jenkins asked that the members advise which reports they wanted to see each month. Ms. Jenkins explained each page of the financial report so everyone knew what each page encompassed.

Per Ms. Domine, this summer an IT Advisory Committee will be formed to help navigate the new direction for our district.

- Bond Financial Update: Ms. Jenkins advised that she, Ms. Domine and BOE president, Laura Kohler, will be traveling to NYC on Ms. Domine 25 and 26 for the districts bond rating. Ms. Jenkins advised that May 15 is the market projection date for this event.
- May 5-Year Forecast Planning: Ms. Jenkins advised that there will be much planning going on in the district during the summer months on the forecast. Ms. Jenkins wants to meet with the new city

financial officer to discuss forecasting income tax sharing revenue. She advised that property tax collections were received as expected and that expenditures for FY13 should remain at the current levels but future years may be adjusted in the October forecast once the administrative team completes their planning over the summer months.

Ms. Jenkins also told the committee that casino revenue would likely double in FY14. FY13 payment was approximately \$96,000. And although HB59 shows New Albany receiving an additional \$150,000 in FY14 and FY15 we are holding state funding flat until the legislative process is complete which is likely to be June, 2013. This is after our May 31 filing deadline. Any adjustments will be made in October.

- Next Steps/ Building Updates: Ms. Domine advised that the site work will begin in earnest this summer. Corna-Kokosing has been named our construction manager at risk and negotiations are underway for their contract.

Ms. Domine advised the committee of important meetings that will be coming up that they may wish to attend:

- 4/22 BOE meeting. The second schematic design of the new building will be previewed. There will also be additional staff meetings in the coming weeks.
- 5/6 BOE Work Session. This meeting will concentrate on staff user groups as well as final edits and designs for the new building.
- 5/13 FRRC meeting. Final edits and designs for the new building will be presented at this meeting.
- 5/20 BOE meeting. The BOE will vote on the 5 year forecast.

- Health Insurance Review: Ms. Jenkins handed out copies of the insurance proposals to all members. The RFP's had increases from 5.3% to 13.9%. United Health Care, Anthem and Medical Mutual have all been interviewed by our Insurance Committee. There is an Insurance Committee Meeting scheduled for the day after the FRRC meeting.
- Next Meeting: May 13, 2013 (9-10:30 am). The meeting was adjourned at 10:28 a.m.