



### Spectrum High School Finance Committee Minutes

Date: February 16, 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 9:00 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. January Financials

The Committee reviewed the January financials in detail. Mr. Taintor shared that the 2017-2018 working budget projects an annual surplus in all funds in the amount of \$196,076. Mr. DeBruyn stated that the School has found a van to purchase for approximately \$20,000 as was approved by the Board at the January meeting. The old van will be repurposed for use by maintenance. Mr. Taintor then went on to state that the School is currently budgeting 680 Average Daily Membership (ADM), whereas actual is at 686.09 ADM, which includes PSEO students for which the school generates revenue, but is billed by the college(s) for their courses.. Mr. DeBruyn reported that enrollment is currently at 677; however, ADM for the year is on track for the amount budgeted.

Overall, the School is on track with 49.3% of expenditures spent year to date as compared to 58.3% of the fiscal year completed. Mr. Taintor went on to state that 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 \$23,356, represents the funds that have been paid for by the School on behalf of the Building Company.

With regard to the State holdback for 2016-2017 fiscal year, Mr. Taintor reported that a receivable of \$12,324 is still owed to the school at the time of the report and will be paid back throughout the next

several months. The State holdback for 2017-2018 fiscal year is estimated to be a receivable of \$438,217 and is approximately 10% of total state aids. This amount will be paid back to the School in fiscal year 2019.

The Committee then went on to review the Statement of Revenues and Expenditures, and Mr. Taintor shared that he is going to be looking deeper into the areas of Repairs and Maintenance and Technology Equipment to ensure that all expenditures coded to these areas are accurate. The percent of expenditure to budget is 107.2% and 100.6% respectively. It is anticipated that he'll have additional information to share with the Board at their meeting on February 22, 2018.

Following review, the Committee is recommending approval of the January financials as presented.

**B. January Management Report**

The Committee reviewed the January Management Report. It made note of some gaps in check sequence numbers, which, upon further review, Mr. Taintor noted that there was an option to choose "voided check" in the budgeting software that allows for this information to be included. He will re-run the report and send it to Ms. Sorenson for inclusion in the Board's meeting materials.

Following review, the Committee is recommending approval of the report as amended.

**C. January Contracted Services Report**

The Committee reviewed the Contracted Services Report in detail, noting there was nothing of significance to report.

**D. January Food Services Report**

The Committee reviewed the Food Services Report. Mr. Taintor shared where the School was at in terms of revenue vs. expenditure in 2016-2017 as compared to 2017-2018, and it was noted that the overall percentage was about the same. It was also noted that the overall Food Service budget will not be entirely known until after the end of school year when all information has been entered into the tracking system. Mr. Taintor will continue to monitor this area closely.

**E. 2016 Spectrum High School 990**

Mr. Taintor shared that the 2016 Spectrum High School 990 has been reviewed by both himself and Mr. DeBruyn although the changes noted by Mr. DeBruyn had not yet been made to the document before the Committee. Mr. Taintor shared that he would be submitting Mr. DeBruyn's suggested changes to the auditor in the hopes of having a corrected copy in time for the Board's meeting next week. It was asked of Ms. Sorenson to send out the current version of the 990 to the Board in its meeting packet along with a summary of Mr. DeBruyn's changes should Mr. Taintor not have the corrected copy in time for presentation to the Board.

Following discussion, the Committee is recommending approval of the 2016 Spectrum High School 990 as will be amended.

**F. 2016 Spectrum Building Company 990**

Again, Mr. Taintor shared that the 2016 Spectrum Building Company 990 has been reviewed by both himself and Mr. DeBruyn and there were no recommended edits to the document.

Following discussion, the Committee is recommending approval of the 2016 Spectrum Building Company 990 as presented.

**G. Positive Pay**

Mr. DeBruyn and Mr. Taintor reported that the School has experienced yet another fraudulent check situation, which is similar to the one that took place in October. Following the incident in October, the School was advised by its bank to close down and reopen a new account, which it did. However, even in doing so, a similar incident has occurred. Both the School's bank, as well as Bergan KDV, are in the process of making sure that their systems are secure. The Bank is not recommending at this time that the School close down the account. It was noted that there is still much investigative work to be done in an effort to determine where a system breach may be occurring. Mr. Taintor and Mr. DeBruyn shared that they have approached the School's bank to inquire about the possibility of implementing the Positive Pay system, which is basically a second line of defense in determining check authenticity. It was reported that, while a number of other banks have this service available, First National does not currently offer the service.

The Committee went on to discuss various options (i.e., the possibility of changing banking institutions); however, following discussion, it was recommended that the School not make any changes at this time as it values the working relationship and support received from First National Bank of Elk River.

**V. Previously Tabled Items**

None

**VI. Miscellaneous**

None

**VII. New Meeting Agenda Input**

- Continued work on a Separate 501(c)(3) organization, as well as an all-encompassing Fundraising Policy.

**VIII. Adjournment**

The meeting was adjourned at 10:25 am

Respectfully submitted,  
Dawn Sorenson