



## Meeting minutes, SCS Board of Directors

August 10, 2017

FINAL

### I. Opening Items

The Sherwood Charter School Board of Directors met for its regular meeting on Thursday, February 19, 2015, in the art room of the Sherwood Charter School, located at 23264 SW Main Street, Sherwood, OR 97140.

The meeting was **called to order at 6:34 pm** by Vice-Chair, Steve Schweitzer.

**Members Present:** Brian Craker, Steve Schweitzer, Chris Gerlach, Carolyn McBee, Frank Scholz, and Joy Raboli (ex officio)

**Members Absent:** Perry Francis

**SCS Staff present:** Sarah Landels (4<sup>th</sup> grade), Sophia Levenson (1<sup>st</sup> grade), Angela Havlinek, & Cheryl McLeod

**Public present:** None

The Pledge of Allegiance was recited by all present, and Brian Craker read Sherwood Charter School's Mission & Vision Statements.

#### Agenda Additions:

**MOTION BY** Chris to add agenda item , III.D: Renewal of Medical Insurance

**Seconded by:** Brian

Discussion: None **Board Vote:** all ayes; **motion to add agenda items passed.**

#### Agenda Business Item: Approval of Previous Minutes

Due to secretary vacation, there were no previous minutes to approve.

#### Public Comment:

**Sophia Livingstone:** Introduced herself to the Board as the new 1<sup>st</sup> grade teacher. Said she was "very excited to be here" and thrilled to be teaching 1<sup>st</sup> grade. She is a first year teacher, but student taught 1<sup>st</sup> grade for an entire school year while completing her masters at Lewis & Clark. Also used Lucy Calkins curriculum during student teaching and loves the curriculum choice for this year.

### II. Academic Excellence

#### Principal/Administrator's Report:

**Principal Joy Raboli** submitted her monthly report. Highlights from the report include:

- Corrected enrollment showing 218 enrolled, 35 on waiting list. Waitlist people have been notified of recent openings. Numbers will fluctuate through first week of school.



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- Terrific team for hiring this year. Sophia Livingstone was first choice of both Ms. Raboli and the hiring team. Also hired Kindergarten (Kelsey Connolly) and Music (Amanda DuPriest). Struggling to find half-time school counselor.
- Next week will focus on finalizing prep for teacher training, working with parents to help pull together. Those two weeks of teacher training has a lot going on, including team building, full curriculum training with trainers, systems and procedures.
- Frank noted error on enrollment report. (Numbers corrected on report and in minutes.) Asked about trainer who will be doing Lucy Calkins. Steve asked about topics in letter Ms. Raboli will be sending out. Letter from Board to families from Board Chair needs to address priorities for next school year and changes to curriculum. Also note the need to notify district of curriculum changes (already done by Ms. Raboli.)
- Full report attached to this set of minutes.

#### **Agenda Business Item: Uniform Policy Revision Report**

With new hair styles in hair color, realized this was not addressed in the current uniform policy. Ms. Raboli submitted suggestion of addition to the policy.

1.g. **Hair:** Hair must be clean, neatly combed, and must not interfere with eyesight. Unnatural (dyed) colored hair is not allowed: ie. blue, pink, green, red, etc. (exceptions may be made to specific spirit days when school notice is given.)

Discussion to strike “red” from the unnatural hair color list.

#### **Agenda Business Item: Uniform Policy Revision**

**MOTION BY** Carolyn McBee to accept with revision (strike “red” from list).

**Seconded by:** Frank Scholz

Discussion: None **Board Vote:** all ayes; **motion passed.**

#### **Agenda Business Item: Student Handbook**

Review of Student Handbook sent to us from Matt Lowe, school attorney. Carolyn will collect all edits from Board members before Labor Day. Final draft to be reviewed and voted on at Sept. 21<sup>st</sup> meeting.

### III. Finance/Fundraising

#### **Agenda Business Item: PAC Report**

No PAC members present to give report this month.



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Treasurer Chris Gerlach led a **Review of 2016-17 Final Budget**, which included review of the Profit & Loss summary, Income Statement, Balance Sheet, Accounts Payable, aging Statement, credit card charges and checks written, and risk assessment. (The full report can be found in the addendums of these minutes.)

Chris highlighted the little bit of surplus this year, and suggested giving each returning staff member at \$150 gift as a thank you gesture for their great work and continued commitment to SCS. Discussion of gift card versus check. Decided on check with thank you card.

**Motion: Thank You Gift to Teachers**

**MOTION BY** Chris to provide \$150 thank you gift by check to each returning employee this year.

**Seconded by:** Carolyn

Discussion: None **Board Vote:** all ayes; **motion passed.**

**III.D (Agenda Addition) Renewal of Medical Insurance:** Chris presented the renewal information for our current KP plan. Suggested keeping similar plan with addition of vision. Cost savings to employees past the \$475/month the school pays for.

**Motion: Renewal of Medical Insurance**

**MOTION BY** Chris to approve renewal of Kaiser Permanente insurance for next year.

**Seconded by:** Carolyn

Discussion: None **Board Vote:** all ayes; **motion passed.**

#### IV. Facilities/Operations

**Safety Committee:** No Safety Committee report at this time. Committee will be meeting after school begins.

#### V. Governance

**Updates on Unfinished Business:** List reviewed and updated. Need to begin goal setting with the Administrator.

**Calendar items/Deliverables to SSD:** Insurance certificates to the district (September).

**Open Board Positions:** Board Chair has notified the public of one open board position, and a special election to be held in September if applicants are received.

**Board Comments:** No Board Comments.



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**VI. Closing Items**

**Agenda Business Item: Adjournment of Meeting**

**MOTION BY** Steve Schweitzer to adjourn the meeting at 7:30pm

**Seconded by:** Frank Scholz

Discussion: None

**Board Vote:** all ayes; **motion passed.**

**VII. Minutes Submission**

\*Recording and submission of minutes by Brian Craker. Minutes **approved** by the board 10/19/17.



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**Joy Raboli**

**Administrator's Report**

**August 2017**

**Current Enrollment for 2017-18**

<b>Grade</b>	<b>Students</b>	<b>Waiting List</b>
K	25	5
1	23	0
2	25	8
3	25	1
4	24	9
5	24	3
6	24	1
7	25	2
8	23	6
<b>Total</b>	<b>218</b>	<b>35</b>

Here is a snapshot of “up to the minute” enrollment. As you know, these numbers can change hourly. We are expecting to fill 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup>, 8<sup>th</sup> spots in 24 hours.

**Hiring**



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Nicole Mickanen, our Kindergarten teacher has taken a position in the Newberg School District. In her letter to the parents, she is very supportive of the school and states her only reason for leaving is the large pay increase. We will be sending out communications to parents regarding staffing changes this Thursday.

I am in the middle of hiring for our Kindergarten, music and counseling position. Before my July vacation, I asked the district to open applications online mid-July so that when I returned August 1<sup>st</sup>, I would be able to start interviewing quickly. Unfortunately, the district forgot to post our openings and I had a later start that I had expected. I am confident in the area of kindergarten and music, but am having more difficulty filling the half time counseling position. I am hoping to wrap up hiring this week. We have lost several potential applicants due to our low salary.

#### Staff Development

I have met with a trainer who can train our staff in both Lucy Calkins reading and writing. She will work three half days the first week of training. I am busy orchestrating the whole two weeks so that it combines time for classroom prep, policy/procedures/new staff orientation and vital curriculum information.

#### Curriculum

Our Lucy Calkins curriculum has arrived and is being distributed to teachers. I have taken a few grade level sets to study. This program is very comprehensive and will be a great asset to our students. In addition to the Lucy Calkins reading, I will be purchasing some supplemental materials that continue our tradition of intentional phonics, handwriting and spelling. I have been working with Pearson Publishing to get the best price on a program called, Words Their Way. It is a rigorous phonics and spelling program that will fit into our literacy model. It includes a workbook, as well as a digital component. We will continue to have our students practice handwriting and cursive.

#### Parent Communication

In this Thursday email to SCS Families, we include a welcome letter from me, information on staffing, dress code, meet and greet, school supplies etc.



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**JUNE FINANCIAL ANALYSIS/REPORT:**

Total revenue for the month increased by \$723 compared to the same period last year. Didn't receive state funding this month, it was prepaid earlier in the year.

Total YTD revenue decreased by \$48,816 or 4% compared to prior year due to lower state funding, lower PEF and donations.

Total instruction expenditure for the month decreased by \$61,966 or 34% compared to the same period last year, due to term changes in teacher contracts due to labor law. In the previous year, teacher's contract ran from Sept-august and teachers July and August salaries were paid out in June. Whereas this year, contract runs from August-July, and July salaries were paid in June.

Total YTD instruction expenditure decreased by \$43, 975 compared to prior year primarily due to lower expenditures for substitutes and curriculum

Total support expenditure for the month decreased by \$5956 or 14%, compared to the same period last month, due to term change in teacher's contract. In the previous year, July and August salaries were paid out in June whereas this year, July salaries were paid out in June.

Total YTD support expenditure decreased by \$21,378 or 7%, primarily due to less investment in technology

Total facility and maintenance for the month decreased by 782 or 6% compared to the same period last year

Total YTD facility & maintenance increased by \$11,858 or 8% compared to last year, due to higher rent costs

Total Net change in fund (profit/loss) for the month: negative \$166,246

Total Net change in fund (profit/loss) for the year: surplus of \$7,410 compared to deficit \$1,513 in the prior year.

Budgeted a deficit of \$65K due to loss in enrollment by 17 students (17 X \$~5800/student = \$98,600).

Fund Balance at the beginning of the year \$151,032

Fund Balance at the end of the year \$158,442

Statement of Net position -

Cash balance at year end : 228,592

Audit update - the field audit work was completed on July 26. No major issues were found during the audit.

Thank you Tonya and office staff for another year of clean audit. Currently, the audited financial report is still under review. The treasurer will need to complete MD&A (management Discussion and Analysis) and the final report will be issued on Oct 15. The Board will receive a management letter from the Auditor, detailing out their findings sometime in the future.



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The Treasurer presented an Annual Financial Risk Assessment performed by Chris Gerlach, assessing various aspects of the school's financial health including its strengths and risk areas. The assessment areas include audit, tax, liabilities, line of credit, district compliance, operating results and metrics. They were color coded and rated : Low risk, med risk, high risk. Operating metrics : AP Aging, Liquidity Ratio, Total fund balance as a % of total expenditures

Two issues were identified as medium risk include :

1 Custodial Credit Risk.

Bank balances at year end were under \$250K, therefore were fully insured by the FDIC. However, during the year, bank balances had risen above the threshold, as high as \$350K, therefore the excess deposits were not covered by the FDIC. The Auditor has made a comment regarding this issue. The simple solution is to split the money between two banks. Each separate bank, the school is covered up to \$250K

2 Fund Balance reserves

The GFOA (Govt Finance Officer Assoc) recommends government bodies to maintain a minimum fund balance of no less than 2 months of expenditures or >16.7% but no more than 50%. SCS fund balance is close to 1.5 months of expenditures or 13%. For comparison purposes, Sherwood School District had a fund balance ratio of 12% (FY16). SCS may require larger reserves due to higher risks with being a charter school (fluctuations in fundraising, enrollment, etc) . Need a minimum fund balance of \$209,000 to meet GFOA recommendation (best practice).

5	If so, is progress on the plan monitored by the board?		
<b>NONPROFIT TAX STATUS</b>			
6	Has your tax exemption status been in question by the IRS over the past 3 years?	No	
7	Is your registration status with the state up-to-date?	Yes	
<b>LIABILITIES</b>			
8	Do you have any pending or threatened litigation?	No	
9	Are any leases nearing expiration (within the next 2 years)?	Yes	Church Lease
10	Does your organization outsource its payroll processing?	Yes	
<b>LINE OF CREDIT</b>			
11	Are you current on your line of credit payment terms?	Yes	
12	When does the line of credit expire?		no expiration
13	Is there custodial credit risk for deposits? It is a risk that in the event of a bank failure, deposits may not		Bank balances at year end were under \$250K, therefore were fully insured by the FDIC. However, during the year, bank balances had risen above the threshold, as high as \$350K, therefore the excess deposits

**SHERWOOD CHARTER SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES, AND FUND BALANCE  
GOVERNMENTAL FUND  
BUDGET VS. ACTUAL  
For the month ended June 30, 2017  
Cash Basis of Accounting**

Fiscal YTD % 100%

	Jun-17	Q4 (APR-JUN)	ACTUAL YTD	Jun-16	PRIOR YEAR TO DATE	ANNUAL BUDGET Approved Mar 23 2017	BUDGET to ACTUAL VARIANCE	% BUDGET RECEIVED/ EXPENDED	\$ ACTUAL VARIANCE (Current month VS. PY's month)	% ACTUAL VARIANCE (Current month VS. PY's month)
<b>REVENUES</b>										
STATE SOURCE	\$ -	\$ 209,563	\$ 1,189,852	\$ -	\$ 1,227,188	\$ 1,176,337	\$ 13,515	101.15%	\$ -	0%
EXTRACURRICULAR ACTIVITIES	\$ 3,218	\$ 6,830	\$ 44,071	\$ 1,708	\$ 48,161	\$ 48,000	\$ (3,529)	91.81%	\$ 1,510	88%
CONTRIBUTIONS	\$ 4	\$ 17,720	\$ 22,987	\$ 792	\$ 29,474	\$ 18,560	\$ 4,427	123.85%	\$ (788)	-100%
INTEREST INCOME	\$ 2	\$ 7	\$ 933	\$ 1	\$ 860	\$ 936	\$ (3)	n/a	\$ 1	67%
MISC INCOME (RIGGS)	\$ -	\$ -	\$ 300	\$ -	\$ 1,276	\$ -	\$ 300	n/a	\$ -	0%
<b>TOTAL REVENUES</b>	<b>\$ 3,224</b>	<b>\$ 234,120</b>	<b>\$ 1,258,142</b>	<b>\$ 2,501</b>	<b>\$ 1,306,959</b>	<b>\$ 1,243,833</b>	<b>\$ 14,309</b>	<b>101.15%</b>	<b>\$ 723</b>	<b>29%</b>
<b>EXPENDITURES</b>										
INSTRUCTION	\$ 119,814	\$ 253,722	\$ 792,492	\$ 181,780	\$ 836,466	\$ 813,682	\$ 21,190	97.40%	\$ (61,966)	-34%
SUPPORT SERVICES	\$ 37,992	\$ 85,953	\$ 305,938	\$ 43,947	\$ 327,316	\$ 341,113	\$ 35,175	89.69%	\$ (5,956)	-14%
FACILITY & MAINTENANCE	\$ 11,519	\$ 35,947	\$ 151,545	\$ 12,301	\$ 139,687	\$ 154,039	\$ 2,494	98.38%	\$ (782)	-6%
STUDENT BODY	\$ 144	\$ 758	\$ 758	\$ 146	\$ 5,002	\$ -	\$ (758)		\$ (2)	-1%
<b>TOTAL EXPENDITURES</b>	<b>\$ 169,470</b>	<b>\$ 376,381</b>	<b>\$ 1,250,733</b>	<b>\$ 238,175</b>	<b>\$ 1,308,471</b>	<b>\$ 1,308,834</b>	<b>\$ 58,101</b>	<b>95.56%</b>	<b>\$ (68,706)</b>	<b>-29%</b>
NET CHANGE IN FUND	\$ (166,246)	\$ (142,261)	\$ 7,410	\$ (235,674)	\$ (1,513)	\$ (65,001)	\$ 72,411	5.59%	\$ 69,429	
BEGINNING FUND	\$ 324,688	\$ 300,703	\$ 151,032	\$ -	\$ 152,545	\$ 65,000				
<b>ENDING FUND BALANCE</b>	<b>\$ 158,442</b>	<b>\$ 158,442</b>	<b>\$ 158,442</b>	<b>\$ 151,032</b>	<b>\$ 151,032</b>	<b>\$ (1)</b>	<b>\$ 72,411</b>	<b>N/A</b>		



# SHERWOOD CHARTER SCHOOL

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### SHERWOOD CHARTER SCHOOL STATEMENT OF NET POSITION FOR MONTH ENDED JUNE 30, 2017

ASSETS:	Jun-17	Jun-16
CASH	228,592	250,378
PREPAID EXP	2,187	1,172
CAPITAL ASSETS, NET	280,605	306,073
TOTAL ASSETS BEFORE PENSION	511,383	557,623
NET PENSION ASSET	0	0
DEFERRED OUTFLOW OF RESOURCES:		
PENSION RELATED DEFERRALS	715,950	207,267
<b>TOTAL ASSETS AND DEFERRALS</b>	<b>1,227,333</b>	<b>764,890</b>
<b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	6,065	9,073
CREDIT CARD PAYABLE	4,107	13,920
PAYROLL LIABILITIES	59,584	75,205
DEFERRED REVENUE	2,580	2,320
TOTAL LIAB BEFORE PENSION	72,337	100,518
NET PENSION LIABILITY	1,110,544	456,010
DEFERRED INFLOW OF RESOURCES:		
PENSION RELATED DEFERRALS	29,332	95,590
<b>TOTAL LIABILITIES AND DEFERRALS</b>	<b>1,212,213</b>	<b>652,118</b>
<b>TOTAL NET POSITION</b>	<b>15,120</b>	<b>112,772</b>
	check	(0)

Footnote: pension related assets/liabilities and related deferrals are only adjusted at year-end.



**Meeting minutes, SCS Board of Directors  
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SHERWOOD CHARTER SCHOOL  
GOVERNMENT-WIDE FINANCIAL STATEMENT  
STATEMENT OF ACTIVITIES  
FOR THE QUARTER ENDED June 30, 2017  
(accrual method)

<u>FUNCTIONS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
		<u>CHARGES FOR SERVICES</u>	<u>CONTRIBUTIONS</u>	
INSTRUCTION	253,722	6,830	17,720	(229,172)
SUPPORT SERVICES	85,953			(85,953)
FACILITY & MAINTENANCE	35,947			(35,947)
PENSION EXPENSE	79,594			(79,594)
CAP ASSET DEPRECIATION, NET	25,467			(25,467)
STUDENT BODY	758			(758)
TOTAL GOVERNMENTAL ACTIVITIES	<u>481,442</u>	<u>6,830</u>	<u>17,720</u>	<u>(456,892)</u>
GENERAL REVENUES:				
				314,138
				7
				<u>314,145</u>
				(142,747)
				(1)
				<u>157,868</u>
				<u><u>15,120</u></u>

Footnote: Ending Net Position in the government-wide FS excludes current year's pension expense (benefit) and depreciation expense which are usually adjusted at year-end.  
Beginning Net Position includes GASB68 restatement



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SHERWOOD CHARTER SCHOOL  
GOVERNMENT-WIDE FINANCIAL STATEMENT  
STATEMENT OF ACTIVITIES  
FOR THE MONTH ENDED June 30, 2017  
(accrual method)

<u>FUNCTIONS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
		<u>CHARGES FOR SERVICES</u>	<u>CONTRIBUTIONS</u>	
INSTRUCTION	119,814	3,218	4	(116,592)
SUPPORT SERVICES	37,992			(37,992)
FACILITY & MAINTENANCE	11,519			(11,519)
PENSION EXPENSE	79,594			(79,594)
CAP ASSET DEPRECIATION, NET	25,467			(25,467)
STUDENT BODY	<u>144</u>			<u>(144)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>274,531</u>	<u>3,218</u>	<u>4</u>	<u>(271,309)</u>
GENERAL REVENUES:				
				104,575
				<u>2</u>
				104,577
				(166,732)
				<u>181,852</u>
				<u><b>15,120</b></u>

Footnote: Ending Net Position in the government-wide FS excludes current year's pension expense (benefit) and depreciation expense which are usually adjusted at year-end.  
Beginning Net Position includes GASB68 restatement



# SHERWOOD CHARTER SCHOOL

## Meeting minutes, SCS Board of Directors

performed by: Chris Gerlach

### SCS Financial Risk Assessment

Risk Level: color coded

Fiscal Year: 2017

low	Medium	High
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#### General Financial Questions

AUDIT	YES/NO	COMMENTS
1 Have the organization received a nonqualified opinion (clean audit) from the auditor for the last 3 years?	Yes	Always received a clean audit
2 Do you have a management letter from the auditor?	Yes	
3 If you have a management letter, does it contain significant deficiencies or weaknesses?	No	No significant deficiencies or material weaknesses noted by the auditor
4 If so, is it responded to with a management action plan?		
5 If so, is progress on the plan monitored by the board?		
NONPROFIT TAX STATUS	YES/NO	COMMENTS
6 Has your tax exemption status been in question by the IRS over the past 3 years?	No	
7 Is your registration status with the state up-to-date?	Yes	
LIABILITIES	YES/NO	COMMENTS
8 Do you have any pending or threatened litigation?	No	
9 Are any leases nearing expiration (within the next 2 years)?	Yes	Church Lease
10 Does your organization outsource its payroll processing?	Yes	
LINE OF CREDIT	YES/NO	COMMENTS
11 Are you current on your line of credit payment terms?	Yes	
12 When does the line of credit expire?		no expiration
13 Is there custodial credit risk for deposits? it is a risk that in the event of a bank failure, deposits may not be returned.		Bank balances at year end were under \$250K, therefore were fully insured by the FDIC. However, during the year, bank balances had risen above the threshold, as high as \$350K, therefore the excess deposits were not covered by the FDIC. The Auditor has made a comment regarding this issue. The simple solution is to split the money between two banks. Each separate bank, the school is covered up to \$250K
DEBT	YES/NO	COMMENTS
14 Are you current on your debt payments?	Yes	SCS doesn't carry any external debt
15 Do you have covenants associated with any debt agreements?	No	
16 If there are debt covenants, what are the terms?		
OPERATING RESULTS	YES/NO	COMMENTS
17 Have you had an operating deficit in the past 3 years?	Yes	Per Audited FS - year 2015 profit \$54,090 - yr 2016 - loss \$1,513, year 2017-profit \$7,410,
18 If yes, how was it financed?		Previous Fund Balance
19 Do you forecast fiscal year-end financial results at one or more points during the year?	Yes	
DISTRICT COMPLIANCE	YES/NO	COMMENTS
20 Have you received complaints from the district regarding incomplete reporting or inadequate deliverables?	No	

#### CURRENT METRICS

Current Year Metrics			
	0 - 30 days	60 - 90 days	90+ days
21 Accounts Payable	\$8,065	\$0	\$0

Current Year Metrics		
22 Does the organization have access to a line of credit?	Yes	
23 Credit Credit Limit	\$15,000	
24 Current Balance on Line of Credit	\$10,893	
25 Liquidity Ratio: measures the ability to repay current liabilities with current assets. Optimal: >1.5	3.19	
26 Unrestricted general fund balance as a % of total expenditures: Fund balance : \$158,442 Total annual expenditures: 1,250,733	13%	The GFOA (Govt Finance Officer Assoc) recommends government bodies to maintain a minimum fund balance of no less than 2 months of expenditures or >16.7% but no more than 50%. SCS fund balance is close to 1.5 months of expenditures or 13%. For comparison purposes, Sherwood School District had a fund balance ratio of 12% (FY16). SCS may require larger reserves due to higher risks with being a charter school (fluctuations in fundraising, enrollment, etc). Need a minimum fund balance of \$209,000 to meet GFOA recommendation (best practice).