



Board of Trustees Work Session Minutes
Monday, January 23, 2017
Lake Wales High School (Media Center)
3:30 PM

Trustees Present: Chair Danny Gill, Vice Chair Terry Fasel, Christina Updike, Aundrea Croft, Angela Pulido, Eugene Fultz, Jimmy Nelson, Howard Kay

Staff Present: Superintendent Jesse Jackson, Brian Fisher, Marie Cherrington-Gray, Jennifer Barrow, Elizabeth Tyler, Barbara Jones, Gail Quam, Damien Moses, Donna Dunson, Richard Columbo, Angela Heyward, Julio Acevedo, Deirdre Mithaug, Stacie Padgett, Anna Barcenas, Chris Reams

Others Present: Robin Gibson, James Coulter, Arnold Haynes, Carol Collins, Mark Parlier, Scott Crews

I. CALL TO ORDER

Dr. Jesse Jackson, Superintendent

The meeting was called to order at 3:39pm.

II. FINANCIAL REPORT

Brian Fisher, CFO

A. Monthly Financials

Consolidated Balance Sheet (Unaudited)

- Total assets of the system are \$49K higher when comparing YOY balances...the December 2016 total assets increased \$380K from November's report. The largest factor contributing to the increase is the cash position of all the major funds.
- System-wide total liabilities are \$654K lower when comparing YOY balances...the December 2016 total liabilities are \$9K higher than last month. The December increase is due to month-end timing of payroll liabilities and accounts payable activity.
- The system's consolidated net change in position increased \$371K for the month of December...the result of increases across all the active funds: GF \$328K, SLF \$20K, Internal \$6K and Federal fund \$17K.
- During the 2Q financial ratio review, no change in the system's ability to meet short-term obligations & long-term debt service...healthy working capital position as an organization.

GF Statement of Operations (Unaudited)

- State YTD revenues now represent LWCS's Survey 2 student FTE blended count annualized at 4,231 (budgeted @ 4,146)...+85.0 FTE base increase if Survey 3 is a duplicate of Survey 2 student count. Actual enrollment reflects student FTE count near the report date and not Survey 2 data gathered during October 12-16th. State revenues represent 54% of total revenue based on 4,231.
- The local revenue represents activities associated with reimbursement activity from internal (Foundation accts and/or internal accts) & external (agency reimbursements in arrears) funding sources. Non-recurring activity is having an influence on the local revenue.
- GF revenues outpaced expenditures in December with a net operating surplus of \$328K. The YOY December cumulative net surplus position is \$665K compared to \$818K.
- The negative expenditure variances generally represent expenditures occurring in advance of the budget cycle or expenditures not occurring on a straight-line basis. Many of these expenditure variances are the result of technology, contract services and equipment purchases that have improved with the addition of another budget cycle.

GF Supplemental Programs (Unaudited)

- Pre-K programs improved over last month's performance. No financial performance

challenges occurred for the 2Q other than fewer revenue service days in December.

- BPE and HcE after school programs improved again over last month's cumulative surplus.
- Current operations are funding the STEM program expenditures during the program agreement review with FSU. LWCS is waiting on a FSU review of our latest submission of STEM Initiative program documents. The appropriated funds pass-through FSU to LWCS.

GF Transportation (Unaudited)

- Non-FTE transportation revenue is about 90% of the YTD budget and is nearly even when comparing YOY activity. State revenue represents 54% of the adopted blended student transportation until Survey 2 data is final with the state. Our preliminary Survey 2 data reflects a lower FTE funding count than the adopted data used.
- Total transportation expenditure activity as a percent of budget is tracking about the same compared to last month and 21% more YOY. Like other school operations, transportation activity does not occur on a straight-line basis, and the purchased services variance has increased from last month. Maintenance expenditures embedded in Purchased Services are running 25% to 30% above budget for the mid-year reporting period.

Food Service Fund 410 (NSLP) (Unaudited)

- Food service revenue is 6% above budget through December and mirrors the YOY revenue pattern for the school lunch fund. A la carte and the commodities program revenue again are the major contributors of the positive budget variance. A la carte selections and food presentation at the schools' increased sales volumes, driving up the revenue stream for SLA and LWCS. The "Other Sales" budget variance is a function of state ancillary NSLP revenue received at mid-year and the end of the year.
- The budget column reflects meal service days in the reporting period and equating to 45% of the meal service days recorded through December 2016. Compensation expenditures are running higher than budget reflecting those cost commitments occurring before the 180-day budget cycle starting with the first day of school.
- Net surplus recorded through December is two-times above the adopted budget projection before any indirect cost recovery for operations.
- Student outstanding balances at LWHS continue to track high compared to last month and YOY.
- RFP opening occurred on January 9th with four proposals for consideration. The screening of the RFP and vendors is scheduled to conclude during the first week of February.

Food Service Fund (411) (Unaudited)

- No monthly activity to report until the summer food service program of breakfast and lunch starts up in June of 2016. YTD surplus of \$2,200 during the operating period of July and August.

Federal Programs (420) (Unaudited)

- Grant activity represents reimbursable amounts through December...total expenditures are 9.0% higher YOY.
- Overall spending rate on grants is 39% YTD.
- The PCSB is responsible for submitting our student demographic information for Federal entitlement allocations, and an issue surfaced when PCSB misrepresented our qualified free/reduced price lunch (FRPL) Survey 2 data to the state. The state's FY17-18 allocation process for IDEA funding raised the issue of significant changes in the YOY data comparison. LWCS has notified the state's MIS office and informed the PCSB office responsible for oversight of local operations. The miscue is at the PCSB MIS office responsible for reporting our FRPL data. The PCSB director has requested copies of the communications between LWCS and PCSB's MIS to understand the history and background of this annual challenge. The PCSB MIS director confirmed the correction window is still open to correct our data files for Survey 2 and is committed to get this ongoing miscue fixed before Survey 3. LWCS has resubmitted our FRPL data files to PCSB to get our FRPL data files at the state properly populated and correct deficiencies in any upcoming Federal funding allocations.

B. Personnel Changes

Presented for your review and approval at the January 23, 2017 Board of Trustees Meeting.

III. ATTORNEY'S REPORT

Robin Gibson, General Counsel

A. Litigation Update

Robin shared the possibility of future conversations with PCSB regarding McLaughlin and the possibility of them converting to LWCS. Bok Academy has a waiting list of 500-600 students. There might be a window of opportunity and we need to also explore this from a financial standpoint.

IV. SUPERINTENDENT'S REPORT

Dr. Jesse Jackson, Superintendent

A. MINUTES: November 28, 2016 BOARD OF TRUSTEES WORK SESSION AND MEETING MINUTES

Presented for review and approval at the January 23, 2017 Board of Trustees Meeting.

B. Edward W. Bok Academy Classroom Project Update

Mrs. Collins / Mr. Haynes / Mr. Parlier / Mr. Crews

Mrs. Collins spoke about the extraordinary academic results at Bok Academy. She also shared the struggle that they have with maintenance of the property with the limited finance that they have for repairs. Herself and Mr. Haynes agreed the Bok campus needed a more effective teaching space for the students and staff. They developed a three stage plan. Stage 1 – Brokelman Kayak Storage, Stage 2 – New STEM Classroom, Stage 3 – new 8 classroom state of the art building which will cost us about \$2.2M. We hope to start this process June 2017. Mr. Haynes shared we have received commitment from others throughout our community to assist with this effort. Mr. Parlier and Mr. Crews walked us through the project timeline and showed us photos of what the completed project will look like in the future. Mrs. Collins shared we have received \$1, 550, 000 in pledges so far. Our hope is for the schools and our community to raise \$350,000 towards this project.

Dr. Jackson: We have restructured our Foundation fundraising efforts this year and committed to assisting this project with community partners and friends. Thanks to all who have generously made pledges for this project.

C. PRINCIPALS' UPDATES

None.

D. NEXT MEETING DATES

The February Board of Trustees Work Session and Board Meeting will be on Monday, 27, 2017 at Hillcrest Elementary. The Work Session will begin at 3:30 PM and the Board Meeting will begin at 5:00 PM.

V. OTHER BUSINESS FOR THE GOOD OF THE CAUSE

None

VI. ADJOURN

Meeting adjourned - 5:01pm.

Respectfully Submitted,

Marie Cherrington-Gray, Corporate Secretary

Board Approved: _____