

LIFE! Lutheran School
LIFE! Delegate Assembly meeting
Tuesday, May 3, 2011, 7:00 pm

MINUTES

LIFE!'s Mission Statement:

"LIFE! Lutheran School serves families by providing a quality Christian education for their children to help prepare them for life and for joyfully sharing the love of Jesus Christ."

Members present: Todd Baker, Andrene Everson, Stan Oberst, George Walker, Paula Walker

Staff present: Alan Lewis, Kris Tanke

1.0 CALL TO ORDER – 7:05 pm (Todd)

2.0 OPENING DEVOTION/PRAYER – Todd

3.0 INTRODUCTION OF GUESTS – Todd welcomed Kris Tanke (our child care program coordinator). Kris distributed a brief report about and daily schedule for the child care program. She stressed that the program is a TEAM MINISTRY, and she recognized and expressed appreciation for her dedicated staff. The staff prides itself in not being babysitters, but offer a comprehensive, nurturing program. Kris coordinates child care activities with Kirsten LaShot's preschool program to reinforce preschool concepts being taught. There are 30 different LIFE! School students and 10 children who are siblings of LIFE! students or are from the community who attend child care in any given month. Additionally there were five children who no longer attend because of moving or whose siblings no longer attend LIFE! School, but benefited from the program earlier this school year. The program has established valuable relationships with these families and do have some consistent drop-in children.

They plan to offer a summer program and have 14 children already signed up for summer care between the ages of 3 and 11. The staff is working on creating a program that will be age-appropriate. Because they will have more older children, there will be greater staffing needs. She will be working with Alan about this need.

Child care has worked "in the black" all year. Kris is proud of this fact and works conscientiously to provide adequate staff and supplies to maintain an expense-income balance. She does have to insure that the proper student-teacher ratio is maintained to meet state certification requirements. The child care program is an extension of LIFE! School's ministry and is a very successful program.

The board expressed its appreciation for Kris and her staff.

4.0 CONSENT ITEMS

4.1 April 12, 2011 Minutes – accepted.

4.2 April finance report will be emailed to board members next week. Because this meeting is one week early (to accommodate our principal candidate interviews on May 10), month-end figures were not yet available to have the report ready for tonight's meeting.

5.0 PRINCIPAL'S REPORT – Alan Lewis

Firm commitments for 2011-12 still stands at 29 students (and still ahead of most years at this time of the year).

* **ENROLLMENT as of 05/01/2011 is 42.** Pre-3: 6; Pre-4: 6; Kindergarten: 7; 1st & 2nd grades: 10; 3rd/4th/5th grades: 9; 6th/7th/8th grades: 4.

* Parent-Teacher Conferences took place April 15 and went well.

* The musical "We Like Sheep", directed by Amy Manton, our kindergarten teacher was performed on April 19 by the children in kindergarten and grades 1 & 2. The children did a good job, Amy's direction was great, and it was well attended (especially considering it was only the lower grades involved). The PTL provided refreshments.

* Grandparents Day was on April 29. It also went well and was well attended. Many parents and grandparents visited the classrooms, and the teachers organized some very nice activities to showcase the students. Many thanks to Reuben Leapoldt for again organizing this special day.

* The students' California Achievement Test (CAT) results have been received. The entire student body did fantastic!

* Alan conducted the initial screenings for the three candidates we have for the principal position and provided summaries to the board members.

* Two potential families visited the school last week. One (5th grader) from a Eugene 4-J school that will be closing, the other (5th grader) from a school near a closing school that will have even larger classes next year. The only problem expressed by the parents is the middle school situation as their children would be moving into middle school the following year. They visited Elizabeth's classroom and were impressed. One heard about the school from word of mouth; the other from our website.

* Andrene asked when financial aid is promised to enrolling families. Alan commented that we have very limited funds and no commitments of aid are made. The scholarship aid is by application (included with the enrollment packet) and aid will be distributed on a first come, first served basis. Alan will work until June 30 and will evaluate the aid applications until then. He recommends we offer only a 10% discount. [The board should discuss the possibility of setting a policy regarding financial aid.]

* Andrene has a sample donor packet we can all look at. She asked Alan if each teacher would contribute something to include in the sample packet. He will talk to the staff.

6.0 BOARD BUSINESS

6.1 **2011-12 school year.** Alan would recommend we change the staff pay periods to 21 annual pay periods, September-June, with no payroll during the summer months, to help with our summer expenses when income is less.

There is no finance report tonight, but there were a couple finance questions: What does the "liability insurance" on our expense report cover? Are the LCEF funds restricted?

We need to have money in our savings as a "cushion" when the school year begins to cover expenses for the fall months (Sept-Dec). It was suggested that should be about \$80,000.

Grace will have to contact the State about the State's requirements for moving the child care room when and if the church decides to do this.

We need to set up PayPal on our website so donors can make electronic contributions. (The cost charged by PayPal is about 30 cents per transaction, plus 2.7% of the donation amount.)

We need an ACTION PLAN before we can adopt a 2011-12 budget, as we have so many financial concerns need to be addressed and resolved.

We will go ahead with our principal candidate interviews next week. Our new administrator will need to be a part of meeting our challenges and making plans.

* We currently operate as a policy-governed school board. The administrator oversees day-to-day operations.

* The administrator position for 2011-12 is a half-time (4 hours per day, Monday-Friday) position with a salary range of \$20,000 to \$23,250 based on education and experience. The position is a contract position.

* We currently have 42 students enrolled in preschool, kindergarten and grades 1-8. We also operate a child care program from 7 am-6 pm, Monday-Friday (except holidays).

* Our budget (for expenses) is expected to be approximately \$270,000; our revenue is expected to be \$175,000, and we expect to begin the year with reserves of about \$60,000. This is a considerable shortfall and will be one of the challenges and tasks of our administrator will need to address by actively initiating recruitment and development efforts.

* If another candidate is chosen for the administrator position, would you be interested in being involved with the school in other voluntary capacities?

* We have a GREAT staff, committed, involved parents and a nurturing atmosphere that are all important components in operating a successful school ministry.

6.3 OTHER. We need to set a date for a work session following our interview meeting next Tuesday (May 10). Andrene graciously offered to host the board work session at her home.

Alan will prepare wage agreements by the last week in May for the staff.

Because of time limitations, some topics were not discussed: Facility Fee, Association Meeting, High Points.

The meeting was adjourned at 10:00 pm.

7.0 CLOSING PRAYER.

Our next meeting is scheduled for Tuesday, June 14, 2011, 7:00 pm. Signed up for opening devotion & prayers at that meeting is Andrene Everson.

Submitted by,
Paula Walker, Secretary
05/09/2011

LIFE! Lutheran School Delegate Assembly Finance Report as of April 30, 2011

For year-to-date actual versus budgeted income through April 30, see page 4.

For year-to-date actual versus budgeted expenses and tuition discounts through April 30, see page 6.

For balance sheet (accrual basis) as of April 30, 2011, see page 9.

For profit-and-loss statement (accrual basis) as of April 30, 2011, see page 11.

Recap

This report is being submitted after the May 2011 meeting, which was held early (May 3) to accommodate interviews of Administrator candidates on our regular meeting date (May 10). Because the regular meeting was so early, not all end-of-month items for April had been posted yet, so I decided to wait and issue this report at the usual time to present a more accurate financial picture for April.

Account clean-up

Kudos to Administrative Assistant Arla Mae and Payroll Bookkeeper Joanne, who are working very hard to clean up the school's books. The process continues, but already there is noticeable improvement.

Noteworthy:

1. Budget

This year's budget has now been input into QuickBooks, so we can work with it and learn how to easily generate "budgeted versus actual income/expense" reports. (This is currently a long and involved process.) Once next year's budget is approved, we can put it into QuickBooks as well, so we can have this sort of report right from the beginning of the year.

2. Designated Funds

Arla Mae is working on reconciling the designated accounts: what the itemization ("2200" line numbers on the balance sheet) says we have versus what is in the actual checking and savings accounts (lines 1042 and 1049 on the balance sheet). Once these amounts are reconciled, we will see about putting those funds into the designated savings account where they will not continue to appear and disappear as part of the general operating funds.

3. Posting

A backlog of posting for certain non-routine items (e.g., investment gain and decline on the Thrivent account, State Farm CD proceeds, etc.) is being cleared up. The bookkeeper is showing Arla Mae how to post these less-common items.

4. Additional Funds Available!

We have taken a look at the Pacific Continental Bank savings and LCEF (Lutheran Church Extension Fund) savings accounts to see whether the money in these accounts can be spent or whether there was a particular reason that the funds have just been sitting there (for a considerable amount of time!).

We have learned that neither of these accounts is designated for a particular purpose, so we may spend the funds.

The Pacific Continental account (balance as of 4/30/11 = \$2,086.96) is just our regular savings account. The bank reports that we need a \$300 minimum balance (every day during the statement period) to avoid quarterly service charges of \$7.00.

The LCEF savings account (balance as of 4/30/11 = \$3,684.83) is a "demand account" which we can access by phone (they then mail a check). It has been used in the past (per Delegate Assembly minutes) as an additional savings account from which to transfer money into the operating account. It also has been used as a place to deposit bequests until the D.A. decides how to spend the money. It requires a minimum balance of \$20.00.

Before we can use these funds, we need a new signature card on this account. The current signature card dates back to July 2002, and none of the signers (Tammy Smith, Marilyn Allen, Linda Walker) is still serving on the D.A. I am looking into getting paperwork for a new signature card, then I will contact Tammy about getting this changed.

5. Bad Debt Write-Off

At the beginning of the year, Alan and Arla Mae conferred concerning uncollectible debt from prior years, and decided which accounts would not be pursued. The uncollectible debt has now been written off, resulting in a large "Bad Debt Expense" this month (highlighted in yellow on page 6 and annotated on the Profit-and-Loss statement (line 6145) on page 11. As a consequence, our outstanding accounts receivable total (line 1025 on the balance sheet, page 9) has been reduced from \$30,308.62 last month to only \$9,408.22 this month.

Question Concerning Foundation Checking Account Service Charge

At the Delegate Assembly meeting on May 3, we were informed (by the Administrator) that we have received a statement from Chase Bank for the Foundation checking account. The opening balance was \$10 and then a charge of \$10 was posted, leaving a zero balance. I was asked to research this charge.

I have looked through the "Foundation" box in the school office and found that we were notified by Chase bank (in an undated letter with a "2010" code at the bottom) that a \$10 per month service charge would be instituted with statement periods beginning in February 2011. (This notice had been opened and read so someone must have been aware of it...)

In January 2011 our balance in this account was \$20. I found an unopened statement in the box dated February 25 through March 11, 2011; when I opened it, I saw that the \$10 service charge had been assessed on March 23, reducing the balance to \$10. Another \$10 was then assessed on this last statement for March 24 through April 25, 2011, reducing the balance to zero.

To avoid the fee, we need to have at least one direct deposit of \$500 or more per statement period, OR a minimum daily balance of \$1,500 or more, OR an average qualifying deposit and investment balance of \$5,000 or more (our Foundation investments are with other institutions), OR pay at least \$25 in qualifying checking-related services or fees.

Since we are not using this account at the moment, I see no reason to transfer \$1500 into it to avoid charges. I recommend we close it before the next statement (which will be issued around May 23); if we leave it open, charges will probably continue to assess and we will then have overdraft fees as well.

We have no current signers for the Foundation on the board, so in order to close the account we will need to ask one of the signers to do it.

Upcoming Funds Transfer

Arla Mae has informed me that we will be needing another fund transfer from the Thrivent account to cover the second May payroll. Since she will be out of the office for this payroll and until May 25, I asked her to prepare an estimate of what we will need to cover payroll and bills through mid-June (first June payroll), taking expected income and expenses into account, so that we will not have to rush another transfer through right when she gets back to cover the first June payroll and bills that come early in the month.

She will give me an estimate by May 10 so the Delegate Assembly can approve the transfer at its meeting that night and sign the paperwork; that should allow enough time to get all the funds transferred before Arla Mae leaves on May 18. (It takes about a week for everything to go through.)

Year to Date Total Income/Expenses Summary (as of April 30)

Operating Income

Tuition/fees received to date, after discounts ⁽¹⁾ \$57,855.83

Other general income received to date \$46,320.84

Child care income \$39,049.45

Brenner funds (July, October, November, April) \$155,000.00

TOTAL INCOME TO DATE \$298,226.12

¹Total tuition discounts to date: \$37,700.94 = 40% of the amount we would have had if all students paid full tuition

Operating Expenses

General school expenses \$265,706.76

Child care program ⁽²⁾ \$33,735.51

TOTAL EXPENSES TO DATE \$299,442.27

Net to date for entire school (income less expenses) = (\$1,216.15)

Net to date for child care program only (income less expenses) = \$5,313.94 surplus

- Status of reserves:
Thrivent money market account \$78,432.53

Respectfully submitted,
Andrene C. Everson
Treasurer