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MORE.

## BLUFFVIEW MONTESSORI SCHOOL CONTRACT FOR FINANCIAL MANAGEMENT SERVICES

CONTACT: BRENDA KES  
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bergankdv

EMPOWERING PEOPLE and CREATING A WOW EXPERIENCE FOR OUR CLIENTS.

## EXECUTIVE SUMMARY

Thank you for the opportunity to continue to partner with BLUFFVIEW MONTESSORI SCHOOL for the fiscal years ending June 30, 2021 through June 30, 2023.

We hope that you have had great experiences working with us to date. Here are a few benefits we believe you will continue to have when working with BerganKDV:

- **Charter school experience.** BerganKDV's dedicated Charter School industry group provides financial management services to approximately 45 schools ranging in size from 50 to 2,200 students. We support our client schools with comprehensive financial management services including budgeting, financial management of state and federal grants, processing monthly accounting information including preparation of comprehensive interim financial statements and preparing accounting records for the annual financial audit.
- **In-depth knowledge of Charter School accounting and tax regulations.** Our team stays abreast of the latest developments in Charter Schools through ongoing third-party continuing education classes and extensive technical literature maintained in-house. We also keep you informed of upcoming regulations and the potential impact on your School, such as FASB's and GASB's new financial reporting rules.
- **Effective communication.** BerganKDV has set high internal standards for responding and communicating with our clients. Providing support exactly when and where you need it is the value our team brings. Your time is valuable; we will be clear and efficient in our communications, work to eliminate surprises and meet agreed-upon deadlines. We have a proven track record of performing client's requests based on their preferred timetable and delivering reports to our clients in advance of deadlines.
- **Innovative thinking and solutions driven.** When working with BerganKDV, clients find that we focus on earning their trust by being actively involved and focused on helping them be successful in all they do. We solve problems. Whether that problem is technology, financial or operations related, we will find a way to help.

If there are any matters not adequately covered in this contract renewal, please feel free to contact us.

Sincerely,

Brenda Kes  
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Jodi L. Woodward, CPA  
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## VALUE-ADDED SERVICES BEYOND THE AUDIT

Our goal is to be your first call when you experience organizational challenges. We believe this can occur only when a relationship is developed and nurtured through strong communication and a thorough understanding of your mission, programs and operations. We are unwavering in our commitment to our clients and make it our mission to ask the right questions, listen actively, understand your expectations and deliver results. You can expect a partnership with professionals who value trust, integrity and relationships.

Collectively our core client solutions are unique in our industry. However, we recognize that in order to achieve our goal of wow experiences we need to offer clients more. We have executed on a strategy to seek out best-of-class providers to help when clients are stuck on a matter in finance, operations, marketing, technical tax and other areas.

Over the past several years we have had over 1,000 situations where we helped clients with introductions to our network to save them time and help increase confidence with a plan or strategy. We have an ability to make a greater difference in your Organization with experience in a variety of services, some of which are listed below [for a full listing of our solutions catalog, please visit [bergankdv.com](http://bergankdv.com)].

### Firm Resources to Charter Schools

At BerganKDV, we are committed to expanding the knowledge of both our Charter School clients and the Charter School sector. The Charter School community has long embraced the collaborative spirit of sharing resources and knowledge; we share the belief that organizations following best practices will foster a sustainable community. One way we share best practices and ideas is through our website blog. Each article features issues and insights of interest to the Charter School community.

In addition to the financial management services, our team can also provide guidance on:

- Operational reviews of internal control systems and office procedures
- Analysis of project financing and cash flow needs
- Assistance with accounting software implementation
- Growth phase planning and process development
- Fraud and forensic services
- IT services and consulting

## QUALIFICATIONS – DEDICATED SERVICE TEAM

BergankDV has a personalized team of professionals to meet your unique needs. Your BergankDV team has extensive experience working with Charter Schools. This translates into a greater ability to understand your unique organization.

### LEADERSHIP TEAM

All our Charter School clients will have interaction with a member of our leadership team at least annually. There is no charge to our clients for these meetings. These individuals are instrumental in ensuring that our clients are receiving “WOW” service and having all their needs met.

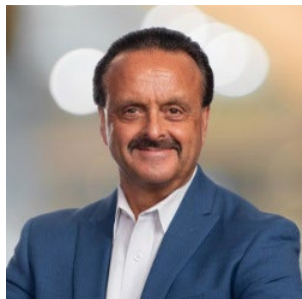


#### **JODI L. WOODWARD, CPA, SHAREHOLDER, GOVERNMENT MARKET LEADER**

**Role and Experience:** In her role as the Government Market Leader, Jodi is responsible for the Charter School market by managing all aspects of the value creation cycle and will work with the nonprofit team members throughout the firm to ensure a wow experience is being delivered.

Jodi, who is located in the firm’s Omaha market, is a CPA with more than 25 years of experience in public accounting.

Jodi has a bachelor’s degree in accounting from Midland University and is active in the American Institute of Certified Public Accountants where she currently serves on the Employee Benefits Plan Audit Quality Center Executive Committee and is very involved in the Peer Review Program. Jodi is a member of the Nebraska Society of CPAs, CREW Omaha Metro and Omaha Academy of Ballet, where she serves on the board.



#### **MICHAEL E. DUSCHER, GOVERNMENT CONSULTING LEADER**

**Role and Experience:** Mike serves clients in the nonprofit sector. He is responsible for growing the client base in the nonprofit market by building relationships with potential clients and working with them to help solve pain points they are experiencing in their business operations. Mike received his bachelor’s degree in organizational communication and sociology. He is involved with Northern Voices, a nationally recognized school for deaf and hearing of children and Crescent Cover Respite & Hospice Home for Kids.

## CHARTER SCHOOL DIVISION LEADERSHIP TEAM



### **NICK TAINTOR, CPA**

**Role and Experience:** Nick helps several charter school clients with budget development and oversight, cash flow analysis and monthly financial reviews. Nick gives financial presentations to the client's board of directors to help them understand where the school stands financially. He is especially energized when figuring out how to account for a particularly complicated transaction and enjoys the variety of clients he works with and the diverse nature of the engagements for those clients.

Nick earned his bachelor's degree in accounting from Gustavus Adolphus College. He is the former treasurer of the Minnesota Intercollegiate Soccer Officials Association and is still a current official. When Nick isn't in the office, he enjoys golfing, running, traveling and coaching his kid's sports teams.



### **JENNY ABBS, SENIOR FINANCIAL MANAGER/CHARTER SCHOOLS**

**Role and Experience:** Jenny focuses her attention on helping school districts leverage funding source opportunities available to them and leads the internal team who specializes in grant applications. Jenny's favorite part of her job is training others and helping break down complex topics in a way that all can understand. In her role, she works closely with school board members who may not have a financial background, so her passion for helping others enables everyone involved in the decision-making process to be on the same page.

Jenny holds a bachelor's degree in business management from St. Cloud State University. Outside of work, Jenny is involved with Eagan Athletic Association.



### **JOLINE RAYMOND, ACCOUNTING SUPERVISOR**

**Role and Experience:** Joline is an experienced accounting supervisor with a demonstrated history of working in the educational accounting industry. Joline's specialty is accounts payable and payroll. She uses her expertise to lead and help her team with daily problem solving and is constantly looking for ways to improve processes and procedures to benefit clients and staff alike. She enjoys working side-by-side with her team to help clients take the worry out of their day-to-day office duties, whether it is accounts payable, payroll, grant management or budgeting which enables them to focus on the students they serve.

Joline holds an associate degree in business administration from Rasmussen College and volunteers for Simley Wrestling and Cannon Falls Mat Rats Wrestling.

## SERVICES TO BE PROVIDED

Below is a list of the services that are included in our monthly pricing:

### ANNUAL BUDGETING

We will assist in the development of the annual budget using a unique and proprietary Long-Range Budget Model and provide financial guidance to the school leadership. The long-range budget model is a crucial tool for all our schools. It is a proprietary budget model in an inter-active Excel file that allows us to do what-if scenarios for your school. The what-if scenarios will help us answer questions such as what happens to our budget in 3 years if enrollment is 125, 175, 300 or more. What impact will the expansion plans of the school have on its finances? How much can we afford for our lease today and 5 years from now? What about if we want to add another teacher? How about a 1.0 office manager, instead of .75? A one-year budget model will not answer these questions in the long term, but a 5-year long range budget will and that is why we rely so heavily on this model for our budget planning and decision making with our schools.

### MONTHLY ACCOUNTING SERVICES

We will assist the Charter School with monthly accounting services, as described below:

- **Grant Management.** Coordinate the financial management of Charter School Start-up Grant, Title, Special Education, and food service-related grants as well as any other miscellaneous grants.
- **Management of SEDRA, SERVS, Title and Special Education.** Verify that the coding in the finance system matches SEDRA and SERVS. This is a critical area in order to maximize the revenue that is available to your school. Process SERVS payment requests in a timely manner in order to maximize cash flow for the school.
- **ADM-WE Estimates.** In consultation with school staff, submit required ADM estimates in the MDE Web Estimates system.
- **MARSS Data.** Monitor MARSS turnaround reports to ensure that data reported is generally reasonable based on projected enrollments and internal reports.
- **UFARS Data and Journal Entries.** Ensure that UFARS coding is compliant with MDE standards. Calculate year end accruals and enter journal entries into the finance system as applicable and for the annual audit.
- **Food Service CLICS Reporting.** Monitor monthly CLICS reports to ensure that claims are made in a timely manner.
- **Bank statement reconciliation.** Reconcile cash accounts on a monthly basis. For the proper segregation of duties, this is done by a staff member that is independent of the accounts payable process. Process and correct discrepancies if applicable.
- **Management of Accounts Payable and Receivable.** Receive invoices, process checks with appropriate approvals through Bill.com, verify internal controls are in place, enter payment information into the finance system, process receivables, verify MDE funding from IDEAS reports and SERVS statements, and enter data into the finance system. The board will approve monthly a listing of disbursements and receipts to be in compliance with state statute.



- **Payroll and Employee Benefits Management.** All payroll processing is performed by our firm on K-Pay software. Payroll management includes calculating and paying all federal and state income taxes, remitting of the state pension contributions, deducting from employee paychecks and tracking/reconciling staff health, dental, life and short-term/long-term disability benefits. We reconcile the various insurance accounts to ensure you are only paying for the employees that are receiving the benefits.

## COMPREHENSIVE FINANCIAL REPORTING – MANAGEMENT & BOARD REPORTING

Prepare a monthly balance sheet and income statement. Additionally, the income statement will include a comparison to the budget which will aid administration to determine any potential issues. Prepare grant reports quarterly or as requested by charter school director. In addition, we will prepare special reports as requested by the board, authorizer and MDE. We will provide you information that is important to you without overloading you with unnecessary information.

## CASH FLOW PROJECTION AND MONITORING

As necessary, we will work with the school's administration to determine projected cash flows. The cash flow projection will be updated monthly based on current receipts and disbursements, and the projection for future cash flow. This tool will enhance decision making and will enable the administration to eliminate unexpected financial issues. If necessary, we will apply for a line of credit, which is very common for new schools. We work with a few lenders that trust BerganKDV and their ability to evaluate the school's cash needs.

## AUDIT MANAGEMENT

Close out books for previous fiscal year and prepare audit work papers including:

- Analyze revenues (state and federal aids, local revenues, other grants), create and enter accounts receivable journal entries.
- Analyze prepaid expenditures, create and enter journal entries.
- Analyze accounts payable, create and enter accounts payable listing. Prepare salaries payable journal entries based on school contracts.
- Compare UFARS FIN codes with revenue sources and expenditures. Enter journal entries as needed to assure revenues are maximized.
- Track capital assets and construction in process using fixed asset software.
- Work as the school's liaison with the independent auditor.

## BOARD TRAINING

Our managers are available to provide annual state mandated financial management training for board members that meet the requirements for newly elected board members and ongoing training for all board members. These trainings can be done on the board's schedule and are relevant and specific to your school. In addition, BerganKDV will keep the school up-to-date on new Department of Education funding changes, requirements and other items.

## **CONTRACT REVIEW AND DEVELOPMENT**

BerganKDV will assist the school in the review of the various contracts it will enter into for services including but not limited to their building lease, transportation, catering, and auditing. The advantage to working with numerous schools is that we are familiar with the market rate of the various services and can aid the school in negotiating the best prices.

## **BOARD MEETINGS**

Our monthly fee includes our attendance to one finance committee and one board meeting per quarter. If there is a need for additional in-person attendance at meetings, we can discuss those needs and additional charges.

## **FORM 990 PREPARATION**

We will prepare the applicable IRS Form 990's for the Organization. Once drafts are prepared, we will deliver to management for their review. Our team is proactive in staying abreast on any current topics regarding nonprofit tax matters and we would keep your Organization informed on those topics. We will also help your Organization comply with policies that are recommended by the Internal Revenue Service.



## FEES

### Fees and Hours

Our fees for the aforementioned services are based on the amount of time and the level of experience of the individuals who perform the services.

We propose that our monthly fees for the services described above, which includes any out-of-pocket expenses, for the years ending June 30<sup>th</sup> are as follows:

- 2020-2021 per month beginning July 1, 2020. .... \$4,145
- 2021-2022 per month beginning July 1, 2021. .... \$4,185
- 2022-2023 per month beginning July 1, 2022. .... \$4,225

These fees are based on the enrollment of up to 300. Should the enrollment of the school vary by more than 10% in any year, we would ask for the opportunity to renegotiate the fee.

KPAY Payroll Management System –

- See separate agreement for fee estimate.

Bill.com Accounts Payable Processing –

- Monthly fee estimate of \$75 per month

### Billing and Collection Expectations

Our fees are paid on the 15<sup>th</sup> of the month from the IDEAS payments paid by the state for the school for that month.

### Off-season Communication

We encourage questions throughout the year and ask our clients to submit to us their board of director minutes, so we can stay abreast of their operations, and identify/resolve any issues throughout the year. We will not invoice additional amounts unless substantial research or work is required, in which case, we will discuss the scope of any additional work and proceed only after we have reached a mutually agreeable fee arrangement.

### Software Utilized in Performing Our Services

In addition to the fees above, the school will be invoiced directly from the following software vendors:

- SMART, financial management system

### Conclusion

We look forward to the opportunity to work with your school. We feel that we can provide a unique combination of budgeting, accounting and audit experience to your school that will enhance the decision-making of your organization. Either party may cancel this agreement with a 90-day notice.

Upon signing below, both parties agree to the terms of this commitment letter through June 30, 2023:

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BLUFFVIEW MONTESSORI SCHOOL

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Date

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Jodi L. Woodward, CPA  
Government Market Leader, BerganKDV

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Date

# THANK YOU.

[BERGANKDV.COM](http://BERGANKDV.COM) | 651.463.2233 | [INFO@BERGANDKV.COM](mailto:INFO@BERGANDKV.COM)

