

# MSA February 2024 Finance Committee Meeting Minutes

## February 2024 Finance Committee Meeting

Monday 02/12/2024 4:15pm

Building/Room: Building A Room 16 (Leonhardi's Classroom)

Finance Committee

### Members:

Isaac Leonhardi	Chair of Committee, BOD Treasurer	Present
Wendell Sletten	Board Member, Teacher	Present
Dustin Reeves	Contracted Business Manager	Absent
Kate Hinton	Administration	Present
Justin Gehring	Staff/Parent	Absent
Shauni Holt	Staff	Present
Jaidev Balchandani	Parent	Absent
Courtenay Dugas	Parent	Present
Jennifer Stieve	Parent	Present
Yohannes Ghebru	Parent	Absent
Alicia Lerum	Parent	Absent
Noah Langseth	Teacher	Present

**Community Members:** *None present*

**Meeting Start:** 4:20pm

### Agenda:

#### 1. Finance Reports/ Current Year Financials

- *Creative Planning* contracted Financial Manager, Reeves, was absent from this meeting. Leonhardi provided an overview of the financial reports.
  - i. End of fiscal January, 59.83% of the year was completed. Expenditures reflect 50.94% of the working budget.
  - ii. ADM reflects 602.77 on a working budget of 601.
  - iii. Projected cash on hand reflects 101 days.
  - iv. Projected debt service coverage reflects 1.06.
  - v. Working budget surplus for the year is \$43,638, at January month end.
  - vi. Cash balance as of the reporting period is \$2,441,124 which includes \$1,275,726 of funds that are required to maintain the Days Cash on Hand requirement for bonding.

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- vii. Total assets on the balance sheet are higher for the month end of January, compared to month end December. Leonhardi will seek clarification from *Creative Planning* on what impacted this.
- viii. Local revenues reflect 73.8%; higher than planned largely due to Insurance Recovery funds (roof in Building A) and Emergency Connectivity Fund (ECF) receipts.
- o Question from committee on why future months expenditures reflect \$381,211. Leonhardi will follow up with *Creative Planning*.
- o ECF (Emergency Connectivity Fund)
  - i. MSA has received \$101,040 so far in ECF funds. There is another disbursement pending. The funds apply to student devices purchased in this year approved by the grant. *Creative Planning* has allocated the funds to the reserves for the previous school years reimbursed by the ECF.
- o ERC (Employee Retention Credit)
  - i. MSA was approved for \$643,889 and is awaiting disbursement from the Federal Government. No action is required on MSA's part at this time.
- o Supplemental Report
  - i. Prom and Spanish Club are in the red due to deposits made.
  - ii. Nordic is awaiting a refund payment from a contractor, and will return to positive funds.
  - iii. Divvy
    - 1. Transactions from *Facebook* were for marketing purposes, approved by the Administration team. Facebook marketing pulls from the budgeted amount daily, causing the multiple transactions.
    - 2. Transaction from *Venmo* was to purchase furniture. Business *Venmo* account is **not** connected to the school's bank account, but to a credit card only with limited funds assigned. This was also approved by the Administration.
  - iv. Check Register Financials
    - 1. Question brought to the Finance Committee about payments to individuals providing SPED Transportation. The individual providing this service is an independent contractor for MSA with a W-9 on file. Names of payee and UFARS codes are public records.
    - 2. MSA payroll deductions are processed through Accounts Payable when there are deductions that are to be paid to Government Entities and will show up on the check register as a result.
- 2. Fundraising/ AFC Committee / Donations (Hinton/ Gehring/ Holt)**
  - o Annual Fund reflects a total of \$26,456.
    - i. Mini-grant applications were distributed to staff last week to fund teacher projects. Administration will review the applications.

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- The AFC Committee is shifting focus from a Spring Fundraiser to dedicate time to MSA's 25th anniversary. Goal of spending more time/effort/energy to get MSA's name out there with the anniversary and talking about expansion.
- January Finance Committee meeting discussed that funds raised in 2023-2024 for school vans were rolled into the general fund. Communication from MSA about 2023-2024's donations being rolled into the general fund was sent out via the MSA Weekly Update on 1/19/2024, under the *Give To The Max Update* attachment.
- MSA had more funds this year that were targeted donations than in previous years.
  - i. Example brought forth: a single donor reached out asking to donate \$15,000 to the music department specifically. The funds were applied to Supplemental Code 458.

### 3. Expansion Update (Hinton)

- The BOD will receive information on three properties during a closed session at their next scheduled meeting.
  - i. One property is in Woodbury, two are in Cottage Grove on the Woodbury border.
  - ii. Upon approval of the BOD, due diligence will be done by the project manager on the properties to determine which is the most viable.
  - iii. Current goal is to decide on a property to enter on a purchase agreement with in Spring 2024. More in depth due diligence would be done at this point, and potential to close on the property late fall/early winter 2024.
  - iv. Currently on track for anticipated July 2026 to have the new building finished.
  - v. The project manager is working with bonding to ensure that timelines continue to match.
- Lease of Additional Property
  - i. The property owner opted out of the potential for an agreement due to the legal requirements and time constraints. No action on MSA's part prevented this agreement.
  - ii. MSA will remain with the original plan of A, B, C, and D. Renewal leases for buildings C and D will be brought to the February BOD meeting.

### 4. 24/25 Budget Planning Update (Hinton)

- Early stages of drafting have begun with the Administration team and *Creative Planning*. Potential to bring a rough draft budget to the March Finance Committee meeting.
- Staffing Needs Identified
  - i. Two additional teacher positions for 2024-2025 and additional support staff.
    1. Business Teacher potential due to need for more electives and Personal Finance program requirements beginning in 2026-2027
    2. Health Teacher.

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- ii. Dean of Students position for 2024-2025 to fill Administrative need with loss of Assistant Principal position
- o Nearby school districts are negotiating staff contracts with 5% increases. In order for MSA to remain competitive and retain quality staff we will need to pay close to competitively.
  - i. ERC (Employee Retention Credit) will assist in this effort.
- o Lease aid amount has not been increased in at least 10 years. MACS (Minnesota Associate of Charter Schools) says that lease aid should be 20% of revenue. This is a larger issue for Charter Schools as a whole.

### Comments/Questions:

- Line of credit renewal was completed. No further action required until next year's renewal.

**Next meeting:** Tuesday March 19th, 2024 at 4:15pm.  
Meeting adjourned at 5:09pm.