

From: Steve Barr <sbarr@finschools.org>

Date: April 11, 2013, 1:09:14 PM CDT

To: rcwfenet@gmail.com, crobinsonjr@gmail.com, gstein@finschools.org, jchope3@gmail.com, judith.dangerfield@veoliatransdev.com, kgillnopd2004@hotmail.com, sbarr@finschools.org, vrfauria@yahoo.com

Cc: Chris Lozier <clozier@finschools.org>, Bill Kiolbasa <bkiolbasa@finschools.org>, Diane Peete <dpeete@finschools.org>

Subject: FIN:NOLA Board Correspondence

Dear FIN NOLA Board members,

Our new FIN National CFO, Bill Kiolbasa, will be at John Mac all next week (April 15-19) and will be working with your staff on the following on which I'd like to keep you all abreast:

1. Board-approved revised SY13 budget: One of Bill's two highest priorities will be to build a revised SY13 John Mac budget which will require board approval for submission to the LA DOE.
 - a. State law requires each charter school board to adopt a budget of expected revenues and probably expenditures no later than September 15 of each year, and while I did find an amended budget which you may even have adopted, it does not appear that it was ever submitted to the state. This new budget, it is also important to note, will be built on an enrollment of 362 based on the attached membership audit by LA DOE.
 - b. A March 29 letter from the State Superintendent asked for this board approved revised budget no later than April 12 and they have granted us a further extension to enable submission of a budget by April 19 with adoption to follow at the May 7 board meeting (IAW LA open meeting laws).
 - c. So, we will be sending to all of you an email with the revised budget next Wed or Thur for your unofficial/preliminary approval, asking respectfully for a 24-hour turnaround.
2. Cash flow challenges and disentanglement of campuses' accounting: The second of Bill's top two priorities is twofold:
 - a. **John McDonogh is able to make April 15 payroll and but will require additional funding--next slug of MFP, ROTC reimbursement, some overdue categorical funding, or additional fundraising--to make April 30 payroll. The school's balance sheet is weak primarily due to very high staff:student**

ratios catching up after burning through i3 and private funds and because categorical funds are extremely late in arriving.

b. Bill will also be working with Melanie Flot and Dr. T to reconcile financials at John Mac and Cohen and to work on remaining disentanglement of the two schools' finances. I believe most of that damage was done by Charter School Management Corporation's previous John Mac-assigned accountant and that Melanie Flot has done at least an average job since coming onboard in the Fall.

3. iPad promise: After assessing the school's cash flow situation and its ability to meet senior obligations to make payroll and pay bills, we will offer a recommendation on the timing of the purchase of iPads for seniors.

4. SY14 Budget: While we will begin working with Dr. Thompson on this critical document, I propose delivering a draft to the board by mid- to late-May to review in advance of the June board meeting at which the board could approve the budget. I'm still not too familiar with LA Open Meeting laws, so please back me up to make sure we're following the rules or let me know if/when you think we should consult legal.

Our intention as your pro bono service provider and partner is to do the following in order to enable the school to maintain self-sufficient financial operations by the end of SY14:

- April 2013: Cleanup your financials
- April-October 2013: Strengthen the capacity of your staff and CSMC's
- April-October 2013: Ensure systems, procedures, and policies are solid, well-understood, and followed
- April-June 2013: Assist Dr. Thompson and you all in building a realistic breakeven SY14 budget

Please don't hesitate to email or call with questions or recommendations.

Thank you all,

Chris

Chris Lozier
Chief Operating Officer
FUTURE IS NOW SCHOOLS
[312.479.1719](tel:312.479.1719)