

March Finance Committee Agenda

Monday, March 13th, 2023

Location 1D; 4:30 PM

Google Meets Joining Info:

Video call link: <https://meet.google.com/omr-yshh-shs>

Or dial: (US) +1 316-302-5797 PIN: 395 265 328#

Committee Members: Wendell Sletten- Board Treasurer, Randy Vetsch- Executive Director, Kate Hinton- HS Principal, Shauni Holt- Business Assistant, Dustin Reeves- Contracted Business Manager, Isaac Leonhardi- Teacher

Members Present: Wendell Sletten- Board Treasurer, Randy Vetsch- Executive Director, Kate Hinton- HS Principal, Shauni Holt- Business Assistant, Dustin Reeves- Contracted Business Manager, Isaac Leonhardi- Teacher

Community Members: Justin Gehring, Diane Theigs and Jamie Brodd

Called to Order: 4:30pm by Sletten

1. February Finance Reports (Reeves)

- 67% through the fiscal year at the end of February. Right on target for where we should be.
- 1.347 million cash balance. 1.04 million required for bond compliance. Positive cash balance.
- \$41,000 approx remaining due from Building Company- will be drawn on towards the end of the fiscal year
- Haley from BKDV plans to draw on SPED funds next week. This will get us caught up on some expenditures. Haley is also the one that works on our Title 1 Funds.
- Some prepaid expenditures into '24 fiscal year- include building lease for C/D
- Some items that are close to budget- these are smaller items that do not cause for concerns at this time
- Slightly under budget for expenditures at 63%.
- Dustin does not anticipate a need to draw on a line of credit at this point in time.
- We are targeting a budget of 544 ADM and are right at the 544 ADM at the end of February.
- Question for Dustin- Contracted Service Line Items
 - Sletten noticed that the number is high for 2022 and then dips low afterwards. Large sum of legal fees incurred in fiscal 21-22- at \$116,531. This also includes fees that were associated with the legal fees.
 - For 22-23 we have \$25,000 budgeted for legal fees. Dustin did state that \$25,000 may be a little high from what he sees at other schools, but also advised that we want to prepare for the unexpected.

2. Title 1 Funds Update (Reeves/Jenny)

- Haley from BKDV will work on drawing/coding these funds next week. Will see on the March financials.

3. Employee Retention Credit (Reeves)

- Dustin stated that this is something that he has seen as beneficial to other districts.
- Timing lag from when the application is completed and when benefits are received.
 - Would affect the 24-25 budget vs. the 23-24.
 - The purpose of the Employee Retention Credit essentially would be paying the employer for retaining their staff during the pandemic.
 - Would come back as a credit on the 941 form.
 - Dustin has confirmed with Tax Advisors that Charter Schools are qualified and eligible for receiving the funds.
 - Minimal work on the school's side to complete the application process.
 - Dustin is working on additional guidance on what the funds can be used towards when received. His understanding as of today is that it is a very wide and broad category:
 - It is currently known that this credit can be spent on payroll;
 - Unable to provide a number at this moment of what the school will receive;
 - Fee associated with this- Dustin will get the information to the school on the fee.
 - The Finance Committee agreed to have Dustin move forward with gathering the information and fee associated with the application process for this credit.

4. FY23/24 Budget Projections (Vetsch)

- Merger Budget Projections (Jenny)
 - a. In the brief from the February BOD meeting. This is currently the most updated copy that we have of the projections.
- Vetsch and Hinton are meeting with Dustin on Monday. Will hopefully have a preliminary copy of the 23-24 budget to share with April Finance Committee meeting.

5. Extracurricular Budget (Holt)

- Question has been posed by multiple activities about the potential to carry over funds to the following year due to receiving direct donations from community members (FRC and Sounds of Hope Fundraiser for example). Can donations and other funds be carried over and what are the implications?
- Dustin will look into UFARS standards, as this is what restricts some of what we can/cannot do for carryover.
 - Shauni will report back to the Finance Committee.
- Once funds (donations, fees, etc) are deposited into the schools account they are considered public funds which restricts some of what we can do.

6. Stipends Discussion (Holt)

- Question: Where is the stipend budget vs. actual spend?
 - Dustin will get back to Shauni after reviewing payroll information. Shauni will report back to Finance Committee the findings.

7. Divvy Cards Update (Holt)

- Currently have 7 physical Divvy cards.
 - Food Pantry (Lozano), Music (Sletten), FRC (Langseth), Business Office (Holt), Executive Director (Vetsch), Maintenance (Catudio) and a Staff card (for activities supervisors to check out/limited assigned funds).
- Committee agrees that limiting card allocation for 23-24 on a case by case basis is the current best practice.
- Streamlining of ordering process with digital P.O.s has minimized turnaround time for approvals, eliminating some of the need to assign more cards (and process reimbursements).
- Approval given to allocate two additional “Staff” Divvy cards for next year with limited assigned funds.

8. AFC Committee (Sletten)

- Members
 - a. Vetsch and Justin Gehring volunteered. Will work to add alumni and parents to the committee.
 - b. Future Fundraiser Ideas:
 - i. Sletten- what was done for the music program Sounds of Hope Concert was highly effective (paypal donations with QR codes). Committee agreed that when stakeholders know what is being purchased with their donations, they are more inclined to donate.
 - c. AFC would assist with Give to Max, reestablish the Dragon Dinner, look into other alternative fundraising sources.
 - d. AFC would assist in allocating funds/specific fundraisers. Fundraising requests would go through the AFC as well.
 - e. Approval given for Gehring to chair and schedule the first AFC meeting. Will work to establish another Chair at the first meeting.

9. Give to the Max (Sletten/Vetsch)

- Van Update
 - a. Vetsch spoke with the sales representative this week and unfortunately the vans are still not being produced. The representative had stated that there is a used van coming. Vetsch is uncertain of the year of the van at the moment. Unfortunately the salesperson does not have an update on when the vans will be in production again.
 - i. New guidelines coming out on passenger van rules. Vetsch is working on ensuring that we would be able to comply with the guidelines.
 - ii. Question posed on carrying over the Give to the Max funds into 23-24 due to many donations targeting the vans specifically. Dustin will gather information on this and report back to the committee.

10. Summer School (Hinton/Vetsch)

- At the moment it is unlikely that MSA will be offering Summer School. Currently we do not have the funding for the Dragon Flight School to take place this summer.
 - a. Transportation for Summer School would take a large chunk of the budgets due to rising costs.
 - b. For handful of students that are credit deficient, if going to home district is not feasible we will have them complete credit recovery with North Star Online.

11. Tentative Meeting Dates

- Monday, March 13, 2023; 8-9, 11-12 or 12-1-
 - a. meeting completed on Thursday 03/16/23
- Monday, April 10th, 2023; 4:30-5:30 PM-
 - a. Rescheduled to Thursday April 13th at 8am.
 - b. Sletten will ask for another extension on submitting the Finance information for the Board Packet for this meeting.
- Monday, May 8th, 2023; 3:00-4:00 PM (BOD Meeting May 15th)
- June/July TBD

12. Future Items

- Notices to teachers about end of year spending. Deadline for receipts and ordering/purchases is May 1st. Administrative team will communicate with staff meetings as well.
- Professional Development Funds- will discuss with staff at next all staff meeting
 - a. The Administrative Team and Finance Committee can then allocate funds to individuals requesting additional Professional Development funds.

Questions and Comments After Agenda Discussions:

- ESSER funds- closely tied to the Title funds. Majority that we received were utilized in Summer School.
- Question:
 - What is the closest we would get to using the line of credit?
 - The line of credit itself is \$500,000. The only reason we would dip into the line of credit is if the unrestricted funds (\$1.3 million) was at \$0.
 - Dustin confirmed that MSA's funds are in money market/checking accounts.
 - Question raised on if MSA currently uses a CD (Certificate of Deposit) Account.
 - *What is a CD account? A Certificate of Deposit (also known as a CD, COD, or Time Account) is a financial product that usually pays a fixed interest rate for a set period of time, ranging from a few months to several years. This period of time is known as a "term." (information from Wells Fargo website)*
 - Currently we do not have money shifted into any CD accounts.
 - CD accounts were used by MSA historically when interest rates were low/non-existent.

- Currently, MSA has earned a revenue of \$41,553 in interest for the year. MSA *could* earn more interest if utilizing a CD Account.
- Suggestion made that the Finance Committee propose to the BOD shifting \$600,000 into a 6-month CD Account. Gehring stated that he had done some research and saw interest rates as high as approximately 4% for a company that was in a 1-year CD Account.
- Rule for investing school's money is you can not invest in anything that has a risk. A CD Account does not carry a risk, and is usable by a school.
- Sletten asked Dustin to research the CD Account and the maximum amount that we could transfer into one so that we don't accidentally cause ourselves to dip into the line of credit.
- Suggestion was made to make a motion at the next BOD meeting to empower Sletten/Admin to make the decision on moving forward with a CD Account, versus waiting for the next BOD meeting for approval.
- Community question- Would we be able to have Dustin speak at BOD meetings on a regular basis? Community currently sees this practice at WLA BOD meetings with a BKDV representative speaking.
 - MSA's current contract with BKDV is for 3 BOD meetings, in addition to Finance Committee Meetings.
 - Discussion on having consistent financial information added to BOD meeting minutes to allow the public to easily understand and follow financials.
 - Sletten will watch the WLA BOD finance portion of their meetings to assist in presenting in a similar fashion.
 - Holt will work with Sletten to identify items to consistently represent in Finance Committee meeting minutes.

Meeting adjourned: 5:22pm