

AIS
Minutes of Finance Committee
August 22, 2018

The meeting was called to order by the Chairman at 4:45 PM.

Attendees:

Meredith Johnson - Chairman

Debra Adams – Committee Member

Cheryl Beaco – Committee Member

Roslyn Smith – Board Consultant

Terri Williams – Principal

Paulette Bruno – School Operating Officer

Melvin Davis – CFO (Independent Contractor)

Michael Bruno – Invited Guest

The Chairperson asked for a motion to approve the agenda that was emailed in advance of the meeting. Cheryl Beaco moved that the agenda be approved, and Debra Adams seconded the motion.

The next item on the agenda was highlights of the July 23rd meeting. Committee members indicated that none of the financial matters on the agenda were presented and the entire meeting was devoted to training committee members on understanding the financial statements.

The Chairman moved to the next agenda item: training on understanding the financial statements by Michael Bruno. During Mr. Bruno's presentation, he suggested that the accounts receivable be separated by prior year and current year on the statement of financial position (balance sheet). The separation would facilitate the board members tracking the processing prior year grant reimbursements. After the training segment of the meeting was completed, Melvin Davis asked if we could discuss the financial statements desired. The Chairman asked the committee members to approve moving the discussion of financial statements desired from item 6 under Old Business to item 1. The committee members approved the change in order of the agenda.

Mr. Davis wanted to get a clear understanding of the financial statements and information that he was expected to prepare in advance of each finance committee meeting. After some discussion, the following statements and information were identified as needed in a timely manner:

- Financial statements in format that will be used for annual audit (some changes from prior year);
- Supplementary schedules with actual – month and year to date versus budget (monthly budget-1/12 of annual budget and annual budget) for the general fund and special funds;
- Narrative with financial statement highlights;

- Bank reconciliations with a copy of the cash balances per the general ledger from QuickBooks;
- Quarterly – (1) Performance measurements required by OPSB; (2) Financial Reports required by OPSB; and (3) Annual Operating Budget and AFR before submission by September 30th.

The Chairman pointed out that each month's bank reconciliation should be signed by the Treasurer or principal in the Treasurer's absence. It was also pointed out that we don't want to miss any deadlines for submission of financial information to OPSB or the State.

Mr. Davis indicated that he still did not have on-line access to the bank statements. The Chairman stated this matter was covered at the June committee meeting and should have been resolved by now. If the principal could not take care of this soon, Mike Bruno and the Chairman would get it taken care of.

Mr. Davis presented the proposed annual budget draft. He mentioned that many new positions still needed to be matched with line items in the budget template; especially some of the "teacher type" positions. He pointed out budget reflected for 2017-18 could be used for the amended budget. He had reviewed the line items to ensure the 2017-18 actual when compared to budget (amended) did not reflect any over-runs.

The Chairman pointed out that the preliminary numbers for 2018-19 distributed at the last board meeting were significantly different from the proposed 2018-19 budget numbers being presented at this meeting. Mr. Davis stated he did not like to issue preliminary numbers for that very reason. He stated that preliminary statements can result in too many issues that need to be explained. The Chairman stated that the purpose of using narratives with the statements is to highlight significant changes and items that need to be focused on by committee members.

A question was raised by Dr. Smith regarding the calculation of 70% requirement for instruction. The Chairman pointed out the he believed that he had document regarding the calculation and would send it out later.

There was considerable discussion regarding the grant revenue reflected for 2018-19 and the roll-forward amounts from the previous year due to the failure to process all reimbursement requests. There was also considerable discussion around the fact the proposed 2018-19 budget included MFP based on 313 students. After lengthy discussions, it was agreed that the proposed budget's MFP should be based on 430 students.

There were additional discussions regarding the grants. The Chairman emphasized that the budget is a working document and as better or more complete information becomes available the budget can be amended

Under new business, Dr. Smith had some job descriptions and an accounting policies and procedures re-draft (reflecting some organizational changes) for the committee to review. The Chairman also gave out proposed policies for budgeting and procurement for the committee members to review. A travel document was also made available that Mr. Davis prepared.

There being no other business, the Chairman called for a motion to adjourn. Cheryl Beaco made the motion to adjourn and the Chairman seconded (Debra Adams was already gone). The meeting was adjourned at 7:15 PM.