

Spectrum High School Finance Committee Minutes

Date: December 15, 2017
 Scheduled Time: 9:00 a.m.

Position	Committee Member	Attendance
Kathy Reed	Board Treasurer	Absent
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. October Financials

The Committee reviewed the October financials, noting that there wasn't anything outstanding or unusual. Overall, the 2017-2018 working budget projects an annual surplus (revenues to exceed expenditures) in all funds in the amount of \$271,076. Following discussion, the Committee recommends approval of the October financials as presented.

B. October Management Report

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

C. November Financials

The Committee reviewed the November financials in detail. It was noted that the 2017-2018 working budget is projecting an annual surplus (revenues to exceed expenditures) in all funds in the amount of \$271,076. The School is currently budgeting 680 Average Daily Membership (ADM), whereas actual is at 687.43 ADM (which includes PSEO students for which the School does not generate revenues). Overall, the School is right on track with 33.5% of expenditures spent year to date, compared to 41.7% 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 \$28,825, represents funds that have been paid for by the School on behalf of the Building Company. The State holdback for 2016-2017 fiscal year is a receivable of \$12,977 at the time of the report. The holdback amount will be paid to the School throughout the next several months. The State holdback for 2017-2018 fiscal year is estimated to be a receivable of \$308,155. The holdback amount is approximately 10% of total state aids. This amount will be paid back to the School in fiscal year 2019.

It was noted that Repairs and Maintenance expense includes mainly bus repair and maintenance for the year, and Tech Equipment is high for this time of year as purchases that are supported with E-Rate funding were purchased.

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

D. November Management Report

The Committee reviewed the November Management Report and is recommending approval of the report as presented

E. Budget Update

The Committee reviewed the budget. Mr. Taintor reported that the Committee and Board may anticipate receiving a revised budget in January, and along with it, he will provide a detailed accounting of the various changes. The cost for Crow River Rental (monthly storage rental for the CSP grant purchased items) will need to be added to the budget. Unfortunately, the lead-time for the construction project was much longer than anticipated and therefore the budget needs to reflect the monies needed to pay for the rental storage units.

Mr. Taintor went on to share about “Positive Pay”, which is a new system being implemented by various banks in an effort to mitigate check fraud. With the recent check fraud incident experienced by Spectrum, and increased activity at other schools, Mr. Taintor is recommending that the School consider enrolling in the system provided that First National Bank of Elk River (FNBER) is participating. Mr. Taintor will make contact with FNBER to see if they have implemented Positive Pay and will report back to the Committee the information gleaned. Basically, Positive Pay is a means by which banks are able to identify immediately whether a check that is trying to access the system for payment is legitimate. If the check does not match up an immediate notification is sent out to all parties alerting them to the possibility of fraud. Overall, Positive Pay mitigates check fraud and provides immediate notification of possible fraud making it easier for all parties involved to take swift action and shut down the account, if needed.

F. Separate 501(c)(3) Update

Ms. Sorenson reported that she had a conversation with the Development Coordinator at Eagle Ridge Academy regarding the setting up and running of a separate 501(c)(3) organization for the purpose of fundraising. Although the structure and purpose of Eagle Ridge Academy’s organization may be slightly different than the needs of Spectrum High School, the conversation produced great information to consider.

Following discussion, the Committee requested that Ms. Sorenson reach back out Eagle Ridge for some additional information. Namely, whom they utilize for legal services, contracted financial services, auditing, and whether they would be open to sharing their Bylaws and Articles of Incorporation. This information



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would be a good starting point for Spectrum's consideration of developing a separate non-profit. Ms. Soren will report back the findings at the January, 2018 meeting of the Committee.

V. Previously Tabled Items

None

VI. Miscellaneous

None

VII. New Meeting Agenda Input

- FY18 Revised Budget
- Update on separate 501(c)(3) organization

VIII. Adjournment

The meeting was adjourned at 10:30 am

Respectfully submitted,
Dawn Sorenson