



First State Montessori A c a d e m y

Public Session Board Meeting

1/8/2015

7:00pm

1000 French Street, Wilmington Delaware

Governance

The next board meeting will be on January 29 to get back on schedule. The public session will be held from 6:30-7:30 then private session will follow if needed. Thereafter, meetings will be held on the 4th Thursday of each month.

Laura noted that the hours on the agenda were incorrect, Gregg will revise.

Present meeting minutes from October - Appendix A

Gregg: Katie wanted to add more information about conflict of information. She does not have that available at this time, so this will be addressed.

Vote minutes into record (Gregg)

October minutes were approved pending minor changes.

Present meeting minutes from December 4th Meeting - Appendix B

Vote minutes into record (Gregg)

December public meeting minutes have been approved.

Review Charter for Governance Committee - Appendix C (Yvonne)

The board unanimously approved the charter for the governance committee.



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Operations

Review of HOS Report for October – Appendix D (Courtney)

Courtney provided an overview of the HOS report. As of January 5, there have been 350 applicants.

There are 2 upcoming events to note:

An information session is scheduled for this Saturday, January 10.

The lottery is scheduled for February 4 and will be held at FSMA.

Hunter and Beth will look into a new spinner for the lottery.

Regarding school meals, all meals were put into the system over the holiday break. Currently we're at a ~\$4K deficit, but families are just getting their bills and we should have a better picture of this in the next month or so.

Budget

Status of Financial Reports – Appendix E (Sean)

This really hasn't changed for the last couple of months. The last financial report was run in the last couple of weeks and all is on track as expected.

FSMA came out slightly ahead of what was budgeted. The anticipated state revenue was \$24084463, the actual state revenue was \$2043686. However, after factoring other issues, salaries, health care, etc, it actually looks like there will be ~\$20000 more than the anticipated state revenue.

Presentation of CBOC report (if available) (TBD)

Budget numbers really haven't changed; the final budget will be presented and voted upon at the next meeting.

Courtney also presented a summary of expenditures for the school year thus far. Of note, the bus



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contract was renegotiated based on performance, saving \$7K in the month of December. The amount coming in for food services will also be increasing this month.

Sean informed the board that an audit will be performed of for both 2013 and 2014 taxes.

The CBOC representatives had no comments regarding the budget CBOC. They will be meeting on January 15 to review.

Vote to approve modified budget into record (Sean)

The budget through the end of November 2014 was unanimously approved.

General Topics

Update on Advisory Council Event - (Erin)

Erin provided an update on the advisory council event. To date, approximately 10 board members and 5 previous board members/advisory board members/other people who have been invited have responded to say they would attend.

Presentation on the Role of a Business Manager – Jed Desmond

Jed is the business manager/CFO at Wilmington Charter School (WCS). He also serves as the head of transportation and helps with other functions as needed (crosswalk, study hall, etc).

He provided some background for the board to understand what state system is like. WCS treats the state system as a check book. They don't provide much in terms of general ledger. Therefore, since it's just a checkbook, schools are required to reconcile checkbook at the state level.

At WCS, they departmentalize (eg, English, math,



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tech, etc), then they have department chairmen who then receive monthly budget reports. They wanted to departmentalize because that's how it worked best for a high school. It could be separated in whatever seems most appropriate for FSMA

On a regular basis, they start preparing the budget in February, preliminary approval in May, and final approval is in October.

Funding is always based on last years money spent/money earned. The money fluctuates depending on district money, among other things.

The primary need is to have a general ledger to have everything in one place and to incorporate the state system. There's a wide variety in the business offices for how they gather that info/handle ledgers.

The auditors use the ledger for the record of income, expenditures, etc. then compares the ledger with the state balance sheet. The end of fiscal year (June 30) balance sheet should match the state balance sheet.

One of the biggest reasons that charter schools fail is that they don't have adequate internal controls.

Dorcell from DOE also spoke to some of the challenges that new charters face and the need for a business manager.

She stressed that the performance framework is what needs to be a focus of FSMA right now. The performance framework includes instruction, administrative operations, and financial pieces. It is essential that the audits are clean and that FSMA is tending to each of these items carefully. If the school were to be called under formal review for failure to meet the requirements of the performance framework, enrollment would start



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dropping and funding would be affected.

Gregg asked if having a dedicated financial person dedicated for the school essential?

Jed says yes, even bookkeepers may feel like accountants, but having a business manager or someone comparable who can put that information together in a meaningful way is essential.

Considering the size of FSMA, 1 person would likely be adequate to cover this role, but internal controls would need to be in place.

Gregg asked about different models for the role could be.

Both Jed and Dorcell agreed that a full time position would be preferable and that it is essential to find someone who is already familiar with the state system.

Some schools have a development director or a board with a separate fundraising group to handle grants, other fundraising, etc. That person has a very different role from the business manager. The accounting aspect of the finances is very different from fundraising. The two are closely connected though (ie, the business manager preparing accounting argument for fundraising needs).

CBOC representative Dawayne Sims asked about the relationship between business manager and board/board treasurer/CBOC.

Jed responded that essentially they all serve as internal controls. FSMA has some of that now with Innovative Schools. Despite some hiccups along the way, they do serve as an internal control.

Dawayne Sims asked Jed Desmond about his roles, responsibilities, and oversight of the board treasurer. Jed explained his oversight of the



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Wilmington Charter's finances and how he worked in conjunction with the Board Treasurer to make sure all financial numbers were correct.

Gregg motioned to vote on whether the board would pursue a FSMA Business Manager. This did not go to a vote, but all agreed it should be researched further. Sean suggested that a formal vote be postponed.

Dawayne Sims suggested that an exploratory committee be created to investigate the possibility of an FSMA business manager. Sean said he would head up the committee. Gregg offered to help. Both Gregg and Sean suggested that the CBOC be involved and that they put the subject on their next agenda.

If time permits: Discuss Fund Raising Suggestion from Stapen Construction - Appendix G (Gregg)

Public Comment

Adjournment