

**RED CLAY COMMUNITY FINANCIAL REVIEW COMMITTEE**  
**CHAIR'S REPORT TO THE BOARD OF EDUCATION**



**May 20, 2009**  
**Red Clay Consolidated School District**

**Paul Lloyd**  
**Committee Chair**

## Table of Contents

INTRODUCTION .....	3
TRANSPORTATION PRESENTATION .....	3
MONTHLY FINANCIAL REPORT REVIEW .....	4
April 30 <sup>th</sup> Monthly Expenditure Report Highlights .....	4
April 30 <sup>th</sup> YTD Total Expenditures and Encumbrances Report Highlights .....	5
Variance Report .....	6
Financial Position Report .....	6
UPCOMING MEETING / DATES AND TIME .....	7

## **INTRODUCTION**

As June 30, 2009, quickly approaches and FY09 will draw to a close, the Red Clay Community Financial Review Committee (CFRC) continues to monitor the district's progress with staying on budget. At our last meeting on May 11th, we addressed the following items:

- Transportation Presentation
- Monthly Financial Report Review
- Financial Position Report Review

During closing comments we also discussed the state's financial status and how that might impact staffing. Unfortunately, not many specifics are known at this point until a budget is finalized by the legislature in Dover. As in prior years that probably won't occur until the last day of the legislative session on June 30th, so as of now all we can do is speculate on the outcome.

Again this month we did not have a quorum to approve the April 8th meeting minutes, but the document has been posted on our website. The minutes contain detailed coverage of the items addressed at our previous meeting, including an in-depth look at the information provided by Deborah Roberts our guest presenter. The document can be found at: [http://www.redclay.k12.de.us/SchoolBoard/CFRC/0809/Minutes/CFRC MM 2009-04-08.pdf](http://www.redclay.k12.de.us/SchoolBoard/CFRC/0809/Minutes/CFRC_MM_2009-04-08.pdf)

## **TRANSPORTATION PRESENTATION**

George Middleton from the Transportation Office was a guest of the committee and made a presentation focused on the costs and logistics of running his department. The CFRC members learned how much work and planning goes into ensuring that the children that use this service are able to safely go to and from school each day. The committee also reviewed the expenditures for this program, including the cost for safety innovations such as security cameras being installed on many buses. The department receives \$7.7M in formula based funding and generates revenue from field trips and other special activities. Buses were being replaced at 130,000 miles, or 10 years (whichever came first), but new bus life has been extended to 15 years. In his report Mr. Middleton provided the committee with some staggering statistics:

- The number of stops per day are 2,508
- There are 700 routes taken on a daily basis
- 176 buses comprise the fleet
  - 54 are district buses
  - 122 buses are contracted out to vendors
- The buses drive a total distance of 1.74 million miles yearly
- 80% of students (12,827) ride a bus

## MONTHLY FINANCIAL REPORT REVIEW

At each meeting the CFRC looks at two different monthly reporting formats prepared by Jill Floore, the Chief Financial Officer and her staff in order to get a more complete picture of district expenditures. These reports are:

- **Monthly Expenditure Report** - based on a Delaware Department of Education (DOE) template and is broken out by schools, programs, departments, etc.
- **YTD Total Expenditures and Encumbrances Report** - comes in two versions (with and without prior year appropriations) and looks at expenses by line item.

### April 30<sup>th</sup> Monthly Expenditure Report Highlights

The April financial reports presented to the committee as of 4/30/2009 show that the district's expenditures are staying well within budget. Surprisingly, even though there are two months left in the fiscal year, revenue collected is almost at 100%. It appears that the economic downturn that has negatively impacted the housing market has not produced a surge in delinquent payments of school taxes in the Red Clay District. Local revenue which is derived from these taxes is currently at 100.5%.

The committee established budget targets that we benchmark against the Monthly Expenditure Report. Ideally at this point in the fiscal year we would like to see revenue and expenditures at 83% of budget. Total expenses for all three divisions at Red Clay are currently below budget targets.

Highlights from the *Monthly Financial Report* include:

#### General Operating Revenue as of April 30, 2009

DIV 32 - FY09	Final Budget	Actual	Difference	% Actual to Budget
Total Revenue	\$163,0748,545	\$161,656,060.42	(\$1,418,484.58)	99.1%

#### General Operating Expenditures as of April 30, 2009

DIV 32 - FY09	Final Budget	Expended & Encumbered	Remaining Balance	% Expended & Encumbered
Total Expense	\$155,107,351	\$127,562,103.29	\$27,545,247.71	82.2%

#### Meadowood School Operating Expenditures as of April 30, 2009

DIV 54 - FY09	Final Budget	Expended & Encumbered	Remaining Balance	% Expended & Encumbered
Total Expense	\$9,350,191	\$7,144,572.44	\$2,205,618.56	76.4%

**Intensive Learning Centers Operating Expenditures as of April 30, 2009**

<b>DIV 58 - FY09</b>	<b>Final Budget</b>	<b>Expended &amp; Encumbered</b>	<b>Remaining Balance</b>	<b>% Expended &amp; Encumbered</b>
Total Expense	\$10,803,486	\$8,516,839.60	\$2,286,646.40	78.8%

A copy of the *April Monthly Expenditure Report* is posted on the CFRC website and can be found at: [http://www.redclay.k12.de.us/SchoolBoard/CFRC/0809/Rpt/CFRC\\_MFR\\_2009-04-30.pdf](http://www.redclay.k12.de.us/SchoolBoard/CFRC/0809/Rpt/CFRC_MFR_2009-04-30.pdf)

**April 30<sup>th</sup> YTD Total Expenditures and Encumbrances Report Highlights**

The tables below are a side-by-side comparison of the major line item expense categories from FY08 and this year, as of April 30<sup>th</sup>. The dollar amounts shown are a total of all three Divisions in the Red Clay School District. The District reports this information two ways - excluding prior year appropriations, which factors out money from previous years that was unspent, but can be carried over and utilized in the current fiscal year, or as shown in the two tables on the next page which include prior year appropriations and provides a complete look at the total expenditures incurred by the district this year.

When excluding prior year appropriations total spending is up from FY08, but when including all prior year appropriations spending is down. Most of the savings this year can be attributed to a reduction in spending in the category of Capital Outlay for Property.

Totals expenditures for the entire district:

<b>Fiscal Year 2008</b>		<b>Fiscal Year 2009</b>	
<b>(Excludes Prior Year Appropriations)</b>		<b>(Excludes Prior Year Appropriations)</b>	
Salaries	\$82,751,451.17	Salaries	\$83,639,642.04
OEC	\$37,940,374.87	OEC	\$37,172,847.76
Government Services	\$19,729,684.37	Government Services	\$23,619,684.63
Travel	\$71,430.54	Travel	\$68,046.34
Contractual Services	\$25,775,613.73	Contractual Services	\$25,826,658.00
Supplies & Materials	\$3,254,115.87	Supplies & Materials	\$5,197,717.16
Capital Outlay-Equipment	\$25,639.48	Capital Outlay-Equipment	\$56,893.33
Capital Outlay-Property	\$3,273.47	Capital Outlay-Property	\$509,479.10
		Non Appropriated Expenses	\$45,591.00
<b>Total</b>	<b>\$169,551,583.50</b>	<b>Total</b>	<b>\$176,136,559.36</b>

<b>Fiscal Year 2008</b>		<b>Fiscal Year 2009</b>	
<b>(Includes Prior Year Appropriations)</b>		<b>(Includes Prior Year Appropriations)</b>	
Salaries	\$85,538,960.30	Salaries	\$86,333,028.99
OEC	\$39,024,682.94	OEC	\$38,785,366.60
Government Services	\$19,840,282.15	Government Services	\$24,005,880.58
Travel	\$97,096.16	Travel	\$114,502.69
Contractual Services	\$34,763,727.96	Contractual Services	\$32,578,833.59
Supplies & Materials	\$4,455,288.30	Supplies & Materials	\$8,572,599.73
Capital Outlay-Equipment	\$25,639.48	Capital Outlay-Equipment	\$59,217.77
Capital Outlay-Property	\$38,713,368.85	Capital Outlay-Property	\$19,514,478.43
		Non Appropriated Expenses	\$45,591.00
Total	\$222,459,046.14	Total	\$210,009,549.38

Copies of both April YTD *Total Expenditures and Encumbrances Reports* are posted on the CFRC website and provide a detailed breakout of each category. The reports in their entirety can be found at:

[http://www.redclay.k12.de.us/SchoolBoard/CFRC/0809/Rpt/CFRC\\_OCR\\_WPYA\\_2009-04-30.pdf](http://www.redclay.k12.de.us/SchoolBoard/CFRC/0809/Rpt/CFRC_OCR_WPYA_2009-04-30.pdf) (includes prior year appropriations)

[http://www.redclay.k12.de.us/SchoolBoard/CFRC/0809/Rpt/CFRC\\_OCR\\_WOPYA\\_2009-04-30.pdf](http://www.redclay.k12.de.us/SchoolBoard/CFRC/0809/Rpt/CFRC_OCR_WOPYA_2009-04-30.pdf) (excludes prior year appropriations)

## Variance Report

For an item to appear on the *Variance Report* expenses must exceed budget targets by 30 points. For April that would be  $83.3\% + 30 = 113.3\%$  expended. At this time only one item qualifies to appear on the *Variance Report*. The item in question is called Prior Year Payables, which is a subcategory of the District Wide Services budget. One area that money from this Micro Budget Unit (MBU) is typically used for is to cover invoices that are presented against a purchase order that has been closed.

### District Wide Services Prior Year Payables Expenditures as of April 30, 2009

DIV 32 - FY09	Final Budget	Expended	Remaining Balance	% Expended
IBU97/MBU 98	\$50,000	\$88,519.06	(\$38,519.06)	177.0%

## Financial Position Report

The committee uses this report to project the school district's current fiscal year ending balance in its local current expense revenue accounts after deducting all estimated remaining local operating obligations.

It also provides an approximation of how much will be available to carry forward into the next fiscal year in order to meet local district payroll obligations through and including the October 15th payroll cycle until the local tax revenue becomes available.

After studying the report, the committee learned that the district is projecting a \$9,774,337.11 ending balance in local funds. The amount should be more than sufficient to cover carry forward costs into the next fiscal year until local tax monies are received in late October.

Report Page 2 of 2

### Financial Position Report

as of 31-Mar-2009

Forecast Period: Q4-2009  
District: Red Clay Consolidated School District

	Actual Unencumbered	Encumbered	Projected Income 4/1 to 6/30	Projected Total Income	Projected Salary 4/1 to 6/30	Projected Non- Salary 4/1 to 6/30	Projected Available Balance 6/30
Local Expenses	23,316,687.41	6,705,912.69	0.00	30,022,500.10	9,669,697.33	10,578,565.66	9,774,337.11
Div I	2,655.66	663,008.51	0.00	665,364.17	0.00	665,664.17	0.00
Div II	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash Option	2,186.37	9,417.41	0.00	11,303.78	0.00	11,603.78	0.00
Tax Relief	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Totals</b>	<b>23,321,529.44</b>	<b>7,378,338.61</b>	<b>0.00</b>	<b>30,699,868.05</b>	<b>9,669,697.33</b>	<b>11,255,833.61</b>	<b>9,774,337.11</b>

Approved by Superintendent: \_\_\_\_\_

Approved by Board President: \_\_\_\_\_

Preparer:   Jill M. Hoare, CFO  

https://login.doe.k12.de.us/SchoolFinance/ReportHost.aspx 4/29/2009

A copy of the latest *Financial Position Report* is posted on the CFRC website and can be found at: [http://www.redclay.k12.de.us/SchoolBoard/CFRC/0809/Rpt/CFRC\\_FPR\\_2009-03-31.pdf](http://www.redclay.k12.de.us/SchoolBoard/CFRC/0809/Rpt/CFRC_FPR_2009-03-31.pdf)

### UPCOMING MEETING / DATES AND TIME

Due to scheduling conflicts the CFRC will not hold a meeting in June, and because of the extra time needed to close out FY09 reports we have postponed our next meeting to Monday, July 27, 2009. The meeting location will be at Brandywine Springs School, and the starting time will be 6:30 P.M.

Sometime over the summer planning will commence on the FY10 topics for special consideration to be covered during our upcoming meetings. Once that task is completed I will generate a calendar and submit it to the entire committee for consideration.

Respectfully submitted,

*Paul Lloyd*

Paul Lloyd, Committee Chair