

**TCGIS Finance Committee Meeting
Minutes: November 11, 2010**

Attendees: Michael Dorneich, Christian Engelbrecht (GAI), Annika Fjelstad (School Director), Kimberly Kompel (Board Chair), Renee Moelders (Treasurer), Andrew Oxenham, Mary Zellmer-Bruhn, and Leslie Kasel (BKDA)

Meeting was called to order at 6:25 pm.

First item of business was to approve October Finance Committee minutes. Kim motioned to approve the meeting minutes; Mary seconded; minutes were approved.

Review October 31, 2010 financials

Leslie Kasel of BKDA took the group through the financials.

Items of note:

- Cash is high due to receipt of state holdback funds for the 2009 – 2010 school year. \$16,851 is still due from the state for last year's holdback, to be paid sometime in January forward.
- Annika and Leslie will spend some time before the January finance committee meeting researching field trips. TCGIS office staff will also begin using course codes on all field trip receipts and expenses so that a special report can be produced on this category. Field trips should net out to zero by year end.
- Leslie will roll the totals currently in Local Revenues: Admission and Student Activity into Fees from Patrons.
- Annika will research progress on supply fee collection for the December finance committee meeting. The committee was surprised that so few funds are currently sitting in Fees from Patrons YTD activity, especially since this includes YTD field trip funds collected as well.
- Annika and Leslie will also research supplies (non-instructional and instructional), furniture, and textbooks to ensure coding is correct in the different categories. Leslie would like to get a better prediction of the working budget expected on these categories, rather than just adjusting the working budget to reflect spending each month.
- Leslie is developing an updated working budget for the repairs and maintenance category. Expected yearend expenses are \$8,600 at current spending levels. This category includes the work done to create a teacher work area and front office desk space.
- K+ (Community Services Fund 04) Working Budget reflects an expected \$8,593 income at year end. The committee discussed the ideal target for income in this fund, since the monies cannot be moved to another fund. Michael recommended the annual minimum fund balance of 10% of expenses. Assuming budget is realized, this fund is in good shape for the year. Thanks to Leslie and Annika for their work moving appropriate expenses to this fund.

Updated salary schedule

The committee reviewed the updated annual salary schedule. Leslie has carefully combed through the data to ensure that the data is up to date and reflects the appropriate funding source. Moving salaries to contracted services (special ed) and other funds (K+, Food Service and grant funding) has resulted in a working budget that is under original budget. Some of these salaries moved are for one-year programs or positions, others will need a new funding source when and if the current funding source ends (i.e. GIEF, FLAP and performing arts funds). This issue will need to be addressed when the committee begins the budgeting process for the 2011-2012 school year.

Cash flow

Leslie would be more comfortable if the school had access to a line of credit. As we have discussed previously, it may be difficult to acquire a line before the GAI has submitted their authorizer application. Renee and Leslie will do some checking with the MN Nonprofit Assistance Fund and Park Midway Bank to see if current assumptions about the process still stand. The committee should be prepared to apply in February when the GAI submits their authorizer application.

Audit for the 2009-2010 school year

Audit results should be received soon and will be reviewed by the finance committee in early December for presentation to the board December 16th.

Fund balance policy

The board must review and approve the fund balance policy annually, preferably by November 30th of each year so the school qualifies for an MDE School Finance Award. The committee reviewed the policy and made a change to the **Adoption of Budget** section, adding a sentence that states "The board will not approve a deficit budget." The committee felt that to budget for deficit spending, and subsequently to choose to spend previously saved fund balance monies, the board should have to meet and agree to change fund balance policy.

German Government position

Annika asked the committee to recommend that the board approve additional costs for the teacher funded by the German Government. For instance, the school may need to provide health insurance, cost of living adjustments, licensing costs or visa fees. The committee recommends that the board approve up to \$5,000 for the 2010-2011 school year, as the benefits of having this teacher outweigh these potential costs.

Funding for 2011 – 2012 amities

Annika has been approached by the organization that provides our amities about our commitment to having amities for the 2011-2012 school year. The committee felt strongly that the amity program is essential to the success of our school; therefore, it is likely that we will need a similar number of amities next year.

December finance committee meeting

The committee will meet on December 7th to review the audit results for the 2009 – 2010 school year. Financials will not be available this early in the month; as a result, the financial reports will be emailed to the committee once available. Any comments or questions should be sent to Renee or Leslie at BKDA.

Transportation Waiver

Kim asked what the process has been in the past to review the conditions around our transportation waiver. Kim and Andrew will work with front office staff to gather the information necessary to review transportation costs, perhaps at the December or January committee meeting.

GAI reauthorization costs

Christian reported that the GAI is diligently working on their reauthorization application, including enlisting the help of an outside consultant to increase the likelihood of a successful application. The costs of hiring the consultant will likely be between \$1,250 and \$1,500. The GAI recognizes the difficulty of the school's financial situation, and is therefore considering asking the school to add some reimbursement for authorizer expenses to the 2011-2012 school year budget. They will not ask the school for funds this school year. Authorizers are allowed to charge their schools up to \$20,000 per year for these costs.

Meeting ended at 8:28 pm.

Summary of action items pending

Annika to develop a calendar of fundraising / other asks for funds.

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