

APPROVED



## Edison School of the Arts

### Minutes

#### December Finance

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#### **Date and Time**

Tuesday December 11, 2018 at 5:30 PM

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**Edison School of the Arts Mission** is to continue to be an educational and artful resource for all students, parents, community, and staff members by consistent and focused professional development, invitational practices by all, utilizing quarterly and annual reviews. We will continue to develop our educational and arts aesthetic by expanding our arts experiences, exposure, and partnerships

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#### **Committee Members Present**

E. Disney-Britton, G. Wallis, N. Tuttle

#### **Committee Members Absent**

*None*

#### **Guests Present**

Brian Anderson, C. Jones, Chad Miller, T. Givens

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#### **I. Opening Items**

**A. Record Attendance and Guests**

**B. Call the Meeting to Order**

G. Wallis called a meeting of the Finance Committee of Edison School of the Arts to order on Tuesday Dec 11, 2018 at 5:31 PM.

### **C. Consent Agenda**

G. Wallis made a motion to consent the agenda.

E. Disney-Britton seconded the motion.

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

## **II. Financial Reporting**

### **A. November Financial Statements**

G. Wallis reviewed Edison School of the Arts, Inc. current finances.

#### Statement of Financial Position

Edison has not received Title I and Title II funds but is projected to receive \$366,745.45. The Pearson reimbursement of \$52,931.16 was converted to cash. A refundable advances line item was added to the bookkeeping ledger. This line item will track funds that haven't been spent from grants.

#### Budget vs. Actuals: FY19 Budget - FY19 P&L

Ask my accountant funds of \$9,373 were unreconciled credit card expenses. The credit card expense have to date been coded and reclassified.

The professional development expenses are over budget. E. Britton discussed expense related to professional development such as travel, lodging and registration are classified under professional development. The committee discussed increasing the professional development budget for 2019-2020 school year.

Salaries/benefits/taxes are favorable in funding with November 2018 \$244,274 actuals and \$262,005 budgeted amounts.

Supplies and materials including curriculum of \$160,021 is favorable in expenses. The committee discussed that the curriculum purchases were not projected for this school year but recognize the needed value. They will take into account to review the curriculum budget for 2019-2020 year.

#### Statement of Activity: Monthly

G. Wallis discussed the monthly activity and that Edison is favorable in the operating fund. The November 2018 total expenditures is \$262,390.

#### Statement of Activity: Fund Source

There are \$20,670 funds available from the Richard M. Fairbanks grant. The Glick Family Fund has been dissolved with a \$0 balance. There are \$168,316 funds available from the Walton Family Fund. There are \$497,537 funds available in the general operating fund.

E. Disney-Britton made a motion to accept the financial statements.

G. Wallis seconded the motion.  
The committee **VOTED** to approve the motion.

## **B. 2017-2018 Audited Statements**

B. Anderson, Accountant, reviewed the 2017-2018 audit draft prepared by Donovan CPAs. Anderson discussed that there are differing accounting opinions and thoughts on how IPS transactions should be reflected. Donovan CPAs reports that Edison's financial position is favorable.

### Statement of Financial Position

The Statement of Financial Position reflects that Edison ended the year with cash on hand which provides funds for payroll. The Walton Family and Richard M. Fairbanks funds are unrestricted funds that need to be spent within the designated grant award timeline. Edison ended the school year with a total of \$480,344 net assets.

### Summary of Significant Accounting Policies

G. Wallis will contact Donovan CPAs to include the 5 year IPS agreement.

### Donovan CPA Performance Review Letter

Donovan CPAs recommended that Edison adopt an official accounting policies and procedures and formal process of journal entry control.

## **III. Old Business**

### **A. HR & Payroll Outsourcing Update**

N. Tuttle discussed that HCC has been performing well since the beginning of the school year. E. Disney-Britton recommended Heather Wiley as an attorney to review the proposed ASAP (payroll) and Purple Ink (HR) alternatives. G. Wallis recommended to revisit ASAP and Purple Ink alternatives in March 2019.

### **B. 403(b) Retirement Plan Update**

G. Wallis discussed that the board can make discretionary contributions. Discussed that Edison can incentive at a latter date to open an additional retirement saving.

## **IV. New Business**

### **A. Insurance Coverage Review**

G. Wallis discussed that Edison's insurance broker Chad Miller, Miller Insurance Group, will make an insurance renewal presentation in spring 2019. The Board will review and vote on an insurance policy. C. Miller reviewed the Edison insurance overview packet.

Current Coverage Overview

IPS has a minimal insurance coverage for business personal property. The The \$1.25 million commercial property coverage primary is Edison. IPS is listed as primary on the physical building.

T. Givens suggested to increase the percentage to account for inflation. He also recommended to conduct a building appraisal.

There is a \$5 million general liability umbrella coverage that includes the sexual abuse and molestation, business/ auto. This coverage applies to third party liability coverage but no physical damage coverage. It also applies to legal fees and settlements.

#### Recommendations

Increase \$1 million limit for cases of due process to increase to \$2 million. The Educators legal liability ( ELL) includes due process for educators and Board of Directors coverage.

C. Miller recommended to increasing the ELL to \$4 million.

G. Wallis discussed presenting the increased coverage to the Board for a vote.

C. Miller also recommended personal identifiable insurance, active shooter insurance and spousal carveout coverage.

T. Givens discussed that these recommendations are a great way to protect the staff, students and building in light of a threat. These coverages will be reviewed in spring 2019 when Edison renews its insurance policy.

## V. Closing Items

### A. Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 6:54 PM.

Respectfully Submitted,

C. Jones