

**Finance Committee Meeting  
Tuesday-May 17, 2016**

**CBOC Members Present:**

Allen Stafford	Dean Swingle	Carla Costa, Teacher
Patrick Davis	Steve Burke	Trish Oliphant
Jennifer Scott	Chris Benjamin	

**Guests:**

Pam Baker, BARBACANE, THORNTON & COMPANY LLP

1. FY16 Audit- BARBACANE, THORNTON & COMPANY LLP-
  - a. Pam Baker from our auditing firm, BARBACANE, THORNTON & COMPANY LLP, discussed the FY16 audit process and changes.
  - b. Pending legislation and its potential impact we discussed.
  - c. A proposal was made by the auditing firm to extend our contract for an additional 4 years.
    - i. Decision needs to be made by June 30, 2016.
2. FY16 YTD Financial Reports
  - a. Revenue receipts aligned with projections
    - i. Total YTD local funds transferred to 98178, "Sports", = \$150,000
      1. Additional transfers totaling \$23,000 authorized
  - b. Expenses are at 82% of budgeted amounts- we are 83% through the fiscal year
    - i. Related notes about effects of April on FY16 budget
      1. April consisted of 3 pay periods
        - a. Overall expenses for Salaries = 83%
        - b. OEC's and Health Insurance = 84%
          - i. 2 employees added to HI in April
      2. Substitutes costs continue to be above anticipated due to:
        - a. Bereavement leave
        - b. Illnesses
        - c. Testing needs
3. FY16 Budget Update
  - a. Revenues
    - i. YTD- \$29,221 more generated than anticipated
    - ii. Will generate additional local interest, federal funds, and cafeteria
  - b. Expenses
    - i. Unpaid invoices either not received or recently submitted
      1. Custodial Supplies- \$5,500
      2. Technology for STEM- \$18,000
      3. B/G Equipment for softball field- \$14,640

- 4. Communications Pathway Contracts- \$828 +\$???
- 5. Library Circulation Desk-
- 6. Gate conduit- \$4,000
- 7. Gate repair/replacement- \$???
- 8. Grill- +/- \$2,750
- 9. Ice Machine- \$2500
- c. Anticipated surplus \$80,000 (1.3% of budget) to \$115,000 (1.9% of budget) based on currently projected May and June expenses

4. Preliminary FY17 Budget

a. Revenues-

- i. Based on May 1 unit count of 39.32
  - 1. Federal amounts received 5/17/16
  - 2. State and Local estimated 3 ways
    - a. Proposal 1- Revenue estimator spreadsheet from DOE
    - b. Proposal 2- Based on the average amount from FY 14, 15, & 16
    - c. Proposal 3- Based on FY16 per unit 2actual amounts
  - 3. Other revenue projections based on FY16 amounts or estimates based on past performance

b. Expenses

- i. Personnel and OEC's (including health insurance) based on a 1.25% increase for all staff. COLA for 2016 was 0%. Governor is asking for a 1% increase on the state portion of all employees' salaries.
  - 1. OEC's increase 1.38% from FY16
  - 2. Health insurance increased for anticipated new staff
- ii. Supplies and Materials based on prioritized budget requests submitted by programs, team, departments, and support services for anticipated supplies, materials, and equipment needs.
- iii. Other expenses based on bids submitted for RFPs and on actual FY16 expenses.

c. Anticipated surplus impact of 3 proposals

- i. Proposal 1- relies on using \$165,773 of reserve funds
- ii. Proposal 2- relies on using \$191,745 of reserve funds
- iii. Proposal 3- relies on using \$53,009 of reserve funds

d. A preliminary budget including Proposal 2 revenue projections will be presented for consideration at May 18, 2016 meeting.

e. Prior preliminary budgets -vs- Final

Fiscal Year	Prelim Rev	Final Rev	Diff	Prelim Exp	Final Exp	Prelim Rev vs Exp	Yr End
14	\$4,167,198	\$4,400,710	\$233,512	\$4,463,201	\$4,571,337	-296K	-\$170,627
15	\$4,750,180	\$5,300,447	\$550,267**	\$4,898,338	\$5,264,643	-148K	\$35,805
16	\$6,091,978	\$6,589,825	\$497,875**	\$6,242,598	\$6,412,470*	-151K	\$50,000

\*conservative estimates

\*\* unanticipated grants of Performance FY15- (\$165K), Perkins (\$15K), Chair Lift (\$17K), SRSA (\$22K). FY16- Discover, Innovative Programs, Reward School, Verizon

5. USDA Quarterly Report- due by end of July. Will be prepared and submitted after the FY16 financial reports are available from the State.
6. FY17 Contracts
  - a. Staff- will generate after approval of preliminary FY17 budget
  - b. Energy- Sussex Academy is part of DE Electric Supply Contract.
    - i. 3 year contract
    - ii. KWHr rate decrease – 17%
      1. Could save school \$13,000 per year based on current electricity usage
  - c. Student Transportation
    - i. RFP results
      1. Only one bid submitted
        - a. Dutton- current contractor
      2. Others solicited did not submit
  - d. Middle school network extension RFP results shared
7. Auditors of Accounting
  - a. Payroll Internal Controls Survey
    - i. Results shared
      1. FY 14 score 53- Weak Internal Controls
      2. FY15 score 65- Weak Internal Controls
      3. FY16 score 70- Lacking Multiple Internal Controls
    - ii. Letter has been submitted to Division of Accounting acknowledging internal control deficiencies and outlining measures in place to mitigate associated risks.
8. Sussex Academy Financial Documents Presented for Review:
  - a. PCard Transactions
  - b. External Accounts

Next meeting- October 18, 2016 at 3:30 p.m.