

**COLONIAL SCHOOL DISTRICT
PLYMOUTH MEETING, PA**

Finance and Audit Committee Chairperson, Kathleen Oxberry, called to order a meeting of the Finance and Audit Committee at 6:30 P.M. on Wednesday, March 2, 2011 in the Superintendent's Conference Room located in the Colonial Elementary School at 230 Flourtown Road, Plymouth Meeting, PA.

Finance Committee Members Present: Kelly Jowett, Sue Moore

Other Board Members Present: Gary Johnson, Bernie Brady, Mel Brodsky, Beth Suchsland, Alan Tabachnick

Others Present: Dr. Vincent F. Cotter, Superintendent, Dr. Mary Ellen Gorodetzer, Assistant Superintendent, Joseph P. Bickleman, Chief Financial Officer/Treasurer, Tim Sawyer, Barbacane, Thornton, & Co.

Public Present: None

Mrs. Oxberry asked for any public comments on the agenda. There were none. She then asked Mr. Bickleman to proceed with items on the agenda.

Mr. Bickleman began by introducing Mr. Timothy Sawyer from Barbacane, Thornton, & Co. to present the Single Audit Report for the year ending June 30, 2010. Mr. Sawyer proceeded to highlight various aspects of the report such as the Management Discussion and Analysis section, the Statement of Net Assets, the change in fund balance, and the Schedule of Federal Financial Assistance. Mr. Bickleman stated the official report will be presented for Board acceptance at the March 17th meeting.

Mr. Bickleman then explained the circumstances involved in a 2010 interim real estate tax refund of \$52,841.60 that was recently disbursed. He also updated the committee on the state's planned basic education subsidy (BES) and how the state's 10-11 \$1.04 billion federal BES funds will not be available to districts in 11-12. The state also shifted \$387 million federal Edujobs funds for 10-11 to pay the remaining BES for 10-11 allowing the state to use the original \$337 million of BES funds for other state expenditures. Mr. Bickleman stated that the 11-12 preliminary budget includes a reduction in the state's BES of \$328,000 which is an 11.34% reduction from 10-11. He stated that the amount of the reduction could be more when the governor's budget is made public on March 8th. Other state revenue sources for 11-12 will be closely monitored, for example, the Accountability Block Grant which totaled \$150,857 in 10-11.

Mr. Bickleman gave an update on the possibility of refinancing the 2006 bonds. The current projected net savings are \$60,000. The district has a targeted savings amount of \$175,000 before moving forward with the refinancing. He told those present that Public Financial Management is monitoring the municipal bond market and will notify the district when the target can be achieved.

Mr. Bickleman reviewed the 11-12 PDE Application for Exceptions that was submitted electronically on February 24th and with a hard copy on the 25th. The total exception amount applied for is \$2,306,492, which if approved by PDE, would allow the board to raise real estate taxes an additional 3.5% above the 1.4% Act 1 index. PDE's decision regarding the district's application must be rendered by March 23rd.

Mr. Bickleman then distributed preliminary budget information for all MONTCO school districts. Real estate tax increases range from 0% for Abington School District to 7.61% for Spring-Ford Area School District. Colonial's tax increase is currently at 3%. He also handed out information illustrating other MONTCO district's charging activities fees. There are currently three districts of the twenty-one charging these fees.

Mr. Bickleman informed the committee that there was a federal programs audit conducted in the district on February 25th that should produce a favorable report mainly due to the efforts of Kathleen Hamill, Language Arts Supervisor and Federal Programs Coordinator, and her secretary, Debra Harris. Maintenance of ongoing compliance and financial records are critical in having a clean federal audit.

Mrs. Oxberry asked that the committee continue in executive session to discuss real estate tax assessment appeals.

After executive session, Mrs. Oxberry asked for any public comments. There were none.

There being no further business to be brought before the committee, Mrs. Oxberry adjourned the meeting at approximately 7:15 P.M.

Respectfully submitted,

Joseph P. Bickleman
Chief Financial Officer/Treasurer