



Board of Trustees Work Session Minutes
Monday, August 28, 2017
Polk Avenue Elementary (Auditorium)
Agenda 3:30pm

Trustees Present: Chair Jimmy Nelson, Danny Gill, Andy Oguntola, David Fisher, Howard Kay

Staff Present: Superintendent Dr. Jesse Jackson, Brian Fisher, Marie Cherrington-Gray, Jennifer Barrow, Linda Ray, Elizabeth Tyler, Barbara Jones, Anuj Saran, Damien Moses, Julio Acevedo, Angela Heyward, Stacie Padgett, Chris Reams, Shay Hixenbaugh, April Barnhardt

Others Present: Robin Gibson, J Frinks

I. CALL TO ORDER **Dr. Jesse Jackson, Superintendent**
The meeting was called to order at 3:38pm.

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

A. Monthly Financials

Financial Executive Summary 1Q FY2017-18 (July 31, 2017)

Consolidated Balance Sheet (unaudited)

- Total assets of the system are \$267K higher for July YOY, and compared to June 2017, total assets are up \$1,031K. Cash activity was the category with the largest impact on total assets.
- The July YOY comparison of the system's total liabilities reflects a \$525K decrease, and compared to June 2017, the system's total liabilities increased by \$1,302K. The payroll liability increase carries the placeholder for the portion of annual employee contracts not paid in July but accrued in the P/R liability for financial presentation and budget comparison.
- The system's consolidated net change in fund balance for July shows an increase of \$68K, a GF surplus of \$100K for the first month of the FY. The 2017 fiscal year-end GF is a projected surplus of \$450K, pending any auditor adjustments.
- No change in the system's ability to meet short-term obligations & long-term debt service starting the new fiscal year...healthy working capital capacity as an organization. Our system reviews the current ratio, cash flow and debt service ratios quarterly as part of the financial management.

GF Statement of Operations (unaudited)

- State revenues represent 1/11 of LWCS's preliminary student FTE submission of 4,202 to start the FY. The revenue payments will adjust after validating actual FTE counts in October and February. The monthly capital outlay payment for Bok will include the July 2017 in the August payment.
- Many of the local revenue items are under budget because the activities are associated with the 180-day academic calendar. With the limited contract payroll activity in July, GF revenues outpaced expenditures for the reporting period with a net surplus of \$100K.
- The negative variances early in the FY normally represent expenditures occurring in advance of the budget cycle or expenditures with funding support via the Foundation. These early expenditures variances are commonly in purchased services, supplies and capital outlay.

GF Supplemental Programs (unaudited)

- Pre-K programs coincide with the academic year and will begin to show more activity during the month of August when staff and students return. The current activity is late revenue associated with the prior fiscal year and registration fees at the high school. The financial objective of the Pre-K programs is to be self-supporting and not pull funding

from their FTE programs to support the operation.

- The Hillcrest after school program mirrors the academic year and BPE's After School program runs year round for students.

GF Transportation (unaudited)

- The majority of the transportation revenue activity in July represents 1/11 of the estimated FTE transportation revenue based on preliminary ridership numbers that will adjust after validation of the FTE ridership in October and February.
- July expenditures reflect the start of the 12-month expenditures in advance of the academic calendar.

Food Service Fund 410 (NSLP) (unaudited)

- The NSLP breakfast, lunch and snack program ended the fiscal year with a projected surplus of \$270K. There are no known audit adjustments affecting the projected surplus following the on-site audit in July. The fund balance of the NSLP program is restricted for specific food service use and promotion of nutrition to children.
- The expenditure activity reported during July is typical in the new fiscal year. No revenue to report during the month until school starts and meal services start. The expenditures reflect those 12-month fixed costs that exist prior to the 180-day academic year food program.
- While LWCS is not eligible to submit an application for the Ag Grant, LWCS as the sponsor for Victory Ridge can submit an application on their behalf. The application will focus on hot & cold service equipment for VRs food service program. Our own capital improvements in food service are underway with new food service lines first at PAE and LWHS and then BPE and BOK will receive updated serving lines.
- A new LWCS wellness policy is at the state Dept. of Ag for review and approval. Once state approved, the wellness policy will come before the LWCS Board of Trustees for approval.

Summer Food Service (411) (unaudited)

- The summer food service program covers breakfast, lunch and snack activity during the period of July, August and June of 2018. The program generated a surplus in FY2017 with the emphasis of the program to make sure children 18 or younger in the community have access to nutritious meals when school is not in session. The participation numbers were lower than in prior year. Peak month was June and it gradually fell through the last service day on August 3, 2017. An average of 50 meals per day was served during the three month period. Program will resume June 2018.

Federal Programs (420) (unaudited)

- The small level of July expenditures shown in the Federal grants reflect 11/12 month contract employees charged to the grants. As a grant sub-recipient, LWCS can only spend 25% of its preliminary grant allocation on compensation during the grant application review and approval phase.
- Delays at the state level have kept LWCS from submitting reimbursement for the balances due on the FY18 grants. The following grants have been staged allowing LWCS to start the drawing 25% of program funds – IDEA, Title I Part A, Title II, Title III; Programs still pending – Title I, Part C and Carl Perkins.
- LWCS has requested a waiver for exceeding the allowable 15% carry-forward on FY17 Title I funds. LWCS is awaiting confirmation of approval.
- IDEA and Title I will continue as the two largest entitlement grants managed in the federal programs in FY2017-18.
- All unspent entitlement funds as of June 30, 2017 are expected to carry-forward and will be additional resources to each new grant appropriation in FY2017-18. Authentication of the carry-forward amounts is anticipated by the FLDOE in 1Q or 2Q of FY2017-18. This certification of grant expenditures submitted to the DOE will establish the official carry-forward allocations.

B. Personnel Changes

Monthly Financials and Personnel Changes presented for your review and approval at this afternoon Board Meeting.

III. ATTORNEY'S UPDATE

Mr. Robin Gibson

We have had an adventurous summer! We had Bok North discussions with the City of Lake Wales regarding the Old 1919 School Building. Dr. Jackson shared we will consider using the churches if we are not able to get the Old 1919 Building as we have done in the past. Robin: We presented a two year timeline to the City Commission. There might be a possible conflict of interest and the commission on ethics is set for September 8th. We also had a meeting with the Boys & Girls Club. Dr. Jackson: Regarding the ownership of the building it does not work for us to invest millions in a building that we do not own. The City Commission will advise on on the property ownership in the future.

IV. SUPERINTENDENT'S REPORT

Dr. Jesse Jackson

A. MINUTES: June 19, 2017 BOARD OF TRUSTEES WORK SESSION AND MEETING

Presented for your review and approval at the August 28, 2017 Board of Trustees Meeting.

B. DATA TEAM UPDATE

Mr. Anuj Saran

Anuj shared the possibility of online classes with Harvard for all six schools. We also did a SWOT Analysis on our data. We have common matrix for some of our schools. This is ongoing and we will meet and discuss every month.

Dr. Jackson: We will use the data to tell our story instead of just using the school grade.

C. PRINCIPAL'S UPDATE (2 minutes please)

Not able to update due to time constraints in the Work Session. We will do the updates in the Board Meeting this afternoon.

D. NEXT MEETING DATE

The September Work Session and Board Meeting will be on **Monday, September 25, 2017 at Edward W. Bok Academy**. 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 at 5:02pm.

Respectfully Submitted,
Marie Cherrington-Gray, Corporate Secretary

Board Approved: September 25, 2017