

Members Present: C. Brown, K. Denzer, N. Donnay, J. Gottschalk, R. Hajlo, D. Keyes, A. Melendres, S. Mueller

Members Absent:

Board Advisors Present: J. Gutierrez, K. Gutierrez, A. Kleinboehl

Guest: Dennis Hoogeveen, CPA with CliftonLarsonAllen (via Zoom)

Call to Order

S. Mueller called the board meeting to order at 6:00 pm.

Open Forum

There were no requests to speak at the Open Forum.

Consent Agenda

Agenda includes the Board Minutes from October 6, November 5, November 10 and November 12, Executive Director's Report, and the Board Calendar.

S. Mueller noted that there was a minor typo in the November 12 meeting minutes - remove the second adjournment time (error from the previous month's minutes).

Motion to approve the Consent Agenda with edits as noted: C. Brown

Second: J. Gottschalk

Approved: All

2020 Audit – Dennis Hoogeveen, Clifton Allen Larson

Thank you to Bergan KDV, SCPA's accounting services provider, as well as Kelly Gutierrez and everyone else who helped provide information for the audit.

On page 2-4 of the Financial Statements and Supplementary Information, they have issued St. Croix Prep an unmodified audit opinion (best possible audit for a MN charter school).

On page 17 is the balance sheet as of June 30, 2020 which provides a snapshot of the school's financial condition. The balance sheet is strong, with a strong cash position going into 2021. Especially with the current conditions, a strong cash position is important since we do not know what the state's economy will be and if there will be any sort of holdback in the future.

On page 19, St. Croix Prep ended the year with \$13,861,386 in revenue (General Fund) and expended \$13,515,959 with \$546,468 added to the fund balance.

On page 56-57 is the report on internal control over financial reporting- no material weakness nor significant deficiency were found. Page 58 is the legal compliance letter, which reports that no legal compliance issues came to the auditor's attention while performing audit work.

Per Dennis Hoogeveen, CLA Principal, overall, the audit results are commendable.

Motion to accept the 2020 Audit as presented: D. Keyes
Second: N. Donnay
Approved: All

2019-2020 World's Best Workforce Report – A. Kleinboehl

School is still receiving guidelines from MDE, but final submission is due on December 15. Many of the goals are related to MCAs but these were not administered due to Covid-19. MDE has added a button 'unable to report'; this will address the pandemic circumstances. This impacts four of the five areas we are to include in the report. A summary of this is: 1). All school ready (K) – not able to perform the final STEP testing data (met some but not all), 2). Third Grade Readiness – again could not administer MCA test, 3). Closing the Achievement Gap – this relies on MCA data, 4). ACT scores, which have yet to be received, and 5). All students graduate. We have achieved a 98% graduation rate.

Motion to accept the World's Best Workforce Report: K. Denzer
Second: N. Donnay
Approved: All

Board Composition/Next Board Meeting

Board appointments have been made in the past; however, the typical process is that we first look at the last board election to see if there is a runner up candidate. In the absence of a runner up, the board governance committee should discuss, review the by-laws, and come up with a recommendation for the board on how to proceed. If an election process is chosen, candidates would submit a nomination form, an election would be held and once a candidate has been elected, said candidate would go through the board training process before being seated.

In the matter of Jim Markoe's vacant community member seat, Shane Mueller's term expires in August 2021 and since his son graduated June 2020, he no longer has a student at St. Croix Prep. There was discussion to move Jim's term date to Shane.

Motion to move Shane Mueller's board seat term date to Jim's term ending August 2022: K. Denzer
Second: R. Hajlo
Approved: All (S. Mueller recused himself from the vote)

Discussion to change the board meeting procedures (Minn. Stat. 13D.021) due to the nature of the pandemic climate right now. Invoking the pandemic rules for board meetings will require one person on site during a board meeting, open meeting laws apply, allow anyone to Zoom into meetings and all conversations are public. 30 minutes of Open Forum will be allowed with the two minutes/person, maximum 15 speakers.

Motion to invoke the Pandemic rules for board meetings between now and January 20, 2021: S. Mueller
Second: D. Keyes
Approved: All

Discussion about next board meeting and meeting to work on how to transition to less restrictive learning models.

Motion to form a learning model transition committee to look at less restrictive learning models: D. Keyes
Second: R. Hajlo
Approved: All

Members who will be on the committee: N. Donnay, J. Gottschalk, A. Melendres, S. Mueller, and K. Gutierrez. Committee would like to add Middle School representation and will be looking to add someone from this division.

There was discussion about working with RST to implement testing families at school. Testing dates are tentatively scheduled for the week of January 4 and 11.

Motion to add a board meeting on January 7, 2021: D. Keyes
Second: K. Denzer
Approved: All

Financials Update

Enrollment –Actual In-State (full-time) enrollment of 1186 is less than a 1% (8 ADM) decrease under budget. The variance is the net of enrollment more than budget in Middle School (10) and enrollment below budget in Upper School (19). Decrease in US is attributed to increase in PSEO over budget (4), No exchange students in FY21 due to Covid-19 related travel restrictions (4), and misc. transfers which not anticipated (11) which were not replaced due to focus on adapting existing staff and students to hybrid/DL learning models.

Financial highlights:

Re-forecasted vs. Approved Budget (variances > 5% & 10K):

Fund 1 Federal Revenue: 131% variance (+\$376K). Variance due to the following unbudgeted Federal Covid-19 related aid: Cares Relief Fund Sub-Grants from MDE (\$259K) and Washington County (\$82K), Elementary & Secondary Educational Relief (ESSER)(\$43K), Gov't Educational Relief Fund (GEERS) (\$3K), which is more than offset by FY21 Covid-19 attributed expenses of \$652K.

Fund 1 Local Revenue (-\$382K). This variance is the sum of many variances. The variances greater than 10K are as follows: Fundraising- Development (-\$200K), due to re-forecast funds raised thru Together We Stand campaign (-\$125K) and the postponed Gala (\$75K) , Fees From Patrons (-\$12K) due to loss of Parking Permit Revenue, Extra-

curricular Fees (-\$34K) due to decrease in Gate Revenue (-\$25K) and a shortfall in fall registrations (-\$9K), Fieldtrip Registration (-\$40K) as all FY21 Fieldtrips are cancelled, Fundraising Parent Group (-\$28K) due to reforecast of SCRIP Program Revenue, Booster Club (-\$29K) due to elimination of athletics/activities concession programs. These decreases are offset slightly by an increase in Interest Earnings (+\$25K), which was conservatively not included in original FY21 budget.

Re-forecasted net income for all-funds reflects a decrease of \$200K and an ending fund balance of \$4,445,000, a debt service coverage ratio of 1.12 (exceeding bond covenant requirement of 1.10), a projected fund balance reserve % to expenditures of 29% (policy is greater than 20%), and projected Days-Cash-on-Hand of 91 days (exceeding bond covenant requirement of > 60 days).

Distance Learning Support

Intent and purpose of DL support is to assist our families during distance learning and that we are committed to show families we care, are listening and here for support.

Medora Benson (District Support Coordinator), Kelly and Susan Peterson met to brainstorm ways to assist families. Medora is coordinating the Essential Worker Childcare program; family technology needs and will collaborate with division TLCs along with the parent community to support parents and students while in the Distance Learning Model.

There was discussion about how to connect with families and students during the open times in the schedule. Each division is working on ideas. There was also discussion about the need for mental health support and to communicate this well during DL.

Adjourn Meeting

Motion to adjourn the meeting at 8:23 pm: R. Hajlo
Second: N. Donnay
Approved: All (A. Melendres abstained)

Submitted by S. Peterson, St. Croix Preparatory Academy