



Spectrum High School Finance Committee Minutes

Date: August 25, 2017
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
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
- Develop an all-encompassing Fundraising Policy
- Revise the Financial Policy as needed in response to implementation of more timely internal budgeting procedures.

IV. New Business

A. June, 2017 Preliminary Financials

The Committee reviewed the April 2017 financials in detail. Mr. Taintor reported that a couple of FY17 items have come in since the printing of the report; however, none of the items are large enough to have an impact on the overall ending balances. He went on to note that the revised budget projected revenues exceeding expenditures in all funds by \$170,491, whereas, the actual (preliminary) activity is reporting an annual surplus of \$290,278. The School was budgeting state revenues based on 655 average daily membership and actual enrollment ended at 662.63.

The beginning balances shown on the Balance Sheet are based on the audited ending information as of June 30, 2016. Due from the Building Company, in the amount of \$33,862, represents funds that have been paid for by the School on behalf of the Building Company. The original amount was \$103,000 and has been significantly reduced down to \$33,862.

State holdback for 2016-2017 fiscal year is estimated to be a receivable of \$772,205 at the time of the report. The holdback amount is approximately 10% of total state aids. This amount will be paid back to the School in fiscal year 2018.

Mr. Taintor went on to report on the Statement of Revenue and Expenditures, noting that the report shows the original budget approved, revised budget approved, working budget, and year to date activity. Of importance, he shared that State Aids shows that the School has received funding for 662.63 ADM as

compared to 655 budgeted. This resulted in an additional \$100,000 of funding. Within this amount, \$14,000 was from English Learner reimbursement for the EL students being serviced by the School. Mr. Taintor then reported that State Special Education funding was conservative, estimating a slightly lower funding amount due to recent funding experience with this program. Most of the expenditures were funded by at least 92%. The amounts are lower than budgeted; however, there was no impact to the bottom line.

In the category of Salaries and Wages, the School ended up over budget by \$78,565 (2.8%) due to increased need in substitutes and hourly custodial staff. This number is affected by long term subs and may be offset by teacher salaries.

Mr. DeBruyn went on to share that all districts are struggling to find substitutes. District #728 has moved to utilizing an outside company who provides substitute teachers as they also are having a difficult time finding substitute teachers. Finally, he reminded the committee that the Board approved the increase to the daily rate of pay for substitutes from \$120/day to \$135/day to remain competitive with the surrounding schools.

Lastly, Mr. Taintor shared that the Employee Benefits category was over budget due to an increase in the number of staff who elected to take benefits and/or add dependents that originally weren't budgeted, as well as unbudgeted increases in health benefits.

Following discussion, the Committee recommends that the Spectrum High School Board of Directors approve the June 2017 financials as presented.

B. Bonding Process Update

Mr. DeBruyn provided an overall update on the bonding process which he shared is well underway. He will continue to update the Finance Committee and Board as information becomes available.

C. Amend Financial Policy

The Committee reviewed proposed changes to the Finance Policy. Mr. DeBruyn shared that moving the entire budget into the Skyward system will allow for the School to be more accurate in its expenditures and will also aid staff in carrying out the duties and responsibilities for which they have been hired. Currently, the restrictions of the policy preclude this work from being accomplished, as well as puts undue burden on the Executive Director for the responsibility of signing off on all expenditures. Mr. DeBruyn went on to share that the finance policy has not grown in relation to the size of the school and therefore is in need of being amended. The Committee went on to discuss other nuances of the current policy and where possible changes may be made. Finally, Mr. DeBruyn shared the suggested addition of language which reads, "The Executive Director will establish a deadline for purchases in the spring of the fiscal year in order to ensure funds are maximized for the current year and all purchases can be processed in a timely manner prior to the end of the fiscal year." With the inclusion of this language, it will eliminate last minute purchases at the end of the fiscal year, which places hardship on the Office Manager and Business Assistant at a time when it is imperative to wrap up the previous fiscal year's accounting. Mr. DeBruyn went on to note that the Committee could anticipate a final redlined copy of the policy for consideration of making a recommendation for approval to the full Board at its meeting in October.

D. Procurement Policy

Mr. DeBruyn shared that during our Special Education audit, it was recommended that the school amend its Procurement Policy. He went on to share the history of how the policy was developed and noted that Indigo, our Special Education provider, will be working with the school to revise the policy, which will then

be submitted to MDE in response to the Special Education audit findings. He noted that Indigo has an excellent Procurement Policy and that the School is able utilize it as a template for its policy. Mr. Taintor shared that it may make most sense to have two procurement policies – one for all federal funds and one for general funds. Mr. DeBruyn will be working on the policies and submitting them for the consideration of the Committee making a recommendation to the Board for approval at its meeting in September.

E. Fund Raising Policy

Mr. DeBruyn shared recent events regarding fundraising by various groups within the School. There is need for an overall organized system for raising and accounting for funds with the possibility of separating those funds from school finances. The possibility of creating a separate 501(c)3 for this sole purpose was discussed. Mr. DeBruyn will continue to update the Committee as additional information becomes available.

F. Scholarships Discussion

Mr. DeBruyn reported on the current practice of how external scholarship awards are handled at the school. Mr. Taintor stated that a UFARS code is available from MDE for tracking scholarships and is in use by the School. It was discussed that, if a separate 501(c)3 were set up to handle fundraising activities, perhaps scholarships could be tracked in this same manner. Additional discussion and work on this item will be forthcoming.

G. SCRIP Fundraising Program

Mr. DeBruyn shared that one of the Finance Committee’s goals for the 16-17 school year was to complete an analysis of the SCRIP program to determine the cost/benefit of continuing the program. Although there are some families who utilize the program, the majority do not. The School actually loses money in the management of the program which is counterproductive. As a result, it is being recommended that the program be phased out by January 2018.

Following discussion, the Committee made a recommendation that the full Board consider approval of discontinuing the SCRIP Fundraising Program.

H. 17-18 Committee Meeting Dates/Times

The Committee reviewed the proposed calendar of monthly Finance Committee meeting dates and times. It was noted that Ms. Sorenson scheduled the Finance Committee meeting dates for the 17-18 school year as proposed.

V. Previously Tabled Items

None

VI. Miscellaneous

None

VII. New Meeting Agenda Input

VIII. Adjournment

The meeting was adjourned at 11:00 am



Respectfully submitted,
Dawn Sorenson

17796 Industrial Circle NW ■ Elk River, MN 55330
Phone: 763-241-8703 ■ Fax: 763-633-1380
www.spectrumhighschool.org