

Summary of action items – August 12, 2010 board meeting

Renee to call board candidate Clinton Gerner to gauge interest in joining the committee.

Funds received from the Dupre Foundation in FY10 in the amount of \$1,250 will be internally earmarked by **Renee** (not deferred) for playground spending in FY11. **Leslie** will adjust the working budget to reflect the expense funds available.

Funds received from Eric Haudt-Schmidt as a part of the November fundraising appeal in FY10 in the amount of \$1,000 will be internally earmarked by **Renee** (not deferred) for English curriculum spending in FY11. **Leslie** will adjust the working budget to reflect the expense funds available.

Leslie to run an annual cash flow to determine anticipated size and timing of line needed.

Leslie will locate and recode missing GEIF funds.

Linda Michel to get average school pricing from our vendor; **Renee** to solicit input from the Executive Committee on a pricing increase to be implemented immediately, likely \$3.75 - \$4; **Annika** to bring a calendar of fundraising / other asks for funds to the September finance committee meeting; **Leslie** to work with **Linda Michel** later in the year to do further analysis of our program.

Leslie will research our options for the next finance committee meeting in September

Annika, Linda Michel, and Leslie to discuss establishing a petty cash fund to handle these types of items.

Leslie will work on providing more detail on the payment register about purpose of checks on the report.

Annika and Renee will update the salary projections for the school year; subsequently, the **executive committee** will consider the technology position and have a recommendation for the August board meeting.

Renee to contact MACS to potentially lower the cost of membership; issue to be discussed at the August board meeting.

TCGIS Finance Committee Meeting
Minutes: August 13, 2010

Attendees: Christian Engelbrecht (GAI), Annika Fjelstad (School Director), Renee Moelders (Treasurer), Mary Zellmer-Bruhn, and Leslie Kasel (BKDA)

Meeting was called to order at 6:37 pm.

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

Recruiting additional members

Committee members were asked to brainstorm on potential new members for the committee. Duane Wiste left the committee in the Spring of 2010.

Action item: Renee to call board candidate Clinton Gerner to gauge interest in joining the committee.

Review June 30, 2010 year end financials

Leslie Kasel of BKDA took the group through the financials.

Items of note:

- Financials will not be finalized until after the audit in October. It is unlikely that there will be large changes, but small fluctuations in state and federal aid calculations are likely, resulting in small and ordinarily positive increases to school fund balances.
- State aid receivable, a balance sheet item, is scheduled for payment over four months, Aug. – Nov. Annika asked if the state may hold back 17% permanently; Leslie says that that is not what is currently scheduled by the state, and she has not heard about that possibility.
- Line of credit balance has remained at \$0 as of August 12th. It is not anticipated that we will need the line in the near future due to our first holdback payment scheduled for end of August.
- (Unaudited) ending fund balance is \$352,017 for the 2009 – 2010 school year, a 19% fund balance. Fluctuations may occur as a part of the audit. After the audit, the fund balance is finalized, and any continuing fluctuations will reflect in the 2010 – 2011 financials.

Adjustments to the financials

- The finance committee proposes to write off two outstanding receivables that will likely not be collected. These will be permanently removed from the balance sheet. Moved by Mary and seconded by Renee. No opposition.
 - \$361 due from Judy Ingison for Verizon Wireless bill
 - \$75.98 Target wire (purpose unknown, insignificant financially)
- Additional, minor receivables exist but collection is still being actively pursued.
- Performing arts funds received and deposited in June will be booked as deferred revenue, reducing our fund balance by \$5,000.
- Funds received from the Dupre Foundation in FY10 in the amount of \$1,250 will be internally earmarked (not deferred) for playground spending in FY11. **Leslie will adjust the working budget to reflect the expense funds available.**
- Funds received from Eric Haudt-Schmidt as a part of the November fundraising appeal in FY10 in the amount of \$1,000 will be internally earmarked (not deferred) for English curriculum spending in FY11. **Leslie will adjust the working budget to reflect the expense funds available.**
- Under local revenues, the fundraising line item will not appear in future financial reports, as BKDA codes these items as Miscellaneous Revenues.

Line of credit details

Mary and Leslie discussed whether we have a loan or a line of credit. Implications would be how the loan is paid back and when, and whether the loan/line terminates, potentially at an inconvenient time in the year.

Renee called Midway Bank and determined that we have a line of credit which matures October 31, 2010. Advance of funds to cover our checking account happens manually, by contacting the bank or initiating a transfer online. Any interest due at month-end will be drawn from the checking account; however, principal payments must also be initiated manually. There was an origination fee to create the loan.

Action item: Leslie K. to run an annual cash flow to determine anticipated size and timing of line needed.

GEIF grant remaining

Grant remaining in financials is \$1,775, should be \$5,000. In a previous meeting we noted that these funds (Maskenball matching funds of \$3,234, received in March) had been miscoded.

Action item: Leslie will locate and recode funds.

Fund balance

Last year the MDE recommendation for fund balance was 23%. Due to the increased holdback of 30% in the 2010 – 2011 school year, it was agreed that it would be preferable to have a larger fund balance.

Lunch program

Concerns were raised by Renee and Mary about the \$12,769 loss in the lunch program. Many potential reasons for the over-budget situation were discussed, including:

- School is absorbing cost for amity lunches (~\$5,000 per year)
- Pricing
- Issues with collections
- Waste

It was agreed that an analysis is needed of the program; however, it is not an ideal time of year to take on such a project. A pricing increase is the best and most immediate solution; in addition, a fundraiser to cover the cost of amity lunches is being considered.

Christian performed a high-level analysis after the meeting and recommends pricing between \$3.75 and \$4.25. Last year's pricing was \$3.25.

Average pricing was reported by Done Right Foods to be between \$2.50 and \$3.50.

The Executive Committee met on August 17th and discussed the proposed pricing increase to \$3.75 or \$4. Concerns were raised about placing such a burden upon the families while uncertainties exist about administrative practices and other areas of loss in the program. The committee proposed an increase in price of \$.25 to \$3.50, to be approved at the next board meeting. After further analysis of the program, the finance committee will revisit the issue and consider raising prices again after the holidays, if necessary, to keep losses at a minimum. Linda Michel is also considering bulk purchasing of supplies like napkins and silverware as a potential area for cost-saving. These items are currently purchased and delivered by Done Right Foods.

Annika to bring a calendar of fundraising / other asks for funds to the September finance committee meeting; Leslie to work with Linda Michel later in the year to do further analysis of our program.

Extended day kindergarten

This program ended the year with a substantial positive balance of \$26,738. The committee discussed a few possibilities:

- Apply additional expenses (lease costs)
- Move this program to fund 1

Action item: Leslie will research our options for the next finance committee meeting in September

Coffee fund

Mary was surprised to see coffee on the payment register.

Action item: Annika, Linda Michel, and Leslie to discuss establishing a petty cash fund to handle these types of items.

Confusion over items on payment register

Due to the lack of detail on the payment register, there were a number of questions about checks made out to individuals.

Action item: Leslie will work on providing more detail about purpose of checks on the report.

FY11 budget model

The committee reviewed the budget model for the 2010 – 2011 school year. It was agreed that it will take some adjustment to acclimate to the new format. Leslie K. noted that they can achieve better tracking of items, for instance supplies by class, or funds raised for a specific purpose, by using class codes. She recommends this be used only for large amounts of money.

FLAP grant

FLAP grant monies unspent at the end of the end of the 2010 school year, and the associated expenses not incurred, were not reflected in the year end financials. The funds are available in FY11 as additional revenues, and would result in additional expenses once spent (or could in some cases be applied to expenses already incurred).

The finance committee approved the purchase of computers in the amount of \$26,000 using FLAP funds.

The committee then considered the \$7,500 technology position. Renee was not prepared to approve that spending, due to uncertainty in current salary obligations for the school year.

Annika reported that offering the .2 technology position to Valentin will not make him eligible for benefits, as benefits require a .75 position.

Action item: Annika and Renee will update the salary projections for the school year; subsequently, the executive committee will consider the technology position and have a recommendation for the August board meeting.

MACS (MN Association of Charter Schools) and MSBA (MN School Board Association) memberships

These memberships, which cost \$3,500 and \$1,120 respectively, are of questionable value. MSBA is geared more toward traditional K-12 school boards, so the templates and policies available are not necessarily applicable to our needs. The committee was willing to drop this membership. MACS does not provide much tangible value; however, they are our major advocacy group and work to protect charter schools in the legislature.

Action item: Renee to contact MACS to potentially lower the cost of membership; issue to be discussed at the August board meeting.

Unemployment insurance

This issue was tabled until September due to time.

Meeting ended at 9:20 pm.