

TCGIS Finance Committee

Minutes: July 14, 2011

Attendees: Annika Fjelstad (School Director), Renee Moelders (Treasurer), Leslie Kasel (BKDA), Michael Dorneich, Christian Engelbricht (GAI), and Kimberly Kompel.

Meeting called to order at 6:42 p.m.

The June minutes were approved.

Review of June Financials

- Holdback funds are not yet reflected in the year end financials. They will be booked at the beginning of the audit, in August or September. This is why statements reflect a negative net income.
- All salaries and expenses due for the school year are reflected in salary expense, even those to be paid over July and August.
- Expenses end the year at 96.7% of budget. There may be additional expenses identified due to the audit, likely minor. The committee congratulated Annika on her management of expenses for the year.
- Donations/gifts and Miscellaneous revenues will be negatively affected by the decisions to designate revenue to next year's budget. See additional details on this in the next section.
- A receivable exists on the balance sheet due to an overpayment of rent to the YMCA.
- The course code register shows a balance due from the PTO. Annika will check on the details of this item and Leslie will book a receivable.
- The course code register shows that field trip revenue is \$3,552 higher than related field trip expenses. This could be due to a few factors: incorrect coding of revenues and expenses, supply fees collected for class projects, overpayment by families for field trip scholarships, etc. The committee discussed whether it was necessary to examine the detail on this course code, because the intention was to come close to breaking even. Annika recommended that she and her staff work instead toward a more organized system for next year.
- The lunch program shows only a \$675 loss for the school year. Estimated cost for amity lunches for the year is \$4,500 while the budget was for \$7,800. This means the program loss is closer to \$4,000 for the year. While this amount is within the normal range of school food service lunch program losses, the board should discuss whether it continues to be an acceptable use of funds for the 2011 – 2012 school year, or whether some pricing increase is required.

Designating 2010-2011 school year funds for the 2011-2012 school year (see course code detail report)

The course code detail report shows funds received that were for specific purposes, either grants or donations in most cases. Some funds were unspent as of yearend, below are the committee's recommendation for funds:

- GIEF –excess funds should be designated for spending next school year.
- ZFA – this small balance should roll into our fund balance.
- Performing arts –the \$25,324 unspent should be designated for spending next school year. Most of this was raised specifically for next year; \$4,269 was leftover from this year's fundraising.
- Scrip and field trip balances should roll into our fund balance.
- Maskenball and library balances require further investigation by Annika and Leslie. Maskenball donations were designated for specific purposes, so in the event they were unspent should be similarly designated for next year. Library funds may contain money raised at the GACC gala.

K+ program results

The K+ program shows a net income for the year of \$14,434. This amount will be added to the fund balance in the K+ program, which at the end of the 2009-2010 school year was \$8,643. The committee discussed how much of a fund balance is appropriate for K+; additionally, it was discussed that this fund balance and net income cannot be

comingled with General funds (Fund 1). The committee agreed that the targeted 20 – 30% fund balance schoolwide should apply to Fund 4 as well. The fund balance currently is reflecting 33% of next year's expenses.

Leslie and Renee will perform an analysis to determine the appropriate program cost to reduce the accrual of income in this fund. This information will be presented at the August finance committee for approval by the Board at their August meeting. Since the analysis will result in a reduction of K+ costs for the 2011-2012 school year, the committee felt that the timing would work.

Government shutdown and cash flow

As of the meeting on July 14th, it had not been necessary to draw upon the bank credit line of \$50,000. BKDA is carefully watching cash flow before paying any bills, and primary use of funds is for paying staff. The state paid 90% of all funding sources, more than expected or planned, which was a positive development.

The bank indicated that should the need arise for additional funds they would likely be able to accommodate the school.

The committee also discussed the effect a 40% holdback would have on our financial condition. Leslie and Renee feel like it can be weathered; however, it will probably be necessary to borrow more money from the bank over the course of the year.

Respectfully submitted,

Renee Moelders, Treasurer