

## **Academic Arts High School School Board Annual Meeting Agenda**

Tuesday, February 15, 2022 | 5:00 pm | Academic Arts High School Room 123  
*Participation Remotely Via Google Hangouts Meeting*

**Board Members Present:** Josh MacLachlan

**Board Members Present Remotely:** David Gunderman, Tenille Warren, Rachael McNamara, Christy Dickinson

**Others Present:** Nate Winter - CLA (Ex Officio, Remotely), AAHS TPS Representatives: Danyelle Bennett (Ex Officio, Remotely)

### **Agenda**

- 1. Call to Order:**
- 2. Conflict of Interest Check:**
- 3. Approval of February 15, 2022 Agenda:**
- 4. Approval of January 18, 2021 Minutes:**
- 5. Public Comments:**
- 6. Financial Report: (Josh MacLachlan - Treasurer, Nate Winter - CLA)**
  - a. **Approval of January 2021 financial report**
  - b. **Approval of January 2021 disbursements**
- 7. Ex Officio Report: (Danyelle Bennett)**
- 8. Student Data Report – Katie Siewert / Josh MacLachlan**
- 9. Strategic Items:**
  - a. Mission / Vision / Values process review:
  - b. Policy Review: Student Sexual Harrassment Policy (Second Reading)
  - c. Review FY 19-21 Financial Performance Evaluation from Authorizer
- 10. Action Items:**
  - a. Approval/Denial of Policy: E-Learning Days (Third Reading)
- 11. Adjourn:**

## **Academic Arts High School School Board Annual Meeting Agenda**

Tuesday, January 18, 2022 | 5:00 pm | Academic Arts High School Room 123  
*Participation Remotely Via Google Hangouts Meeting*

**Board Members Present Remotely:** Josh MacLachlan, Tenille Warren, Rachael McNamara, David Gunderman,

**Others Present:** Nate Winter - CLA (Ex Officio, Remotely), AAHS TPS Representatives: Ty Cody (Ex Officio, Remotely)

**Not Present:** David Massey, Katie Siewert, Christy Dickinson

### **Agenda**

- 1. Call to Order:** Josh MacLachlan calls this meeting to order at 5:03 pm.
- 2. Conflict of Interest Check:**
  - a. None to note.
- 3. Approval of January 18, 2022 Agenda:**
  - a. David Gunderman motions to approve the January 18, 2022 agenda. Tenille seconds.
  - b. Discussion:
    - i. No further discussion
  - c. Motion passes with following votes:
    - i. Josh MacLachlan - Aye
    - ii. Tenille Warren - Aye
    - iii. David Gunderman - Aye
    - iv. Rachael McNamara - Aye
- 4. Approval of December 14, 2021 Minutes:**
  - a. Josh MacLachlan motions to approve the December 14, 2021 minutes. David Gunderman seconds.
  - b. Discussion:
    - i. No further discussion.

c. Motion passes with following votes:

- i. Josh MacLachlan - Aye
- ii. Tenille Warren - Aye
- iii. David Gunderman - Aye
- iv. Rachael McNamara - Aye

**5. Public Comments:**

a. None to note

**6. Financial Report: (Josh MacLachlan - Treasurer, Nate Winter - CLA)**

**a. Approval of December 2021 financial report**

i. Josh MacLachlan motions to approve the December 2021 financial report. Rachael McNamara seconds.

ii. Discussion:

1. ADM

- a. Current Approved Budget: 98
- b. Current School enrollment: 117
- c. Current Average ADM: 106.56
- d. ADM Variance: +19

2. 50% of way through year:

- a. Revenues at 50 % of budget
- b. Expenditures at 49% of budget

3. Cash on hand at end of December was \$330K, a \$9K decrease from prior month.

iii. Motion passes with following votes:

1. Josh MacLachlan - Aye
2. Tenille Warren - Aye

3. David Gunderman - Aye

4. Rachael McNamara - Aye

**b. Approval of December 2021 disbursements**

i. Josh MacLachlan motions to approve the December 2021 disbursements.

David Gunderman seconds.

ii. Discussion

1. None to note

iii. Motion passes with following votes:

1. Josh MacLachlan - Aye

2. Tenille Warren - Aye

3. David Gunderman - Aye

4. Rachael McNamara - Aye

**7. Ex Officio Report: (Ty Cody)**

a. Enrollment: Currently at 118

b. COVID:

i. 10-day quarantine through 1/24 due to student cases. Extending through 1/28 to get past Omicron “peak”.

1. Rachael McNamara: Is there any guidance to assist TPS in making decisions like this.

a. Ty: We had guidance in FY21, State does not provide guidance anymore. Had to consider local infection rates, CDC prospects, internal infection rates, etc. These are very challenging decisions. Have to weigh safety and what is best for student learning (want them in-person).

b. Rachael offered help to research some guidance.

References Emily Oster's research on recommendations  
for COVID protocols.

- c. TPS committee:
  - i. Reviewing consensus voting system. Plan to review during retreat.
- d. Covid:
  - i. No updates
- e. Personnel:
  - i. No updates
- f. Behavior
  - i. Added locks to bathroom doors (students ask staff to open doors).  
Students were gathering in bathrooms.
- g. Nutrition
  - i. No updates
- h. Marketing
  - i. Enrollment is strong.
  - ii. Publishing monthly blogs on website.
  - iii. Ad in "St Paul Voice": getting hits from 8th grade students for enrollment in fall.
- i. Enrollment
  - i. Enrollment is strong: 123
    - 1. More students in PSEO in Q3
- j. Curriculum:
  - i. Reteaching and further simplifying how virtual learning works.  
Identifying categories of students need to target each category with focused support.

- k. Special Education
  - i. Additional 3 staff due to increased SpEd population. About to go over 40% IEPs. Finally to be able to utilize SpEd push-in in classes.
  - ii. Currently evaluating 7 students for SpEd services

**8. Student Data Report – Katie Siewert / Josh MacLachlan**

- a. Reading probes for math and LA classes are going to be
- b. Math probes will be difficult to complete due to virtual learning.
- c. Rachael McNamara emphasizes that much of school's data will likely be very limited again this year. Identifying what is best and leading is ideal. Have to be continually reflecting on what needs are NOW.

**9. Strategic Items:**

- a. Mission / Vision / Values process review: Grow program?
- b. Policy Review: E-Learning Days (Second Reading)
  - i. Make sure to remove "COVID" references. Policy should be universal
  - ii. "E-learning" may only apply to inclement weather. Need to clarify more of what statute says and how COVID affects "E-learning".
- c. Policy Review: Student Sexual Harrassment Policy (First Reading)
- d. Review of EE evaluation from Authorizer
  - i.

**10. Action Items:**

- a. Approval/Denial of security system upgrade purchase
  - i. Josh MacLachlan motions to approve purchase for security system upgrade. Tenille Warren seconds.
  - ii. Discussion:
    - 1. No further discussion

iii. Motion passes with following votes:

1. Josh MacLachlan - Aye
2. Tenille Warren - Aye
3. David Gunderman - Aye
4. Rachael McNamara - Aye

**11. Adjourn:**

- a. Rachael McNamara motions to adjourn at 6:28pm



- January 2022 -  
Financial Statements

**Prepared By:**  
Nate Winter





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# Academic Arts High School Executive Summary

**To accompany the January 2022 financial statements, as presented to the School Board**

\*\* As of month-end, 58% of the year was complete

## **Enrollment**

- Current Approved Budget: 98
- Current School Enrollment: 118
- Current Average ADM: 108.99
- Variance: 20

## **Statement of Activities**

Cash at the end of January was \$286K, which is a \$43K decrease from the prior month. The current year estimated state receivable that is owed to the School through month end was \$414K. The estimated amount owed in the prior year state receivable to the School is \$26K.

The beginning fund balance for the year is \$442,749.

## **Schedule of Budget and Actual Revenue and Expenses**

The % of Budget column is where the School was for the month of January:

- Revenues for the month were at 58% of budget:
  - Two IDEAS payments on the 15<sup>th</sup> and 30<sup>th</sup>.
  - Normal monthly deposits
- Expenditures for the month were at 56% of budget:
  - Normal monthly payments of rent, benefits, contracted services, and supplies went out
  - Staff reimbursements

## **Other Items of Importance**

- Lease aid application is in the process of being submitted and is currently not included in the IDEAS payment formula.
- Due to the enrollment variance, CLA & AAHS are in the process of putting together a revised budget.
- The working budget has been added to the income statement.

# Academic Arts High School Financial Dashboard

January 2022 58% of School Year Complete

## REVENUE

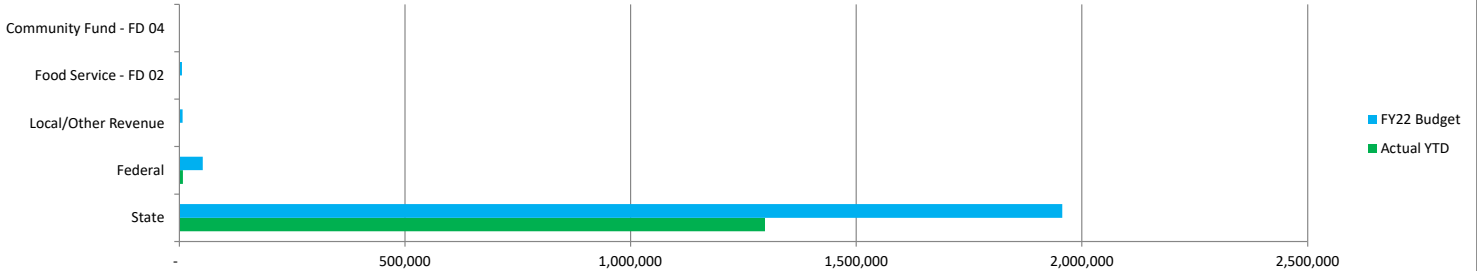
**Total Revenue this Month**  
\$134,614

**Total Revenue YTD**  
\$1,337,339

**Budgeted Revenue FY22**  
\$2,304,376

**% of Revenue Budget**  
58%

### Revenue - Actual vs. Budget



## EXPENSE

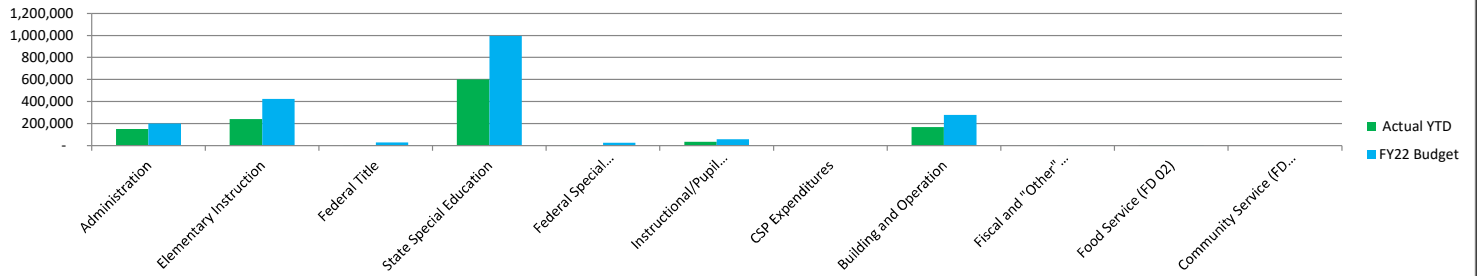
**Total Expense this Month**  
\$177,994

**Total Expense YTD**  
\$1,236,696

**Budgeted Expense FY22**  
\$2,227,146

**% of Expense Budget**  
56%

### Expense - Actual vs. Budget



## BALANCE SHEET

**Cash at End of Month**  
\$286,431

**Cash at End of Prior Month**  
\$329,810

**Beginning Fund Balance - FY22**  
\$442,749

**Budgeted Fund Balance - End of FY22**  
\$400,130

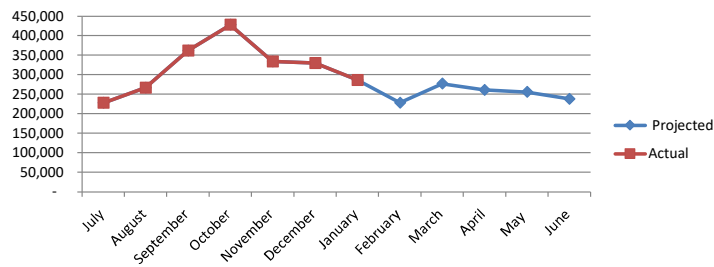
**Cash at Beginning of Year**  
\$234,073

**Projected Cash Balance- End of FY22**  
\$237,685

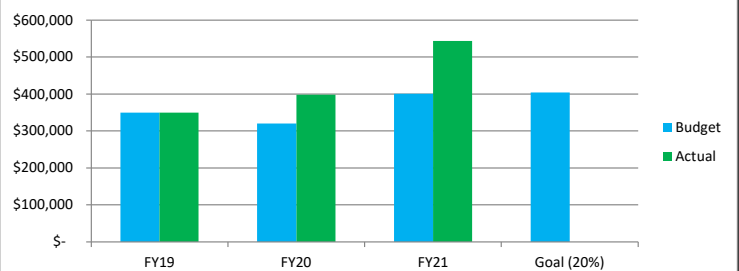
**Fund Balance at Month End**  
\$543,393

**Long-Term Fund Balance Goal (20%)**  
\$403,831

### Cash Flow Projection



### Fund Balance - Budget vs. Actual



## ENROLLMENT

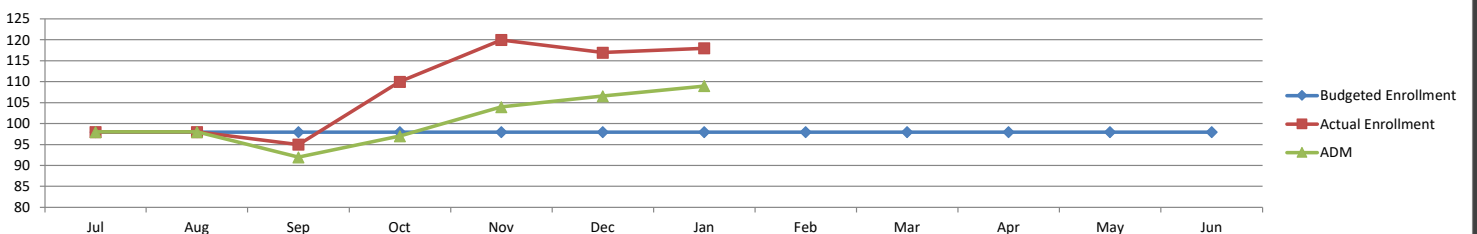
**Actual Enrollment at Month End**  
118

**Budgeted Enrollment**  
98

**Actual ADM - YTD**  
109

**Actual vs. Budgeted Enrollment Variance**  
20

### Actual vs. Budgeted Enrollment



No assurance is provided on these financial statements and supplementary information. See selected information.

**Academic Arts High School**  
**Comparative Balance Sheet - All Funds**  
As of January 2022

	Current Month	Prior Month	\$ Change	Audited	YTD \$ Change
	1/31/2022	12/31/2021		6/30/2021	
<b>ASSETS:</b>					
Current Assets:					
Cash	286,431	329,810	(43,379)	234,073	52,358
Accounts Receivable	-	-	-	4,895	(4,895)
Due from MDE - Prior Year Receivable	26,312	34,638	(8,326)	-	26,312
Due from MDE - Current Year Estimate	414,033	203,727	210,306	298,429	115,603
Due from Federal	11,872	25,237	(13,365)	52,414	(40,542)
Prepays	264	264	1	8,944	(8,680)
<b>Total Current Assets</b>	<b>738,912</b>	<b>593,676</b>	<b>145,236</b>	<b>598,756</b>	<b>140,156</b>
Capital Assets:					
Buildings and Equipment	-	-	-	-	-
Less: Accumulated Depreciation	-	-	-	-	-
<b>Total Net Capital Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>738,912</b>	<b>593,676</b>	<b>145,236</b>	<b>598,756</b>	<b>140,156</b>
<b>LIABILITIES:</b>					
Current Liabilities:					
Salaries Payable	145,367	120,146	25,221	93,315	52,052
Accounts Payable	46,498	10,949	35,549	35,715	10,783
Payroll Liabilities	3,654	4,279	(625)	26,977	(23,323)
Other Liabilities	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Line of Credit	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>195,519</b>	<b>135,374</b>	<b>60,145</b>	<b>156,007</b>	<b>39,512</b>
<b>FUND BALANCE</b>					
Beginning Fund Balance as of July 1, 2021	442,749	442,749	-	390,558	
Net Income, FY2022 to Date	100,644	15,553	85,091	52,191	48,452
<b>Ending Fund Balance</b>	<b>543,393</b>	<b>458,302</b>	<b>85,091</b>	<b>442,749</b>	<b>100,644</b>
<b>TOTAL FUND BALANCE</b>	<b>543,393</b>	<b>458,302</b>	<b>85,091</b>	<b>442,749</b>	<b>100,644</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>738,912</b>	<b>593,676</b>	<b>145,236</b>	<b>598,756</b>	<b>140,156</b>

# Academic Arts High School

## Balance Sheet

As of January 2022

	<b>ALL FUNDS</b>	General Fund	Food Service	Community Fund	Capital Assets
	<b>Total</b>	<b>FD 01</b>	<b>FD 02</b>	<b>FD 04</b>	<b>FD 98</b>
<b>ASSETS:</b>					
Current Assets:					
Cash	286,431	290,099	(3,668)	-	-
Accounts Receivable	-	-	-	-	-
Due from MDE - Prior Year Receivable	26,312	26,312	-	-	-
Due from MDE - Current Year Estimate	414,033	414,033	-	-	-
	-	-	-	-	-
Due from Federal	11,872	11,526	346	-	-
Prepays	264	264	-	-	-
<b>Total Current Assets</b>	<b>738,912</b>	<b>742,234</b>	<b>(3,322)</b>	-	-
Capital Assets					
Buildings and Equipment (Less) Depreciation	-	-	-	-	-
<b>Total Net Capital Assets</b>	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>738,912</b>	<b>742,234</b>	<b>(3,322)</b>	-	-
<b>LIABILITIES:</b>					
Current Liabilities:					
Salaries Payable	145,367	145,367	-	-	-
Accounts Payable	46,498	46,327	171	-	-
Payroll Liabilities	3,654	3,654	-	-	-
Other Liabilities	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Line of Credit	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>195,517</b>	<b>195,348</b>	<b>171</b>	-	-
<b>FUND BALANCE</b>					
Beginning Fund Balance as of July 1, 2021	442,749	442,403	346	-	-
Net Income, FY 2022 to Date	100,644	104,483	(3,839)	-	-
<b>Ending Fund Balance</b>	<b>543,393</b>	<b>546,886</b>	<b>(3,493)</b>	-	-
Investment in Capital Assets	-	-	-	-	-
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>738,912</b>	<b>742,234</b>	<b>(3,322)</b>	-	-

**Academic Arts High School**  
Income Statement - Variance  
As of January 2022

58% of Fiscal Year 2021-2022 Complete

Approved  
06/15/2021

	YTD Actual	YTD Budget	YTD Variance	FY22 Original Budget	FY22 Working Budget	% of Budget
<b>FUND 01</b>						
<b>DISTRICT REVENUE - GENERAL FUND</b>						
Local & Other	1,164	4,317	(3,152)	7,400	7,400	16%
State - Gen. Ed. Aid	586,406	578,801	7,605	862,080	992,230	59%
State - Special Education/ADSDS	281,783	574,126	(292,342)	918,692	984,215	29%
State - Lease Aid	-	101,178	(101,178)	154,526	173,448	0%
State - Other	15,868	14,352	1,516	20,857	24,603	64%
Estimated State Holdback Recognized	414,033	-	-	-	-	N/A
PY Over/Under Accrual	-	-	-	-	-	N/A
Federal - ESSER	29,523	-	29,523	-	80,236	37%
Federal - COVID-19 Testing Grant	-	-	-	-	-	0%
Federal - Title	3,006	7,885	(4,879)	27,070	13,517	22%
Federal - Special Ed.	5,557	12,381	(6,824)	25,000	21,225	26%
<b>TOTAL DISTRICT REVENUE - GENERAL FUND</b>	<b>1,337,339</b>	<b>1,293,040</b>	<b>44,299</b>	<b>2,015,625</b>	<b>2,296,876</b>	<b>58%</b>
<b>DISTRICT EXPENDITURES - GENERAL FUND</b>						
<b>Administration &amp; District Support Services</b>						
Salary & Benefits	66,778	58,762	8,016	96,657	100,735	66%
Purchased Services	63,581	58,333	5,248	70,000	100,000	64%
Supplies & Equipment	12,269	11,667	603	15,200	20,000	61%
Other Fees	8,768	9,917	(1,149)	17,000	17,000	52%
<b>Total Administration &amp; District Support Expenditures</b>	<b>151,396</b>	<b>138,679</b>	<b>12,718</b>	<b>198,857</b>	<b>237,735</b>	<b>64%</b>
<b>Instructional Expenditures</b>						
Salary & Benefits	216,999	220,346	(3,347)	404,757	377,736	57%
Purchased Services	8,740	7,875	865	9,500	13,500	65%
Supplies & Equipment	14,044	11,667	2,377	10,000	20,000	70%
Other Fees	-	-	-	-	-	0%
<b>Total Instructional Expenditures</b>	<b>239,783</b>	<b>239,888</b>	<b>(105)</b>	<b>424,257</b>	<b>411,236</b>	<b>58%</b>
<b>Federal Title</b>						
Salary & Benefits	-	-	-	12,800	-	0%
Purchased Services	-	6,271	(6,271)	10,750	10,750	0%
Supplies & Equipment	3,006	1,614	1,391	3,520	2,767	109%
Other Fees	-	-	-	-	-	0%
<b>Total Federal Title Expenditures</b>	<b>3,006</b>	<b>7,885</b>	<b>(4,879)</b>	<b>27,070</b>	<b>13,517</b>	<b>22%</b>
<b>State Special Education</b>						
Salaries/Wages and Benefits	538,985	577,543	(38,558)	924,656	990,074	54%
Purchased Services	18,714	17,500	1,214	30,000	30,000	62%
Supplies & Equipment	27,199	16,222	10,978	2,500	27,809	98%
Transportation	16,532	22,230	(5,698)	38,109	38,109	43%
Other Fees	-	-	-	-	-	0%
<b>Total State Special Education Expenditures</b>	<b>601,431</b>	<b>633,495</b>	<b>(32,064)</b>	<b>995,265</b>	<b>1,085,992</b>	<b>55%</b>

	YTD Actual	YTD Budget	YTD Variance	FY22 Original Budget	FY22 Working Budget	% of Budget
<b>Federal Special Education/CEIS</b>						
Salaries/Wages and Benefits	-	-	-	-	3,184	0%
Purchased Services	2,485	8,750	(6,265)	15,000	15,000	17%
Supplies & Equipment	3,072	1,774	1,298	10,000	3,042	101%
Other Fees	-	-	-	-	-	0%
<b>Total Federal Special Education Expenditures</b>	<b>5,557</b>	<b>10,524</b>	<b>(4,967)</b>	<b>25,000</b>	<b>21,225</b>	<b>26%</b>
<b>Instructional/Pupil Support</b>						
Salary & Benefits	25,076	25,076	(0)	42,988	42,988	58%
Purchased Services	8,193	8,750	(557)	15,000	15,000	55%
Supplies & Equipment	-	-	-	-	-	0%
Other Fees	-	-	-	-	-	0%
<b>Total Instructional Support Expenditures</b>	<b>33,269</b>	<b>33,826</b>	<b>(557)</b>	<b>57,988</b>	<b>57,988</b>	<b>57%</b>
<b>ESSER/COVID19 Funding</b>						
ESSER	29,523	46,805	(17,282)	-	80,237	37%
COVID19 Testing Grant	-	-	-	-	-	0%
<b>Total Instructional Support Expenditures</b>	<b>29,523</b>	<b>46,805</b>	<b>(17,282)</b>	<b>-</b>	<b>80,237</b>	<b>37%</b>
<b>Building &amp; Operations</b>						
Salaries/Wages and Benefits	-	-	-	-	-	0%
Purchased Services	37,916	37,917	(1)	65,000	65,000	58%
Facilities Lease	119,126	119,126	-	204,216	204,216	58%
Supplies & Equipment	3,573	15,458	(11,886)	1,000	26,500	13%
Other Fees	8,277	4,958	3,319	8,500	8,500	97%
<b>Total Building &amp; Operations Expenditures</b>	<b>168,892</b>	<b>177,459</b>	<b>(8,567)</b>	<b>278,716</b>	<b>304,216</b>	<b>56%</b>
<b>Fiscal &amp; Other Fixed Cost Programs</b>						
Purchased Services	-	-	-	-	-	0%
Transfers to Other Funds	-	7,500	-	6,000	7,500	0%
<b>Total Fiscal &amp; Other Fixed Cost Programs Expend.</b>	<b>-</b>	<b>7,500</b>	<b>(7,500)</b>	<b>6,000</b>	<b>7,500</b>	<b>61%</b>
<b>TOTAL DISTRICT EXPENDITURES - GENERAL FUND</b>	<b>1,232,856</b>	<b>1,296,061</b>	<b>(63,205)</b>	<b>2,013,153</b>	<b>2,219,646</b>	<b>56%</b>
<b>GENERAL FUND (01) - NET INCOME</b>	<b>104,483</b>	<b>(3,023)</b>	<b>107,506</b>	<b>2,472</b>	<b>77,229</b>	
<b>FUND 02</b>						
<b>DISTRICT REVENUE - FOOD SERVICE FUND</b>						
Local & Other	-	-	-	-	-	0%
State	-	-	-	-	-	0%
Federal	-	-	-	-	-	0%
Transfers from Other Funds	-	4,375	(4,375)	6,000	7,500	0%
<b>TOTAL DISTRICT REVENUE - FOOD SERVICE FUND</b>	<b>-</b>	<b>4,375</b>	<b>(4,375)</b>	<b>6,000</b>	<b>7,500</b>	<b>0%</b>
<b>DISTRICT EXPENDITURES - FOOD SERVICE FUND</b>						
Salaries/Wages and Benefits	-	-	-	-	-	0%
Purchased Services	3,839	4,375	(536)	6,000	7,500	51%
Supplies & Equipment	-	-	-	-	-	0%
<b>TOTAL DISTRICT EXPENDITURES - FOOD SERVICE FUND</b>	<b>3,839</b>	<b>4,375</b>	<b>(536)</b>	<b>6,000</b>	<b>7,500</b>	<b>51%</b>
<b>FOOD SERVICE FUND (02) - NET INCOME</b>	<b>(3,839)</b>	<b>-</b>	<b>(3,839)</b>	<b>-</b>	<b>-</b>	
<b>TOTAL REVENUES - ALL FUNDS</b>	<b>1,337,339</b>	<b>1,297,415</b>	<b>39,924</b>	<b>2,021,625</b>	<b>2,304,376</b>	<b>58%</b>
<b>TOTAL EXPENDITURES - ALL FUNDS</b>	<b>1,236,696</b>	<b>1,300,436</b>	<b>(63,741)</b>	<b>2,019,153</b>	<b>2,227,146</b>	<b>56%</b>
<b>NET INCOME (LOSS) - ALL FUNDS</b>	<b>100,644</b>	<b>(3,023)</b>	<b>103,666</b>	<b>2,472</b>	<b>77,229</b>	
Estimated Beginning Fund Balance 7/1/2021	442,749			397,658	442,749	
<b>Ending Fund Balance</b>	<b>543,393</b>			<b>400,130</b>	<b>519,978</b>	

No assurance is provided on these financial statements and supplementary information. See selected information.

**Academic Arts High School  
January 2022 Payment Register**

District #	Payment #	Bank	Check #	Pay Type	Payment Date	Vendor #	Vendor	Curr	Amount	Financials
4119	9223	AB		WX	1/31/2022	1181	MACMH	USD	\$ 360.00	I/PS Purchased Services
4119	9224	AB		WX	1/31/2022	1313	Amazon	USD	\$ 16.09	Instructional S&E
4119	9225	AB		WX	1/31/2022	1348	target	USD	\$ 20.00	Admin S&E
4119	9226	AB		WX	1/31/2022	1348	target	USD	\$ 22.71	Instructional S&E
4119	9227	AB		WX	1/31/2022	1348	target	USD	\$ 102.96	Admin S&E
4119	9228	AB		WX	1/31/2022	1353	St. Paul Voice	USD	\$ 165.72	Admin Purchased Services
4119	9229	AB		WX	1/31/2022	1368	HOLIDAY STATIONSTORES, LLC	USD	\$ 661.78	State SPED Transportation
4119	9230	AB		WX	1/31/2022	1575	Southview Office CenterLLC	USD	\$ 22,415.29	B/O Lease & PS
4119	9231	AB		WX	1/31/2022	1608	Costco	USD	\$ 167.75	Instructional S&E
4119	9232	AB		WX	1/31/2022	1608	Costco	USD	\$ 109.59	Instructional S&E
4119	9233	AB		WX	1/31/2022	1775	Ford	USD	\$ 2,356.51	State SPED Transportation
4119	9234	AB		WX	1/31/2022	1775	Ford	USD	\$ 934.29	State SPED Transportation
4119	9235	AB		WX	1/31/2022	1778	Teacherspay teachers	USD	\$ 5.36	Instructional S&E
4119	9236	AB		WX	1/31/2022	1778	Teacherspay teachers	USD	\$ 4.99	Instructional S&E
4119	9237	AB		WX	1/31/2022	1778	Teacherspay teachers	USD	\$ 3.24	Instructional S&E
4119	9238	AB		WX	1/31/2022	1833	Old National Bank	USD	\$ 0.41	Admin Purchased Services
4119	9239	AB		WX	1/31/2022	1856	CliftonLarsonAllen LLP	USD	\$ 4,386.00	Admin Purchased Services
4119	9240	AB		WX	1/31/2022	1883	Alerus	USD	\$ 162.40	Payroll Liabilities
4119	9241	AB		WX	1/31/2022	1883	Alerus	USD	\$ 50.00	Payroll Liabilities
4119	9242	AB		WX	1/31/2022	1883	Alerus	USD	\$ 162.40	Payroll Liabilities
4119	9243	AB		WX	1/31/2022	1886	TRA	USD	\$ 4,471.04	Payroll Liabilities
4119	9244	AB		WX	1/31/2022	1886	TRA	USD	\$ 4,410.39	Payroll Liabilities
4119	9245	AB		WX	1/31/2022	1887	PERA	USD	\$ 3,123.36	Payroll Liabilities
4119	9245	AB		WX	1/31/2022	1887	PERA	USD	\$ 302.81	Payroll Liabilities
4119	9246	AB		WX	1/31/2022	1887	PERA	USD	\$ 2,971.21	Payroll Liabilities
4119	9247	AB		WX	1/31/2022	1888	IRS	USD	\$ 11,053.66	Payroll Liabilities
4119	9247	AB		WX	1/31/2022	1888	IRS	USD	\$ 426.02	Payroll Liabilities
4119	9248	AB		WX	1/31/2022	1888	IRS	USD	\$ 10,925.22	Payroll Liabilities
4119	9249	AB		WX	1/31/2022	1889	MN Dept of Revenue	USD	\$ 1,844.73	Payroll Liabilities
4119	9249	AB		WX	1/31/2022	1889	MN Dept of Revenue	USD	\$ 63.70	Payroll Liabilities
4119	9250	AB		WX	1/31/2022	1889	MN Dept of Revenue	USD	\$ 1,808.50	Payroll Liabilities
4119	9251	AB		WX	1/31/2022	1891	The Lincoln National Life Insurance Company	USD	\$ 1,286.71	Payroll Liabilities
4119	9252	AB		WX	1/31/2022	1959	Stamps.com	USD	\$ 17.99	Admin Purchased Services
4119	9253	AB		WX	1/31/2022	1984	MN DHS	USD	\$ 631.00	Admin Purchased Services
4119	9254	AB		WX	1/31/2022	1985	MN School Psychologist Association	USD	\$ 100.00	Admin Other Fees
4119	9255	AB		WX	1/31/2022	1985	MN School Psychologist Association	USD	\$ 60.00	Admin Other Fees
4119	9256	AB		WX	1/31/2022	1986	Factory Motor Parts	USD	\$ 85.40	Admin S&E
4119	9259	AB	1738	CH	1/3/2022	1953	Stephanie Lonetti	USD	\$ 290.55	SPED Supplies
4119	9147	AB	6728	CH	1/12/2022	1976	Amy Hodd	USD	\$ 21.50	Admin Purchased Services
4119	9141	AB	6729	CH	1/12/2022	1015	DESIGNS FOR LEARNING	USD	\$ 3,185.00	State SPED PS
4119	9141	AB	6729	CH	1/12/2022	1015	DESIGNS FOR LEARNING	USD	\$ 1,421.00	State SPED PS
4119	9141	AB	6729	CH	1/12/2022	1015	DESIGNS FOR LEARNING	USD	\$ 18.42	Admin Purchased Services

No assurance is provided on these financial statements and supplementary information. See selected information.



4119	9142	AB	6730	CH	1/12/2022	1368	HOLIDAY STATIONSTORES, LLC	USD	\$	661.78	State SPED Transportation	
4119	9145	AB	6731	CH	1/12/2022	1879	MN PEIP - C/O MMB Fiscal Services	USD	\$	20,018.35	Payroll Liabilities	
4119	9143	AB	6732	CH	1/12/2022	1493	Premium Water Inc	USD	\$	128.98	Admin Purchased Services	
4119	9148	AB	6733	CH	1/12/2022	1977	Ryan Bauer	USD	\$	26.76	Instructional S&E	
4119	9146	AB	6734	CH	1/12/2022	1953	Stephanie Lonetti	USD	\$	913.17	Admin S&E	
4119	9144	AB	6735	CH	1/12/2022	1651	Ty Cody	USD	\$	24.70	B/O Supplies & Equipment	
4119	9149	AB	6736	CH	1/12/2022	1978	Wex Bank	USD	\$	160.91	Admin Purchased Services	
4119	9260	AB	300300	CH	1/14/2022	1046	MN BCA	USD	\$	8.00	Admin Purchased Services	
4119	9261	AB	3004000	CH	1/18/2022	1692	Elena Lavorato	USD	\$	510.72	State SPED PS	
4119	9262	AB	3005000	CH	1/18/2022	1692	Elena Lavorato	USD	\$	263.40	State SPED PS	
4119	9263	AB	3006000	CH	1/20/2022	1854	Shannon Gruidl Occupational Therapy Service	USD	\$	412.50	State SPED PS	
4119	9264	AB	3007000	CH	1/20/2022	1854	Shannon Gruidl Occupational Therapy Service	USD	\$	525.00	State SPED PS	
<b>Total:</b>											<b>\$ 104,279.97</b>	

No assurance is provided on these financial statements and supplementary information. See selected information.

## Academic Arts High School Receipt Listing Report with Detail by Deposit

Deposit Co	Bank	Batch	Rct No	Receipt Type	Receipt St	Receipt Date	Check No	Pmt Type	Grp Code	Customer	Inv No	Inv Date	Inv Type	Invoice Amount	Applied Amount	Unapplied Amount
1741	4119	AB	CR0122													
01.10.22 Deposit																
			1916	Credit	A	01/10/22		Wire	1	c1			Misc			
						4119	R 01 005 000 000 096 000						Give to the Max Donation		95.00	0.00
														Receipt Total:	\$95.00	\$0.00
														<b>Deposit Total:</b>	<b>\$95.00</b>	<b>\$0.00</b>
1742	4119	AB	CR0122													
01.14.22 IDEAS Payment																
			1917	Credit	A	01/14/22		Wire	1	c1			Misc			
						4119	R 01 005 000 000 211 000						FY22 General Education Aid		63,205.10	0.00
														Receipt Total:	\$63,205.10	\$0.00
														<b>Deposit Total:</b>	<b>\$63,205.10</b>	<b>\$0.00</b>
1743	4119	AB	CR0122													
01.28.22 IDEAS Payment																
			1918	Credit	A	01/28/22		Wire	1	c1			Misc			
						4119	B 01 121 000						FY21 General Education Aid		21.74	0.00
						4119	B 01 121 000						FY21 Special Education Aid		8,303.16	0.00
						4119	R 01 005 000 000 211 000						FY22 General Education Aid		37,389.76	0.00
						4119	R 01 005 000 740 360 000						FY22 Special Education Aid		25,599.24	0.00
														Receipt Total:	\$71,313.90	\$0.00
														<b>Deposit Total:</b>	<b>\$71,313.90</b>	<b>\$0.00</b>
														Report Total:	\$134,614.00	\$0.00

No assurance is provided on these financial statements and supplementary information. See selected information.

**Academic Arts High School**  
**Historical and Forecasted Financial Statements**  
**Selected Information**  
**For the Seven Months Ended January 31st, 2022 and Year Ending June 30th, 2022**

The school presents governmental fund financial statements using the current financial resources measurement focus and the modified accrual basis of accounting. As required by state statute, the school operates as a nonprofit corporation under Minnesota Statutes §317A. However, state law also requires that the school comply with Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS) which mandates the use of a governmental fund accounting structure.

The accompanying historical financial statements and forecasted financial statements include the following departures from accounting principles generally accepted in the United States of America and the guidelines for presentation of a forecast established by the AICPA:

- The historical and forecasted financial statements omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America.
- The financial statements are not a complete presentation of governmental fund financial statements in accordance with the above standards.

The effects of these departures have not been determined.

**Summary of Significant Assumptions**

These financial forecasts present, to the best of management's knowledge and belief, the School's expected financial position, results of operations, and cash projection for the forecast periods. Accordingly, the forecasts reflect its judgment as of June 15th, 2021 the date of these forecasts, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecasts. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Balance Sheet & Cash Projection Assumptions**

1 Due from MDE	90 Days
2 Payables are expected to be paid at net	120 Days
3 Payroll Payables are expected to be paid at net	30 Days

**Statement of Operations Assumptions**

1 Revenue is expect to grow at a rate of	9%
2 Salaries, benefits, and taxes are expected to increase by	9%
3 All other expenses are expected to increase	7%

No assurance is provided.

**21-22 February**  
**Board Meeting (Highlights and To Do)**

Date: February, 13th  
Ex Officio: Danyelle Bennett

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School Events

- March 8th - ACT testing (58 kids signed up)
  - Conferences March 17th from 4:00 - 7:00 pm (TPS plans to discuss conferences over the summer to see if there is anything we can do to better accommodate our families)
- 

Committee Updates

TPS: Revisiting May 6th PD day (since we canceled February PD days)

Personel: PerCom is holding interviews for a paraprofessional position

Behavior: Flagged by MDE for Sam (behavior lead) licensing, or, lack thereof. This is something we have been aware of for awhile and we will need to hire a licensed behavior lead in the fall. Sam is currently under the title of para. There is concern that she will be flagged for her pay rate being higher than other paras

Finance: Furniture for classrooms and Smart Boards will deplete ESSER funds

Nutrition: Nothing

Marketing: Planning for an open house sometime in April

Enrollment: 118 ish

Curriculum:

Sped: Currently 52 students with IEP - 5 being evaluated

Tiger Team: Nothing from Tiger

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**Assignments from Board** (to be brought back to TPS):

1.

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## HARASSMENT AND VIOLENCE

### I. GENERAL STATEMENT OF POLICY

A. The policy of the school district is to maintain a learning and working environment that is free from harassment and violence on the basis of race, color, creed, religion, national origin, sex, gender, age, marital status, familial status, status with regard to public assistance, sexual orientation, or disability. The school district prohibits any form of harassment or violence on the basis of race, color, creed, religion, national origin, sex, gender, age, marital status, familial status, status with regard to public assistance, sexual orientation, or disability.

B. A violation of this policy occurs when any student, teacher, administrator or other school district personnel harasses a student, teacher, administrator or other school district personnel or group of students, teachers, administrators, or other school district personnel through conduct or communication based on a person's race, color, creed, religion, national origin, sex, gender, age, marital status, familial status, status with regard to public assistance, sexual orientation, or disability as defined in the attached procedures.

C. A violation of this policy occurs when any student, teacher, administrator or other school district personnel inflicts, threatens to inflict, or attempts to inflict violence upon any student, teacher, administrator or other school district personnel or group of students, teachers, administrators, or other school district personnel based on a person's race, color, creed, religion, national origin, sex, gender, age, marital status, familial status, status with regard to public assistance, sexual orientation, or disability.

D. The school district will act to investigate all complaints, either formal or informal, verbal or written, of harassment or violence based on a person's race, color, creed, religion, national origin, sex, gender, age, marital status, familial status, status with regard to public assistance, sexual orientation, or disability, and to discipline or take appropriate action against any student, teacher, administrator or other school district personnel who is found to have violated this policy. Please refer to the school's Code of Conduct for additional information related to this policy.

Flagrant or extreme forms of harassment or any form of violence may result in immediate suspension followed by expulsion. Academic Arts encourages parties in conflict to participate in restorative conflict-resolution procedures.

E. For purposes of this policy, school personnel includes school board members, school employees, agents, volunteers, contractors or persons subject to the supervision and control of the district.

## II. HARASSMENT OR VIOLENCE AS ABUSE

A. Under certain circumstances, alleged harassment or violence may also be possible abuse under Minnesota law. If so, the duties of mandatory reporting under Minn. Statutes may be applicable.

B. Nothing in this policy will prohibit the school district from taking immediate action to protect victims of alleged harassment, violence or abuse.

### Policy 413 - Harassment and Violence Adopted:

References: Minn. Stat. § 120B.232 (Character Development Education) Minn. Stat. § 121A.03, Subd. 2 (Sexual, Religious and Racial Harassment and Violence Policy) Minn. Stat. § 121A.031 (School Student Bullying Policy) Minn. Stat. Ch. 363 (Minnesota Human Rights Act) Minn. Stat. § 609.341 (Definitions) Minn. Stat. § 626.556 et seq. (Reporting of Maltreatment of Minors) 20 U.S.C. §§ 1681-1688 (Title IX of the Education Amendments of 1972) 29 U.S.C. § 621 et seq. (Age Discrimination in Employment Act) 29 U.S.C. § 794 (Rehabilitation Act of 1973, § 504) 42 U.S.C. § 1983 (Civil Action for Deprivation of Rights) 42 U.S.C. § 2000d et seq. (Title VI of the Civil Rights Act of 1964) 42 U.S.C. § 2000e et seq. (Title VII of the Civil Rights Act) 42 U.S.C. § 12101 et seq. (Americans with Disabilities Act) Cross References: Policy 102 (Equal Educational and Employment Opportunity) Policy 401 (Equal Employment Opportunity) Policy 402 (Disability Nondiscrimination Policy) Policy 403 (Dismissal of School District Employees) Policy 406 (Public and Private Personnel Data) Policy 414 (Mandated Reporting of Child Neglect or Physical or Sexual Abuse) Policy 415 (Mandated Reporting of Maltreatment of Vulnerable Adults) Policy 506 (Student Discipline) Policy 514 (Bullying Prohibition) Policy 515 (Protection and Privacy of Pupil Records) Policy 521 (Student Disability Nondiscrimination) Policy 522 (Student Sex Nondiscrimination) Policy 524.1 and 524.2 (Internet Acceptable Use and Safety Policy) Policy 526 (Hazing Prohibition) Policy 528 (Student Parental, Family, and Marital Status Nondiscrimination)

# Academic Arts High School

## FY19-21 Financial Performance Evaluation

### Contract term: July 1, 2018-June 30, 2023

#### Overview

The Financial Performance Evaluation is conducted to determine whether the school is compliant with legal requirements, the charter contract, and generally accepted principles of financial oversight and management, as well as to assess the financial health and viability of the school. This framework was derived through a review of model authorizer practices, charter school lender guidance, and expertise in the field. In completing the evaluation, Osprey Wilds has reviewed the school's financial audit, board meeting minutes, monthly financials, school policies, state reports, and other relevant documents. In addition, the evaluation may incorporate information learned through site visits, attendance at board meetings, and interviews or discussions with key individuals at the school including the director, board chair, treasurer, and financial service provider. No one measure identifies the full picture of a school's financial situation. The measures are to be used together to indicate the total financial picture of the school.

#### Financial Performance Indicators

The Financial Performance Framework includes three indicators, or general categories, used to evaluate a school's financial performance.

##### 1. Financial Management

This portion of the evaluation focuses on the school's performance relative to required financial management. Quality management and oversight of financials is a critical indicator of financial health. Schools that fail to meet the standards are not implementing best practices or those required by law or the charter contract and may be at greater risk for financial challenges in the present or future. This indicator includes the following measures: **Budgeting, Financial Policies and Practices, Financial Reporting, and Financial Audit.**

##### 2. Near-Term Financial Health

This portion of the evaluation tests a school's near term financial health and is designed to depict the school's financial position and viability in the coming year. Schools that fail to meet the standards may currently be experiencing financial difficulties and/or have a higher likelihood for financial hardship. These schools may require additional review and/or corrective action by Osprey Wilds. This indicator includes the following measures: **Current Ratio, Days Cash on Hand, and Enrollment Variance.**

##### 3. Financial Sustainability

This portion of the evaluation includes longer-term financial sustainability measures and is designed to depict the school's financial position and viability over time. Schools that fail to meet the standards are more likely to face financial hardship in the future. This indicator includes the following measures: **Fund Balance Percentage, Total Margin and Aggregated Three-Year Total Margin, and Debt to Asset Ratio.**

## **Summary Discussion**

Academic Arts High School demonstrated an improved financial performance in FY21. The school remains financially healthy on indicators of near-term health and long-term financial sustainability. Adequate enrollment predictions and timely financial reporting to Osprey Wilds continue to be areas of growth for the school. For the third year in a row, the school's fund balance meets standard at 21.5%, or \$442,747 at FY21 year-end, indicating the school is well-positioned to withstand cash shortfalls and likely does not have to engage in short-term borrowing.

During the course of the contract the school has improved its budgeting practices although enrollment predictions in the most recent year did not meet standard (which may be due, at least in part, to impacts from Covid-19). After feedback from Osprey Wilds early in the contract period, the board revised its budget template and financial presentation, which supported more transparent financial monitoring. The school began working with a new financial service provider at the end of FY19 which has also improved the quality of reporting and monitoring. In addition, the school resolved several audit findings from the last three years. Considering the continued unexpected impact of Covid-19 in FY20 and FY21 and having to adapt to distance learning and food service challenges, the school still succeeded in slowly growing its fund balance.



## Summary of Financial Performance

<b>Financial Statements – Three-year Summary</b>			
	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Balance Sheet</b>			
Cash	\$127,288	\$172,882	\$234,073
Current Assets	\$508,928	\$524,226	\$598,756
Non-Current Assets	\$7,075	\$9,772	\$20,152
Total Assets	\$516,003	\$533,998	\$618,908
Current Liabilities	\$159,852	\$133,669	\$156,008
Non-Current Liabilities	\$0	\$0	\$0
Total Liabilities	\$159,852	\$133,669	\$156,008
Net Assets	\$356,150	\$400,330	\$462,900
<b>Income Statement (All Funds)</b>			
Total Revenue	\$1,775,105	\$1,879,240	\$1,964,167
Total Expenditures	\$1,748,889	\$1,837,758	\$1,911,977
Debt Proceeds & Capital Leases	\$0	\$0	\$52,190
Surplus (Deficit)	\$26,216	\$41,482	\$442,747
Total Fund Balance	\$349,075	\$390,557	\$443,457
Total Unrestricted General Fund Balance	\$341,207	\$370,106	\$1,964,167
<b>Enrollment Information – Pupil Units (P.U.)</b>			
Budgeted Enrollment	114.00	118.80	118.80
Actual Enrollment	102.59	115.57	103.52
Maximum Total Enrollment (number of students) <i>Per section 6.5(a) of the charter contract</i>	120	120	120

<b>Financial Performance Evaluation – Summary</b>			
<b>Management Indicators</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Budgeting	Meets	Meets	Meets
Financial Policies and Practices	Meets	Meets	Meets
Financial Reporting	Does Not Meet	Does Not Meet	Meets
Financial Audit	Meets	Meets	Meets
<b>Near-Term Indicators</b>			
Current Ratio	3.18	3.92	3.84
Days Cash on Hand	35	43	53
Enrollment Variance	90.0%	97.3%	87.1%
<b>Sustainability Indicators</b>			
Fund Balance Percentage	20.2%	21.5%	23.2%
Total Margin/Aggregated Three-Year Total Margin	1.5%/1.4%	2.2%/2.3%	2.7%/2.1%
Debt to Asset Ratio	0.31	0.25	0.25

## **Financial Performance Indicator 1: Financial Management**

### **1.1 Budgeting:** *Does the school effectively establish and monitor budgets?*

#### **Meets Standard**

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to budgets.

- Board meeting minutes and/or audit notes document approval of fiscal year budget on or prior to the June 30 statutory deadline.
  - The board appropriately monitors the budget, which may include:
    - Monthly review of budget to actuals;
    - Mid-year budget updates approved by the board as appropriate;
- The board reviews and approves quality monthly financial statements which include recommended reports: balance sheet, income/expense statement, cash flow statement (at least quarterly), budget vs. actual report, enrollment report, disbursements.
- Budget variances are reasonable. The variance compares actuals to projected revenues and expenditures based on the school's approved budget as of December 1\* for all fund areas.
  - Revenue variance: Does the school meet or exceed overall revenue projections?
  - Expenditure variance: Does the school stay within or below expenditure projections?

\*Our intention is to compare year-end actuals to the December 1 approved budget. In lieu of that we will compare to the revised budget that we have available to us. Please ensure Osprey Wilds has your approved budget as of December 1 of each fiscal year.

#### **Does Not Meet Standard**

The school failed to implement the program in the manner described above; the failure(s) were material and significant to the viability of the school.

#### **Calculation**

Revenue Variance = (Actual Revenue – Projected Revenue) ÷ Projected Revenue  
-4.0% = (\$ 1,964,167 - \$ 2,046,048) ÷ \$ 2,046,048

Expenditure Variance = (Actual Expenditures – Projected Expenditures) ÷ Projected Expenditures  
-5.7% = (\$ 1,911,977 - \$ 2,027,201) ÷ \$ 2,027,201

#### **Analysis**

The school board approved the FY20 and FY21 budgets prior to the start of the respective fiscal years. There is minimal evidence that the board engaged in budget development leading up to its approval, other than approval of the action item itself. Budget to actual variances were near 5% in each instance and enrollment was lower than projected.

Ongoing issues related to timely financial reporting and quality monthly financial statements led the school to hire a new financial services provider effective July 1, 2019. Over the course of several months, financial statements were not approved or accepted due to outstanding questions for the financial services provider. During FY19, OW required the school to develop a school remediation plan that resulted in increased student engagement and learning, effective instructional leadership, and a safe and conducive learning environment. The school worked with its financial service provider to develop a three-year financial plan that aligned with these outcomes and appropriately

invests in student outcomes. This is an improvement over past years and demonstrates that the board is more closely linking its financial and contractual oversight responsibilities. It will be important that the school use this plan to guide development of its budget over the course of the next few years.

**1.2 Financial Policies and Practices:** *Does the school implement appropriate financial policies and practices?*

**Meets Standard**

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to financial policies and practices, including but not limited to:

- Contracting/Purchasing Policy
- Fund Balance Policy
- Credit Card Policy
- Conflict of Interest Policy
- Electronic Funds Transfer Policy
- Contributions and Fundraising Policy
- Group Health Insurance Policy (required if the school provides group health insurance coverage)
- Assessing Student Fees Policy (required if the school charges fees for textbooks, workbooks, and library books)
- Appropriate use of public funds
- Sufficient internal controls

**Does Not Meet Standard**

The school failed to implement the program in the manner described above; the failure(s) were material and significant to the viability of the school.

**Analysis**

Osprey Wilds has on file the following board approved financial-related policies:

- Purchasing and Procurement Policy, approved November 19, 2013
- Fund Balance Policy, adopted September 30, 2013
- Conflict of Interest Policy, approved November 19, 2013

Please provide Osprey Wilds with updated versions of these policies, if applicable.

In addition, please provide OW with copies of the following required policies:

- Electronic Funds Transfer Policy
- Contributions and Fundraising Policy
- Credit Card Policy
- Conflict of Interest Policy (included as part of the school's bylaws)
- Group Health Insurance Policy (required if the school provides group health insurance coverage)
- Assessing Student Fees Policy (required if the school charges fees for textbooks, workbooks, and library books)

If the school does not have these policies, the board must have in place a plan to draft and adopt the required policies, and all policies must be adopted prior to December 31, 2022.

**1.3 Financial Reporting:** *Did the school complete timely and accurate financial reporting?*

**Meets Standard**

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to financial reporting.

- Financial audit, including required supplemental information, is submitted to Osprey Wilds and MDE no later than December 31.
- Preliminary and final UFARS data are appropriately submitted (September 15 and November 30 respectively.)
- MDE School Finance Award
- CSP grant reports, SOD plans and reports and/or other required financial reports are submitted in a timely and accurate fashion.
- Financial reporting to Osprey Wilds is timely and accurate.

**Does Not Meet Standard**

The school failed to implement the program in the manner described above; the failure(s) were material and significant to the viability of the school.

**Analysis**

The school's on-time financial reporting rate to Osprey Wilds via Epicenter for financial-related tasks was 44% over the course of the contract to date (July 1, 2018 through January 17, 2022), but was 88% for fiscal year FY21. Among other items, the school submitted multiple years of audits, budgets and Form 990s late. OW expects the school will maintain at least an 80% on-time Epicenter compliance rating. Generally, Epicenter timeliness is an area of growth for the school in all areas. The school earned the MDE School Finance Award for FY20 reporting which demonstrates on time and accurate financial reporting to MDE.

**1.4 Financial Audit:** *Did the school receive an unqualified/unmodified audit opinion absent any significant deficiencies or material weaknesses?*

**Meets Standard**

The school materially complies with applicable laws, rules, regulations and provisions of the charter contract relating to the annual financial audit.

- The most recent financial audit includes no significant deficiencies or material weaknesses.
- The most recent financial audit included an unqualified/unmodified opinion.
- Any previous year audit findings have not been repeated in most recent audit
- Appropriate corrective action plan is in place to ensure any finding is not repeated in the next fiscal year.

**Does Not Meet Standard**

The school failed to implement the program in the manner described above; the failure(s) were material and significant to the viability of the school.

**Analysis**

The school's FY21 audit included an unmodified ("clean") opinion with no significant deficiencies, materials weaknesses, or legal compliance findings.

## **Financial Performance Indicator 2: Near-Term Financial Health**

### **2.1 Current Ratio:** *Does the school have enough current assets to pay off its current liabilities?*

The current ratio measures a school's ability to pay its obligations over the next 12 months. A current ratio of greater than 1.0 indicates that the school's current assets exceed its current liabilities, thus indicating ability to meet current obligations. A ratio of less than 1.0 indicates that the school does not have sufficient current assets to cover the current liabilities and is not in a satisfactory position to meet its financial obligations over the next 12 months.

#### **Calculation**

Current Ratio = Current Assets divided by Current Liabilities

$$3.84 = \$ 598,756 \div \$ 156,008$$

#### **Meets Standard**

Current Ratio is greater than or equal to 1.1, or Current Ratio is between 1.0 and 1.1 and one-year trend is positive (current year ratio is higher than last year's).

#### **Does Not Meet Standard**

Current Ratio is between 0.9 and 1.0 or equals 1.0, or Current Ratio is between 1.0 and 1.1 and one-year trend is negative.

#### **Does Not Meet Standard**

Current Ratio is less than or equal to 0.9.

#### **Analysis**

The school's current ratio was 3.84 at FY21 year-end and has been above 3.0 in each of the last six years. This is well above the standard and indicates the school is well-positioned to meet current obligations.

### **2.2 Days Cash on Hand:** *Does the school have sufficient cash on hand to fund operations?*

The days cash measure calculates the extent to which a school has sufficient cash to meet its cash obligations. Depreciation expense is removed from the total expenses because it is not a cash expense. This critical measure takes on additional importance given the timing of school payments in Minnesota. For this measure, target levels may be adjusted based on the holdback percentage to ensure reasonable expectations, while still evaluating a school for cash levels necessary for financial health. Measures below are based on the holdback rate of 10%.

December 31 data is also included to provide a fuller picture of the school's cash position throughout the year and is averaged with June 30. In addition, any short-term borrowing done by the school to manage cash flow will be documented here, though it will not figure into calculations. Short-term borrowing will also be evident in the Current Ratio.

#### **Calculation**

Days Cash = Cash divided by [(Total Expenses - Depreciation Expense)/365]

Previous fiscal year end (June 30):  
45 days =  $\$ 234,073 \div [(\$ 1,996,336 - \$ 84,359) \div 365]$

December 31 of current fiscal year:  
62 days =  $\$ 325,466 \div [(\$ 1,996,336 - \$ 84,359) \div 365]$

53 days = Average days cash

**Meets Standard:**

- Average days cash is 60 or higher; or
- Average days cash is between 30 and 60 days and one-year trend is positive.

**Does Not Meet Standard:**

- Average days cash is between 15 and 30 days; or
- Average days cash is between 30 and 60 days and one-year trend is negative.

**Falls Far Below Standard:**

- Average days cash is less than 15 days cash.

**Analysis**

The school's days cash increased to 43 days by FY20 year-end, up from 35 days in FY19. This positive trend meets the standard for this measure. The increase in the school's fund balance also contributes to a stronger picture of the school's near-term financial health.

**2.3 Enrollment Variance:** *Does the school meet enrollment projections?*

The enrollment variance analysis will indicate whether the school is on target with enrollment targets from approved budgets and compares actuals to projected enrollment based on the school's originally approved budget. A school that fails to meet its enrollment targets may not be able to meet its budgeted expenses, and a poor enrollment variance is an important indicator of potential financial issues. Enrollment variance is used to evaluate a charter school's financial health as well as board and management capacity to forecast. Thus, while enrollment variance is a primary measure of financial health, it can also be seen as a secondary measure for organizational aptitude. Enrollment Variance is based on Per Pupil Units (PP) as this is the primary driver of funding.

**Calculation**

Enrollment Variance = Actual Enrollment divided by Projected Enrollment  
 $87.1\% = 103.52 \div 118.8$

**Meets Standard:**

Enrollment Variance exceeds 95%.

**Does Not Meet Standard:**

Enrollment Variance is between 85% and 95%.

**Falls Far Below Standard:**

Enrollment Variance is less than 85%.

**Analysis**

The school's enrollment variance has been below projections over the term of the contract and was 87.1% at FY21 year-end, the lowest it has been in eight years and almost a 13% variance. This does not meet the standard for this measure. Accurate enrollment predictions are the basis upon which

the budget is based and inaccurately predicting revenue can cause stress on the school's overall financial health.

### **Financial Performance Indicator 3: Financial Sustainability**

**3.1 Fund Balance Percentage:** *Does the school have sufficient reserves on hand to serve as a cushion for unexpected situations or to help fuel growth or investment in new programs?*

The fund balance percentage measures the equity a school has built up in its general fund. Using the Fund Balance in the General Fund, this calculation indicates the percentage of available funds that the school has in reserve in relation to its Total General Fund Annual Expenditures.

#### **Calculation**

Fund Balance Percentage = General Fund Balance divided by Total General Fund Annual Expenditure

$$23.2 \% = \$ 442,403 \div \$1,908,551$$

#### **Meets Standard:**

Fund Balance Percentage is greater than or equal to 20.0%.

#### **Does Not Meet Standard:**

Fund Balance Percentage is between 10.0-19.9%.

#### **Falls Far Below Standard:**

Fund Balance Percentage is less than 9.9%.

#### **Analysis**

The school's fund balance has increased every year of the contact term, with a balance of \$442,747, an increase of 1.7% over the previous year. The board must carefully manage its budget going forward to maintain this trend and in order to ensure great outcomes for students and the long-term viability of the school.

**3.2 Total Margin and Aggregated Three-Year Total Margin:** *Does the school operate with an annual surplus or has the school needed to deplete its fund balance to operate?*

The total margin measures whether a school added to its fund balance in a current year (positive total margin) or if the school depleted the fund balance in the current year (negative total margin).

The aggregated three-year total margin is helpful for measuring the long-term financial stability of the school by smoothing the impact of single-year fluctuations on the single-year total margin indicator. The performance of the school in the most recent year, however, is indicative of the sustainability of the school. It is expected that the school has a positive total margin in the most recent year, however in some instances, a school with a larger fund balance may have a planned spend down as part of a strategy to invest in some aspect of its program. Such instances will be noted in the analysis.

### Calculation

Total Margin = Most recent year Surplus (or Deficit) divided by Total Revenue  
 $2.7\%/2.1\% = \$ 52,190 \div \$ 1,964,167$

Aggregated Three-Year Total Margin = Total Three-Year Surplus (or Deficit) divided by Total Three-Year Revenue  
 $2.1\% = \$ 119,889 \div \$ 5,618,512$

### Meets Standard:

- Aggregated Three-Year Total Margin is positive and the most recent year Total Margin is positive; or
- Aggregated Three-Year Total Margin is greater than -1.5%, the trend is positive for the last two years, and the most recent year Total Margin is positive; or
- Aggregated Three-Year Total Margin is greater than -1.5%, the fund balance Meets Standard, and the school has executed a planned spending of its fund balance to invest in program needs.

### Does Not Meet Standard:

- Aggregated Three-Year Total Margin is greater than -1.5%, but trend does not Meet Standard.

### Falls Far Below Standard:

- Aggregated Three-Year Total Margin is less than or equal to -1.5%; or
- The most recent year Total Margin is less than -10.0%.

### Analysis

The school's total and the three-year aggregated total margin have been positive and have met standard for each year of the current contract. These numbers reflect that the school has added to its fund balance over each of the last six years.

### 3.3 Debt to Asset Ratio: *Does the school have sufficient resources to manage its debt?*

The debt to asset ratio compares the school's liabilities to its assets. Simply put, the ratio demonstrates what a school owes against what it owns. A lower debt to asset ratio generally indicates stronger financial health. Charter schools in Minnesota generally do not own buildings; therefore the assets are not recorded in the books of the school. The target levels are therefore set to reflect organizations which do not own their own facilities or land. In cases where a school has an affiliated building company, this measure does not take into account the building company's assets or liabilities. Additionally, this measure does not include any long-term liabilities related to TRA and PERA.

### Calculation

Debt to Asset Ratio = Total Liabilities divided by Total Assets

$0.25 = \$ 156,008 \div \$ 618,908$

### Meets Standard:

- Debt to Asset Ratio is less than 0.5.

### Does Not Meet Standard:

- Debt to Asset Ratio is between 0.5 and 1.0.

### Falls Far Below Standard:

- Debt to Asset Ratio is greater than 1.0.



**Analysis**

The school's debt to asset ratio has met standard for each year of the contract, including FY21 at 0.25. This calculation does not include any net pension liabilities related to TRA or PERA. The school has no long-term debt.

(draft for board)

AAHS currently has five snow days built into our 21-22 calendar.

If we take away three of those by extending winter break, we'd only have two snow days remaining.

We realized we need an e-learning plan to be able to have virtual days if we need more than two snow days in the 21-22 school year

### E-Learning Days

The TPS Committee requests the board approve our E-Learning Day plan. There is an annual notice requirement. We are requesting approval now due to unforeseen challenges we've faced with COVID-19.

### **E-Learning (Virtual) Days at Academic Arts**

**E-Learning day hours:** 8:30 a.m. - 3:05 p.m.

**Daily notice:** On an e-learning day declared by the school, the school will notify parents and students at least two hours prior to the normal school start time that students need to follow the e-learning day plan for that day.

All students will be provided Chromebooks the day prior to an anticipated E-Learning day being called.

**Accommodations:** accommodations for students without Internet access at home and for digital device access for families without the technology or an insufficient amount of technology for the number of children in the household. A school's e-learning day plan must provide accessible options for students with disabilities

**Teacher access.** Each student's teacher will be accessible both online and by telephone during normal school hours on an e-learning day to assist students and parents.

**Annual notice.** The school will notify parents and students of the e-learning day plan at the beginning of the school year.