

BFCCPS Finance Committee
Meeting Minutes
11/2/12

Attendees: Jerry Cimmino, Heather Zolnowski, Suzanne Graham, Matthew Dunlap, Joe Mullen, Don Tappin, Tim Tracy

8:15am meeting began

Discussion of Administrative Matters

- Approval of October 4, 2012 meeting minutes
- No additional administrative matters were discussed
- Jerry requested to get the monthly financials at the very least the morning before the meeting so all members have enough time to review the financials before the meeting.

Discussion of Balance Sheet

- Jerry noted the \$30k variance in assets due to payment of rent. Suzanne explained it is a timing issue
- Jerry also noted the variance in Computer Equipment. Heather explained it was the purchase of the new chrome books that came in during September but were paid for in June

Discussion of Profit and Loss Statement

- On the income statement Jerry asked about the tuition revenue and the reimbursement rate being used. The favorable variance is about \$35k. It was noted that the reimbursement rate is just an estimate at this time and that a change can be made in December when the actual rate is known. A couple of different options were discussed in terms of adjusting the budget but it was decided to leave the budget as is for now.
- The Investment Income line item was discussed and it was noted that this is not a budgeted item. Jerry suggested that going forward we should budget for this item.
- Under Revenue 'Before School Revenue' line item was discussed. It was determined that the favorable variance was a reliable number. Students can split the payments evenly between two periods and most students have already signed up. The budget does not include estimates for one-time 'drop-ins'.
- Milk Income was also discussed. It looks as if the school is lagging behind a little for that item (about \$2,600). The amount is paid annually and it was noted that is also a reliable number. It was also discussed about the possibility of setting up an on-line system for parents to pay as opposed to writing out of physical checks. Even if the school took on the fee associated with an automated payment system, it might offset the time it takes to manually sift through all the paperwork associated with writing out checks.
- Health Insurance under Payroll was discussed. This line item shows an unfavorable balance of \$21,111. Part of the issue is with employees no longer at the school still being included on the

insurance plan and the school still paying premiums on those policies. The insurance company was notified in a timely manner about removing these employees and a credit back to the school is expected for those employees. The credit is being applied to the December balance. It was noted that for the new fiscal year, there were 4 additions made to the family insurance plan and 2 reductions in the individual insurance plans over last year. The budget also assumes that the school will pay the maximum amount of premiums for the year. In the prior fiscal year the school paid 73% of the maximum premiums. Suzanne noted that an analysis for the Dental Insurance still needs to be completed.

- It was noted that the favorable variance for “Teacher Workshops” will remain constant all year, since all workshops have been paid for.
- The school is below budget for “Substitute” line item expense. The school did hire a permanent ‘3-day a week’ substitute teacher. This expense was accounted for in payroll expense line item. Maternity for a two teachers will impact the substitute line item once that occurs. This will reduce the payroll expense but increase the substitute expense.
- With respect to Payroll, Heather had a proposal that she discussed. Currently there is one Inclusion Teacher and one Special Education Aide in 7th grade. The number of service hours that are required due to IEP’s of students in this class, with the addition of 2 additional students over the summer requiring Special Education Inclusion services, we are falling short of being able to service these students. Hiring an additional temporary aide for the remainder of this school year would address this problem, and help to ensure that we are in compliance with federal regulations around Individuals with Disabilities. While the need will continue into next academic year, we will be able to adequately cover it with staff that are currently assigned to grade 8. The long term substitute would be paid \$100/day for the remainder of the year. Heather has an idea of who she would like to move into this new position. The additional cost to the school would be about 13k for the remainder of the school year. There will be some offset costs with the teachers who are going on maternity leave. Heather stated she will look into that cost reduction. It was decided that this would not need board approval for this new hire.
- There is a timing issue with the Instructional costs and that variance will correct itself during the course of the year.
- There is a favorable maintenance cost currently, but it was noted that will gradually be reduced during the year. There are two issues right now that must be dealt with for maintenance of the school. The first is the boiler needs to be replaced. The current boiler cannot support the new heating system that was installed recently. The church is looking to replace this soon, however it will be a large expenditure. The other issue is the roof above the modular classrooms needs to be replaced. Once the church accepts the new lease extension a more formal plan can be introduced to fix this issue. The lease stipulates that the roof over the modular classrooms is the church’s responsibility. Jerry noted he will circle back with Don on this issue.
- There is a favorable variance for copier expense. Suzanne called the leasing company and there may have been an over-payment made during the summer so we received a credit on that contract.

- It was noted that during the month of September there was an increase in office supplies purchased. Suzanne noted that was a one-time increase and going forward the budget will reflect this expense accurately

Discussion on Multi-Year Budget Project

- Jerry noted he was looking to put together a Long-Term Forecasting Facilities Budget. He requested to get the past 3 years of Profit & Loss statements as well as Balance Sheet statements. He noted if he could get past years enrollment numbers that would be helpful.
- Jerry noted the Fiscal Policy and Procedures needs to be updated. He will need the current policy in a word document. He would like to get a fully edited policy to the Governance Committee by March. The Finance Committee can work on this during the month of February to ensure it is complete by March.

General Discussion

- It was noted that the Foundation Accounting documents were all received and the next step is to set it up in Quick Books
- The School Investments will be discussed next month as part of the annual review.
- Tim Tracy mentioned that the money that was going to the chess club was sent directly to the person running the club as opposed to through the school. This will be looked into as this is against school policy.

Meeting adjourned at 9:02 am