

Finance Committee Agenda

Date: 3/15/18

Time: 10:00 a.m.

Location: Google Hangouts (link below and also in the calendar invite)

[Join Hangouts](#)

Members Present: Jim Weiberg, Scott Brown, Amy Larsen, Dan Ondich, Renee Parcheta, Chris Peterson, Judy Pekarek, Sara Neu, Amy Chicoine, Darren Sonenstahl, Matt Schoenthaler

Finance Committee Responsibilities:

1. Review and recommend the annual school budget to be approved by the board of directors no later than their June meeting. Monitor the annual budget and recommend adjustments if needed to the board.
2. Review monthly account activities and balances.
3. Review the annual audit, and report findings to the board with any recommendations for board action.
4. Work with the Personnel and Human Resources committee for salaries and benefits.
5. Post meeting notices 72 hours in advance, and keep minutes of proceedings.

Agenda:

I. Financial Updates

A. Monthly Financial Statements (Scott Brown)

1. [February Financial Statement](#)

Brown reported that we are 67% of the way through our budget year and have spent 58% of our budget. There are no cash flow concerns at this time. Our spending month over month remains consistent with no acceleration or any items to be concerned with. Pekarek inquired about the Dakota Academic Consulting payment on the check register. Brown explained it was a company that submits our e-Rate applications and manages all aspects of the grant requirements.

2. Credit Card Statement(s) - [OLD](#) & [NEW](#) (Anchor Bank)

Larsen noted that the finance charge on the Old Visa (Wabasha Bank) was for interest on the remaining balance which was charged because Visa did not receive our payment prior to sending out the new statement. BlueSky will be paying off the remaining balance of \$184.75 which includes two charges that will be identified on the following statement. We will be paying ahead of time to be sure not to accrue any more finance charges. The card will remain open so that we can use the reward points but will no longer be used for purchases. The new card statement identifies both Bill and Amy's credit card charges separately. Sonenstahl asked why we had a previous balance of \$50. Larsen noted that the card was charged \$50 upon opening but that amount was subsequently credited back.

B. ADM/Enrollment Update (Amy Larsen)

As of 2/26/18 MARSS report = 481.27 ADM (Last reported 2/16/18 = 485.81) Chicoine asked if

our decreasing enrollment (and lower number of new enrollments) has had an effect on our ADM. Brown noted that we have been able to sustain our cap of 500 or close to the cap, for a majority of the year which will allow us to average a total of 480. We should be able to meet our budgeted ADM because we were above our 500 cap for a little while and should be able to maintain close to our cap throughout at least April. Larsen noted that we are no longer enrolling new 7th and 8th graders and will be stopping all enrollments on April 30th. We will likely see a dramatic decline in our enrollment numbers in May due to early graduates and lack of new enrollments. However, this is a short timeframe and should not have a huge impact on our overall average (ADM). Peterson asked if BlueSky was offering tuition based summer school. Larsen noted that we are using extended learning year funds to sustain our summer school programming for BlueSky students but will also be offering tuition based summer school for non-BlueSky students. This has not been promoted yet, as Cathy is still working out the details of registration and payment for those students.

II. Other Business/Questions

A. [6th Grade Expansion Proposal](#) - Review Draft Budget

Ondich reviewed the 5-year projected budget with and without 6th grade. He also reviewed the proposed implementation budget. The 5-year projected budget *with* 6th grade actually shows less of a change in fund balance than *without* 6th grade, with the exception of the first two years of implementation. All other factors remaining the same, the increase in revenue received by adding a total of 40 new students would be greater than the expenses. The first year (FY19) of implementation is projected to cost BlueSky about \$60,000 (which is a high estimate). This money would be taken from the existing fund balance. By year two, FY20, we are projected to add 10 newly enrolled 6th graders and 2 FTE for teaching staff. Year three, FY21, we would add 20 additional students, and year four, FY22, an additional 30 students and 2 more FTE staffing. By year five, we should have an additional 40 students which will sustain the program including the 4 FTE increase in staffing. Committee members had many questions and great discussions related to: staffing, existing staffing changes, marketing, level of interest in 6th grade, other programs offering 6th grade, etc. Committee members had no great concerns related to the projected budget and noted that the Implementation Team along with curriculum committee and staff development committee would work to flush out the answers to the many details of implementing this type of program change.

Of note, there is little risk to moving forward with getting approval from IQS and MDE to expand our program offerings to 6th grade. Once approved, we are not obligated to follow through with the expansion.

III. Recommendations to the Board

The Finance Committee recommends that the board continue with the implementation planning for the 6th grade expansion project based on the financial feasibility of the proposed budget.

Future Meetings:

Thursdays at 10:00 a.m.

April 19

May 17
June 21