

Finance Committee Meeting
3.15.22

Present: Cody S., Kate H, Cecelia D, Sandi O, Brittany S., Dustin R, and Lisa A.

1. Budget Updates (DR)

- Average Daily Membership (ADM) Overview
 - Original Budget: 507 ADM
 - Revised Budget: 507 ADM
 - Working Budget: 497 ADM
 - Actual: 497.46 ADM

- The School's revised budgeted deficit for the year is \$(129,732). A projected cumulative fund balance of \$2,180,876 or 34.46% of expenditures is anticipated at fiscal year-end.
- The School's working budgeted surplus for the year is \$14,064. A projected cumulative fund balance of \$2,324,672 or 40.34% of expenditures is anticipated at fiscal year-end.
- Projected Days Cash on for the projected fiscal year-end is 135 Days. Above 60 days meets minimum bond covenants.
- Projected Debt Service Coverage Ratio at fiscal year-end is 1.02 Above 1.00 meets minimum bond covenants so long as 60 days or more of days cash on hand is achieved.

- Financial Statement Key Points
 - As of month-end, 67% of the fiscal year was completed.
 - Cash balance as of the reporting period is \$2,223,078 which includes \$947,279 of funds that are required to maintain the Days Cash on Hand requirement for bonding.
 - Revenues received at the end of the reporting period are reflected at 65.41% of the working budget.
 - Expenditures disbursed as of the end of the reporting period are reflected 62.03% of the working budget

- Other Items
 - The working budget has been updated to reflect changes to staffing based on current contracts for Fiscal Year 2022, as well as changes to several categories based on year-to-date activity.
 - Salaries and Benefits payables have begun to accrue as of the September financial statements for summer accruals, and those will be reflected in the statements under Salaries and Benefits lines.
 - The current balance is estimated to be \$175,246 in contracts and salaries that will be paid in July and August of 2022.
 - Title I and Title II applications are submitted and in Funded and Active Status with the Minnesota Department of Education. These funds may be expended and drawn to support cash flow.
 - Federal Special Education applications were submitted and approved by the Minnesota Department of Education.

What are the Contracted Services?

- Legal Services more than \$100,000 for FY22 and is a one year line item
- Hanson's Landscaping Services is more than \$7000 a month and Cecelia hopes to renegotiate that cost, or find a new company.
- BOD expenditures for website, background checks, advertising, finance services,

- J. Darline was paid as a consultant, not an employee
- Dustin will look into this more and report back to this committee

What is Row 39 Misc Teaching?

- Reading Center should be classified as PD
- Emily Hoffman should be classified as PD
- Character Strong should be classified as curriculum
- Teaching Temps - but we don't have that substitute service anymore?
- Teachers Pay Teachers should be curriculum
- Dustin will work with Cecelia to reclassify items

Is the Teachers Pay Teachers a service that all teachers have access to?

- No one knows?

2. Covid budgets (CD)

- These have not been updated yet.

3. Preliminary budget, 2022-23 (DR/CD/CS)

- Enrollment update 2022-2023
 - Dustin is working through this with the new numbers that the Administration gave him.
 - Will the 9th grade numbers be hit?
 - We will work through these waiting lists
 - 31 have accepted but 12 have not yet accepted.
 - 4 students changed their minds today
 - Which way? From attending to not attending, or from not attending to attending?
 - Unsure of which way
 - How many current 8th graders are leaving?
 - Unsure at this time
 - The total will be 112 by next fall so we won't have to adjust the budget.
 - Some staff are worried about meeting the number because based on past experiences, it doesn't seem likely and that many students drop in the summer.
 - However, the administration said the list was robust and that they are really working hard.
 - The grab bags are going out this week to all of the 9th graders on the list.
 - The Open House (both 6th and 9th grade) are not on the website yet. The 6th grade one is on the calendar, but the 9th grade is not. So the administration will fix that.
- Does the budget need a revision before it goes to the BOD if we can't meet the numbers?
 - Not necessary because we will meet the numbers.

4. Budget projections for expansion (CD/DR)

- The slides were not ready to show that raises will be available as we expand the budget, but the administration will be able to share the spreadsheet with the BOD that was ready

for the last BOD meeting. The administration will send it to Sandi before the BOD meeting

- We should think about the messaging of the staff raises and what can be done to explain how they will work to the staff, to get staff to stay. Because eventually there will be raises based on the projected increase in enrollment.
- There could be salary increases next year because of the change in formula due to the State surplus. However, that usually isn't determined by the State until May. However, if the number increases from 2% to 4%, we should come up with a plan to funnel the money into staff salaries for next year.
- Dustin has the expansion budget running alongside the current budget, so that he and Cecelia can do some comparison.

5. Federal expansion/replication grant

- We're not eligible for it, because their idea is about adding grades, or replication. However, neither of those are included in our current expansion plan. And the grant is due next week, so we wouldn't have enough time to alter our plans by then.

6. Funds for the Transition

- \$100 for the Community Welcome
- \$300 for a Meet the Staff Lunch
- Yes, we do have money for that.

7. Ken and John's credit cards have been canceled and we have the new credit card called Devi that we talked about at a previous meeting.

8. Class of 22 does have some money, and any money left in Class of 21 and 20 will be moved to the Class of 22.

9. Lisa will work on ensuring that the Zoom links and invitations are created more clearly.

Meeting ended at 6:06pm