

**Sound Learning Board of Directors Meeting
June 19, 2017**

Agenda

1. Call to Order and Approval of Agenda
 - a. Introductions of guests
2. Approval of Minutes of May 15, 2017
3. Discussion or Questions about Executive Director report—Sue
4. No Committee Reports because there were no meetings since last BoD meeting.
 - a. Finance--Cheryl
 - b. Fund-raising/Development—Bill
 - c. Marketing/Publicity—Sue/Shannon
 - d. Human Resources—Sandra
5. Budget 2017-2018 discussion and approval—Sue
6. Other business—Celebration and thanks to outgoing members Betty Brinkman and Stacey Anderson
7. Good of the Order—July election of officers, need new secretary
8. Board training—Betsy Moyer
9. Adjourn

Sound Learning Board Meeting Minutes 5-15-17

Members present: Stacey Wickett, Cheryl Williams, Sandra Herndon, Betty Brinkman, Stacey Anderson

Staff present: Sue Ickes, Executive Director

Call to Order: 5:02 by Board President Sandra Herndon

Approval of Agenda: Motion to accept the agenda passed unanimously

Introduction of guest Betsy Moyer - support of boards:

- Most important qualities in a board member:
 - Connections in community
 - Willingness to talk to community members about the organization
- Review of the 10 roles of an effective nonprofit board
- Proposed scope of work - 1-2 training sessions that fit into the schedule of monthly board meetings or an agreed upon time (60 - 90 minutes)
- 1-2 training sessions that are agreed upon by the needs of the group
- 20 hours of fundraising support

Approval of Minutes: Motion to approve minutes of April 17th by Cheryl Williams; second by Stacey Wickett; motion passed unanimously

Executive Director's Report:

- Sue did a 4 hour training with SBTC
- Need to incorporate more intensive reading, writing, and math into ESL classes
- Need to prepare students for post-secondary education - new Bridge class will help with this
- Spell-E-Bration Results - Gross profit \$20,859

Committee Reports: None this month (no one met)

Preliminary Budget Discussion:

- Cheryl reviewed the financials - equity is slowly going down - payroll is biggest expense
- Sue reviewed the preliminary budget - made it realistic - it is estimated to be a net loss of \$51,244.24 next year (\$37,878.34 this year)
- Worst case scenario is deficit of \$84994.84; best case scenario (counting on Open Doors) would increase income by \$56000; would put us \$2072.44 in the black - will not know until summer

Executive Session: Motion made by Cheryl Williams to go into Executive Session for personnel matters; seconded by Betty Brinkman; entered Executive Session at 6:30 p.m. Cheryl Williams made a motion to move out of Executive Session at 6:45 p.m.; seconded by Betty Brinkman; Executive Session ended at 6:45 p.m.

Review of Executive Director's Evaluation:

- Shared Sue's evaluation with her
- Feedback and her self-assessment were very positive

Motion to Adjourn at 6:59 p.m. by Betty Brinkman; second by Stacey Wicket; meeting adjourned at 7:00 p.m.

Minutes respectfully by Stacey Anderson, Secretary

Executive Director Report

June 19, 2017

Summer is almost here. It's been a long winter and a very busy Spring. Summer will be bringing new and exciting developments to Sound Learning.

1. The good news is that we have made an arrangement with Gravity and the Shelton School District to conduct our Newcomer Open Doors classes beginning with the Fall quarter. If we are able to have an average of at least 12 students making progress enrolled throughout the year, it will bring in revenue to SL an estimated amount of \$48,840. We will increase expenses by about \$17,000 because we will need to add a part-time instructor and some administrative help (10 hours per week) in Thurston for Consuelo. This makes our net from the Open Doors Program approximately \$31,000. I have attached a page at the end of this report which will provide a little more information about the program. **The one caveat is that we will need to wait for the final approval from OSPI.**
2. July 10th marks the first day of the new Bridge class. We are excited about this new class. The goal of the class is to "bridge" the gap for our advanced English Language Learners who are too advanced for the ESL class at CHOICE but are not ready for GED/HS21+ classes due to weak reading/writing skills. This class has been financed by the Green Diamond Grant and \$1,000 in donations from the Spell-E-Bratton Cash Swarm that were designated for this class.
3. It is time to renew our lease with Mike Wittenberg and his partners at GMW. We are looking at a term of ten years with a contingency clause that allows us out of the lease should lack of funding force us to close. The good part of the negotiations is that Mike has agreed to replace the carpeting and I have been getting bids for him. The bad part is that it will cost us to move everything out, put it in storage for two days and then move it all back in unless we can figure out an easy way for the floor folks to do half and half. But we still need to move everything around. I am working on this and will let you know how things go.
4. The projected budget will be presented at the June 19th meeting. Due to the possible fluid nature of the funding for Open Doors, I am recommending that we do a quarterly review of the budget during the 2017-18 fiscal year.

Open Doors contract and what this means to Sound Learning.

The Open Doors Newcomer Program that we will be starting on September 1st, 2017 is funded through an agreement with ESD113/Gravity. The funding computation is defined in 12 month increments to easily determine what the monthly expenditure will be, but the payments are paid in 10 payments overall. Payments will begin in late September 2017 and continue through June 2018. Payment is based on student performance not hours in the seat, although we have a minimum that we will require students to participate in the program (9 out of 12 available hours per week).

Student Performance: A student MUST make a significant gain every quarter (3 months). A significant gain will be determined using criteria that we currently use in the CASAS testing system. Students in this program will be testing on core academic subjects. We (Gravity and Sound Learning) have determined that for the Newcomer Program, listening and speaking are **core academic subjects**.

Payment process: Payment is based on the number of students that have participated at least one day during the month prior to the Count Day (first school day of the month). If the student has been enrolled and has NOT made progress during the quarter, we will not be paid for them the fourth month, therefore, our goal is to have more than 12 students at any given time to allow for those who may not make progress. Although it is rare that our Level 1 and 2 students do not make some progress during a quarter.

Sound Learning will bill ESD113 every month by the first Friday of the month and should receive payment by the end of the month.

Students: Students will be enrolled through a collaborative process between SL and Gravity. Essentially, they will be Gravity students who will receive instructional and case management services from SL. We will be a contractor in the process. Gravity will maintain a database and SL will provide statistical information, attendance records, testing results and student contact records. Gravity will provide a K12 Instructor to work with Consuelo to develop appropriate curriculum and will assist with classes.

Case Management: SL will provide basic case management services as we do currently, i.e. referral to Community Lifeline, food bank, etc. Gravity will provide in-depth case management services that require more than a simple referral. SL will assist with interpreting, if needed.

Now to the numbers: SL will be paid \$4,070 per month (based on 12 students) to the equivalent of \$48,840 per year. This is less than we had originally projected, but it will certainly go a long way in keeping SL afloat. **HOWEVER**, it is important to remember that should enrollment fluctuate the amount could go up or down. Also this is a gross amount and does not reflect the additional expenses related to this program which will include a part-time instructor for Mason ELA program and an assistant for Thurston. At approximately 10 hours each, this would add \$17,000 to payroll expenses. Which would make the net about \$31,000. We will still need to work toward getting more donations and supporting partners if we want to get SL into the “black” for 2017-18.

Number of Students	Monthly Rate	Total for the year
10	\$4,070	\$40,800
12	\$4,070	\$48,840
15	\$4,070	\$61,050

This is a new program and I am sure we will have some rocky patches during the first year, but if SL is to continue, we need to take steps that involve new ideas and approaches to educating our community.

Sound Learning
Profit & Loss
 May 2017

	<u>May 17</u>
Ordinary Income/Expense	
Income	
4000 - Direct Contributions Unrestr	
4010 - Individual/Small Business Unres	172.71
Total 4000 - Direct Contributions Unrestr	<u>172.71</u>
4100 - Direct Contributions Restricted	
4140 - United Way Restricted	1,625.00
4110 - Individual/Small Business Restr	3.00
4120 - Corporate Grants Restricted	140.00
Total 4100 - Direct Contributions Restricted	<u>1,768.00</u>
5800 - Special Event Revenue	
5810 - Spell-E-Bration	11,152.00
Total 5800 - Special Event Revenue	<u>11,152.00</u>
6000 - State/Federal Funding SBCTC	
6080 - ABE CBO	6,998.15
Total 6000 - State/Federal Funding SBCTC	<u>6,998.15</u>
Total Income	<u>20,090.88</u>
Gross Profit	20,090.88
Expense	
7200 - Payroll Expenses	
7220 - Salaries and Wages - Other	13,511.16
7250 - Payroll Taxes	
7251 - FICA & Medicare Expense	1,033.59
7252 - Employment Security Dept	17.57
7253 - Labor & Industry Tax	131.48
Total 7250 - Payroll Taxes	<u>1,182.64</u>
7200 - Payroll Expenses - Other	11.42
Total 7200 - Payroll Expenses	<u>14,705.22</u>
8100 - Non-Personnel Expenses	
8110 - Supplies	172.75
8130 - Telephone/Internet	159.58
8180 - Dues, Subscriptions, Fees	475.00
8181 - Credit Card Processing Fees	92.35
Total 8100 - Non-Personnel Expenses	<u>899.68</u>
8200 - Facility & Equipment Expense	
8201 - Equipment Expense	262.59
8210 - Rent	
8211 - GMW - 133 Railroad	1,168.00
Total 8210 - Rent	<u>1,168.00</u>
8220 - Utilities	
8221 - Electricity	205.16
8222 - Gas	10.60
8223 - Water, Sewer, & Garbage	156.48
Total 8220 - Utilities	<u>372.24</u>
8260 - Equipment Rental & Maintenance	247.27
Total 8200 - Facility & Equipment Expense	<u>2,050.10</u>

1:16 PM

06/09/17

Accrual Basis

Sound Learning

Profit & Loss

May 2017

	<u>May 17</u>
8300 - Travel & Meetings	
8310 - Mileage	659.44
8300 - Travel & Meetings - Other	<u>301.64</u>
Total 8300 - Travel & Meetings	961.08
8500 - Other Expenses	
8570 - Advertising	<u>43.52</u>
Total 8500 - Other Expenses	43.52
8600 - Special Event Expenses	<u>327.06</u>
Total Expense	<u>18,986.64</u>
Net Ordinary Income	<u>1,104.22</u>
Net Income	<u><u>1,104.22</u></u>

Sound Learning
Balance Sheet
 As of May 31, 2017

	May 31, 17
ASSETS	
Current Assets	
Checking/Savings	
1020 - Our Community Credit Union	64,985.60
1030 - Our Community CUSavings Account	11,665.92
Total Checking/Savings	76,651.52
Other Current Assets	
1040 - Certificate of Deposit	15,491.26
Total Other Current Assets	15,491.26
Total Current Assets	92,142.78
Fixed Assets	
1500 - Fixed Assets	
1510 - Leasehold Improvements	24,110.70
1520 - Furniture and Fixtures	14,269.93
1530 - Computer Equipment	9,233.04
1540 - Office Equipment	34,655.76
1550 - Reference & Education Material	37,240.66
1610 - Accumulated Depreciation	-112,766.09
Total 1500 - Fixed Assets	6,744.90
Total Fixed Assets	6,744.90
Other Assets	
1900 - Deposit-Rent	550.00
Total Other Assets	550.00
TOTAL ASSETS	99,437.68
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
200 - Accounts Payable	15.48
Total Accounts Payable	15.48
Other Current Liabilities	
2110 - Accrued Payroll	
2120 - Accrued Sick & Vacation	7,828.00
2130 - Accrued 941 FICA & Fed WH	-16.29
2140 - Accrued Employment Security	33.81
2150 - Accrued Labor & Industries	253.98
Total 2110 - Accrued Payroll	8,099.50
Total Other Current Liabilities	8,099.50
Total Current Liabilities	8,114.98
Total Liabilities	8,114.98
Equity	
3010 - Net Assets-Unrestricted	118,036.86
Net Income	-26,714.16
Total Equity	91,322.70
TOTAL LIABILITIES & EQUITY	99,437.68