



Oak Knoll Kinderhaus Montessori School
1200 North Lake Avenue ❖ Pasadena, CA 91104 ❖ (626) 345-0595
www.oakknollkinderhaus.com

Board of Directors

board@oakknollkinderhaus.com

August 9, 2006 Board Meeting

MINUTES

Attendance:

Board members: Alana Steele, President; Hannah Holland, Vice President; Standrea Williams, Treasurer; Nina Powell, Secretary; Gwen Hourihan; John Chambless; Lisa Vigil Ruelas; Dorothy Chambless, advisory; Jonna Dennis, advisory;
Staff: Aliete Guerrero, Head of School.

Location: Post Alarm in Arcadia

CALL TO ORDER

The meeting of the Board of Directors was called to order August 9, at 6:15 pm by the President.

SECRETARY'S REPORT

Approval of June 5, 2006 Minutes with the following amendments:

- Titles in members list
- Clarify John "C." in Resolution for Audit section
- Edit first paragraph under president's report – change "certain staff" to "majority of staff", parents to select group of parents, and certain directors to majority of directors.

Motion to approve minutes as amended. Second. Passed unanimously.

Approval of June 19, 2006 Minutes

Motion to approve minutes as is. Second. Passed unanimously.

Approval of July 12, 2006 Minutes with the following amendment:

- Remove \$100 by mention of petty cash.

Motion to approve minutes as amended. Second. Passed unanimously.

Approval of July 27, 2006 Minutes with the following amendment:

- In scrip section, change "purchasing" to "pre-purchasing" and add "to be sold to parents" at end of first sentence
- In passive fundraisers – add \$2000 per budget year to start September 1, 2006

Motion to approve minutes as amended. Second. Passed unanimously.

Change to May 8, 2006 Minutes

- Minutes incorrectly reflect a change in bylaws concerning term lengths, it was discussed as a possible bylaw change, but a motion was made to make term lengths a standing rule. The motion is missing from the minutes.

Motion to approve amendment to the May 8, 2006 minutes. Second. Passed unanimously.

OFFICER REPORTS / COMMITTEE REPORTS

President's Report

Julie Brown can no longer be chair of the bylaws committee. The President names herself the chair of the bylaws committee. A bylaws committee meeting is anticipated be held next week.

Treasurer's Report

Monthly Financial Statements

(See attached)

The July profit/loss statement was discussed. The numbers in the profit/loss statements will be more accurate as work continues on the internal audit. Aliete and Corrina are doing a great job of entering accounting numbers, but pre-2003 accounting needs to be fixed. July had an overall negative income.

Accounting Policies

(See attached)

A discussion about the five-day limit for turning in documentation for reimbursement. The limit is only 5 days due to the small size and tight budget of the school. The Head of School confirmed that the staff had been informed of the bimonthly pay schedule. A discussion about the complexity and applicability of the expense report, brought up ideas for improvements, and Aliete will give the Treasurer a copy of the current expense report form.

Motion to accept the Accounting Policies as discussed. Second. Unanimously approved.

Update on Internal Audit and Form 990 Returns

An extension for the 990 will be requested. John C. to provide needed financial documents to the Treasurer, so the internal audit and the 990 can be completed. All corrections that need to be made to resolve accounting problems will be made to the 2005 calendar year, so that only one year's tax documents will need to be revised. All numbers will be documented, and traceable with notations that the entry was made to clear a specific account or charge. Dorothy states that copies of past credit card statements have been requested from the credit card company. Elisabeth Dimopolous will need to help with the process of matching expense reports to credit card statements. The loans still need to be documented. The Treasurer is working to finish the internal audit by September 1, 2006. The CPA will sign off on the internal audit when it is finished.

Marketing Committee Report

July's minutes are still being finalized. The August meeting was poorly attended and thus, cancelled. A list of online calendars was made for advertising open houses, educational and other general public invited events. Gwen will gather information about the yellow pages ad.

Scholarship Committee Report

(See attached)

John C. to figure out industry target/average for scholarship levels. Discussion about possible scholarship grants to apply for and possible people who would help submit the grants.

Motion to amend the scholarship award guidelines to include the terms "if full tuition costs exceed 33% of annual adjusted gross income, then applicants are eligible for scholarship". Second. Unanimously passed.

Head of School Report

(See attached)

72 children currently enrolled. The initial 2006-07 budget is based on the 70 students listed on the tuition roster as updated during the budget process plus the equivalent of 7 full-time, full-year primary students. HOS is giving many tours. Discussion of janitorial services. Neighborhood church is asking \$700/month to provide janitorial services. Aliete to get bids for janitorial services for both campuses. It will have to be within the budget allowance.

OLD BUSINESS

Peter Dimopoulos's Resignation

Motion to remove Peter Dimopolous as a voting board member and to make him an advisory member, as per the request of the staff in July 2006. Second. Motion passed with one abstention.

Discussion of the other items requested by staff in July 2006.

- Maura working on roles and responsibilities document

- New members need to be initiated onto the board before any current member resign
 - Nominations committee has created a board application form

NEW BUSINESS

Parent Credit System

Discussion of parent credit system, and if a parent can still buy something for the classroom at the rate of \$1 per parent credit. Yes. The parent credit system remains the same as last year.

Fundraising

Fundraising Coordinator, Lisa Ruelas, needs to be informed and involved in all fundraisers. All fundraisers need to go through her. The Fundraising Coordinator needs to report on all fundraisers and give accounting information to the Treasurer.

E-waste fundraiser was not successful; there was a miscommunication about who would do the paperwork to complete the process. Benefit Night will be scheduled in October or November. Staff and Board should be signed up for painless fundraisers. Care needs to be taken to make sure that the parent community does not feel "nickel & dimed" with regard to fundraisers.

ADJOURN

Motion to Adjourn. Second. Passed unanimously at 8:15 pm.

These minutes were approved by the Board of Directors at its regular meeting held

Sept 21, 2006

Katrina M Powell

Nina Powell, Secretary

ATTACHMENTS:

July Profit/Loss Statement

July Balance Sheet

Petty Cash Policy

Expense Reimbursement Policy

General Accounting Policy

Scholarship Committee Report

HOS Report

Oak Knoll Kinderhaus Montessori
Profit & Loss
July 2006

	<u>Jul 06</u>
Ordinary Income/Expense	
Income	
4010 · Income - Tuition	
4011 · Aftercare Tuition	3,565.00
4012 · Tuition Deposit	2,250.00
4010 · Income - Tuition - Other	<u>33,839.46</u>
Total 4010 · Income - Tuition	39,654.46
4040 · Income - Fundraising	
4042 · Restaurant Night	114.16
4043 · Rummage Sales	160.00
4044 · Silent Auction	8.00
4047 · food scripp	<u>50.00</u>
Total 4040 · Income - Fundraising	332.16
4060 · Income - Misc fees	
4061 · Application Fees	1,000.00
4063 · Parent Hours	30.00
4064 · Pizza Day	10.00
4065 · Supplies Fee	675.00
4060 · Income - Misc fees - Other	<u>3.11</u>
Total 4060 · Income - Misc fees	<u>1,718.11</u>
Total Income	41,704.73
Expense	
IRS installment agreement	500.00
6000 · Program Services	
6070 · Student Enrichment	-132.00
6100 · Tuition Discount	<u>3,236.25</u>
Total 6000 · Program Services	3,104.25
6560 · Payroll Expenses	23,312.41
7060 · Advertising	36.00
7100 · Bank Charges	25.00
7180 · Employment Benefits	4,744.99
7200 · Insurance - General	481.25
7220 · Interest Exp - Finance Charges	
7221 · Interest L/T Loans	<u>12.34</u>
Total 7220 · Interest Exp - Finance Charges	12.34
7320 · Rent	4,033.00
7340 · Repairs and Maintenance	
7341 · Janitorial	<u>550.00</u>
Total 7340 · Repairs and Maintenance	550.00
7350 · Taxes and Licenses	400.00
7360 · Telephone	392.84
7380 · Utilities	
7381 · Water & Power	219.14
7382 · Gas	27.95

Oak Knoll Kinderhaus Montessori
Profit & Loss
July 2006

	<u>Jul 06</u>
7383 - Waste Removal	67.00
7380 - Utilities - Other	<u>24.25</u>
Total 7380 - Utilities	<u>338.34</u>
Total Expense	<u>37,930.42</u>
Net Ordinary Income	<u>3,774.31</u>
Net Income	<u><u>3,774.31</u></u>

5:28 PM
08/09/06
Cash Basis

Oak Knoll Kinderhaus Montessori
Balance Sheet
As of August 9, 2006

Aug 9, 06

ASSETS

Current Assets

Checking/Savings

Cash in Bank - Citizens 100.38

1000 · Petty Cash 150.00

1040 · First Regional 1,903.99

Total Checking/Savings 2,154.37

Accounts Receivable

1200 · Accounts Receivable - Trade -455.88

Total Accounts Receivable -455.88

Other Current Assets

1300 · Employee Advances 500.00

1450 · Payroll Clearing 37.46

1499 · Undeposited Funds 900.00

Total Other Current Assets 1,437.46

Total Current Assets 3,135.95

Fixed Assets

1510 · Furniture and Fixtures 2,035.28

1540 · Leasehold Improvements 31,875.38

1610 · Accum Deprec - F & F -5,427.97

1630 · Accum Deprec - M & E -3,101.38

1640 · Accum Deprec - L/H Improv -4,135.47

Total Fixed Assets 21,245.84

Other Assets

1960 · Accumulated Amortization -2,890.80

Total Other Assets -2,890.80

TOTAL ASSETS 21,490.99

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2110 · Accounts Payable - Trade -2,648.31

Total Accounts Payable -2,648.31

Credit Cards

2005 · Credit Card - Capital One -2,145.12

2007 · MBNA - Platinum Plus -205.00

Total Credit Cards -2,350.12

Other Current Liabilities

2060 · Note Payable - Fleet -799.08

2070 · Note Payable - Pas Dev Corp -2,567.39

2100 · Payroll Liabilities 17,105.63

2250 · Accrued Payroll 15,000.00

Total Other Current Liabilities 28,739.16

Total Current Liabilities 23,740.73

5:28 PM
08/09/06
Cash Basis

Oak Knoll Kinderhaus Montessori
Balance Sheet
As of August 9, 2006

	<u>Aug 9, 06</u>
Long Term Liabilities	
2560 · L/T Note Payable - Fleet	-199.77
2570 · L/T Note Payable - Peter Dimopo	-25,409.26
2571 · L/T Note Payable - Pasadena Dev	19,183.90
2572 · L/T Back Payroll	-500.00
2574 · L/T Loan E Dimopoulos	5,000.00
2575 · L/T Loan D Chambless	5,000.00
2710 · Note Payable - Officers	4,959.59
Total Long Term Liabilities	<u>8,034.46</u>
Total Liabilities	31,775.19
Equity	
3000 · Opening Bal Equity	0.81
3010 · Beginning Fund Balance	-35,398.46
3900 · Retained Earnings	16,670.24
Net Income	8,443.21
Total Equity	<u>-10,284.20</u>
TOTAL LIABILITIES & EQUITY	<u><u>21,490.99</u></u>

Oak Knoll Kinderhaus

Internal Control Policies and Procedures

Effective Date: 08/09/2006

1

PETTY CASH POLICY

PURPOSE:

To define policies and procedures related to maintaining a petty cash fund for the convenience of Oak Knoll Kinderhaus' employees.

POLICY:

- A petty cash fund in the amount of \$150 may be maintained and shall be reflected in QuickBooks.
- The petty cash fund shall be regularly replenished on the 5th of each month up to \$150.
- The petty cash fund may only be used for expenses totaling \$20 or less.
- A sheet shall be attached to the petty cash envelope to record each transaction, the date, the dollar amount and the purpose.
- Each transaction shall be logged onto the petty cash transaction sheet attached to the petty cash envelope. Monthly transaction sheets shall be filed with the general financial records with any receipts attached.
- All petty cash transactions must be appropriately recorded in QuickBooks. Multiple transactions may be grouped by category for ease of data entry.

Oak Knoll Kinderhaus

Internal Control Policies and Procedures

Effective Date: 08/09/2006

1

EXPENSE REIMBURSEMENT POLICY

PURPOSE:

To define policies and procedures related to the reimbursement of expenses incurred by employees in the conduct of Oak Knoll Kinderhaus (Company) business. To enable the Company to reimburse employees in a timely and accurate manner. To support payments to employees as appropriate business deductions for the Company.

POLICY:

- This policy cannot contemplate every situation that might arise; therefore, employees should exercise prudent judgment when incurring expenses on behalf of the Company. Employees should always seek counsel of their supervisor if unclear as to whether an expense is appropriate.
- The Company will reimburse employees for necessary and reasonable business for authorized business purposes to the extent that has been negotiated.
- The Company requires appropriate substantiation of the business purpose and the expenses incurred for business-related meals, entertainment, and other expenses in accordance with good business practices and Company guidelines.
- The Company also requires that a complete, accurate, and timely expense report be submitted with the appropriate supervisory approvals prior to reimbursing these expenses. Expenses should be submitted for reimbursement no later than 5 days from the time the expense is incurred.
- **Employee's Responsibilities:** Employees are expected to exercise sound business judgment regarding the cost and frequency of travel on behalf of the Company with an aim towards minimizing expenses, whenever possible. The employee's signature is required for reimbursement and certifies that all expenses are true and correct, clearly and accurately described, supported by appropriate approvals and in full accordance with the provisions of this policy.
- **Approver's Responsibilities:** The employee's direct supervisor is responsible for assuring that expenses have been properly authorized and are being reported in accordance with the provisions of this policy. This review and approval is documented with the supervisor's signature. This review and supervisor approval does not relieve the employee of his/her responsibility for the accuracy of the Expense Report.

Oak Knoll Kinderhaus

Internal Control Policies and Procedures

Effective Date: 08/09/2006

2

REQUIREMENTS:

- All transactions requiring reimbursement must be **pre-approved** by the Head of School.
- Any single item or new contract totaling \$250 or more must be pre-approved by the Board of Directors.
- Only the Head of School, office staff and Guides are permitted to be reimbursed for expenses.
- Business expenses greater than \$20 should be reported no later than 5 days after expense is incurred on an Oak Knoll Kinderhaus Montessori Expense Report Form.
- Only actual expenses incurred should be reported. Approximations or estimates are not permitted.
- Expenses should be itemized by date. For example, hotel, meals, taxis and other travel expenses should be listed for each day of travel.
- A computer-generated receipt, if possible, should accompany all expenditures.
- The expense report must be in compliance with this policy and completed in its entirety. Expense reports not completed fully will be returned to the employee for correction or supporting documentation.
- Supporting documentation (*e.g.*, receipts) should be in reasonable order, and must be firmly attached to the expense report to facilitate review and audit. We recommend that small receipts be firmly taped to an 8½ x 11-inch piece of paper.
- A signature from the employee's immediate supervisor authorizing the reimbursement is required for processing.

1. CREDIT CARD PURCHASES

- Each credit card statement must have an expense report and with accompanying receipts.

2. PETTY CASH

- Petty Cash should only be used for purchases totaling \$20 or less per transaction.
- Each transaction shall be logged as required.

Oak Knoll Kinderhaus

Internal Control Policies and Procedures

Effective Date: 08/09/2006

1

GENERAL ACCOUNTING POLICIES

PURPOSE:

To define general accounting policies and procedures. To define policies and procedures related to payment of Oak Knoll Kinderhaus' obligations. To enable the Company to pay its employees and vendors in a timely and accurate manner.

POLICIES:

- Any single item purchase or contract for payments of \$250 or more must be pre-approved by the Board of Directors.
- Financial obligations should be paid in the following order
 1. Federal, California and IRS back payroll taxes
 2. Lease Agreements
 3. Hourly Employees
 4. Salaried Employees
 5. Utilities
 6. Any other debts
- Payroll will be paid out bi-monthly on the 5th of the month and the 20th of the month with no exceptions.
- All financial transactions are to be logged in to QuickBooks.
- All financial documents are to be filed in chronological order by vendor.



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Scholarship Committee Report

Wednesday, August 9, 2006

Thirteen Scholarships were granted (10 returning students, 3 children of teachers/staff)
With an annual total cost of \$57,331.00

Recommendations for next year:

- Future out of pocket scholarships not to exceed 10% of student body
- Submit grant applications and receive grant money to pay for scholarships
- Further refine calculations process
- In order to account for families with multiple children and a higher than \$40,000 income, ammend the previous motion for scholarship calculations to include the terms, "if full tuition costs exceed 33% of annual adjusted gross income, then applicants are eligible for scholarship"

August 9, 2006

Report from the HOS

This coming September we'll have 18 new students, 5 of which have already started this summer. We have 54 returning students. There is a wait list for the Toddler class with 3 students applying for November and January. There are also 4 Toddler students transitioning from September through January. Some of our Elementary students will begin to visit the Elementary program from October through January October on as recommended by Miss Yolande.

[REDACTED]

Miss Jylani will also be our Aftercare teacher at Orange Grove. Our Elementary teacher will be returning soon [REDACTED]. Since Miss Sally will be our Intern/Teacher for Primary 2 she'll also have a contract specific to her position. On the same note, Miss Maggie will be returning to Primary 2 to give presentations on the Montessori materials every morning for 1.5 hours. She'll help Miss Sally plan lessons and will mentor her as needed. I'll also work closely with Miss Sally.

So far we're having a beautiful summer. Our new school year promises to be very productive and exciting. The Meet & Greet with Miss Jylani was a happy event. Our families who attended had a beautiful time. Both students and parents are very happy with their new teacher.

Thank you for your time and attention.

Aliete Guerrero