

**Woodlands School
Board of Trustees Meeting**

Minutes

February 12, 2015 - Approved

Attending:	Officers: Chair – Loretta Cephus – Y Vice Chair – Sue Bay - N Treasurer – Catherine Wittig - Y Secretary – Matt O’Neill - Y Ex-Officio – Maureen Sullivan, Principal – Woodlands East - Y Patty Rogers, Principal, Woodlands - Y Trustees: Acevedo, Rafael – Y Coby-Beaver, Jacqueline - Y Caruso, Carolyn – Y Griffin, Dennis - N Hartwig-Rahmani, Brenda – N Newell, Dr. Markeda - Y Richardson, Peter - Y Schultz, Jason - Y Sheka, Lynn – N Guests: Mr. Rauworth, Mr. Pointer-Mace, Ms. Gazana, Shari Wiemer, Brian Mitchell
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1. Financials through December 31, 2014

Prior to the meeting, Chair Loretta Cephus circulated a Financial Packet of information, including the completed December 31, 2014 financial statement. Catherine Wittig explained we will going forward distribute the financial information in this manner. The Finance Committee met and recommends approval of the December 2014 financial statement.

Shari Wiemer discussed certain highlights from the financial statement. Shari prepared detailed outline of highlights, which is included in the minutes:

Statement of Financial Position

- Cash is high at this time due the 2nd quarter Charter Aid payment of \$944,776. The LOC of \$125K drawn in November was paid back Dec 3rd.
- Student Fees Receivable net of the allowance represents fees owed by currently enrolled students only (\$11.3 Tech; \$15.5 K4; \$16.6 Ext). The balance from non-enrolled students as of June was \$15K. \$5K of this balance was paid, \$3K was adjusted and \$7K was written off in full. Due to the low balance of uncollectibles we did not move forward with a collection agency on these accounts.
- Grants Receivable represents the amount due from DPI for SPED Categorical Aid (\$26K), SPED grants (\$12.5), Title (\$24.3K) and Implementation Grant (\$33.3).
- Property & Equipment increased for the tunnel/parking lot project at Bluemound (\$49.3K), purchases as part of Implementation (\$33K) at State Street and technology purchases (\$2.7K) and Dissemination purchases (\$6K) at Bluemound.
- Notes Payable – The balance due for State Street represents the IFF Loan (\$333K) and their portion of the PAVE/Park Bank refinance loan (\$483K).

Budget vs Actuals

Projected to June 2014, Shari anticipates we will come in at budget of \$131.5K at the end of the year.

Operations Projection Detail

	<ul style="list-style-type: none"> • Charter Aid – Actual income is 50% of budget at this time. Variances are expected in the next two charter payments due to our actual enrollment being less than our budgeted (498 v 503). Bluemound is favorable to budget by 1 student where State Street is not favorable to budget by 5.5 students. Projected Shortfall (\$38K). • K4 Afternoon Fees – We have 39 students in the program compared to 34 budgeted. The expected surplus over budget is \$16K. • Extension Program is favorable to budget. The annual budget for Bluemound was projected to be a \$12K deficit and they are currently at \$12K <u>surplus</u>. Net of the Lunch program the change to expectation is a surplus of \$12K. • Hot Lunch Program is projected to produce a net deficit of \$19K. We are predicting Extension will produce the offsetting surplus to wash these 2 programs to zero. • Book-Tech Fee uncollectibles are currently higher than expectation by 15% for State Street campus reducing the projected bottom line by \$2K. • Rental Income is ahead of budget due to a contract change after preparing the FY15 budget, resulting in a \$1.6K increase to the bottom line at the end of the year. • Donations – We expect to meet budget at the end of the year. \$2,400 of the current year receipt is from the Brady Corp to State Street Campus. • Administrative Expenses – higher than budget due to Charter Fee actual over budget \$7,900 (\$2,700/quarter) and one-time DC travel expense for National Character award \$2,900. Expect \$16K additional expense over budget by end of year. • Occupancy – State Street Campus budgets were high with relation to rent, janitorial and gas services. Anticipate a savings of \$28K as a result. • 2270 Dissemination Grant – projected budget was a net \$0 to the bottom line; however \$1,560 deficit settled as the last month of the grant was recognized in July. The deficit resulted from the FY14 audit correction of \$7,400 and an asset purchase of \$5,840. Projected -\$1,500 to budget by end of year.
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- 9900 Transfer to Fixed Assets – Not included in the budget is the investment of assets from operating activities not received from the Implementation Grant. This match should be split to the category it relates to; currently there is one account to manage asset investments. Of the \$91K - \$33K relates to Implementation, \$49K to the tunnel/pkg lot, \$6K Dissemination Grant and \$3K Bluemound technology purchases. The effect of purchasing assets is net \$0 on the income statement. The Boiler acquisition of \$50K will appear in the next financial packet with \$25K capitalized as the landlord is paying half.

Statement of Activities in Total with Recap by Funding Source. Net State Charter Aid is representing a deficit of \$13K at this time. It should be noted that before depreciation expense of \$72K, the Organizations' operating income is approximately \$59K as of 12/31/14 (or approx. \$71K for Bluemound Campus and (\$12K) for State Street Campus).

Bluemound Campus - Projected Actual is expected to be \$18.4 favorable to budget of \$127.5K or \$145.9K

- Enrollment is ahead of budget by 1 student (341 Budget v 342 actual). **\$8K surplus.**
- K4 Afternoon enrollment is ahead by 3 (17 Budget v 20 actual). **\$9,750 surplus**
- Extension Program in budget as a deficit \$12K. Expect Surplus to match organizational Lunch Deficit. **Favorable to budget by reversal of projected deficit \$12K.**
- Hot Lunch Projected \$9K Deficit to Budget deficit \$13K.
- Book-Tech Fee program currently at an 18% uncollectible rate (20% budgeted). **On Target.**
- Rental Income of the Gym expected to be **1.6K higher than budget at end of year.**
- Admin Expenses \$6K over budget due to Charter Fee 4K and DC Travel \$2K. **Project \$10K over-range by end of June.**
- Occupancy Expenses over \$41K = \$49K Tunnel/Pkg Lot expense plus savings from major repairs behind budget by \$5K as well as savings in Janitorial and Recurring Maintenance \$3K.

- Interest Expense higher than budget. Expect \$3.5K Interest or **\$1.1K over budget at end of year.**
- Dissemination Grant's final month was July 2014. We expected \$0 net effect in budget, but \$7,400 deficit occurred due to an audit correction. \$6K of the expense was capitalized resulting in **\$1.5K FY15 unanticipated deficit.**

State Street Campus – Projected Actual is expected to be \$18.4 under budget of \$4K or (\$14.4K)

- Enrollment is lower than budget by 5.5 student average (162 Budget v 157 actual Jan). **\$42K shortfall.**
- K4 Afternoon enrollment is ahead by 3 (17 Budget v 20 actual). **\$6.5K surplus.**
- Extension Program in budget as a net surplus \$1K. Expect Surplus at eoy to be half expectation or \$500. **(-.5K adj).**
- Hot Lunch Projected \$8K Deficit to Budget deficit \$5K, **resulting \$-3K eoy adj.**
- Book-Tech Fee program currently at an 35% uncollectible rate (20% budgeted). **-\$2K add'l bad debt.**
- Financing income projected \$2.5K to \$1.6K budget, **resulting \$1K favorable**
- Donations **greater than annual expectation \$2.8K.**
- Salaries higher than expectation due to a recurring journal entry error posting by mistake. \$15,400 expense, when removed salaries are at expectation.
- Admin Expenses \$3.8K Charter Fee over budget + \$1K insurance over budget. **Expect \$7K over budget at eoy.**
- Occupancy Expenses under \$24K resulting from Rent (\$7K), Janitorial (\$1K) and Gas service (\$16K). **Projected savings to budget by eoy \$27K.**
- Interest Expense higher than budget. Expect \$31K Interest or **\$1.2K over budget at end of year.**
- Implementation Grant is in 2nd year. On track with budget.

MOTION to approve the December 31, 2014 financial statement, motion by Matt O'Neill, second by Peter Richardson, motion passed unanimously.

<p>2. Committee Reviews and Update</p>	<p>a. Finance Committee – Committee update was set forth in the Financial Packet. Loretta noted we will need to make a deposit into our account to cover unemployment; we will look into appropriate financial vehicles for the funding.</p> <p>b. Fund Development Committee – Rafael gave a report on fundraising goals and efforts. We are looking for external guidance on organized fund development for Woodlands, and take our efforts to a new level. Have begun interviewing candidates. Two candidates, one interview completed.</p> <p>Jackie provided an update on the new website. The launch date was delayed. Website preview has been viewed; additional content and pictures are being added. Lynn is working on the copy work. Final view before launch is anticipated in the next three weeks.</p> <p>Carolyn is focused on the one page marketing flyer. Copy is the current top priority focusing on succinct talking points and a calibrated message.</p> <p>MOTION to approve the final hiring decision of the contracted fund developer, motion by Dr. Markeda Newell, second by Jason Schultz, motion passed unanimously.</p> <p>c. Governance Committee – Final staff handbook anticipated in August. Org structure and succession planning are being factored for some flexibility along with DPI changes with regard to testing, etc. We need a balance between comprehensiveness and flexibility when needed. June review. Parent handbook will be refreshed thereafter.</p> <p>Loretta indicated that we need a board meeting start at 5:30 on March 26th. Student council along with PAVE joining us provide an update and share the annual report (Woodlands was highlighted)</p>
<p>3. Succession Planning – Maureen Sullivan</p>	<p>Loretta: job descriptions have been drafted. Combination executive director and principal job description and responsibilities. Fund development should be incorporated. This person should be ambassador of the organization; we</p>

	<p>need some language around this.</p> <p>Jason: PAVE has scheduled a training session on this topic for February 24th. Loretta is planning to attend and encourages board members to attend if available.</p> <p>Loretta: further discussion on the job descriptions including edits needed and future vision of the potential structure. Peter: vision, strategy, purpose needs to be underscored. Reflect the ambitious vision of the school and the need for fund development. Peter and Carolyn will work on initial edits and will pull together the elements that are critical with board input. This will be for both job descriptions. Feedback needed no later than next week Friday. Draft to be ready for our discussion at the march board meeting.</p> <p>Loretta: Woodlands inc org draft, overview of structure. Expectations of the ED and their interactions with the org. Further work on designing the structure to reflect current vision and immediate needs and opportunities. Clarify lines of communication, org structure. This was a component of discussions surrounding the move to a second school.</p> <p>Loretta: PAVE succession readiness checklist to keep the focus with timelines surrounding leadership transitions. Joan from PAVE is facilitating our strategic planning for the org. First visit this spring, 3-4 months estimated to move forward with the strategic plan.</p> <p>Loretta: governance, explore the evaluation of performance across the organization. Discussion on Readiness checklist: some areas board cited as areas of opportunity, some a work in progress, others we are are functioning well. On the right path, this formalizes what we need to do.</p> <p>March: financial update, budget initial discussions at the meeting on the 26th.</p>
<p>4. Adjourn</p>	<p>Motion to adjourn by Rafael Acevedo, second by Jason Schultz motion passed unanimously.</p>

Prepared by: Matt O'Neill & Catherine Wittig