

Spectrum High School Finance Committee Minutes

Date: August 23, 2019
 Scheduled Time: 9:00 a.m.

Position	Committee Member	Attendance
Kathy Reed	Board Treasurer	Present
Annalise Marberg	Parent Committee Member	Present
Nick Taintor	BerganKDV/Financial Advisor	Present
Tyler Dehne	BerganKDV	Present
Dan DeBruyn	Executive Director	Present
Dawn Sorenson	Exec. Administrative 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. 2018-2019 Finance Committee Goals

- **Develop an all-encompassing Fundraising Policy/Separate 501(c)(3) entity.**

It was noted that this goal was intentionally held over as it is still in process with the development of the separate 501(c)(3) organization of Friends of Spectrum, Inc (FoS, Inc). Mr. DeBruyn will work with the wording of the goal to more accurately reflect the goal’s intent and will bring it back to the Committee at its September meeting.

IV. New Business

A. **June Financials**

Mr. Taintor reported on the June financials. He shared that the working budget 2018-2019 projected an annual deficit (expenditures to exceed revenues) in all funds in the amount of (\$114,948) with a projected cumulative fund balance of \$2,144,361, which is 23% of total budgeted expenditures. Whereas, actual activity (preliminary) presents revenues exceeding expenditures (annual surplus) in all funds of \$11,638 with a fund balance percentage of 25%. Mr. DeBruyn went on to state that he will be asking the Board to consider allocating some of the fund balance for needed remodeling at the high school building. As a result, the fund balance may remain closer to 23% (still within the Board’s fund balance goal of 20%-25%) in order to facilitate the planned construction project.

Mr. Taintor stated that the School is currently budgeting 731 Average Daily Member (ADM). Actual ADM, after adjustments, is at 716.21, which is 15 ADM’s less than budget. Mr. Taintor shared that there was a change made by Anoka-Ramsey Community College (ARCC) in billing for PSEO students. ARCC now bills directly to the State for all PSEO students with more than 16 college credits and, as a result, the School does not receive funding for these students nor are they accounted for in our ADM, which resulted in less funding for the FY19 year.

On the Balance Sheet, Mr. Taintor reported that the balances shown are based on the audited ending information as of June 30, 2018. He went on to state that the FY19 audited is slated for September, and it is

hoped that a preliminary report will be available for the October Board and Finance Committee meetings, but for sure at the November meetings.

Due from the Building Company, in the amount of \$376,443, represents funds that have been paid for by the School on behalf of the Building Company. A portion of this will be paid back to the School during the fiscal year. Mr. Taintor went on to state that the State holdback for FY19 fiscal year is estimated to be a receivable of \$479,565 at the time of the report. The holdback amount is approximately 10% of total state aids. The remaining holdback amount will be paid back to the School in fiscal year FY20.

Mr. DeBruyn reported that the final payment for the 7/8 building construction project has been processed; however, there is an approximate \$20,000 payment being held for the College & Career Center as the laminate in the Center is in need of repair before the final payment will be made. It is hoped that these projects will be able to close shortly.

Finally, Mr. Taintor shared that cash flow is good, and there is nothing else of significance noted in the financials.

Following discussion, the Committee recommends approval of the June financials as presented.

B. July Management Report

The Committee reviewed the June Management Report. It was noted that there was a gap in check sequencing. Bergan KDV shared that there were two manual checks written in July; however, they weren't for this range (between transaction numbers 201900023 and 201900027) and so the skips were caused by the auto-numbering system that Skyward uses. When a "check number" is created for a wire and then we change it to a check or it is deleted, the system doesn't go back and use that number, it gets skipped.

Following discussion, the Committee recommends approval of the July Management Report by the Board as presented.

C. June Contracted Services Report

The Committee reviewed the June Contracted Services Report. Nothing of significance was noted.

D. June Food Service Report

The Committee reviewed the June Food Services report. It was noted that \$30,487.12 was transferred from the School's general fund to cover the overages. Mr. DeBruyn continues to work with staff to identify efficiencies and feels that not all areas and/or options have been fully explored as a means of mitigating loss. He went on to note that he would like one of the FY20 financial goals to be exploring ideas and ways in which to maximize revenue and minimize loss in this area.

E. Manual Check Report

The Committee reviewed the Manual Check Report provided. Nothing of significance to report.

F. Proposed FY20 Finance Committee Goals

The Committee reviewed the proposed goals, which are:

- Work with administration to monitor the transition of fundraising efforts and oversight to FoS Inc. (proposed)
- Work with administration to explore options to contain or lower the deficit in the school lunch program.

- Work with administration and Bergan KDV to create, input (into Skyward), and implement a detailed internal budget plan.

The Committee was in agreement with the second and third goals, as well as to carry over from the FY19 goals, to develop an all-encompassing Fundraising Policy/Separate 501(c)(3) entity as it is ongoing (with proposed wording noted above).

G. Ice Hockey Rink Update

Mr. DeBruyn provided a brief update for the Committee on the status of the ice hockey rink. He shared that he has finalized the draft agreement between the City of Elk River, the Elk River Youth Hockey Association, the Spectrum Board of Directors, and the Spectrum Building Company Board of Directors. He reported that the agreement is being forwarded to all entities for feedback. The City of Elk River has agreed to provide the warming house attendant and to the maintenance of the rink ice. The Elk River Youth Hockey Association has found boards and has indicated interest in purchasing and installing when able (following Spectrum's football season when the area is no longer needed for parking), and Spectrum has agreed to put up lighting and to maintain the warming house. He went on to share that the School does not need a permit as the structure is not considered permanent, nor does it need one for the installation of the lights as they have already been approved by the City in a previously approved Conditional Use Permit. Mr. DeBruyn will continue to keep the Committee apprised of progress on this initiative as it becomes available.

Anticipated funding to complete the lighting and the engineering are anticipated to come from the 2018 bonding for the 7/8 building project.

H. FY20 Finance Committee Meeting Dates

The Committee reviewed the proposed dates for the meetings during the FY20 fiscal year. No conflicts were noted. Ms. Sorenson will place the dates on the calendar and plan accordingly.

V. Previously Tabled Items

None

VI. Miscellaneous

None

VII. New Meeting Agenda Input – September 20, 2019 at 9:00 a.m.

VIII. Adjournment

The meeting was adjourned at 10:00 a.m.

Respectfully submitted,
Dawn Sorenson