

TCGIS Finance Committee Meeting
Minutes: March 14, 2011

Attendees: Annika Fjelstad (School Director), Kimberly Kompel (Board Chair), Renee Moelders (Treasurer), Leslie Kasel, Michael Dorneich and Molly Illies.

Meeting was called to order at 6:35 pm.

February minutes were approved.

February Financials & Cash Flow Review

The committee reviewed the executive summary from Leslie's budget statement. The balance sheet summary as of 2/28/11 is \$207,994. The liabilities: payroll is a negative amount since we prepare health insurance. The negative amount is a bit large due to payback of FICA Medicare to Checkpoint Charlie employees. We are awaiting reimbursement. Leslie will confirm the amount.

The bottom line is (\$102,555) due to the holdback, but revenue and expenses are overall within budget.

ADM went down by one student to 234. Annika mentioned that a new student just enrolled.

There was discussion about who and how ADM is calculated and tracked. Annika counts names, Stephanie does MARS and verifies EDRS. Leslie calculates based on Annika's information. Leslie explained that student reporting is uploaded to the state and that the state does actual at the end of the year. The state requires updates in October and again before January 1. During January – May we want to hold steady. The committee agreed that MARS/EDRS functions should be cross-trained for the purpose of continuity. Leslie suggested that she could always find a MARS temp if needed.

Renee mentioned that there was a sixty day lag in the food income. Annika explained that Gwendolyn was on maternity leave and Wera is now covering the food program.

The committee members asked Leslie why checks were itemized, but credit card charges were not. Annika requested itemization of credit card charges to be able to verify all charges. Leslie will run credit card charges including cash withdrawals reports from now on.

Proposed Budget Discussion

Furniture expenses for next year were moved to other expenses—equipment doesn't sound like furniture. Leslie confirmed that that budget line item should include items that cost \$500 or more (can be purchased in a lot such as desks.) If the cost is less than \$500, the purchase is accounted for in school supplies.

Next year's budget reflects an addition of 24 students. Annika sent a message to all current students' families asking them if they plan to return next year. 10 students were reported in the proposed budget for 7th grade and 9 have committed to returning. The re-enrollment forms showed a decline in enrollment, therefore, the enrollment expectation was lowered from 262 to 259. The number reflects a conservative estimate. Kim suggested we leave the number as is—hold with the 259 estimate. We need to add 48 students for kindergarten, then subtract down to a 30 student net increase across older grades. Leslie will adjust this based on the three funding tiers: K, 1-3, 4-6, deduct six students in each funding category.

There was discussion about repairs and maintenance which reflects a 1% increase. The increase correlates to increase in student enrollment.

There is confusion about BPLK versus the German Government grant. \$3k for textbooks no longer exists, but \$20k from the German Government should still be granted for next year. Annika has been in communication with them and will try to confirm this as soon as possible.

Annika is still working through the staffing numbers and salaries to determine if we are using staff to their fullest potential. Last year having a .8FTE teacher did not work so well. Renee suggested a more analytical approach and looking at TCGIS needs versus specific teachers. She will work with Annika to develop a spreadsheet looking at it based on hourly breakdown of teachers' work time versus breaking the budget down by individual teachers.

To achieve a positive budget to present to the board, the committee agreed to include the \$20k from the German Government; take out the performing arts; and also to cut extra staffing for lunch and recess since teachers can cover that time.

Also mentioned was the German American Chamber of Commerce fundraiser to benefit TCGIS. Since the expected revenue raised is unknown, we are unable to add it to the budget. Also, Annika mentioned that last year's fundraising for performing arts included one donor who contributed half of the amount needed. She will check with that individual to see if that generous contribution might be possible again next year.

Line of credit

Renee updated the committee regarding securing a bank loan up to \$50k through October next year and she has begun to create a resolution to present to the board. The loan will be drawn upon in the event that cash flows fall behind obligations, a situation created by the state's temporary holdback of school funds.

Authorizer update

The GAI is still working on the authorizer and hoping the deadline will be extended to June. The legislature said they would address this issue this week.

Meeting adjourned at 9:10 pm.

Summary of action items pending

- Leslie will confirm the FICA reimbursement amount.
- Leslie will run credit card charges including cash withdrawals reports from now on.
- Renee will prepare and present the bank loan resolution for the next board meeting.
- Annika will confirm continuation of the \$20k German Government grant.
- Renee and Annika will meet to review Renee's spreadsheet with hourly breakdown of teachers' time.
- Annika will check with last year's large contributor to the performing arts fundraising efforts to see if another donation will be possible again this year.

The following is a history of the budget process that was included in the board packet for March.

Budget creation for the 2011 – 2012 school year

The budget presented to the board in February was based on the current year's working budget with the following changes.

The additional bullets under each line item are updates made to the model at the March Finance Committee meeting and a subsequent staffing meeting with Annika and Renee on 3/22/11.

- Reduce ADM to 263 students (280 students expected as of today, 273 more realistic, then reduced by 11, which is the same percentage change lost in the 2010 – 2011 school year between budget and day one)
 - **UPDATE** – ADM further reduced to 259

Grades	# of Students	Y2011 # Students
K	48	48
1	46	48

2	35	42
3	36	32
4	29	31
5	22	26
6	17	19
7	0	13
Total	233	259

- German Federation Grant \$20,567
 - UPDATE F/C Mtg 3/14/11 – Annika thinks we are getting the money, she will check with the German government. Added back into budget model.
 - UPDATE staffing mtg 3/22/11 – Annika has confirmed that this funding is still available.
- K+ program
 - UPDATE F/C Mtg 3/14/11 – surplus included in our bottom line, and we can't take that into General Fund, needs to be removed (will be in next budget model)
 - \$13,740 reduction to bottom line
- BPLK teacher
 - UPDATE F/C Mtg 3/14/11 – due to the uncertain nature of when we will get a teacher and what their skill set will be, Annika is not comfortable building this into our budget model
- Update of staffing plan (affects salaries and benefits expense line item) – increase of 2.25 FTE. Includes performing arts at .65 FTE.
 - **UPDATE** – Increased staffing by another 1.2 FTE, includes increase specialist time in some cases. Reduced performing arts to .6 FTE. Represents a 20% increase in total salaries and benefits over current school year.
 - UPDATE F/C Mtg 3/14/11 - Removed performing arts. Would like to fundraise for this, Annika to check with matching donor from last year if they will support at a similar level.
 - UPDATE Annika/Renee staffing mtg 3/22/11 – Reduce FTE increase over last year to a **total of 1.5**. Represents a **10%** increase over previous year.
- Increase in textbooks cost of \$6,000 (affects textbook & workbook line item)
 - **UPDATE** – Reduced textbooks by \$5,000, resulting increase over current year is \$1,000
- Furnishing four classrooms (\$24k) and buying lockers (\$12k) (furniture line item)
 - **UPDATE** – Reduced combined furniture/non-instructional supplies to \$48,382 and increased technology by \$9,500. Adds back \$6,650 to our bottom line. Represents a 94% increase over current year; however, much of this spending was paid by grants in the past and may not be reflected in these line items.

- UPDATE F/C Mtg 3/14/11 – Reduced technology spending by \$1,000 since we aren't accounting for a 3rd Kindergarten in the current budget model.
- Amity lunch funding
 - UPDATE after F/C mtg - It was noted that the \$7,500 of GIEF funding we applied in the current school year will not be available next year to fund Amity lunches. A loss has been added to the food service program of \$7,500 to account for this.
- Inflationary factor of approximately 1% for most expense line items
 - No change
- Updated rent costs according to lease
 - No change
- Increased interest costs by \$3,500 to \$5,500 (interest line item)
 - **UPDATE** - Reduced back down to \$2,000, same as current year. Assumptions are that we will get this year's holdback but will have another holdback to contend with next year. We will likely have tighter cash flow due to the loss of certain funding sources, but \$2,000 is still a good estimate of our needs.
- Authorizer fee \$15,000 (Increases to \$20,000 in FY13)
 - No change
- Realtor costs \$5,000 in FY13
 - Not included in FY12
- Non-instructional supplies includes \$10,000 in scrip (with a corresponding line in income) – skews actual supplies needed by school
 - Informational comment only, no change

Bottom line after changes is a negative \$45,777.

- UPDATE F/C Mtg 3/14/11 – Current bottom line (\$38,950)
- UPDATE after staffing mtg with Annika 3/22/11 – **Current bottom line \$31,079**

These are additional items for discussion. They are not currently included in the budget model.

Options for addition or deletion to be discussed	Financial impact (negative indicates increased spending or lost revenue)	
BPLK Teacher from German government	19,500	Approved by board at Feb bd mtg
Fundraise for half of perf arts	11,178	
Media specialist / Technology PT	(25,000)	
Library funding	(2,000)	
Board training	(900)	
Single 5th grade classroom (furniture savings)	2,389	
Curriculum dvlpmnt consulting	(5,000)	
Rental space fees for school performances	(800)	
Keep two 5th grades (requires additional .5 FTE + 26% benefits)	(24,570)	new item - Annika
Combine 5th grades (savings .75 job + 26%, teacher is \$39k)	39,390	staffing plan didn't work out this way
Only furnish 3 classrooms	6,000	Items not priority
Performing arts FT	(58,692)	
Diversity pgm funding	(1,000)	
Website development - do in FY11	(5,000)	
Greening initiative	(2,000)	
No raises for teachers	7,350	
Increase in fund balance by about 4% to 25%	(104,963)	