



SCHOOL FINANCIAL OVERSIGHT REPORT

VOA-MN AUTHORIZED CHARTER SCHOOLS

APRIL 2024

**Authored by Finance Performance Analyst Rochel Perna
for the Volunteers of America of Minnesota Charter School Authorizing Program**

Submitted to Ms. Stephanie Olsen, Senior Program Manager

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INTRODUCTION

This report discloses the financial performance of authorized schools for the prior fiscal year. It utilizes information from the Minnesota Department of Education (MDE) website as well as information from individual school documents, which include but is not limited to monthly board meeting minutes, financial reports, and financial audits of the schools.

The finance report methodology incorporates ten financial standards that are expected to be met by each school authorized by VOA-MN. This supports the understanding that these are the contractual standards that VOA-MN authorized schools are aware of and strive to meet throughout the year. In addition, school leadership and VOA-MN representatives work together on these standards throughout the year to strengthen the school's financial health.

With the advent of Covid-19 in early 2020, the VOA-MN network of charter schools have been tasked with introducing flexible learning schedules, innovative platforms to deliver instruction, and safe environments for all students and families. FY 2023 financial oversight was conducted mainly onsite but remotely when conditions were not safe to be onsite. Virtually all charter schools have had access to federal aid through the CARES Act of 2020. The CARES Act included an Education Stabilization Fund, which created two major sources of funding for schools: the Governor's Emergency Education Relief (GEER) Fund and the Elementary and Secondary School Emergency Relief (ESSER) Fund. It also contained section 5001, the Coronavirus Relief Fund (CRF), which established funding to state, local, and Tribal governments navigating the impact of the COVID-19 pandemic. In Addition, many charter schools were able to access federal funds through the CARES Act Paycheck Protection Program due to the non-profit status of charter schools. This federal aid greatly helped charter schools maintain their General Fund balances and fiscally survive the COVID-19 pandemic.

METHODOLOGY FOR THE REPORT

VOA-MN Standard Measurement

VOA-MN holds the schools it authorizes accountable in fiscal management using ten financial standards. The VOA-MN financial analyst evaluates the performance of the school on each standard using the following scale:

- 2 = Meets standard
- 1 = Partially meets standard
- 0 = Does not meet standard

The VOA-MN standards were created based on Minnesota Statutes, U. S. Codes, Generally Accepted Accounting Principles, Governmental Accounting Standards Board requirements and best practice norms. These standards are listed below including the point value used in school contract renewals:

Standard One: The school maintains a balanced budget.

2 = surplus budget

1 = n/a

0 = deficit budget

Method of Examination:

- a. Review original and revised budgets submitted to VOA-MN per the Annual Submission Calendar*
- b. Review the school's annual financial audit report*
- c. Review monthly income statements*

Schools submit an approved current year budget to VOA-MN and the MDE by July 1 of each year. A revised budget is generally submitted during the year as the school updates revenue and expenditure projections. The school's annual financial audit is the data source that is used to verify whether the school has met budget projections by comparing them to actual results. This report is received by VOA-MN by December 31 each year.

Although the VOA-MN standard concentrates on the General Fund, the other major operating funds of Food Service (Fund 2) and Community Service (Fund 4) must also be included in budget projections and reporting.

Standard Two: The school is compliant with state and federal financial reporting deadlines, including the proper use of public funds.

- 2 = never missed*
- 1 = missed 1 time*
- 0 = missed > 1 time*

Method of Examination:

- a. *Review school's prior and current year financial data submitted to VOA-MN per the Annual Submission Calendar including:*
 - a. *Preliminary UFARS data*
 - b. *ADM report*
 - c. *Final UFARS data*

Meeting state and federal financial reporting deadlines is critical in the financial success of a school.

Standard Three: The school's financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor, and the authorizer by December 31.

- 2 = submitted*
- 1 = n/a*
- 0 = not submitted*

Method of Examination:

- a. *Review email and attached MDE documentation sent to VOA-MN from the school confirming the submission of the audit report to these organizations.*

Schools must have a completed audit submitted to the MDE, the Office of the State Auditor (OSA), and the authorizer by December 31.

Standard Four: Schools are expected to have audits that are free of all findings.

- 2 = no findings*
- 1 = 1 or more "significant deficiency" finding(s)*
- 0 = 1 or more "material weakness" or legal compliance finding(s)*

Method of Examination:

- a. *Review school's financial audit report*

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Legal compliance findings are found in two categories that are tested in the audit: uniform financial accounting and reporting standards (UFARS), and charter schools.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.

2 = never late
1 = late 1-2 times
0 = late > 3 times

Method of Examination:

- a. Examine the school's monthly check registers*
- b. Examine the school's monthly cash flow projection*
- c. Review the school's board meeting agendas and minutes*

The proper payment of obligations is a strong measure of organizational health and a standard to be met by schools. Boards must strive to meet financial obligations and timely payments of bills.

Standard Six: The school provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.

2 = never missed
1 = missed 1 time
0 = missed > 2 times

Method of Examination:

- a. Review the school's board packet for inclusion of all documents*

Regular oversight of the school fiscal condition is a standard that is possibly one of the most important practices for a board to ensure fiscal responsibility and the appropriate use of public funds. The board and VOA-MN typically reviews at least the following financial documents each month: income statement, cash flow projection, check register, student enrollment. It is expected

that each board member, at some point in a month, scrutinizes the key data pieces in the reports rather than only one member of the board or the finance committee.

Standard Seven: The school develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.

2 = 20% or >
1 = 15-20%
0 = < 15%

Method of Examination:

- a. *Review the school's General Fund balance policy*
- b. *Review the school's monthly financial reports*
- c. *Review the school's board meeting agendas and minutes*

This standard considers the existence of a General Fund balance policy that contains conditions necessary to assist in the maintenance of fiscal health. A quality fund balance policy will conform to required parameters of Uniform Financial Accounting and Reporting Standards (UFARS) as well as Government Accounting Standards Board (GASB) 54. Currently, the target for meeting the standard is a minimum of 20%.

A school is judged as having met the standard if they have a quality General Fund balance policy and an actual balance of at least 20%.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.

2 = 8-12 meetings/year
1 = 5-7 meetings/year
0 = 0-4 meetings/year

Method of Examination:

- a. *Review the school's board meeting agendas and minutes*

A finance committee is a subcommittee of the school board that meets monthly to review the school's financial reports in detail and subsequently reports the highlights and significant events of the meeting to the full board at the next regularly scheduled meeting. This is a great way to

disseminate information to the board through members who are financially adept and able to communicate with the school leaders about financial matters.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.

*2 = all committee members **have** received formal/informal training during the year relating to their roles and responsibilities on the finance committee*

1 = n/a

*0 = some committee members **have not** received formal/informal training during the year relating to their roles and responsibilities on the finance committee*

Method of Examination:

- a. *Query the school director about finance committee training.*
- b. *Review the school's board meeting agendas and minutes for finance committee member training relating to their roles and responsibilities on the committee.*

Training of finance committee members in their roles and responsibilities on the committee is an important measure to ensure the members have adequate information to effectively monitor the school's financial position.

Standard Ten: The school is not in Statutory Operating Debt (SOD).

0 = in SOD

1 = n/a

2 = not in SOD

Method of Examination:

- a. *Review budget*
- b. *Review the school's board meeting agendas and minutes*
- c. *Review financial audit*

SOD occurs if the percent of the General Fund balance is less than 2.50% of school unreserved/undesignated operating expenditures. A review of the school's current year budget is the first document that would indicate if the school would be in SOD. The final determination is found in the school's annual financial audit.

Summary: If a school meets all ten financial standards, they will receive the VOA-MN Finance Award of Excellence.

INDIVIDUAL SCHOOL ANALYSIS

Athlos Academy St. Cloud

3701 33rd Street South
St. Cloud, MN 56301

Phone: 320-281-4430
www.athlosstcloud.org

Executive Director: Jennifer Geraghty

VOA-MN Standard Analysis

The school's evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school's original FY 2023 General Fund budget approved at the March 2022 board meeting was based on 580 ADMs and a projected surplus of \$559,916. A revised budget was reviewed and approved by the board based on enrollment of 411 ADMs and indicated a year-end surplus of \$228,530.

The school ended FY 2023 with a surplus of \$258,912 in the General Fund and ADM of 430 based on results reported in the FY 2023 financial audit.

The school has maintained a balanced budget for FY 2023.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor, and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
X	2 = no findings
	1 = 1 or more “significant deficiency” finding(s)
	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained no material weakness or significant deficiency findings in internal control over financial reporting and no legal compliance findings as reported on page 89 of the FY23 financial audit.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times

Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.

X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school provided financial reports and data to the board or VOAMN in a timely manner throughout FY 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.

	2 = 20% or >
	1 = 15-20%
X	0 = < 15%
Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school’s General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$579,499	\$796,320	\$675,896	\$934,808
Fund Balance Percent	5.9%	8.4%	7.3%	11.8%

The school has a fund balance policy in place which states:

“Minimum unassigned fund balance – Athlos Academy of St. Cloud will maintain a minimum unassigned fund balance in its General Fund that meets or exceeds the target described below. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment.

1. Athlos Academy of St. Cloud’s ultimate target fund balance is 20%.

2. In the first year of operation, Athlos Academy of St. Cloud will have a target fund balance of 1%

3. The target fund balance will increase annually at a minimum of 1% per year and will reach the ultimate target fund balance in as few years as is fiscally responsible.”

The school’s FY 2023 ending General Fund balance increased 4.5% from the prior year and the board will want to work on increasing that per the General Fund balance policy it has in place.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school’s finance committee met nine times during FY 2023.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School director queries, board meeting agendas and minutes.	

Per the school director, all finance committee members received formal/informal training during FY23 relating to their roles and responsibilities on the finance committee.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School's budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

Athlos Leadership Academy

10100 Noble Parkway North
Brooklyn Park, MN 55443

Phone: 763-777-8942

www.athlosbrooklynpark.org

Superintendent/Principal: Jennifer Geraghty

VOA-MN Standard Analysis

The school's evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school's original FY 2023 General Fund budget was approved at the March 2022 board meeting and reflected a surplus of \$42,453 based on 895 ADMs. The school revised the budget in

April 2023 with 891 ADMs and projected a surplus of \$293,795. The school ended the year with a surplus in the General Fund of \$140,839 and 803 ADMs, with an ending fund balance of \$3,429,293.

Overall, the school has maintained a balanced budget.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
X	2 = no findings
	1 = 1 or more “significant deficiency” finding(s)
	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained no findings as stated on page 73 of the financial audit.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
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X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school has consistently provided complete financial reports in the monthly board packets to VOA-MN and the school board for FY 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
X	2 = 20% or >
	1 = 15-20%
	0 = < 15%
Data Source: The school's General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school's General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$2,135,074	\$2,924,819	\$3,288,454	\$3,429,293
Fund Balance Percent	17.56%	25.76%	28.01%	26.05%

The school has maintained a healthy General Fund balance over the past three years, which is indicative of a well-run school board and strong internal financial management.

The school has a fund balance policy in place which states:

V. MINIMUM FUND BALANCE

The school district will strive to maintain a minimum unassigned general fund balance of 5% - 30% percent of the annual budget.

The school has met the VOA-MN General Fund balance target of 20% and has met the range stated in their fund balance policy.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school has a finance committee that met eleven times in FY23.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

Per the school’s director all finance committee members received training during FY23.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD

Data Source: School’s budget, board meeting agendas and minutes, financial audit.

The school is not in Statutory Operating Debt.

Birch Grove Community School

PO Box 2383
Tofte, MN 55615

Phone: 218-663-0170
www.birchgroveschool.com

Director: Diane Blanchette

VOA-MN Standard Analysis

The school’s evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school’s original FY 2023 budget approved in May 2022 was based on 42 ADM with a projected surplus of \$15,306. The school did not revise the budget in FY 2023.

The school ended the year with 43 ADMs and a FY 2023 General Fund surplus of \$22,782 resulting in an ending General Fund balance of 23.13%.

Overall, the school has maintained a balanced General Fund budget for FY 2023.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
	2 = no findings
X	1 = 1 or more “significant deficiency” finding(s)
	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained one finding considered to be a significant deficiency in internal control; Preparation of Financial Statements as noted on page 58 of the audit report.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school board reviews and approves various financial reports at each meeting and regularly receives an update from the finance and fundraising committees. The school provided all monthly financial reports in a timely manner in FY 2023.

Standard Seven: The school develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
X	2 = 20% or >
	1 = 15-20%
	0 = < 15%
Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school’s General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$51,965	\$120,885	\$127,527	\$150,309
Fund Balance Percent	6.5%	22.28%	22.92%	23.13%

The school’s FY 2023 General Fund balance increased slightly from the prior year. The school has a fund balance policy in place which states:

The school will strive to maintain a minimum unassigned general fund balance of 20-25% of the annual expenditure budget.

The school has met the goals set in the General Fund balance board policy for the past three years and the VOA-MN standard of 20% of greater.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school has a finance committee that met twelve times in FY 2023.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

Per the school director, all finance committee members received training in FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School's budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

Bluffview Montessorri School

1321 Gilmore Ave,
Winona, MN 55987
Phone: 507-452-2807

<https://www.bluffviewmontessori.org/>

Head of School: Henry Schantzen

VOA-MN Standard Analysis

The school's evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school board approved the FY 2023 original budget in June 2022 based on 212 ADMs and a resulting deficit of \$45,631. The budget was revised in May 2023 to reflect a deficit of \$144,274 and no change in ADMs. The school ended the year with 212 ADMs and a surplus of \$96,880. The school has maintained a balanced budget in FY 2023.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
X	2 = no findings
	1 = 1 or more “significant deficiency” finding(s)
	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained no findings

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed

	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school has consistently provided complete financial reports in the monthly board packets to VOA-MN and the school board for FY 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
X	2 = 20% or >
	1 = 15-20%
	0 = < 15%
Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school’s General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	-	-	\$1,188,653	\$1,285,533
Fund Balance Percent	-	-	42.3%	42.3%

The school board has a General Fund balance policy that states:

Bluffview Montessori School will strive to maintain a minimum unassigned general fund balance of 30 percent of the annual budget.

The school has maintained a General Fund balance of 42.3% which is more than the school’s policy and the authorizers target for FY 2023.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school has a finance committee that met twelve times in FY 2023 and is doing the appropriate work.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

All finance committee members have received training in FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School’s budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

FIT Academy

7200 147th Street West
 Apple Valley, MN 55124

Phone: 952-847-3798
fitacademymn.org/

Founder and Executive Director: Claud Allaire

VOA-MN Standard Analysis

The school’s evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.

- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The board approved the original FY23 budget in March 2022 based on 330 ADMs and a resulting deficit of \$238. The budget was revised in February 2023 to reflect an increase in ADMs to 360 and an operating surplus of \$33,752. The school ended the year with 352 ADM’s and a surplus of \$479,644.

The school has maintained a balanced budget in FY23.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
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	2 = no findings
	1 = 1 or more “significant deficiency” finding(s)
X	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained one significant deficiency finding; Payroll Timesheet Approvals and one legal compliance finding; Prompt Payment of Vendor Claims.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school has consistently provided complete financial reports in the monthly board packets to VOA-MN and the school board for FY 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
	2 = 20% or >
	1 = 15-20%

X	0 = < 15%
Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school’s General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$254,659	\$234,856	\$272,445	\$752,089
Fund Balance Percent	7.18%	5.82%	6.42%	14.50%

The school’s General Fund balance has increased significantly from 6.42% in FY 2022 to 14.5% in FY 2023 but has not achieved the school’s or authorizer target of 20%. The school’s General Fund balance policy states:

The school district will strive to maintain a minimum unassigned general fund balance of 20 percent of the annual budget.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school has a finance committee that met twelve times in FY 2023. The financial statements and management reports are generally presented by the contracted financial manager and discussed with the group. A summary report is then shared at the upcoming board meeting with all board members for review and approval.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee

Data Source: School board members queries, board meeting agendas and minutes.

Per the director, all finance committee members have received training in FY23.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School’s budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

Green Isle Community School

190 McGrann Street, PO Box 277
Green Isle, MN 55338

Phone: 507-326-7144
www.greenislecommunityschool.org

Director: Lindsay Paschke

VOA-MN Standard Analysis

The school’s FY23 audit was not completed by the time of the submission of this report, therefore, standards one, four, and seven were not able to be completed. The school is planning to close at the end of FY24 due to their declining enrollment and unsustainability of programs. Their financial condition has worsened this year to the degree that they entered Statutory Operating Debt mid-year. See standard seven below for more information.

The school’s evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.

	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school's original FY 2023 budget was approved by the school board in May 2022 with a projected surplus of \$4,285 and an ADM of 54. The school did not revise the budget during the year.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
	2 = never missed
	1 = missed 1 time
X	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The school missed state and federal financial reporting deadlines many times during FY23.

Standard Three: The school's financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
	2 = submitted
	1 = n/a
X	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school did not submit its financial audit to the MDE, Office of the State Auditor, and the authorizer by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
	2 = no findings
	1 = 1 or more "significant deficiency" finding(s)
	0 = 1 or more "material weakness" or legal compliance finding (s)
Data Source: The school's financial audit report.	

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
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	2 = never late
	1 = late 1-2 times
X	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The school made many late payments to vendors in FY23.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
	2 = never missed
	1 = missed 1-2 times
X	0 = missed > 2 times
Data Source: Board packets	

The school did not provide monthly financial information on a consistent basis in FY 2023. The VOA-MN financial analyst noted the following items in monthly oversight reports:

- *Received a detailed expense report but not revenue. Received a payment distribution report but not a check register. For June, need all financials other than CF. Had a meeting with Honey, Serenity, and Nick on July 14 to review all the above and request they start providing correct financials.*
- *Need July fins – emailed Serenity on 9/2. Received an email on 9/6 but not the correct reports. Asked her to work with Honey to get me the correct ones on 9/6. Emailed her again on 9/8 further explaining what I was looking for.*
- *Need July and August check registers.*
- *No approval of financials at the September board meeting.*
- *No financial or current enrollment at the October board meeting.*
- *No financial review or approval from December 2022 through June 2023.*

The school has not provided financial documents in a timely and consistent manner in FY 2021, FY2022, or FY2023. Many meetings took place during the year again with the VOA-MN financial analyst and the school administrator on issues the school is having in the financial management and

reporting area. The school has contracted with financial vendors to correct systems and financial reporting.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
	2 = 20% or >
	1 = 15-20%
	0 = < 15%
Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school’s General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2019	FY 2020	FY 2021	FY 2022
Fund Balance Amount	\$35,735	(\$1,155)	\$16,853	(\$66,128)
Fund Balance Percent	4.75%	(.14%)	1.95%	(8.7%)

The school has a fund balance policy in place which states:

The school district will strive to maintain an unassigned general fund balance of 33 percent of the annual expenses. The school district will spend enough money so as to not have an unassigned general fund balance in excess of 100 percent of the annual expenses. The school district will at all times maintain an unassigned fund balance above 0 (zero) as reported in the year-end financial statements.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
X	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school has a finance committee that met four times in FY 2023.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
X	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

Per the school director, not all finance committee members were trained in FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
	2 = not in SOD
	1 = n/a
X	0 = in SOD
Data Source: School’s budget, board meeting agendas and minutes, financial audit.	

The school entered Statutory Operating Debt (SOD) during FY24. A letter from MDE dated January 4, 2024 stated:

Minnesota Statutes, section 123B.81 defines SOD as having a net negative unrestricted general fund balance of more than 2.5 % of its General fund unrestricted expenditures. Based on #4144 Green Isle Community School’s FY22 December 15 the Uniform Financial Accounting and Reporting Standards (UFARS) submission, the school has an SOD calculation of – 2.74 % with an unassigned/nonspendable/restricted/assigned and committed fund balance of negative \$20,162. A copy of the UFARS Fiscal Compliance Report (06/30/22) is attached.

Harbor City International School

332 West Michigan Street, Ste 300
Duluth, MN 55802

Phone: 218-722-7574
www.harborcityschool.org

Executive Director: Aryn Bergsven

VOA-MN Standard Analysis

The school’s evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
	2 = surplus position
	1 = n/a
X	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school’s original FY 2023 budget was approved by the school board in June 2022 with a projected deficit of \$160,600 and an ADM of 190. The school’s final FY 2023 budget was approved by the board in March 2023 and is based on 190 ADMs resulting in a projected deficit of \$188,443.

The school’s FY 2023 General Fund ended the year with 180 ADMs and a deficit of \$187,201 compared to the projection of a deficit of \$188,443 decreasing the fund balance from \$774,120 to \$586,919. The decrease in the General Fund balance in FY 2023 was not a controlled spend down. An excerpt of an email from the director explains further:

The spend down was not a surprise or unintentional. It was largely impacted by having a surplus fund balance due to the influx of money during the pandemic that created a cushion for inconsistent enrollment in the wake of distance learning (a trend felt across the state). As our enrollment dipped, which we anticipated could happen but were not necessarily planning for per say, we were able to use the cushion to cover the lost revenue. We did end the year less than 1% below our intended 20% target as our enrollment numbers dipped lower than we expected.

Overall, the school has not maintained a balanced General Fund budget in FY 2023.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.

X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
X	2 = no findings
	1 = 1 or more “significant deficiency” finding(s)
	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained no findings.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school provided all monthly financial information to the school board and VOA-MN consistently in FY 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
	2 = 20% or >
X	1 = 15-20%
	0 = < 15%
Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school’s General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$622,728	\$1,000,673	\$774,120	\$586,919
Fund Balance Percent	22.82%	36.77%	26.37%	19.44%

The school has a fund balance policy in place which states in part:

Minimum unassigned fund balance – The school will maintain a minimum unassigned fund balance in its General Fund of [20] percent of [the subsequent year’s budgeted expenditures and outgoing transfers].

Replenishing deficiencies – when fund balance falls below the minimum [20] percent, the school will replenish shortages/deficiencies using the budget strategies and timeframes described below.

The following budgetary strategies shall be utilized by the school to replenish funding deficiencies:

- *The school will reduce recurring expenditures to eliminate any structural deficit or,*
- *The school will increase revenues or pursue other funding sources, or,*
- *Some combination of the two options above*

The General Fund balance decreased from 26.37% in FY 2022 to 19.44% in FY 2023, which is below both the schools and the VOA-MN target fund balance.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school has a finance committee that met ten times in FY 2023. All monthly financial reports are reviewed in detail at these meetings. The finance committee meeting is doing appropriate work.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

Per the director, all finance committee members received financial training on their roles and responsibilities in FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a

0 = in SOD
Data Source: School's budget, board meeting agendas and minutes, financial audit.

The school is not in Statutory Operating Debt.

Kaleidoscope Charter School

7525 Kalland Avenue Northeast
 Otsego, MN 55301

Phone: 763-428-1890
www.kcsmn.org

Executive Director: Brad Sellner

VOA-MN Standard Analysis

The school's evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school board approved the original FY 2023 budget based on 535 ADM in June 2022 projecting a deficit of \$61,997 and revised the budget in December 2022 with a decrease in enrollment to 530 ADM and a surplus of \$115,161. The school ended with actual results of 527 ADMs and a surplus of \$404,954.

The school has maintained a balanced budget for FY23.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school's financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
X	2 = no findings
	1 = 1 or more "significant deficiency" finding(s)
	0 = 1 or more "material weakness" or legal compliance finding (s)
Data Source: The school's financial audit report.	

The school's FY 2023 financial audit contained no findings.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times

Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The board receives a finance committee report at each board meeting which includes a review of monthly financial statements. The school has consistently provided required monthly financial reports to VOA-MN and the board through June 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
X	2 = 20% or >
	1 = 15-20%
	0 = < 15%
Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school’s General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$2,722,154	\$2,850,454	\$2,970,127	\$3,375,081
Fund Balance Percent	38.9%	40.83%	40.6%	48%

As the table indicates, the school has maintained a healthy General Fund balance over the past four years. The school’s FY 2023 unassigned General Fund balance of over 40% is well above the range of the school board policy which states:

KCS will strive to maintain a minimum unassigned general fund balance of 25 percent of budgeted expenditures. The projected budget shall also maintain 25 percent of budgeted expenditures.

This fund balance is needed for emergencies, unforeseen events, new program initiatives or capital improvements not covered by the landlord. The minimum unassigned fund balance target will be reviewed annually and during the setting of a subsequent operational year budget.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school has a finance committee that met ten times in FY23 and has been using this committee appropriately.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

The finance committee members received financial training in FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD

	1 = n/a
	0 = in SOD
Data Source: School's budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

KIPP MN Public Schools

5034 North Oliver Avenue
Minneapolis, MN 55430

Phone: 6120-287-9700
www.kippminnesota.org

Chief Executive Officer: Shana Ford

VOA-MN Standard Analysis

The school's evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school board approved the original FY 2023 budget based on 543 ADMS in June 2022 projecting a surplus of \$125,427. The board revised the budget in March 2023 reflecting a decrease in enrollment to 386 ADMs and an ending surplus of \$362,960.

The school ended FY 2023 with a surplus of \$176,340 based on 379 ADM.

The school has maintained a balanced budget for FY 2023.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
X	2 = no findings
	1 = 1 or more “significant deficiency” finding(s)
	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained no findings.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times

Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.

The VOA-MN financial analyst did not discover any delinquent or late payment to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school has consistently provided required monthly financial reports to VOA-MN and the board in FY 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
X	2 = 20% or >
	1 = 15-20%
	0 = < 15%
Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school’s General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$2,284,889	\$3,608,270	\$3,976,789	\$4,339,749
Fund Balance Percent	23.28%	32.36%	34.37%	44.66%

The school ended FY23 with a 45% General Fund balance and has met the school board’s General Fund balance policy and the VOA-MN standard of 20%.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school has a finance committee that met eight times in FY23 and has been using it appropriately.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

All finance committee members have received training in FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School's budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

Lakes International Language Academy, District 4116

246 11th Avenue SE
 Forest Lake, MN 55025

Phone: 651-464-0771
www.mylila.org

Executive Director: Shannon Peterson

VOA-MN Standard Analysis

The school's evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school board approved the original FY 2023 budget based on 1,311 ADM's and a surplus of \$110,128 in June 2022 and made a final revision to the budget with a decrease in enrollment to 1,271 ADM's projecting a surplus of \$249,234. The school ended the year with a surplus of \$398,808 and 1,271 ADMs.

The school has not maintained a balanced budget for FY 2023.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
	2 = no findings
X	1 = 1 or more “significant deficiency” finding(s)
	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained one finding considered to be a significant deficiency described in the audit report on page 70 as follows:

Improve Process for Reconciling Building Company Balances and Activity

During our audit, we noted that there were unreconciled differences related to the Building Company Special Revenue Fund balances and related activity.

We recommend that the Academy review the process for reconciling Building Company Special Revenue Fund balances and related activity and resolve unreconciled amounts on a timely basis.

The school has no disagreement with the finding and plans to correct it by June 30, 2024.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The board receives a finance committee report at each board meeting which includes a review of monthly financial statements. The school has consistently provided required monthly financial reports to VOA-MN and the board through June 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
X	2 = 20% or >
	1 = 15-20%
	0 = < 15%
Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school’s General Fund balance from the FY23 audit Communications Letter on page 13:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2022
Fund Balance Amount	\$4,898,802	\$4,714,293	\$4,550,710	\$4,949,518
Fund Balance Percent	38.8%	33.2%	28.9%	31.1%

As the table indicates the school has a strong General Fund balance ending FY 2023 with 31.1%.

The school’s ability to maintain this healthy fund balance level over the past four years is indicative of a well-run, high functioning school board and strong internal financial management.

The school has a fund balance policy in place which states in part:

Minimum Unassigned Fund Balance

1. According to the Loan Agreement between the City of Forest Lake, Minnesota, and Lakes International Language Academy and the LILA Building Company relating to the Lease Revenue bonds and Taxable Lease Revenue Bonds, the School must move toward a 20% fund balance in its general fund. It is the policy of the School to follow that directive.

2. It is therefore LILA’s goal to achieve and maintain an unassigned fund balance in the General Fund equal to 20% of expenditures. LILA considers a balance of less than 20% to be cause for concern, barring unusual or deliberate circumstances.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school’s finance committee met twelve times in FY 2023. The committee reviews the financial statements in detail.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

Per the director, all members received training in FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School's budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

Naytahwaush Community Charter School

PO Box 9, 242 Church Street
Naytahwaush, MN 56566

Phone: 218-935-5025
www.naytahwaush.org

Director: Beth Zietz

VOA-MN Standard Analysis

The school's evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school board adopted the FY 2023 budget in June 2022 reflecting a total General Fund deficit of \$70,632 based on 139 ADM. The budget was revised in October 2023 for a deficit of \$185,206, the ADMs did not change. The school ended FY 2023 with a deficit of \$73,358 and an ADM of

139. Per the director, this was a controlled spend down of the General Fund balance, approved by the board.

The school has maintained a balanced budget for FY 2023.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
X	2 = no findings
	1 = 1 or more “significant deficiency” finding(s)
	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained no findings as is evidenced on page 57 of the audit report.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
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X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The board receives a finance committee report at each board meeting which includes a review of monthly financial statements. The school has consistently provided required monthly financial reports to VOA-MN and the board through June 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
X	2 = 20% or >
	1 = 15-20%
	0 = < 15%
Data Source: The school's General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school's General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY

	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$2,485,720	\$2,780,560	\$2,797,077	\$2,723,719
Fund Balance Percent	83.35%	93.01%	74.96%	72.57%

As the table above indicates, the school has a history of a very strong General Fund balance. In FY 2023, the schools ending balance was 73% which is well above the schools General Fund Policy which states:

The School Board adopted a formal fund balance policy in 2010 that strives to maintain an unassigned fund balance in the General Fund amounting to 25% of the General Fund operating expenditures for each fiscal year.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school’s finance committee meets prior to the regular monthly meeting to review the school’s financial reports in detail and met eleven times during FY 2023. The committee is doing the appropriate work.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
X	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

Per the school director not all members received training in FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD

	1 = n/a
	0 = in SOD
Data Source: School's budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

New Century School

1380 Energy Lane, Ste 108
St Paul, MN 55108

Phone: 651-478-4535
<http://newcenturyschool.net/>

Director: Ahmed Ali

VOA-MN Standard Analysis

The school's evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
	2 = surplus position
	1 = n/a
X	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school board approved an original FY23 budget in June 2022 projecting 460 ADM and a surplus of \$224,155. The budget was revised and approved in June 2023 estimating 412 ADM and a deficit of \$738,811.

The school ended FY 2023 reporting 489 ADM at year-end and a deficit of \$1,970,056.

Overall, the school has not maintained a balanced budget for FY 2023. The difference in budget to actual was mainly due to costs of the new site.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
	2 = submitted
	1 = n/a
X	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
	2 = no findings
	1 = 1 or more “significant deficiency” finding(s)
X	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY23 financial audit contained one legal compliance finding as noted on page 85 of the audit report:

Minnesota Legal Compliance Findings

2023-001 – Late Submission of Audit Report

Type of Finding: Legal Compliance

Criteria: Minnesota Statutes § 124E.16, subd. 1 require the charter school to submit an audit report to the commissioner and its authorizer annually by December 31.

Condition/Context: The audit report for FY ended June 30, 2023 was not submitted to the Commissioner before December 31, 2023.

Effect: The Minnesota Department of Education and related parties will not receive the annual report on time to review the School and any related findings. Late submission could also affect receiving certain funds related to compliance.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school has consistently provided required monthly financial reports to VOA-MN and the board through June 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
	2 = 20% or >
	1 = 15-20%
X	0 = < 15%

Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.

The table below contains the history of the school’s General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$1,212,256	\$2,196,290	\$2,569,590	\$599,534
Fund Balance Percent	26%	37%	41.39%	6.17%

The school boards approved General Fund balance policy states:

The school will strive to maintain a minimum unassigned general fund balance of between 10-15% of the annual expenses. In the event of a combined unassigned fund balance of less than 10% of annual expenses, the school administration and board of directors will take immediate financial and budgetary action to retain the minimum unassigned fund balance percentage.

The school has not controlled spending successfully to achieve the targeted General Fund balance stated in its board policy of between 10-15% for FY 2023. The school ended with a 6.17% General Fund balance.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school has a finance committee that meets on a regular basis. Per the director the committee met eight times in FY 2023.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee

	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

Per the director, all finance committee members have received training during FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School's budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

PACT Charter School

7250 E Ramsey Pkwy NW
Ramsey, MN 55303

Phone: (763) 712-4200
<https://pact.charter.k12.mn.us/>

Executive Director of Operations: Josh Nyquist

VOA-MN Standard Analysis

The school's evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position

	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school board approved an original FY23 budget projecting 692 ADM and a deficit of \$32,843 in May 2022. The budget was revised and approved in April 2023 estimating 697 ADM and a surplus of \$45,737.

FY 2023 marked the twenty ninth (29) year the school served students, reporting 662 ADM at year-end and a surplus of \$188,914.

Overall, the school has maintained a balanced budget for FY 2023.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school's financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
X	2 = no findings

	1 = 1 or more “significant deficiency” finding(s)
	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY23 financial audit contained no findings.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school consistently provided all financial reports and information to the school board and VOA-MN for FY2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
X	2 = 20% or >
	1 = 15-20%
	0 = < 15%

Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.

The table below contains the history of the school’s General Fund balance/SOD calculation:

TWO YEAR FUND BALANCE HISTORY				
	FY 2022	FY2023		
Fund Balance Amount	\$3,219,942	\$3,408,856		
Fund Balance Percent	40%	38%		

The school boards approved General Fund balance policy states:

PACT’s policy will be to achieve a range of 20-30% general fund unreserved fund balance as a percentage of yearly general fund expenditures.

The school has exceeded the targeted General Fund balance stated in its board policy of between 20-30%, and the VOA-MN network target of 20% for FY 2023.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school has a finance committee that meets on a regular basis and met eight times in FY 2023.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

Per the director, all members received training in FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School’s budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

Schoolcraft Learning Community

8955 Deer School Road NW
Bemidji, MN 56601

Phone: 218-444-2102
www.schoolcraft.org

Director of Operations: Mark Bjornrud

VOA-MN Standard Analysis

The school’s evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school’s original FY 2023 budget was approved by the board in April 2022 and was based on 203 ADMs with a projected surplus of \$51,867. The budget was not revised during the year. The school ended the year with a surplus in the General Fund of \$842,931 and 203 ADMs.

Student enrollment has increased slightly from 196 ADMs in FY 2022 to 203 ADMs in FY 2023. Overall, the school has maintained a balanced budget for the school for FY 2023.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
	2 = no findings
X	1 = 1 or more “significant deficiency” finding(s)
	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained one legal compliance finding; Disbursements – Prompt Payment which is considered a significant deficiency.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
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X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
	2 = never missed
X	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The board regularly receives and approves financial reports at each board meeting. The school did not provide all monthly financial reports in a timely manner in FY 2023. Notes from the financial analyst monthly logs included the following:

- *Cash flow from Brady Martz is insufficient. A cash flow was not provided from November 2022 through June 2023.*
- *VOA-MN and the school board were not provided with financials for the January 2023 board meeting.*

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
X	2 = 20% or >
	1 = 15-20%
	0 = < 15%
Data Source: The school's General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school's General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY

	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$534,452	\$536,818	\$497,506	\$1,340,437
Fund Balance Percent	19.28%	18.44%	15.84%	44.83%

The schools General Fund balance grew significantly from 16% in the prior year to 45% in FY 2023. The increase is mainly from the recording of the federal Employee Retention Credit. The school’s fund balance policy states in part:

SLC will strive to maintain a minimum unassigned general fund balance of 20-25% of budgeted expenditures.

The fund balance is need for emergencies, unforeseen events, new program initiatives or capital improvements not covered by the landlord. The minimum unassigned fund balance target will be reviewed annually and during the setting of a subsequent operational year budget.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
	2 = 8-12 meetings/year
X	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school’s finance committee meets prior to the regular monthly meeting to review the school’s financial reports in detail. The committee held seven meetings in FY 2023 and is doing appropriate committee work.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

Per Director of Operations all finance committee members were training in their roles and responsibilities on the finance committee in FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School’s budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

Southside Family Charter School

4500 Clinton Avenue South
 Minneapolis, MN 55419

Phone: 612-872-8322

www.southsidefamilyschool.org

Interim School Leader: Julie Cohrs

VOA-MN Standard Analysis

The school’s evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
	2 = surplus position
	1 = n/a
X	0 = deficit position

Data Source: Original and revised budgets, annual financial audit report, monthly income statements.

The school’s original FY 2023 budget was approved in June 2022 reflecting a surplus of \$7,042 and based on 130 ADMs. The budget was revised to a deficit of \$74,152 and based on 118 ADMs.

The school ended FY 2023 with a deficit of \$287,947 and 113 ADMs. Overall, the school has not maintained a balanced budget.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
	2 = no findings
	1 = 1 or more “significant deficiency” finding(s)
X	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained one Minnesota Legal Compliance finding; Time Period for Payment and one internal control finding; Internal Controls for Accounts Payable considered to be a significant deficiency.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
	2 = never missed
X	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school did not provide financial reports during FY 2023 on a consistent basis. Notes regarding this were included in financial oversight logs of the VOA-MN financial analyst and explain:

January 2023

- *Need supplemental financial information. Per Julie: The supplemental information was not included this month. Bergan had some staffing transition (covering a leave) and with 1099s and the backup submitted mid-month the detail was not able to be entered. The bulk numbers are correct, and supplemental for December and January will be included in February.*

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
	2 = 20% or >
	1 = 15-20%
X	0 = < 15%

Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.

The table below contains the history of the school’s General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$568,037	\$502,160	\$443,629	\$155,682
Fund Balance Percent	21.8%	29.75%	19.1%	6.2%

As the table indicates the school’s FY 2023 General Fund balance decreased over the prior three years and has fallen well below the school’s and authorizers General Fund balance target of 19% and 20%, respectively. An excerpt from the schools General Fund balance policy states:

The school will strive to maintain an average minimum unassigned general fund balance of 19% of expenditures, calculated as an average of the current year’s fund balance percentage with that of the previous two fiscal years.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The finance committee only met eight times during the year but Finance committee meeting minutes are not posted on the school’s website for FY 2023 and most board packets did not include the minutes. I would encourage the school to take minutes during the finance committee meetings, include them in the board packets, and post them on the school website.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a

	0 = some committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

All finance committee members received formal or informal training during the year relating to their roles and responsibilities on the finance committee.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School's budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

Spectrum Middle School and Spectrum High School

17796 Industrial Circle Northwest
Elk River, MN 55330

Phone: 763-241-8703
www.spectrumhighschool.org

Director: Dan DeBruyn

VOA-MN Standard Analysis

The school's evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a

	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school’s original FY 2023 budget was approved in June 2022 and reflected a surplus of \$7,983 based on 840 ADMs. The budget was revised in February 2023 with an increase in enrollment to 850 ADMs and breaking even at year-end at \$0. The school ended FY 2023 with 856 ADMs and a surplus of \$266,074.

Overall, the school board and school leaders have maintained a balanced budget.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
X	2 = no findings
	1 = 1 or more “significant deficiency” finding(s)
	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained no findings.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agenda's and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school consistently provide all required monthly financial reports to VOA-MN and the board in FY 2023. The school reviews all financial reports in detail at regularly scheduled finance committee meetings and the board is updated prior to approving them at the board meetings.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
X	2 = 20% or >
	1 = 15-20%
	0 = < 15%
Data Source: The school's General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school's General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY

	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$2,164,575	\$2,337,381	\$2,695,389	\$2,961,463
Fund Balance Percent	24.22%	25.63%	27.93%	27%

As the table above indicates, the school’s General Fund balance has been above the VOA-MN standard of 20% over the past four years ending FY 2023 at 27%. This is higher than the school’s target that is included in the school’s Financial Policies policy which states:

It will be the policy of Spectrum High School to achieve a range of 20-25% general fund unreserved fund balance as a percentage of yearly general fund expenditures.

Excess annual year-end budget surpluses will not be allocated in following year budgets until the target fund balance is achieved, unless specifically directed by the Board of Directors, with exception of fundraising accounts for various school activities.

The fund balance to be used is presented in the audited annual financial statement. The percentage will be calculated as follows: (Prior Year Audited General Fund Balance + Current Year General Fund Surplus of Revenues less Expenditures) / (Total Current Year General Fund Expenditures).

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school has a finance committee and met ten times in FY 2023 to review financial information. The minutes of these meetings are on the school’s website and are exemplary.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a

	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

All finance committee members received training during FY 2023 on their roles and responsibilities.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School’s budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

Twin Lakes STEM Academy

6201 Noble Avenue North
Brooklyn Center, MN 55429

Phone: 651-717-4844
<https://twinlakesacademy.com>

Executive Director: Jonas Beugen

VOA-MN Standard Analysis

The school’s evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
	2 = surplus position
	1 = n/a

X	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school adopted the original FY 2023 General Fund budget in June 2022 based on 200 ADM with a projected surplus of \$44,041. The budget was revised in June 2023 for a decrease in ADM to 158 and an estimated deficit of \$160,345. The school ended FY 2023 with 158 ADMs and a deficit of \$274,779.

The school has maintained a balanced budget for FY 2023.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school's financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
	2 = submitted
	1 = n/a
X	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school did not submit its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
	2 = no findings
	1 = 1 or more "significant deficiency" finding(s)
X	0 = 1 or more "material weakness" or legal compliance finding (s)
Data Source: The school's financial audit report.	

The school’s FY 2023 financial audit contained one legal compliance finding as noted on page 63 of the financial audit:

FINDING 2023-001: PROMPT PAYMENT OF BILLS

CONDITION: *Minnesota State Statute Chapter 471.425, Subd 2, requires charter schools to pay each vendor obligation according to the terms of the contract or, if no contract terms apply, within 35 days of the receipt of the invoice. Also, Minnesota State Statute Chapter 471.425, Subd 4 requires, for bills paid after the time period set by the contract or the standard payment period, the charter school calculate and pay interest on the late bills. During our testing of a selection of 22 disbursements, it was noted that four disbursements were paid after 35 days. Also, it was noted that no interest was calculated and paid on the late bills.*

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agenda’s and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school provided monthly financial information in a timely and consistent manner in FY 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
	2 = 20% or >
	1 = 15-20%
X	0 = < 15%
Data Source: The school's General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school's General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$486,992	\$637,067	\$670,321	\$425,542
Fund Balance Percent	17.1%	23.4%	16.4%	12.1%

The school ended FY 2023 with a decrease in the General Fund balance. The school has a Fund Balance policy that states in part:

To ensure the financial strength and stability of Twin Lakes Stem Academy, the board will endeavor to maintain a targeted fund balance of no less than 10% and no more than 20% of our revenues.

The board will review the fund balance target over time to accommodate the changing financial situation and holdback from the state of Minnesota.

The school did not meet the target set in their policy or the VOA-MN standard of 20%.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
	2 = 8-12 meetings/year
X	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school has a finance committee that met five times in FY 2023 which is not enough for the committee to review financial information consistently and effectively. I would encourage the school to hold at least eight finance committee meetings during the year.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

Per the director, all finance committee members received formal or informal financial training in FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School’s budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

TrekNorth Junior and Senior High School

2400 Pine Ridge Avenue Northwest
Bemidji, MN 56601

Phone: 218-444-1888
www.treknorth.org

Director: Erica Harmsen

VOA-MN Standard Analysis

The school’s evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The school board approved the FY 2023 budget in June 2022 based on 246 ADM and projecting a surplus of \$40. The board revised the budget in April 2023 with no change to ADM’s and increasing the estimated surplus to \$28,209.

The school ended FY 2023 with 252 ADM’s and a surplus of \$898,982. The school has maintained a balanced budget for FY 2023.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a

	0 = not submitted
Data Source: Email from the school with attached MDE documentation.	

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
	2 = no findings
	1 = 1 or more “significant deficiency” finding(s)
X	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained two findings considered to be material weaknesses; Limited Segregation of Duties and Annual Financial Reporting and one Legal Compliance Finding on the sale of school items. More information is available in the audit report on pages 60-62. As noted in the school’s corrective actions to the findings on these pages, the school will make improvements to its internal controls on an ongoing basis and continue to rely on the audit firm for preparation of the financial statements, while reviewing them prior to issuance of the audit report.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agenda’s and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times

	0 = missed > 2 times
Data Source: Board packets	

The school has consistently provided required monthly financial reports to VOA-MN and the board through June 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
X	2 = 20% or >
	1 = 15-20%
	0 = < 15%
Data Source: The school’s General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school’s General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$1,673,712	\$2,053,434	\$2,184,775	\$3,083,757
Fund Balance Percent	48.19%	57.45%	53.52%	75.69%

As the table indicates the school has a strong General Fund balance ending the past four years with over a 76% fund balance. The school’s fund balance policy states in part:

To ensure the financial strength and stability of the District, the Board will endeavor to maintain at least 25% of the District’s General Fund operating budget, excluding those accounts associated within the Restricted category, in the combined total of the General Fund Committed, Assigned and Unassigned fund balances.

The school has a healthy fund balance that meets its General Fund balance policy target and the VOA-MN standard.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
	2 = 8-12 meetings/year
X	1 = 5-7 meetings/year

	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school’s finance committee meets prior to the regular monthly meeting to review the school’s financial reports in detail. The committee met seven times in FY 2023.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

Per the school director, all members have had training in FY23.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School’s budget, board meeting agendas and minutes, financial audit.	

The school is not in Statutory Operating Debt.

Woodbury Leadership Academy

8089 Globe Drive
Woodbury, MN 55125

Phone: 651-571-2100
www.wlamn.org

Executive Director: Kathy Mortensen

VOA-MN Standard Analysis

The school’s evaluation on each standard is listed in the tables below. The three possible outcomes are:

- Meets standard (2) Evidence of compliance is clear and/or consistent.
- Partially meets standard (1) There is some evidence that the standard is met.
- Does not meet standard (0) The standard has clearly not been met.

Standard One: The school maintains a balanced budget.	
X	2 = surplus position
	1 = n/a
	0 = deficit position
Data Source: Original and revised budgets, annual financial audit report, monthly income statements.	

The FY 2023 original General Fund budget approved in June 2022 was based on 724 ADMs with a projected surplus of \$255,630. The budget was revised in March 2023 to reflect a decrease in student enrollment to 669 ADMs resulting in a year end surplus of \$265,498.

The school ended FY 2023 with 666 ADM’s and a surplus of \$168,696. The school has maintained a balanced budget for FY 2023.

Standard Two: The school is compliant with state and federal financial reporting deadlines and laws, including the proper use of public funds.	
X	2 = never missed
	1 = missed 1 time
	0 = missed > 1 time
Data Source: MDE reports including: Preliminary UFARS data, Student ADM, Final UFARS data.	

The VOA-MN financial analyst did not discover any missed state or federal financial reporting deadlines through June 2023.

Standard Three: The school’s financial audit is submitted to the Minnesota Department of Education, Office of the State Auditor and the authorizer by December 31.	
X	2 = submitted
	1 = n/a
	0 = not submitted

Data Source: Email from the school with attached MDE documentation.

The school submitted its financial audit to the MDE by December 31, 2023.

Standard Four: Schools are expected to have audits that are free of all findings.	
X	2 = no findings
	1 = 1 or more “significant deficiency” finding(s)
	0 = 1 or more “material weakness” or legal compliance finding (s)
Data Source: The school’s financial audit report.	

The school’s FY 2023 financial audit contained no findings.

Standard Five: The school is current on all financial obligations, including, but not limited to: pension payments, payroll taxes, insurance coverage and loan payments.	
X	2 = never late
	1 = late 1-2 times
	0 = late > 3 times
Data Source: Monthly check registers, cash flow projections, board meeting agendas and minutes.	

The VOA-MN financial analyst did not discover any delinquent or late payments to vendors of the school through June 2023.

Standard Six: The School provides VOA-MN and school board members with monthly financials. June financial reports may be delayed until year-end journal entries are completed. Packets include at least the following: 1) detailed income/expense report, 2) cash flow projection, 3) check register, and 4) current enrollment (Average Daily Membership). The board should review and approve the financials at each board meeting.	
X	2 = never missed
	1 = missed 1-2 times
	0 = missed > 2 times
Data Source: Board packets	

The school provided monthly financial information to the school board and VOA-MN consistently in FY 2023.

Standard Seven: The School develops and maintains a targeted General Fund balance determined by the school board. For the finance report, VOA-MN also determines a	
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standard for fund balance annually based on items such as school funding trends and funding hold-backs.	
X	2 = 20% or >
	1 = 15-20%
	0 = < 15%
Data Source: The school's General Fund balance policy, monthly financial reports, board meeting agendas and minutes.	

The table below contains the history of the school's General Fund balance/SOD calculation:

FOUR YEAR FUND BALANCE HISTORY				
	FY 2020	FY 2021	FY 2022	FY 2023
Fund Balance Amount	\$871,954	\$1,840,705	\$1,960,288	\$2,128,984
Fund Balance Percent	18.6%	33.9%	29.1%	27.2%

The school has been able to maintain the General Fund balance above the VOA-MN standard of 20% for the past three years. The school's General Fund balance target has also been reached in FY 2023 and the school's policy states:

It will be the policy of Woodbury Leadership Academy to budget towards maintaining a 20% general fund unreserved fund balance as a percentage of yearly general fund expenditures.

The school does a good job at managing public funds and attaining the schools General Fund balance goal.

Standard Eight: The school board has a finance committee that meets regularly to review financial reports.	
X	2 = 8-12 meetings/year
	1 = 5-7 meetings/year
	0 = 0-4 meetings/year
Data Source: Board meeting packets, agendas, and minutes.	

The school's finance committee meets on a regular basis, twelve times in FY 2023, to review financial information including reports, policies, and procedures.

Standard Nine: All finance committee members exhibit working knowledge of financial oversight.	
X	2 = all committee members have received formal/informal training during the year relating to their roles and responsibilities on the finance committee
	1 = n/a
	0 = some committee members have not received formal/informal training during the year relating to their roles and responsibilities on the finance committee
Data Source: School board members queries, board meeting agendas and minutes.	

Per the executive director, all finance committee members have received training in school finance oversight in FY 2023.

Standard Ten: The school is not in Statutory Operating Debt (SOD).	
X	2 = not in SOD
	1 = n/a
	0 = in SOD
Data Source: School's budget, board meeting agendas and minutes, financial audit.	

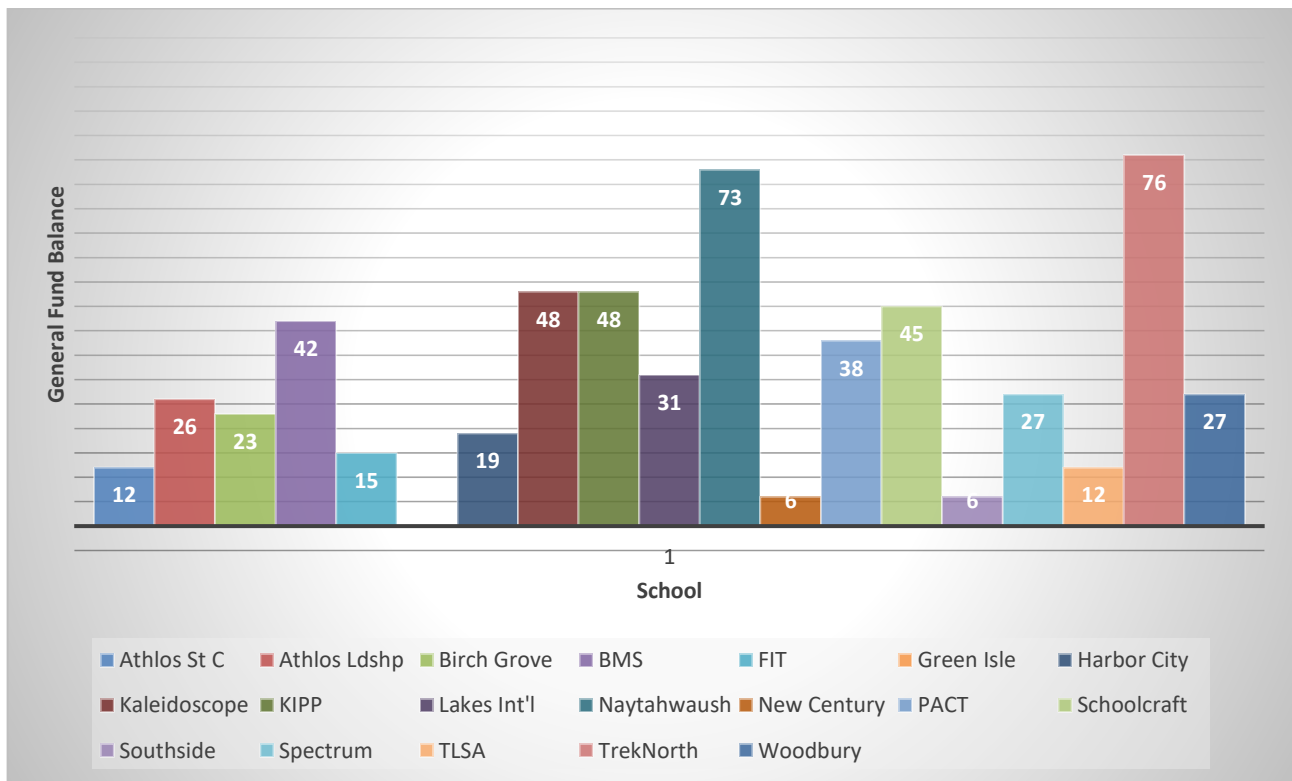
The school is not in Statutory Operating Debt.

Appendix One

FY 2023 GENERAL FUND BALANCES FOR VOA-MN AUTHORIZED SCHOOLS

The following twelve VOA-MN authorized schools posted fund balances far above the average of charter schools in the state. The chart below indicates that 67% of schools met or exceeded the VOA-MN standard of 20% including:

Athlos Leadership Academy 26%, Birch Grove 23%, Bluffview Montessori 42%, Kaleidoscope 48%, Kipp Northstar 48%, Lakes International 31%, Naytahwaush 73%, PACT Charter School 38%, Schoolcraft Learning Community 45%, Spectrum 27%, TrekNorth 76%, Woodbury Leadership 27%



Appendix Two

VOA-MN FINANCE AWARD of EXCELLENCE

The VOA-MN Finance Award of Excellence is given to school's that have met all ten VOA-MN standards. Four of eighteen reporting schools authorized by VOA-MN earned this award for FY 2022:

2024 Recipients (7)

School	Board Chair	Business Manager	Financial Vendor	Auditor
Athlos Leadership	Anne Degroot	N/A	Creative Planning Jenny Abbs	Schlenner
Bluffview	Ann-Marie Dunbar	N/A	Creative Planning Travis Berends	CLA
Kaleidoscope	Matt Roberts	Wendy Foss	Dieci Joe Aliperto	Abdo
KIPP NSA	Nicole Danielsen	N/A	Creative Planning Kelly Rimpila	Abdo
PACT	Joline Neilson	N/A	Creative Planning Rose Chin	Abdo
Spectrum	Dave Lucas	N/A	Bridget Merrill-Myhre	Schlenner
Woodbury LA	Shelbi Pool	N/A	Creative Planning Dustin Reeves	Abdo

Appendix Three

PAST VOA-MN FINANCE AWARD of EXCELLENCE RECIPIENTS

The five-year history of VOA-MN Finance Award of Excellence recipients is as follows:

2023 Recipients (5)

Athlos Leadership	Bluffview	KIPP NSA	Spectrum
	Woodbury Leadership		

2022 Recipients (5)

Athlos Leadership	Kaleidoscope	Naytahwaush	New Century
	Woodbury Leadership		

2021 Recipients (4)

Kaleidoscope	Lakes Int'l	Naytahwaush	New Century
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2020 Recipients (4)

Kaleidoscope	Lakes Int'l	Naytahwaush	New Century
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2019 Recipients (3)

Cornerstone	Lakes Int'l	Spectrum
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Appendix Four

PERFORMANCE REPORT EVALUATION

AUTHORIZING PROGRAM GOAL

Quality School Performance: VOA-MN creates and maintains systems of charter school performance review that support analysis, reflection and planning, and implementation of continuous improvement measures for the charter schools we authorize.

PLAN FOR MEASURING/MONITORING PROGRESS MEETING GOAL

The VOA-MN Charter School Authorizing Program team evaluates the extent to which we are meeting this goal annually and include analysis in the Annual Network Performance Reports (School Academic Program, School Board Governance, School Finance). The goal will be met if each school achieves at least a Satisfactory Rating (70% of points possible) in the Performance Framework overall and has met the majority of standards in each performance area (Academic, Financial, Organizational Performance).

SCHOOL NAME	VOAMN PERCENT of FINANCIAL STANDARDS MET
Athlos Academy of St. Cloud	90
Athlos Leadership Academy	100
Birch Grove Community School	90
Bluffview Montessori School	100
FIT Academy	80
Green Isle Community School	Not Available
Harbor City International School	80
Kaleidoscope Charter School	100
KIPP: North Star Academy	100
Lakes International Language Academy	90
Naytahwaush Community Charter School	90
New Century School	60
PACT Charter School	100
Schoolcraft Learning Community	70
Southside Family Charter School	60
Spectrum High School	100
Twin Lakes Stem Academy	40
TrekNorth High School	80
Woodbury Leadership Academy	100

Did each school meet the majority of financial standards?	NO
Did each school achieve at least a “Satisfactory” rating of financial standards? (at least 70% of points possible)	NO

ANALYSIS: Six schools met 100% of the VOA-MN financial standards, eight schools met at least 70%, and two schools did not meet at least 70% of the standards. One school was not able to be rated.

STRATEGY FOR IMPROVEMENT MEETING / MAINTAINING GOAL: Continuation of monthly oversight while providing technical assistance will be important to maintain and improve the above stated percentages.