



Finance Committee Report November 15, 2016

The Finance Committee met on Tuesday, November 15, 2016 at 2 pm. Members of the committee consist of Mr. Joe Cummings, Ms. Lisa Fishman (Director of Operations), and Dr. Kathy Granger (Committee Chair), all of whom were present at this meeting. Mr. J.J. Lewis, President & CEO, serves as an ex-officio member and Mr. Miguel Aguilar, Executive Assistant to the CEO, serves as secretary, both of whom were also present at this meeting.

Mr. Lewis provided highlights from the Staff Report (the entire Staff Report can be found online, in our November Finance Committee Meeting Packet):

BoardOnTrack

AAS has deployed a new system to assist in facilitating board and committee meetings, provide training and tools to support board members, evaluate the CEO, and provide key information to the public. The agenda and minutes from meetings will have a slightly different look, and the way the public accesses information in our online portal is more user-friendly.

2015-16 Audit

Christy White Associates have prepared our 2015-16 audit. A formal presentation and review is under New Business, where the committee is being asked to assist in crafting our response to the various audit findings.

Mr. Lewis walked the committee through the Balance Sheet and Year to Date Actual to Budget Detail from October.

Mr. Lewis walked the committee through the revised Board Finance Policy. Key revisions include language on the use of credit cards by staff, petty cash use, and other updates. A template was provided by our auditing firm, Christy White Associates, which was blended with language from our current policy in the Board Policy Manual.

The Finance Committee voted unanimously to approve the revised Board Finance Policy.

Mr. Lewis walked the committee through the College Readiness Block Grant Proposal, which was prepared by Debra Stephan, Counseling Services Manager and Edith Cruz, College and Career Readiness Counselor. Funds have been made available through the state budgeting process, and AAS is being awarded \$375,000. As part of the process, AAS needed to craft a plan to utilize these funds, which will include launching an Avid Program, increasing counseling staff support, and additional initiatives through the

Counseling Services Department. The full Board of Directors will need to review the proposal during a regular meeting, and approve at a subsequent meeting.

The Finance Committee voted unanimously to approve the College Readiness Block Grant proposal.

Mr. Lewis walked the committee through the draft 2015-16 Audit, which was prepared by Christy White Associates.

There were a number of findings in this audit for 2015-16:

- 2016-1: Financial Statement Reporting
 - Academy's Response: Academy of Arts and Sciences has contracted with a new back-office provider, CSMS. In addition, a Finance Committee has been formed and meets on a monthly basis to review the Balance Sheet and Year to Date Actual to Budget.
- 2016-2: Attendance from Non Classroom-Based Instruction
 - Academy's Response: Academy of Arts and Sciences has modified its enrollment and approval process for incoming scholars. Additional checkpoints have been created for the Enrollment Coordinator and Information Services Manager. Internal auditing will occur on a weekly basis by the Executive Assistant to the CEO.
- 2016-3: Independent Study Ratio
 - Academy's Response: Academy of Arts and Sciences no longer relies on instructional consultants to aid in instruction. Weekly reports are generated to track and monitor scholar to teacher ratios. Internal auditing will occur on a weekly basis by the Director of Academic Affairs and Director of Operations.
- 2016-4: Unduplicated Local Control Funding Formula
 - Academy's Response: Academy of Arts and Sciences has modified its enrollment process and approval process for incoming scholars. Additional checkpoints have been created for the Enrollment Coordinator and Information Services Manager. Internal auditing will occur on a weekly basis by the Executive Assistant to the CEO.

There were also updates from the findings from the 2014-16 audit:

- 2015-1: Controls Over Payroll Processing & Human Resources (Implemented)
- 2015-2: Attendance from Non Classroom-Based Instruction (Not implemented)
- 2015-3: Attendance from Classroom-Based Instruction (Implemented)
- 2015-4: Unduplicated Local Control Funding Formula (Not implemented)

The Finance Committee voted unanimously to approve the 2015-16 Audit.

The meeting adjourned at 3:06 pm. The next Finance Committee meeting is scheduled for Tuesday, December 20 starting at 2 pm.

Respectfully Submitted,

Dr. Kathy Granger
Board Treasurer &
Finance Committee Chair