

**Twin Cities International Elementary School
Special School Board Meeting**

**Minutes of the School Board Meeting held on Wednesday, December 21, 2011 at 3:30pm, at
the International Education Center, 277 12th Ave. N, Room #120, Minneapolis, MN, 55401**

MEMBERS PRESENT: Chair Mr. Abdikarim Mohamed, Secretary Ms. Bethany Forsberg, Treasurer Mr. Abdirashid Warsame, Teacher Member Ms. Christena Ulvin, Teacher Member Mr. Ibrahim Aden, Teacher Member Ms. Marian Aden and Teacher Member Ms. Wesam Shaker.

ABSENT: Community Representative Member Mr. Abdisamad Ibrahim and Community Representative Member Mr. Osman Mohamed

EX-OFFICIO MEMBERS PRESENT: Dr. Randal Eckart, Director of Twin Cities International Elementary School. Authorizer Representatives Mr. Tom Henderlite and Mr. Fred Bartling.

ALSO PRESENT: Tom Hodnefield, Catherine Hruby, Abdirizak Hassan, Mohamed Aden and Charlie Opp.

1.0 Welcome and Member Contact Detail Confirmation

Chair opened the meeting at 3:36p.m. The Chair acknowledged a quorum was present and thanked them for attending the meeting.

2.0 Approve Agenda

Mr. Ibrahim motioned for the Agenda to be approved. The motion was seconded, the motion carried. No corrections were noted.

3.0 July 2010-June 2011 Financial Audit Report-Distributed

Mr. Tom Hodnefield of HLB Tautges Redpath, Ltd stated:

The financial audit report being presented is a draft and therefore, incomplete. The draft will be reviewed again before being submitted by the end of December 2011.

Mr. Hodnefield reported that he is hopeful the numbers are final but is unable to finalize the audit until further review is conducted. A high level presentation will be issued during the following week of December 26th, 2011. Due to TIES' expenditures reaching \$952,000, it will have to go through a federal single audit as well. One area of the audit that needs to be updated is TIES' school board member information since positions have changed as of June 30, 2011. Mr. Hodnefield remarked that charter schools have one of the highest requirements for reporting. The main focus of an audit is to give an accurate financial position and not to give opinions.

Mr. Hodnefield noted that TIES does not have any long term debt. The school's revenues under expenditures have dropped \$30, 466 which is to be expected with the current economy. Fortunately, TIES still has an ending fund balance of \$2,402,269.

After conducting the audit, findings were noted in internal control and state legal compliance. The first finding was identified in internal control over financial reporting. This is considered a controlled deficiency that was identified as a material weakness. Mr. Hodnefield stated that this is also one of the most common findings. He suggested that TIES continue its efforts to improve the end of the year closing process and reduce or eliminate the number of needed adjustments.

The second finding was identified in state legal compliance. This finding is in regards to a deficiency in collateral for deposits. TIES did not have collateral on an account where a 10% collateral charge was due. Mr. Hodnefield suggested that TIES obtain the required amount of collateral for the account and monitor compliance on a regular basis from this time forward. Mr. Hodnefield remarked that this was a modest deficiency in collateral for deposits.

In addition to these findings, Mr. Hodnefield discussed one potential finding regarding TIES' federal program for milk. This potential finding is less than \$10,000 and is therefore denoted as immaterial. He suggested that TIES employees turn in original itemized receipts in order to improve efficiency. Mr. Hodnefield will coordinate this with TIES' prime contacts.

Mr. Hodnefield stated that there are several opportunities for efficiency improvements available such as moving audit updates up one month to meet the goal of having all future audits issued by the month of November. A joint meeting between the business office and auditors will be set up to lay out specific deadlines for future audit reports.

The board is aware that management response is needed so auditors from HLB Tautges Redpath, Ltd. and administrators from TIES will meet to discuss these findings and courses for action in the next week before the financial audit report is finalized.

Mr. Abdirashid made a motion to accept the draft report as discussed. The motion was seconded, the motion carried.

4.0 Adjournment

Ms. Christena made a motion to adjourn the meeting at 4:22p.m. The motion was seconded, the motion carried. The next scheduled meeting will be January 21, 2011 at 10:30am (Saturday).