

Kids Unlimited Academy, A Public Charter School

Board Meeting Minutes

November 18, 2015

12pm – 1pm

Board Members Present: Pedro Cabrera, Tom Cole, Linda Evans, Carol Fischer, Martha Ibarra, Sister Mary Pat Naumes, Frank Phillips, Jeri Olson, & Emilie Wylde

Board Members Absent: Carolyn Hayes

Staff Present: Jared Ware, Lynn Eccleston

Community Members Present: Rick Brewster, CPA

Next meeting: January 20, 2015

I. Review and Acceptance of the Minutes

Pedro Cabrera called the meeting to order. The board reviewed the minutes and Carol Fischer made a motion to approve the minutes. Frank Phillips seconded the motion and it passed unanimously.

Pedro Cabrera announced that the upcoming item was the audit report presented by Rick Brewster, CPA.

II. Business & Finance Update

Rick Brewster reviewed the audit report, 990, and management letters with the Kids Unlimited Academy board.

Rick Brewster reviewed the organization's financial position in comparison to the year prior. He noted for the board as a reminder that a large portion of the deficit shown at year end is money that is owed to teachers for accrued salaries which aren't paid out until after the fiscal year. He also noted that the other funds that made up the deficit were occupancy expenses related to Kids Unlimited of Oregon, which Kids Unlimited had extended to Kids Unlimited Academy on loan without any interest and without requirements on when those monies need to be repaid.

Rick Brewster noted for the board that one of the areas that he and his firm were recommending Kids Unlimited Academy and Kids Unlimited of Oregon work to segregate themselves is around financial transactions for fundraising and in the clarity around where assets should be recorded. He noted that while the capital improvements Kids Unlimited had raised and funded had benefitted the school, they were not reflected on the Academy's financials.

Linda Evans asked Rick why not. Rick noted that there wasn't an issue with the way it was being accounted, just that it did not reflect on the Kids Unlimited Academy financial statement at all. He added again that the arrangement did benefit Kids Unlimited Academy, but that it's built into the lease. Rick did note that one recommendation would be determining an arrangement where some of those assets in the future are recorded on Kids Unlimited Academy's books in some way so that the school showed more assets.

Jared Ware noted that some of the recommendations he was working to bring to the finance committee and then to the board were ways to revise the two contracts between Kids Unlimited Academy and Kids Unlimited of Oregon so that the two organizations moved away from allocating expenses back and forth.

Rick noted that with capitalization being at \$5,000 per item and with Kids Unlimited owning much of the equipment in the building as well, allowing Kids Unlimited Academy full use of those items through the lease, that there also weren't any fixed assets to record on the Kids Unlimited Academy financials which would potentially offset the liabilities owed the Kids Unlimited of Oregon. It also means that since these items are being expensed as supplies rather than assets, that the financials will show greater expenses in early years of operation as these items are being purchased even though their usable life is more than one year.

Rick did note that it's important to remember in reflection of these financials that Kids Unlimited of Oregon funded the money for the start-up of the charter school and that makes up a significant portion of the Kids Unlimited Academy liabilities.

Tom Cole noted that KU management was working to consider ways to reduce the debt between the two entities as part of a process of continuing to define areas of separation between the two entities. Rick noted that one way to achieve that would be to reduce the total amount of expenses in the lease to an amount that Kids Unlimited Academy could easily pay, until such a point that they could afford to pay more, and then look at potentially forgiving some of the debt from years past.

Jared gave an overview of the most recent discussion of how the district was working with KUA and other charters around the renewal process, annual visit process, and general framework for charter school accountability. Jared noted that the process was positive and that Michelle Zundel and Dr. Brian Shumate seemed engaged in building a stronger partnership with the charter schools within the district.

Tom gave an overview of the trip he and Jared had recently taken to Salem to discuss potential changes in charter school funding that could potentially gain traction again during this legislative cycle.

III. Principal's Report

Lynn reviewed the principal's report which displayed first quarter assessment data in math and reading, attendance, and discipline data for students by grade level. In reviewing discipline data, Lynn noted that 5th grade students had made a remarkable improvement in comparison to last year.

Frank Phillips asked Lynn if a lot of the students who were getting referrals were ending up in her office and if there was a lot of repeat offenders among the suspenders. Lynn noted that all the discipline data was stored in a system called SWIS, and she added that a lot of them were within the first month of school and very few of them were repeat incidents with individual students.

Lynn noted that currently the referral rate was very low. Lynn noted that the 5th grade teachers deserved lot of credit for their work with the 5th graders. She also added that the mental health workers were really helping to support positive student behavior in the school.

Lynn talked about parent teacher conferences which had a 96% attendance rate for parents. Lynn reviewed with the board some of the feedback from the parent survey, which noted that parents wanted more opportunities to get involved in school, how to help their children at home, and learning more about the school and its programs. Lynn noted that more parents were getting involved that some Spanish speaking parents had begun to do some reading with students in Spanish in the SMART reading program as well.

Lynn reviewed some of the progress working with Latino parents on Latino parent night, the upcoming Festival of Lights, and helping to implement more supports for those families including Rosetta Stone licenses.

Lynn finally reviewed some Smarter Balanced Data with the board in another context, she showed that the percentages of students who "at or near" grade level are very high compared to many other schools, adding that many students are very close to reaching grade levelness and that this year represents a great opportunity to increase the number of students reaching proficiency.

Tom reviewed with the board the masterplans on the new construction project.