



## Spectrum High School Finance Committee Minutes

Date: March 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  **In process**
- Revise the Financial Policy as needed in response to implementation of more timely internal budgeting procedures.  **Completed 11.13.17**

### IV. New Business

#### A. Finance Committee Membership

The meeting began with discussion surrounding the membership of the Finance Committee. It was noted that the parent member, Robin Schelske, is no longer able to be a part of the Committee due to conflicts with her work schedule. Committee members asked about the Finance Committee description and suggested that it be reviewed by the Board in an effort to find additional member(s) for the Committee.

#### B. FY18 VOA Finance Report Draft

Mr. DeBruyn shared that the School received a draft of the Spectrum's FY18 VOA Finance Report. He shared that the school was not able to review the draft and provide feedback within the timeframe requested by VOA; however, he is still planning to do so as there are inaccuracies in the report in need of clarification. Mr. Taintor will be following up with VOA to address VOA's concerns with June financials as they relate to Committee/Board review and the year-end audit. Mr. Taintor shared that there are specific reasons in place as to why June financials are delayed in being reviewed. An update will be provided at the April Finance meeting.

#### C. February Financials

The Committee reviewed the February financials in detail. Mr. Taintor shared that the working budget for 2017-2018 projects an annual surplus in all funds in the amount of \$196,076. The School is currently budgeting 680 Average Daily Membership (ADM), whereas actual is at 684.57 ADM. *Note: This includes PSEO*

students. The school receives funding for most PSEO students and, in turn, is billed by the respective college for courses taken.) Overall, the School is right on track with 57.2% of expenditures spent year to date, compared to 66.7% of the fiscal year completed. The Committee then went on to discuss enrollment. Mr. DeBruyn shared that he, Sue Matheson, and Board member Tom Sagstetter attended a seminar on student recruitment and retention this week. Administration will remain vigilant in their efforts to sustain and grow enrollment, attracting students seeking the many benefits the high quality education Spectrum offers.

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 expenditures paid by the School on behalf of the Building Company. The State holdback for the 2016-2017 fiscal year is a receivable of \$12,239 at this time. The holdback amount will be paid to the School through the next several months. The State holdback for 2017-2018 fiscal year is estimated to be a receivable of \$499,405. The holdback amount is approximately 10% of total state aids and will be paid back to the School in fiscal year 2019.

Mr. Taintor went on to report that some internal adjustments were made by moving monies from non-instructional supplies, where there was a surplus, to repairs and maintenance. Mr. DeBruyn stated that, in addition to higher than anticipated transportation maintenance, there were additional expenditures related to repairs and maintenance work on the School's security system, external doors, and cameras.

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

**D. February Management Report**

The Committee reviewed the February Management Report. Mr. Taintor explained that some of the check numbers will have multiple expenditures (i.e., Amazon Capital Services, etc.). One check is written for the expenditure; however, there are multiple items purchased within the expenditure that must be coded to different areas.

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

**E. February Contracted Services Report**

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

**F. February Food Services Report**

The Committee reviewed the Food Services Report. Mr. Taintor shared that the commodities check that is to be received by the School for its food services will help to offset costs. The School internally has made some modifications with regard to food service in an effort to minimize overages. Mr. DeBruyn shared that he will inquire with Ms. Russell, Food Services Coordinator, and ask her to check with the vendor to see if they can provide an estimate as to the amount the School will receive and an anticipated date of receipt. Mr. Taintor continues to monitor this area very carefully.

**G. FY19 Budget Salary Line**

The Committee reviewed in detail the proposed 18-19 salaries in the Long Range Budget. It noted that 77.75 FTE's is called for in the budget and will be allocated across the school as enrollment and master scheduling dictates. \$3,412,912 for salaries includes a proposed 3% increase in pay for all staff.

Following discussion, the Committee recommends approval of the 2018-2019 Salary line only of the Long Range Budget, which includes a 3% salary raise for all staff.

**H. FY18 Proposed Audit Fee**

Mr. Taintor presented the proposed audit fee from Redpath and Company. He shared that there has been an increase from FY17 of \$17,250 to \$23,200 for FY18 due in large part to bond issuance and related construction; the building company fee is expected to return to approximately \$2,000 for future years. Mr. Taintor reported that due to new GASB standards, it is requiring additional work on the part of auditing firms, which is resulting in increased fees. The Committee went on to discuss the need for putting out a Request for Proposal (RFP) for audit services. Mr. Taintor explained some of the services offered by various auditing firms. He will send out an RFP to several firms (including Redpath and Larson Allen) and will report back on his findings.

Following discussion, the Committee is recommending that an RFP be extended to several different firms to assist the Board in making its decision for an auditing firm and corresponding fee for services.

**V. Previously Tabled Items**

None

**VI. Miscellaneous**

Mr. DeBruyn provided the Committee with a quick overview of the Phase V construction project for the 7/8 building, as well as progress on the College and Career Center. Mr. Taintor indicated he will follow up with Mr. DeBruyn regarding current and anticipated funds available for the College and Career Center project.

**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 10:30 am

Respectfully submitted,  
Dawn Sorenson