

APPROVED



Voices for International Business and Education

Minutes

Finance Committee Meeting

Date and Time

Monday November 28, 2016 at 6:00 PM

Location

IHSNO Community Room

Voices for International Business and Education http://public.boardontrack.com/VIBE_1

Committee Members Present

C. Allen, D. Deno, H. Blumenthal, J. Carter, M. Roney, S. Thomas, S. Wilson

Committee Members Absent

L. Lopez

Guests Present

A. Tufail, Jim White, CPA

I. Opening Items

A. Record Attendance and Guests

B. Call the Meeting to Order

M. Roney called a meeting of the Finance Committee of Voices for International Business and Education to order on Monday Nov 28, 2016 at 6:05 PM.

C.

Approve minutes of September 19, 2016 meeting

H. Blumenthal made a motion to approve minutes from the Finance Committee Meeting on 10-18-16 Finance Committee Meeting on 10-18-16.

J. Carter seconded the motion.

The committee **VOTED** unanimously to approve the motion.

II. Finance

A. Review of FY 2015-16 Audit Report (Bernard & Franks CPAs)

Jim White of Bernard Franks distributed PowerPoint presentation to all members
JW asked if there was a place to start based on the recommendations of the members present - no major Internal Control issues. Bernard & Franks issued an opinion on the financial operations of IHSNO. For the '15-16 there were not any findings or issues in performing the audit for the year.

Pg 15: No Internal Control matters or matters of Laws and regulations. the 2013 matter will be reported as a prior year matter. The Legislative Auditors required reporting of the 2013 matter.

Unmodified Opinion of the Auditors

Highlights:

1. Net decrease in assets of \$100k. It was planned based on budget. In prior year '14-15 there was almost \$500k surplus.
2. Net Assets \$1,268K or 20.7% of total operating expenses. Minus property \$839k which is 13.7% of expenses. About 1 month of unrestricted net assets. May want to consider increasing Net Assets to about 3 months.
3. increase in revenues to \$373k, expenses increased 15.8%, support expenses 20.7% which is good for the industry which usually averages 25%.

The Board does not have a stated policy regarding Net Reserve target? IHSNO does not have a policy at this time. MR stated the committee will be looking at policies and may consider this in the near future.

1. Fundraising to expenses is very low - the accepted rate is about 1/3 of the amount raised. This information is a composite, not specific to Charter Schools.
2. Working capital is excellent - 3.28 with 1.0 being ideal
3. Pg 3 Balance sheet is \$1.2 M
4. Pg 4 statement of activity - rev increased, expenses increased
5. Wage and hours were reviewed and noted that this is on hold

Matters to consider:

1. Consider 3 months budgeted expenses in net assets
2. consider investments program cash in excess of current working capital

no significant audit findings

1. Disagreement with management - NONE
2. Management consultations with Other Independent Accountants - NONE
3. Other Audit Findings or Issues - no instances of noncompliance or other matters

B. Review of FY2016 Draft Form 990 (Bernard & Franks, CPAs)

Jim White of Bernard & Franks reviewed the IRS Form 990

Need to update the mission statement for the report

Overview of the state of VIBE policies, board members are listed need to be updated and corrected

Need to have all comments of the IRS Form 990 by December 15, 2016. - Comments to Mariska Roney.

C. Review of October 2016 Financial Statements

D. Vote to recommend Board's acceptance of October 2016 Financial Statements

Financials distributed to the committee prior to the meeting.

How are decisions made based on the outcomes of the monthly report? the committee's responsibility is to review the information and determine if the school is meeting the outcomes as prescribed or governed through policy. Much of commentary is around the budget to variances.

At what point does an alarm goes off? This may be a policy setting component of the committee. Is attendance the variable the school does not control? Does a variance have an explanation? YES.

Are there other KPI's to consider?

What are other measures to be considered?

What are policy documents that may need to be reviewed and considered?

J. Carter made a motion to to accept the October 2016 Financial statements as presented.

A. Tufail seconded the motion.

The committee **VOTED** unanimously to approve the motion.

III. Other Business

A.

Vote on policy for disposal of used property

move to the December 15, 2016 Finance Committee meeting

MR passed out another draft of the Policy to be reviewed

B. Public Comment

IV. Closing Items

A. Next Proposed Finance Committee meeting -- Thursday, December 15, 2016

B. Adjourn Meeting

H. Blumenthal made a motion to adjourn the meeting.

A. Tufail seconded the motion.

The committee **VOTED** unanimously to approve the motion.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 7:11 PM.

Respectfully Submitted,
S. Wilson