



Board of Trustees Work Session Minutes
Monday, February 22, 2016
Lake Wales High School (Media Center)
3:30 PM

Trustees Present: Vice Chair Terry Fasel, Keith Wadsworth, Christina Updike, Eugene Fultz, Jimmy Nelson

Staff Present: Superintendent Jesse Jackson, Brian Fisher, Marie Cherrington-Gray, Elizabeth Tyler, Jennifer Barrow, Barbara Jones, Donna Dunson, Richard Columbo, Angela Heyward, Deirdre Mithaug, Stacie Padgett, April Barnhardt, Anuj Saran, Chris Reams, Anna Barcenas, Dustin Smiddie, Tammy Atmore, Metta O'Bryant

Others Present: Bill Rogers, Robin Gibson

I. CALL TO ORDER **Dr. Jesse Jackson, Superintendent**
The meeting was called to order at 3:40pm.

II. FINANCIAL REPORT **Brian Fisher, CFO**

A. Monthly Financials

Lake Wales Charter School, Inc.

Financial Executive Summary

3Q FY2015-16 (January 31, 2016)

Consolidated Balance Sheet (unaudited):

- Total assets of the system are \$76K higher compared to the December 2015 total... The largest shifts occurred with A/R in the school lunch fund and the cleared prepaid expenditures setup at the fiscal year end closing in the GF.
- The system-wide total liabilities are \$123K lower compared to the December 2015 reporting period. The January decrease was due to month-end timing of payroll liability processing and accounts payable activity.
- The system's consolidated net change in position increased \$199K for the month of January... GF activity was the largest contributor of the increase, followed by internal and school lunch funds.
- No change in the system's ability to meet short-term obligations & long-term debt service.

GF Statement of Operations (unaudited):

- State revenues represent LWCS's Survey 2 student FTE blended count annualized at 4,163 (adopted budget 4,118)... +45.0 FTE if Survey 3 is a duplicate of the Survey 2 data. Confirmation of actual enrollment for FY2016 will be determined later in April after certifying the Survey 3 data reported through the week ending February 12th.
- Some of the local revenue items are under budget because the activities are associated with ~~reimbursement activity from external~~ (agency reimbursements in arrears) funding sources and the budget cycle running ahead of the services days to date.
- GF revenues outpaced expenditures in January with a net operating surplus of \$123K. The GF cumulative net surplus position through January is \$941K, compared to \$943K in January 2015.
- The negative expenditure variances continue to improve from prior budget cycles, as they 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, textbooks and equipment purchases. The total expenditure categories as a % of budget are trending at nearly the same percentage level as last month.

GF Supplemental Programs (unaudited):

- Individually and as a whole the Pre-K & After school programs remain fiscally sound as the total surplus increased 48% from last month's position. The YTD totals do not account for outside state agency revenue in arrears.

GF Transportation (unaudited)

- Transportation revenue for field trip activity is running 10% below budget through January 2016 although it is 10% higher than reported for the same period in 2015. State revenue represents 64% of the estimated blended student transportation. Survey 2 data has not been settled with the state and no negative budget impact is expected as Survey 2 data reflects slightly higher revenue FTE.
- Overall total expenditure activity as a percent of budget is 7% more compared to last month and 1% above total activity reported through January 2015, with total actual expenditures \$13K higher compared to a year ago. Like other expenditures, transportation activity does not occur on a straight-line basis and this month's positive expenditure variances are trending higher than last month's percent of the budget. January purchased service activity is up significantly with the majority associated with \$40K of expense posting for vehicle insurance.

Food Service 410 (NSLP) (unaudited):

- Food service revenue through January is running 11% above budget just like last month, with 52% of annual meal service days recorded. All revenue categories continue exceeding the budget with 4 fewer meal service days as compared to the same reporting period last year.
- The budget is based on pro-rata meal service days in the reporting period. Compensation expenditures are running higher than budget reflecting those cost commitments occurring before the 180 days meal service budget cycle started in August.
- Like last month capital outlay expenditures are running high in the budget cycle due to the equipment ordered under the AG grant. Reimbursement for the grant expenditures will occur once all the grant supported equipment is placed into service. The new equipment has had a positive impact with increased student participation in the breakfast program. Funding for the grant equipment will not be a commitment of the operating budget.
- Food service YTD net surplus position of \$135K is 5.5 times ahead of budget.
- The current total student balance due amounts (Bok \$457 & LWHS \$437) are both lower than reported last month.

Summer Food Service (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 1/31/16. Spending rates vary by grant with the overall grant activity at 47% spent YTD. This rate is slightly ahead of last year's rate for the same reporting period. Major grants (Title I & IDEA) are 45% spent to date.
- Now that Title I-SIG is approved, some expenditure reclassifications from Title I are needed.
- The FY16 budget revision will incorporate previously unbudgeted grant amounts and any eligible carry-forward amounts within the existing grants.

B. 2015-2016 Revised Budget Package - 02-2016 Budget Amendment Resolution

This will be presented for your review and approval at the February 22, 2016 Board of trustees Meeting.

C. Recommendation for Audit & Tax Services Resolution

In our October 2015 meeting it was suggested we do an RFP for our auditing services. In December 2015 we did a public notice; January 4th the RFP was opened and January 19th it closed. The committee met on February 3rd and the two finalists did an oral presentation to our committee on February 18th.

After much consideration the committee agreed to keep BKHM for 2016-2017 with a two year engagement.

Dr. Jackson: This process was of great benefit to us. It puts pressure on our current provider and it also gave us the opportunity to look at other companies. This will be presented for review and approval at the February 22, 2016 Board of Trustees Meeting.

D. Personnel Changes

This will be presented for your review and approval at the February 22, 2016 Board of trustees Meeting.

III. ATTORNEY'S REPORT

Robin Gibson, General Counsel

A. Litigation Update

Attorney Gibson: We are very proud that we have established ourselves with the District and the State. We have no litigation to report this month.

Legal Update: We have had contracts etc. that comes to our Board/System for review.

We recently had to speak with the State on an ESE accommodation. We have no other system like us so we at times encounter push and pull because they are unsure of how to handle us. There are only 20 conversion charters in the state and we have 5 of them.

Most of them are single schools and we are an LEA. We continue to work with the state and they are very understanding of when and how the rules apply to us.

Dr. Jackson: We are a system with our own LEA. As DOE personnel changes occur and the new staff comes in we continue to work with them as they learn about our system. It is similar to the District also. As new staff come in we have delays or is not able to gain access to things we have had previously.

IV. DEVELOPMENT OFFICE REPORT

Tammy Atmore, Development Director

A. Development Office Update

Tammy Atmore: Our Annual Report was delivered today. Our 1st Annual Giving Campaign will go into March/April. So far we have received \$275,000+ and have a lot of new donors. Our Teacher of the Year event – thanks to everyone for their support (Sarah, the High School, Central Office etc.) Our event was on the news over the weekend. Thanks to Tammie Fields and Jerry Miller for their assistance.

Robin Gibson: We have a few critical things for our Foundation. Our Annual Fund Drive is the best chance for us to receive unrestricted funding. Our Annual Report will come out at the beginning of the school year and published in September to take advantage of year end giving. The proceeds from the Foundation go to the schools.

Dr. Jackson: Events is central and important to us. Last Thursday produced additional revenue. We have talked about large events throughout the year that needs to be incorporated. LWCS is now paying for two staff members. We should grow into the future to not have to pay for the two staff.

V. SUPERINTENDENT'S REPORT

Dr. Jesse Jackson, Superintendent

A. MINUTES: January 25, 2016 BOARD OF TRUSTEES WORK SESSION AND MEETING MINUTES

Presented for review and approval at the February 22, 2016 Board of Trustees Meeting.

B. PRINCIPALS' UPDATES

Hillcrest Elementary – Principal Jennifer Barrow

We enjoyed the dancing at the Gala. SOAR Academy Father/Daughter Dance made a nice profit. We might possibly have a Mother/Son dance in the future. We had three students that attended the Kinetic Challenge at the Orlando Science Center. Our A-Team semi-finals at Eagle Lake is coming up, and we are working on a 4th grade A-Team. The Wizard of Oz was a great event.

We are working with our students at a higher level with our new FSA. Our SAP students are using the new 3D printer. FSA writing is next week.

Janie Howard Wilson Elementary – Barbara Jones, Principal

Thanks to Tammy for a nice evening at the Gala. JHW after school tutoring is going well. Our Valentine's Dance went well. Our Super Kids consultant visited our schools. Thanks to Mrs. Collins for all her support. We visited Bok Tower last week for our environmental initiative. Channel 8 news visited our school and did a feature story. Our girls attended Rotary camp this past weekend. STEM family night is tomorrow from 5:00pm to 7:00pm.

Dale R. Fair Babson Park Elementary – Principal Elizabeth Tyler

We had Family Night and K-Support Night and both were great. Our 2nd graders went to Circle B. Earth Day was at Bok Tower. We also had Jump Rope for Heart and raised \$3,000. We had our Father/Daughter dance and that was wonderful. We are still tutoring 3rd, 4th and 5th graders. MAPS training is on-going and our girls also attended Rotary Camp.

Lake Wales High School – Principal Donna Dunson

Katrina Childress is our Teacher of the Year for our system and we are excited! Students lined the road leading into the high school to welcome her with the limo ride. It was wonderful! Our Henry McCance Design Challenge K-12 is going well. Dr. Tanzi will be speaking at the high school March 8th. LW Scholars & IB incite will be coming soon. We have about 20 folks coming to look at LWHS. Our friends from Highlands County also visited us recently. Our Google Summit is coming soon. Our AG program is going well – Paige Turner is doing an awesome job. Thursday night at Mountain Lake went very well.

Dr. Jackson: Dr. Chris Muire from FL State will be meeting with us to discuss future opportunities.

C. NEXT MEETING DATES

The March Board of Trustees Work Session and Board Meeting will be Monday, March 28, 2016 at Hillcrest Elementary. The Work Session will begin at 3:30 PM and the Board Meeting will begin at 5:00 PM.

VI. OTHER BUSINESS FOR THE GOOD OF THE CAUSE

Trustee Nelson: I was very impressed with the proposals we received for the Audit RFP. Brian and the committee did a great job and we appreciate the time and effort it took. This was a very healthy and worthwhile process. BKHM will do a great job and they have room to sharpen their pencil. This is also an opportunity to new folks for future engagement.

VII. ADJOURN

Meeting adjourned at 4:59pm.

Respectfully Submitted,
Marie Cherrington-Gray, Corporate Secretary

Board Approved: March 28, 2016