



Spectrum High School Finance Committee Minutes

Date: September 21, 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
Dawn Sorenson	Exec. Asst.	Present

I. Call to Order

The meeting was called to order at 9:05 a.m.

II. Old Business

None

III. On-Going Business.

A. 2018-2019 Finance Committee Goals

- Develop an all-encompassing Fundraising Policy/Separate 501(c)(3) entity.
- In concert with BerganKDV, work to maximize investment income as an additional and ongoing revenue stream for the School.

Mr. DeBruyn updated the Committee regarding fundraising initiatives across the school. In doing so, he highlighted further the need for the fundraising policy to guide this work taking place throughout the school. He also mentioned that Friends of Spectrum, Inc. will play a role in how fundraising funds are tracked and distributed.

With regard to the second goal of the Committee, as noted above, Mr. Taintor shared that he has another school who has chosen to work with Schwab Investments as a means of capitalizing on investment income through low risk instruments, such as treasury bonds and/or certificates of deposit. He stated that he will be looking into this further and will bring back more information at the next meeting of the Committee.

IV. New Business

A. August Financials

The Committee reviewed the August financials in detail. Mr. Taintor presented the Executive Summary noting that the working budget for 2018-2019 projects an annual surplus of revenues over expenditures in all funds in the amount of \$34,632. The School is currently budgeting 740 Average Daily Membership (ADM). An enrollment report will be included in the September financial report after the October 1 child count. Overall, the school is right on track with 10.6% of expenditures spent year to date, as compared to 16.7% of the fiscal year completed.

Mr. Taintor then went on to explain the Balance Sheet noting that the beginning balances are based on the un-audited ending information as of June 30, 2018. He went on to share that he anticipates presenting a revised 2018-2019 budget in the coming months; however, is waiting until the FY18 audit is complete. He shared that the audit is going well and that it will be ready for presentation to the Board at its November 15th Board

meeting. He then stated that due from the Building Company, in the amount of \$38,041, represents funds that have been paid for by the School on behalf of the Building Company.

The School will receive the State holdback for FY19 of \$513,983 over the next several months. Mr. Taintor shared that the State recently paid a segment of the holdback and that he anticipates that another payment will be made sometime in September and then again in November.

On the Statement of Revenue and Expenditures, Mr. Taintor shared that the following changes to the working budget are worth noting:

- There is another round of the expansion grant that continues into FY19, which resulted in an additional revenue and expense of \$225,000 and has no impact to the annual surplus.
- The REAP grant was carried over from the previous year, which resulted in additional revenues and expenditures of over \$50,000 and resulted in no impact to the annual surplus. He went on to state that all of the REAP funds have now been spent, and reminded the Committee that the School will no longer qualify to be a recipient of this revenue, due to growth, after this past year.
- Finally, the School did not spend any of the allotted budget for capital improvements that were budgeted in FY18. The College and Career Center started construction in FY19 and the School will realize these expenditures in FY19. This resulted in an additional \$50,000 of expenditures, which decreased the surplus by this same amount.

Lastly, Mr. Taintor presented a new report that will now be included in the monthly financials titled, “Cash Flow Projection Summary.” The Committee reviewed the report and made comment regarding its usefulness in assisting the School in its cash flow projections.

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

B. August Management Report

The Committee reviewed the August management report and is recommending full approval by the Board at its upcoming meeting.

There was no check numbering gap sequence noted.

C. Charter School Property Tax Exemption Renewal – Ballard Spahr, LLC Proposal

The Committee reviewed the letter received by Mr. DeBruyn from attorney, Craig Kepler, notifying the School of its need to re-submit property tax exemption applications, and that Mr. Kepler’s office is able to complete this information on behalf of the School at a fixed cost of \$1,500. The Committee discussed the need and means of re-submitting property tax exemption applications and asked that Mr. Taintor inquire with BerganKDV regarding the feasibility of assisting the School in this matter. Mr. Taintor will report back on his findings, and it was noted by the Committee that Mr. Kepler’s office requested to be notified by September 30th if it intends to not utilize the offered services. Mr. Taintor will report back his findings which will determine the School’s course of action in this matter.

D. 501(c)(3) Update

The Committee reviewed in detail the draft amended Articles of Incorporation and Bylaws submitted by attorney Jenn Urban at Legal for Good. Several items were called out in the review as needing additional information and clarification from the attorney. One such item is the Conflict of Interest statement presented in the Articles, which seems to address strictly Charter School Law 124E; however, it is the Committee’s belief that what should be stated is Non-profit Law Conflict of Interest Statement. Mr. DeBruyn noted various areas needing clarification and/or additional information and he will contact the attorney for



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additional information. In preparation for next week's Board meeting, Mr. DeBruyn will continue his thorough review of the documents and will present the Articles and Bylaws for full Board discussion and potential approval at its meeting on September 27, 2018.

V. Previously Tabled Items

None

VI. Miscellaneous

None

VII. New Meeting Agenda Input – Wednesday, October 17, 2018 (due to MEA break)

None

VIII. Adjournment

The meeting was adjourned at 10:35 am

Respectfully submitted,
Dawn Sorenson