

**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF THE EWING MARION  
KAUFFMAN SCHOOL, INC.  
August 23, 2018**

A regular meeting of the Board of Directors of the Ewing Marion Kauffman School, Inc., a Missouri not-for-profit corporation, was held on the 23rd day of August 2018, pursuant to public notice provided at least 24 hours in advance.

The following Directors were present at the meeting location: Gloria Jackson-Leathers, Aaron North, and Maurice Watson. The following Directors participated by teleconference: Kristin Bechard and Tracy McFerrin. Maya Aguirre was unable to attend.

The following non-voting officers were present at the meeting location: Hannah Lofthus (CEO) and John Tyler (Secretary). Also present were: Jerrad Jones (EMKS Finance), David Wilson (EMKF Finance), and Donna Wilson (Legal Counsel). Shanika Harris (University of Missouri-Columbia) participated by teleconference. No others participated either in person or by phone.

Mr. North chaired the meeting and Ms. Wilson served as Secretary. Mr. North called the meeting to order at 5:07 p.m. Mr. North reviewed the agenda and presented the minutes of the June 19, 2018 regular meeting. After discussion and upon motion duly made (Jackson-Leathers) and seconded (Watson), the Board unanimously approved the minutes as presented (see **Exhibit A**). Mr. North presented the minutes of the June 22, 2018 special meeting. After discussion and upon motion duly made (Jackson-Leathers) and seconded (Watson), the Board unanimously approved the minutes as presented (see **Exhibit A**).

### **Community Forum**

Ms. Harris provided an overview of the 2018-2019 proposed school visits and anticipates as least four visits to EMKS during the school year. Ms. Harris also indicated that School information should be uploaded to the Epicenter.

### **School Leadership**

Mr. North asked Ms. Lofthus to present the School Leadership Report. Ms. Lofthus reported on the following:

- Operations Transition – EMKS has been working with CBIZ on benefits matters, and a recommendation will be presented at the October Board meeting;
- August 2018 Professional Development – included a session on the “History of Racism in Kansas City” with participation by Gwen Grant, CEO of the Greater Kansas City Urban League; and

- Rental/Use of Facilities – EMKS will grant use of the building facilities to certain community groups providing sports development programs for youth.

## Finance

a. Treasurer's Report. Mr. North asked for presentation of the Treasurer's report. Mr. Jones reviewed the Financial report and check register (see **Exhibit B**) highlighting the following information:

- Total revenue and expenses through June 30 are \$15.1M and \$14.6M respectively.
- The change in net assets is \$0.5M favorable to budget due to lower wages and benefits expenses which is driven by lower staffing counts during the year, lower average salaries, and other expense savings offset by lower Basic Formula funding.
- The School was budgeted to hire up to 118 positions with 120 included in the forecast. The School had 123 employees as of June 30.
- Average annual enrollment was budgeted at 943 students with 947 forecasted. Average enrollment ended the year at 941.
- The 2018-19 budget was approved in May. The budget included revenues of \$16.8M and expenses of \$16.6M, and included a grant from the Foundation of \$4.0M for both operations and lease expenses.
- The School is currently in the process of the FY2018 financial statement audit which will be completed by Daniel Jones & Associates. The audit is expected to be finalized in October.
- The cash balance through June 30 of \$4.3M. The final operations grant payments of \$0.6M was made in May.
- The Principal's Fund is no longer listed as a separate account on the Balance Sheet. The change in accounting based in nature with no actual transfer of funds. All cash, except for petty cash, resides in a single Commerce Ban operating account.
- The accounts receivable at June 30 was \$0.2M and largely consisted of year-end Federal funds allocations to be received in the 2018-19 school year.
- The prepaid balance at June 30 was \$0.2M and consisted of prefunding the School's property manager, Cushman & Wakefield, and Yellowdog for IT.
- The liability accounts of \$0.4M at June 30 consisted of accrued salaries for the teacher contracts with terms through July and vendor payables.
- DESE standards require the fund balance (net asset balance excluding PP&E) remain above 3% of year-end actual expenses; otherwise the school is considered "financially distressed". The ratio will be approximately 28% at year-end vs 27% at FYE 2017.
- Temporarily restricted net assets at June 30 was \$4k and is part of the grant provided to the School from the Foundation for the purpose of funding Relay professional development.

After discussion and upon motion duly made (Jackson-Leathers) and seconded (Watson), the Board unanimously accepted the Financial Report.

## Governance

a. Policy Updates. Mr. North asked for presentation of the proposed policy updates (see **Exhibit C**). Ms. Lofthus presented the following policy updates, and reported that the updates were considered by the Governance Committee and recommended for approval:

- Student & Family Handbook (updates to grading policy, medication and student allergy prevention/response, ESSA law). After discussion and upon motion by the Governance Committee, the Board unanimously approved updates to the Student & Family Handbook.
- Personnel Policies (new parking policy, and updates to attire and Friday rotation PTO). After discussion and upon motion by the Governance Committee, the Board unanimously approved updates to the Personnel Policies.
- Athletics Handbook (updates to reflect requirements per full membership in MSHSAA). After discussion and upon motion by the Governance Committee, the Board unanimously approved updates to the Athletics Handbook.

b. Board Terms and Officers/Committees. Mr. North discussed the current Board terms structure and the recommendation of the Governance Committee to appoint Mayra Aguirre to a second three-year term. After discussion and upon motion by the Governance Committee, the Board unanimously approved the appointment of Ms. Aguirre to a second three-year term. Mr. North also discussed the Board officer and committee appointments recommended by the Governance Committee. After discussion and upon motion by the Governance Committee, the Board unanimously approved the officer and committee appointments.

c. Recognition and Presentation to Gloria Jackson-Leathers. Mr. North noted that Ms. Jackson-Leathers' term on the Board will expire following the August 23 Board meeting, and that she has served the School with distinction as a member of the Board since 2012. Mr. North also presented, on behalf of the Board, a gift of appreciation to Ms. Jackson-Leathers, and a Resolution (see **Exhibit D**) acknowledging her service. Upon motion duly made (McFerrin) and seconded (Watson), the Board unanimously approved the Resolution.

d. Board Governance. Mr. North presented an overview of certain Board governance changes, and reported that the recommendations and updates to the

EMKS Articles of Incorporation and Bylaws will be presented for consideration at the September 2018 Board meeting.

There being no further business to discuss, Mr. North adjourned the meeting at 5:47 p.m.

APPROVED:

  
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Donna Wilson, Acting Secretary