



Spectrum High School Finance Committee Minutes

Date: January 19, 2018
Scheduled Time: 9:00 a.m.

Position	Committee Member	Attendance
Kathy Reed	Board Treasurer	Present
Nick Taintor	BerganKDV/Financial Advisor	Present
Dan DeBruyn	Executive Director	Present
Robin Schelske	Parent Member	Absent
Dawn Sorenson	Exec. Asst.	Present

I. Call to Order

The meeting was called to order at 9:00 a.m.

II. Old Business

None

III. On-Going Business.

A. 2017-2018 Finance Committee Goals

- Develop a Federal Funds Procurement Policy and either amend the current Procurement Policy or Develop a new General Funds Procurement Policy **✓ Completed 11.1.17**
- Develop an all-encompassing Fundraising Policy
- Revise the Financial Policy as needed in response to implementation of more timely internal budgeting procedures. **✓ Completed 11.13.17**

IV. New Business

A. December Financials

The Committee reviewed the December financials in detail. Mr. Taintor noted that the working 2017-2018 budget projects an annual surplus in all funds in the amount of \$266,076. Mr. DeBruyn stated that the school will need to purchase a new van by spring as one of them has reached the 10 year-old mark and must be replaced. The older van will be commissioned for use by the maintenance department. In addition, Mr. DeBruyn shared that the School is in need of additional practice field space at the athletic complex. As a result, they have been working with the architect to draw up plans for the entire athletic complex, which includes the additional field, which will be located on the new recently purchased 10 acres. The full plan will be presented to the City of Elk River for consideration of a conditional use permit. As a result of these known expenses, along with the College and Career Center at the high school, Mr. Taintor will adjust the long range budget and reduce the annual projected surplus to \$200,000.

The School is currently budgeting 680 Average Daily Member (ADM), whereas actual is at 686.57 ADM (which includes PSEO students). Reminder: The school receives revenues for the PSEO students and is invoiced by ARCC per student. Overall, the School is right on track with 41.2% of expenditures spent year to date, compared to 50% of the fiscal year completed.

The beginning balances shown on the Balance Sheet are based on the audited ending information as of June 30, 2017. Due from the Building Company, in the amount of \$31,575, represents funds that have been paid for by the School on behalf of the Building Company. Mr. Taintor went on to state that the State holdback for 2016-2017 fiscal year is a receivable of \$12,324 at the time of the report. The holdback amount will be paid to the school over the next several months. The State holdback for 2017-2018 fiscal year is estimated to be a receivable of \$373,239. The holdback amount is approximately 10% of total state aids. This amount will be paid back to the School in fiscal year 2019.

The Committee also reviewed in detail the Food Service report provided by Mr. Taintor. Mr. DeBruyn shared several different examples of ways in which the School will be able to mitigate some of its previous losses in the area of food service. He also shared that the School will be going through a Food & Nutrition audit by MDE the week of January 22nd. Several adjustments to the way in which the School was handling its food service have been made (based on findings from the previous Food & Nutrition audit several years ago) and he feels confident that the school is ready for the audit.

Following review, the Committee recommends approval of the December financials as presented.

B. December Management Report

The Committee reviewed the December Management Report and recommends approval of the December Management Report as presented.

C. Revised FY18 Long Range Budget

The Committee reviewed the revised FY18 Long Range Budget in detail. Mr. Taintor shared that the total expected revenue of the FY18 adopted budget was \$8,515,666 and in the revised FY18 budget it is \$8,477,489, which is a decrease of \$38,177. The total expected expenditures in the FY18 adopted budget was \$8,284,657 and in the FY18 revised budget it is \$8,211,413, which is a decrease of \$73,244. Total expected budget surplus in the FY18 adopted budget is \$231,009 (with a 26% cumulative fund balance) and in the revised FY18 budget it is \$266,076, which is an increase of \$35,067 (with a 27% cumulative fund balance) at the time of this report. It was noted again the need for the School to purchase a new van this spring, as well as the need for an additional practice field at the athletic complex for which the School will need some of the projected surplus monies. Mr. Taintor will adjust the revised FY18 long range budget accordingly, which will then be submitted for consideration of approval by the Spectrum Board of Directors at its meeting on January 25, 2018.

Following discussion, the Committee recommends approval of the revised FY18 Long Range Budget as amended.

D. Separate 501(c)(3) Update

Ms. Sorenson reported that she had received the Articles of Incorporation and Bylaws from the Friends of Eagle Ridge Foundation for review. She stated that Eagle Ridge used the legal services of Craig Kepler and the financial services of BerganKDV in setting up their foundation. Mr. DeBruyn shared that he hopes to have more information for the Committee to consider in moving forward with this initiative by the February meeting.

V. Previously Tabled Items

None

VI. Miscellaneous

A. Scrip Program Update

Mr. DeBruyn shared that the School is in the final stages of phasing out the Scrip program and that it should be completely resolved by the end of January.

B. Phase V Construction Update

Mr. DeBruyn shared that RJM Construction is in the final stages of receiving bids for the work on the 7/8 building and that they plan to submit the bids to the school sometime in the upcoming week. It is hoped that the bids will come in lower than what was first proposed as there are a couple of items Mr. DeBruyn would like to see put back into the project (i.e., the remodeling of two existing lavatories). More information will be known by the January meeting of the Board and he will update all at that time.

C. Budget Into Skyward System

Mr. DeBruyn reported that work has been done on this initiative. By placing the budget into the Skyward system, it will allow for the School to have greater access to information when making spending decisions. Forward progress was on track just prior to the winter break; however, due to staff illness, the work was placed on hold. It is anticipated that work will begin again in earnest within the next couple of weeks.

VII. New Meeting Agenda Input

- Further updates on separate 501(c)(3) organization
- Initial FY19 budget – salary line item only

VIII. Adjournment

The meeting was adjourned at 10:55 am

Respectfully submitted,
Dawn Sorenson