



Spectrum High School Finance Committee Minutes

Date: 8.18.16
Scheduled Time: 3:30 p.m.

Position	Committee Member	Attendance
Paula Bernard	Board Treasurer	Present
Nick Taintor	BKDA/Financial Advisor	Present
Vanessta Spark	Executive Director	Present
Josh Anderson	Principal	Present
Dan DeBruyn	Interim Executive Director	Present
Robin Schelske	Parent Member	Absent
Dawn Sorenson	Exec. Asst.	Present

1. Unused Flex Time – Employee Patty Jorris

Ms. Spark stated that the Finance Committee and Board discussed the unused flex time for herself and office manager, Patty Jorris, back when the Board was working on her retirement package. At that time, the Board wanted to pay out the unused flex time immediately for Ms. Jorris; however, upon further discussion, decided to address only the unused flex time for herself and to wait with Ms. Jorris’ unused time.

Ms. Spark went on to note that the number of unused flex days that were carried over amounted to 30, and were from the time of FY07-FY12. The current daily rate of pay is \$198.24, plus payments to PERA, would result in an approximate amount of \$6,800 to budget. It is recommended that the compensation for this unused time be completed by the end of this fiscal year, June 30, 2017 through either day/s used as regular flex time off or day/s paid out at the current daily rate of pay. Mr. DeBruyn suggested that a third option be made available and that is a combination of day/s used and day/s paid out.

Following discussion, the Finance Committee recommends approval by the Spectrum High School Board of Directors of Patty Jorris’ unused flex time in the above-stated manner.

2. October 29, 2016 Finance Training

Mr. Taintor stated that he wanted the input of the Finance Committee as to the length of time he should devote to finance training for the October 29, 2016 Board Workshop/Training meeting.

Following discussion, the Finance Committee recommends that the length of time for the finance training portion of the October 29, 2016 Board Workshop/Training meeting to be approximately 1 and ½ hours long.

3. Finance Committee Meeting Dates

The Committee reviewed a proposed schedule of dates for the monthly Finance Committee meetings based off of the monthly Spectrum Board of Director’s meetings. It was noted that the monthly Board meetings were originally held the third Thursday of every month; however, approximately two years ago, the meetings were moved to the fourth Thursday of the month to allow for more accurate financials by providing additional time for month-end reporting. Due to the school’s calendar, some of the Board meetings needed to be moved to the third Thursday of the month to allow for holidays and days off from school, which then requires that the Finance Committee meetings take place earlier in the month and there

is a question as to whether or not the monthly financials will be able to be completed in time for the meeting. Mr. Taintor noted, though, that Amy White has recently been hired to assist Patty Jorris with the business office duties and responsibilities, which may assist in the reporting time from the school to BKDA, which may in turn allow for BKDA to prepare the financials in time for the occasional earlier monthly Finance Committee meeting.

Following discussion, the Finance Committee chose to go with the proposed meeting dates as suggested and will adjust accordingly, if needed.

4. May Financials

The Committee reviewed the May financials. In general, nothing of significance to report, and the Committee recommends approval by the Spectrum High School Board of Directors.

5. June Financials

The Committee reviewed the June financials in detail. Mr. Taintor shared that the year-end audit is currently underway and to anticipate audit results to the Committee and the Board no later than November, 2016.

Mr. Taintor went on to note that the preliminary year to date activity for June 2016 presents an annual surplus (revenues to exceed expenditures) in all funds in the amount of \$250,991. The preliminary fund balance percentage as of June 30, 2016 is 23% and is on target toward a 25% fund balance per the school's Finance Policy and it is anticipated that this will be obtained within the near future.

The actual state aid revenues are based on 631.83 students, and the budget was based off of an ADM of 635. The difference in ADM was the result of a couple of PSEO students taking courses through private colleges and/or universities for which the school does not have an agreement. However, due to the higher per credit cost for private institutions, it is better for the school to not claim the student and let the state pay the institution directly. The school may anticipate an FY17 revised budget sometime in November which will also include an adjustment in ADM to reflect PSEO students attending private institutions for whom the school does not have an agreement.

Mr. Taintor stated that the beginning balances shown on the Balance Sheet are based on the audited ending information as of June 30, 2015. Due from the Building Company, in the amount of \$100,677, represents funds that have been paid for by the School on behalf of the Building Company. As funds become available from the Building Company, payments will be made to the school.

He went on to note that the State holdback for 2015-2016 fiscal year is estimated to be a receivable of \$750,436 at the time of this report. The holdback amount is approximately 10% of total state aids. This amount will be paid back to the School in fiscal year 2017.

Mr. Taintor stated, overall, the School did very well on their budget. Total revenues were over budget by .8% and total expenditures were over budget by 1%. Mr. Taintor also stated that auditors usually recommend that schools be 1-2% on either side of the budget, which the School has met.

The Committee inquired about several items. Specifically, they wondered about the overage in the Salaries and Wages category with regard to substitutes. Following discussion, it was determined that currently there

is only \$30,000 budgeted for substitute pay; however, when calculating the number of teachers times the number of flex time days allotted to each, 10, the Committee felt that increasing this budget amount to \$60,000 would be a truer number. In addition, Mr. Anderson inquired about the Q-comp budget line item being under budget, and wondered whether or not there was a coding error for some of the professional development training that took place in FY16. This issue will be investigated and adjusted as needed.

Ms. Spark inquired about the \$40,000 recent bus purchases, with plans for purchasing one more soon, and whether or not this amount will be reflected in the FY17 budget? She reminded the Committee that the Board approved the bus purchases based out of the projected ADM overages in the FY16 budget but that the amount needed to be rolled over to the FY17 budget due to the timing of when the School could complete the purchase transaction. The School received a more favorable purchase price for the busses if it waited until July than if they had been purchased in May. Mr. Taintor will make sure that the FY17 revised budget contains the amount necessary to reflect the purchases in July and not FY16.

6. FY17 Finance Committee Goals

As a result of discussion, the Finance Committee settled on the following three goals for FY17. They are as follows:

1. Analyze the SCRIP program in detail. Participation rate and financial implications.
2. Analyze all bond documents for the purpose of determining rental opportunities, if any.
3. Analyze all on-line fees for the purpose of determining the financial impact to budget.

The meeting adjourned at 4:50 p.m.

Respectfully submitted,

Dawn Sorenson