

Ben Franklin Academy
Finance Committee Meeting Minutes
May 12, 2022

The meeting was called to order at 6:09 PM.

In attendance: Ram Annamalai, Brendon Cussio, Halsley Hoff, Lance Klassen, Kevin Levenson, Adam Lucero, Jake Thorkildsen, Connie Zoerink.

April 2022 Financial Statement Review

The Finance Committee reviewed the April 2022 financial statements. The financial statements appear to be in line with expectations and the Committee recommends approval.

Review 2021/2022 Final Revised Budget

The Committee reviewed the 2021/2022 Final Revised Budget. The Budget incorporates several changes to better reflect the actual and anticipated revenues and expenditures for the year, including an increase to PPR and a slight adjustment to the student count; the utilization of CRF funds and the carryforward of ESSER funds into the 2022/2023 budget; an increase to land and improvements for several projects expected to be completed this year; and an increase for technology expenditures. While there have been some changes in staffing, payroll expenses were not adjusted and are expected to come in below budget for the year. Based on the information currently available, the 2021-2022 Final Revised Budget appears to be in line with expectations and the Committee recommends approval.

Review 2022/2023 Adopted Budget

The Committee reviewed the 2022/2023 Adopted Budget. The Budget incorporates an increase in the PPR at a rate of 5.7% along with adjustments to student fees; increases for curriculum and classroom supplies; increases to the cost of insurance policies; increases to land and improvements for various outdoor projects; increases for various technology expenditures; reduced interest income; and various increases and adjustments to salaries and benefits. The 2022/2023 Adopted Budget appears to be in line with expectations and the Committee recommends approval.

Vote on Officer Roles

Nominations for each of the officer roles for the 2022/2023 year were accepted and the Committee voted to appoint Lance Klassen to serve as the Chair; Jake Thorkildsen to serve as the Vice Chair; and Brendon Cussio to serve as the Secretary.

Discuss Investment Management Plans

The Finance Committee discussed investment management plans for the upcoming year. The Committee was tasked with the following actions:

- *The Committee will review the BFA Asset Management Policy to ensure that the provisions as established in the policy are in alignment with Colorado Department of Education and Douglas County School District requirements and comply with other legal requirements for the investment of funds. The Committee will make any applicable revisions to the Policy in order to meet these requirements.*
 - It appears that the BFA Asset Management Policy is not currently in compliance with all required authorities and guidance. In particular, the Investment Guidelines for Investable Assets section must be modified to comply with Colorado State Laws. The Committee will review and make all necessary revisions to the policies in the November 2022 meeting.

- *The Committee will take into consideration the results of the facility repair plan prepared by the DCSD to ensure BFA has adequate capital reserves to meet anticipated future needs.*
 - The Committee is still awaiting the facility repair plan from the DCSD.
- *The Committee will prepare a comparative analysis to determine which management option will provide the most benefit, whether that is self-management of the funds or the utilization of an investment manager/management company to oversee the funds on behalf of BFA.*
 - At this time, it appears that self-management may provide the most benefit; however, discussions will continue as more information becomes available.
- *The BFA Strategic Plan established by the Board will be used to determine the timing and scope of future capital needs of BFA. The Committee will obtain from the Board more detailed information on the intended future use of the funds.*
 - The BFA Strategic Plan is in discussions by the Board, with an emphasis on long-term plans for the maintenance of the facility.
- *Based on the forecasted rise in interest rates, the Committee will contact ColoTrust to determine if there are beneficial options for investing additional funds with ColoTrust.*
 - The Committee will review the account offerings at ColoTrust and pursue discussions with ColoTrust representatives for future discussions.

The Committee discussed the possibility of transferring funds from the Merrill account into the ColoTrust account to earn a higher rate of interest. The Committee determined that there are sufficient funds to comply with the requirement to retain four months' cash on hand per the BFA Asset Management Policy and transfer excess funds to the ColoTrust account. Accordingly, the Committee recommends that \$2 million be transferred from the Merrill account to the ColoTrust account.

The meeting was adjourned at 8:45 PM.