

CFRC August, 2012 Report to the Board of Education
Jane Rattenni, Chair

The Community Financial Review Committee met on Monday, August 13. The Committee currently has two seats open including a Community Member and a Member from the Red Clay Education Association. An advertisement went in the Back to School issue of the Red Clay Record to recruit a community member.

The Committee reviewed the FY12 close out report. Revenues were 103.22% of budget with the largest difference coming in Division I salary. Because it was the first year of needs based funding, the district received \$5.1M more in Division I salaries. Tax receipts also exceeded budget due to successful collections. The delinquency rate has been reduced in the FY13 budget to account for the consistent annual collections by NCC. Areas below budget were CSCRP which was only 69.85% based on reductions in Medicaid reimbursements. Additionally, indirect cost recovery was only 69.07% based on lower grant expenditures as of 6/30/12. Indirect cost recovery can only be taken on actual expenses and not encumbrances.

The Committee discussed that a few program and school budgets actually exceeded 100%. Each case was reviewed. This was due to the very late charging of payroll on June 29 and not a result of budget mismanagement. Programs that exceeded only did so by small amounts but the timing of the late payroll provided no opportunity for adjustments and June payments for after school EPER and professional development are not easily forecast based on the automated approval process. Overall expenditures for the district were 98.3% with 100.2% encumbered and expended. In general, there were no concerns expressed by the Committee with the FY12 reports. Year- end actual revenues and expenses will be reviewed again in the FY13 preliminary budget.

The Committee reviewed the FY13 Tax Rate development and approved rates totaling \$1.632. This represents an overall reduction of \$.03 per \$100 of assessed value or an estimated decrease of \$22.76. An average taxpayer in Red Clay would pay \$1261 on an assessed value of \$75,871.

The Committee discussed the upcoming presentation schedule for FY13 including the following:

September:	Barbacane Audit, Major Cap Update, FY13 Preliminary Budget
October:	First State School
November:	IDEA
December:	Federal Grants
January:	Final Budget
February:	Curriculum
March:	Partnership Zones
April:	Federal Programs/Federal Reporting
May:	Technology/Data Service Center
June:	Year-End Close Out

The next meeting will be Monday, September 17 at Brandywine Springs. The Committee will review the completed Barbacane audit, the FY13 preliminary budget and an update on major capital improvements will be given.