

RECORD OF PROCEEDINGS
NEW ALBANY FINANCIAL REVIEW AND REPORTING COMMITTEE
(FRRC)

The first meeting of the Financial Review and Reporting Committee (FRRC) was held on Monday, May 17, 2010 at 9:00 a.m. at the Administrative Offices of New Albany – Plain Local Schools.

Members Present: Steve Castle, Mike Covey, David Demers, Philip Derrow, Laura Kohler, Cheri Lehmann, Christopher Luffler, Dave Maul, Brian Ramsay, Ken Stark

Members Absent: Lesa Shoemaker

- Introduction: Brian Ramsay welcomed everyone to the meeting and shared the meeting dates for the remainder of this calendar year. Brian also passed around a bio of himself and then had everyone in the group introduce themselves.
- FRRC Roster: Brian discussed the roster. The only addition was Mike Covey, PLEA President, and an OAPSE representative to be named later.
- FRRC Guidelines: Laura Kohler did a broad over-view of the guidelines and reiterated that they felt strongly about establishing best practices.
- School Finance Introduction: Brian Ramsay advised that because school funding is very different from corporate accounting, Dick Maxwell, a highly regarded expert in Ohio school financing, will be conducting a review and answering questions at future FRRC meetings. He also, explained that in school funding there is a cash carry-over balance and not a surplus. Under Ohio school law, cash method of accounting is used not accrual accounting. Brian also commented that the difference between this committee and the other committee is that this one is a Board committee and subject to the sunshine laws while the other committee was a quarterly administrative committee not governed by sunshine laws.
- Meeting Minutes: It was discussed by Dr. Castle that the meeting minutes will be emailed in draft form from Brian Ramsay to all members then after corrections are made, a final version will be emailed to all members as well as being posted on the website of the school district.
- Committee Expectations and Questions:
The committee members had the following requests, questions and expectations:
 - Provide detailed monthly financial statements such as the reports given to the Board of Education.
 - Provide projections of where the district will be at the end of the school year.

- What did or did not work in the past quarterly administrative meetings? Results? Efficiency?
 - Any other districts who are doing committees like this so we can compare and learn from them?
 - Comment column on variance reports.
 - Unresolved issues from Administrative Committee.
 - Special issues or issues at hand (i.e., turf for the football field).
 - Dr. Castle distributed a copy of the February 22, 2010 agenda for the Community Financial Advisory Committee for reference.
 - Can monthly Board of Education financial report data be exported to excel? No, the state software system does not provide a mechanism to download information into Excel since this is historical information.
- April Monthly Variance Reports: Brian presented a broad over-view of the monthly variance report. These reports are given at the Board meetings, and to the Board of Education on a monthly. The revenue variance for the month was seven (7%) percent due to timing. The expense variance was slightly over one (1%) percent and on target for the month of April.
 - Brian explained that the village has been very accurate in the income tax sharing agreement with the school district and that this form of revenue has worked out well for New Albany – Plain Local Schools. The agreement has helped the school district.
 - The village collection is on a calendar year and the New Albany – Plain Local Schools is on a fiscal year schedule, so adjustments to the collections are done each year.
 - Revenue Year-To-Date Report: Brian presented an over-view of this material.
 - Expenses Year-To-Date Report: Brian presented this information and advised that by having less expenditures than projected, this will allow the school district to stay off the ballot for as long as we can. School districts who have a cash carry over balance either prolong the next levy request, decrease the next levy and the carryover amount is used to determine school district credit rating, which would lower interest rates for borrowing. The school district is rated Aa+ by Fitch Rating Agency and Aa³ by Moody's Investments due to its strong fiscal management and positive carry over balance.
 - Questions / Feedback:
 - Per Brian, there will be a \$5 million expense item next year. The item is medical insurance. This will be up by approximately \$700,000 from this

year's expense. It is recommended that the New Albany Plain Local Schools will be changing insurance carriers. Insurance projections have gone up from 5% to double digit range and this will affect the 5 year forecast. July will be open enrollment for the new insurance plan so that deductions can be made in June for July premium payments.

- Carry over cash position – it was requested that this be reported monthly and reconciled.
- It was asked if a listing of all committees could be presented at the next meeting.

Adjournment: The meeting was adjourned at 10:35 a.m.