

**TCGIS Finance Committee**  
**Minutes: August 11, 2011**

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

Meeting called to order at 6:35 p.m.

The July minutes were approved.

**Review of July Financials**

These financials are for the first month of the new school year, so there is not much spending and revenue data to analyze. We have, however, booked the preliminary receivables from the State for last year's holdback funds due, and we have received a large payment from the State, resulting in a large cash balance at the bank. Renee will work on ensuring that the funds in the bank are FDIC insured.

There was a discussion about the 39,000 from the past year's budget that will be designated into the current school year's working budget. Annika indicated some of those funds are allocated to spending in performing arts, website design and amity related costs. Michael asked whether these funds would save us on 11-12 school year spending, but it seems that most of the spending of designated funds will be in addition to expected 11-12 spending. The monies will be reflected in the opening text of the financial statements, and as they are spent it will be noted there.

The committee discussed the change in payments from the State. The payments will be 16 instead of 24, and each payment will be larger than the corresponding payment was last year. There will be 40% held back instead of 30%, so the school will likely need to borrow to cover the cash shortfall expected beginning in March. Our current line of credit expires in the fall, and prior to expiration we will project cash and borrow an appropriate amount to cover the shortfall. Interest expense as budgeted should be sufficient to cover our borrowing costs.

Preliminary estimates of our surplus for last year are over budget. The committee discussed some reasons why this happened: Federal stimulus funds, higher than budgeted student numbers (which increases per pupil aid and lease aid), spending under budget, etc. It will be important, as final results come in, to examine why our actuals were so different from targeted, especially since an expectation of less funds available could have a negative effect on programming.

Leslie will redo the preliminary 2010 – 2011 school year Statement of Revenues and Expenditures for the next Finance committee meeting.

Kim inquired about a \$500 maintenance and repair payment to Cory Halvorson. Annika said that it was for services from January – May that included moving, fixing, and classroom equipment maintenance. Kim asked if we try to find volunteers, and if it's a conflict to pay someone when we have volunteers do so much maintenance. Annika said that we do use volunteers, but there are jobs that volunteers cannot do, citing examples like hauling lockers, and she didn't feel it was a conflict.

There was a meal purchased for an Egyptian visitor and Michael asked about its expense. Annika told us that it was a curator from the King Tut exhibit who speaks German and wanted to tour the school. Lunch was purchased for the visitor and staff which resulted in a \$130 food bill. Annika said in the future she will more clearly define her expectation for spending on these types of items, for it was not her intention to spend that much.

There was a question about a lot of extra copy charges in June. It was explained that the contract is set up that way and it's cheaper in the long run. Overall the copier charges came in under budget.

**K+ Program Charges**

The committee discussed the appropriate pricing for the K+ program. Currently, the program is bringing in more money than it is spending, and state regulations do not allow the school to use these monies in any other way other than for their original purpose.

Leslie explained how she spreads all school expenses to the K+ program. Her current method is to take total enrollment in kindergarten, divide by half, and then divide by the total number of students in the school (48 kindergarten students, divide by 2 = 24, and divide by 259 = 9.25%). The calculation itself is not so important, only that we have an explainable system that we follow consistently.

Since actual enrollment plays a large role in the revenue & expenses, and it's difficult to target or plan for this until it happens, Michael offered to create a model to better project the appropriate cost for K+.

**Unemployment Insurance**

The discussion shifted to unemployment insurance. After much discussion, the committee realized that unemployment costs are a line item in the payroll analysis which can be monitored throughout the year. There is currently about \$33,000 budgeted for both Worker's Compensation Insurance and Unemployment Insurance. Last year we spent about that amount of those items.

**Annual Report draft**

Recommended additions to the financial section of the annual report include the following: GACC Gala and funds raised; weathering the 2010-2011 school year's 30% holdback; raising money for the potential move; preparing for the 40% holdback, including the strong relationship with the bank; final surplus and fund balance once audited numbers are available;

The meeting ended at 8:30 pm.

Next meeting: September 12, 2011