# Higher Ground Academy

## BOARD OF DIRECTORS MEETING MINUTES

**Zoom and Conference Room, June 16, 2026 @ 8:00 a.m.**

Meeting called to order 8:00

**Roll call:** Dan McGrath (Zoom), Samuel Yigzaw (In Person), Mary Tate (Zoom), Brian Swerine (Zoom), Denise Toussaint (Zoom), Liban Ahmed (Zoom), Shannon Tanghe (Zoom), Abdi Guled (Zoom), and Dustin Reeves- Accountant.

## Adoption of Agenda

Dan McGrath asked for motion to approve June's agenda. Motion to approved the agenda was made by Denise Toussaint and seconded by Abdi Guled. Motion carried unanimously.

## Adoption of Minutes

Dan McGrath asked for motion to approve the minutes for May. Motion to approve the minutes was made by Brian Swerine and seconded by Mary Tate. Motion carried unanimously.

## Executive Director's Report

Samuel Yigzaw – No new academic and no new Environmental Education report at this time. The regular school year has ended and the extended year program will start on June 6th and end on July 10th, we will have roughly 270 students. Teacher contracts have been signed and others are in process. We have ended the contract with our transportation company. We posted an RFP for a new vendor contract. We are also reaching out to bus companies asking them to bid. We need board members to help us with the bids. Food service programs contract has ended because the children were not eating the food. We will now have an in-house food service program. We also have a building cleaning contract and a waste removal contract to fill. The student survey had some issues that need further clarification from the last time. We had a focus group study with selected students and here is what was discussed: Overall, students generally don't see severe constant physical bullying but they do report cyberbullying on social media, taunting, joking and small physical acts. This year, we will have someone that will focus on mental health and social and emotional counseling for high school. Denise Toussaint asked about the transportation committee and if there will be another one formed and looking at other transportation companies that put in bids the last time and also references and incidents reports. Samuel Yigzaw said yes, we will need a committee and will look at references and incident reports as well. Denise Toussaint and Mary Tate volunteered to be on that committee.

## Approve Budget for Next Fiscal Year

Presented by Dustin Reeves

### HIGHER GROUND ACADEMY

**FISCAL YEAR 2026 – REVISED BUDGET NARRATIVE**

The key changes between the Original Budget – approved in June 2025 and this Revised Budget version, dated June 3, 2026 are as follows:

- In general, we factored in FY26 experience and reviewed pacing and actual expenditures year-todate (YTD) to derive some of these changes to budget line items.
- Enrollment – budget assumes ADM of 1,149 which is a decrease from the original budget of 1,200, thereby resulting in a State Aid decrease of $163,277 versus the original budget.
- Revenues –
  - **a.** State Aid Revenues | decrease by $163,277 based on ADM reductions
    - **i.** General Education | -279,158
    - **ii.** Lease Aid | -66,488
    - **iii.** Special Education | +207,174
    - **iv.** Categorical Rev | +45,195
    - v. Prior Year Adjustment | -70,000
  - **b.** Federal Revenues | decreased by 9,507 versus the original budget due to adjustments in actual Federal SPED and Title allocations the school received.
  - **c.** Other Revenues – based on current year activity, other revenues have decreased by $42,429. The largest variance in terms of the local revenue category is lesser interest in FY26 given the lower interest rates experienced this year.
- Expenditures –
  - **a.** Salaries and Benefits – increased 271,622 based on staffing needs.
  - **b.** Purchased Services – decreased $585,874 to include adjustments with Contracted Services, and other services such as repairs and maintenance.
  - **c.** Supplies and Materials – overall decrease of $83,572 based on current year needs.

**d.** Special Education and Title Grants – overall increase of $208,571 based on current year student's needs, as well as updated allocations.

- Federal Grant allocations were updated to match actual allocations.
- Food service – revenues and expenses increased based on YTD pacing. All revenues in Food Service come from state and Federal reimbursement.

In conclusion, Net Income decreased $125,029, from a surplus of $204,119 (Original Budget) to a projected surplus of $79,090. The Projected Revised budget shows the school ending the year with a fund balance of $13,554,861 which will result in a cumulative fund balance of 63.0%.

Higher Ground Academy

FY 2026-27 Original Budget Summary

## The following assumptions are built into the FY27 budget and worth noting -

- Student enrollment ADM – 1,195 (increase of 46 from FY26 Revised).
- The Gen Ed Aid formula is set at 2.69% increase based on the approved State legislature.
- Revenues increased from FY26 Revised budget by $1,307,488 due to the increase in student enrollment between Fiscal Year 2026 and Fiscal Year 2027. State Revenues increased by $1,295,767 and Federal Revenues increased by $10,471based on preliminary allocations.
- Compensatory Revenues have been finalized at the state legislative level. HGA received a slight increase of $19,247to funding in this category over the Fiscal Year 2026 Budget.
- Regular Education salaries increased $487K from FY26 Revised Budget. This allowed additional staffing of 4 teachers (Gen Ed) and 2 EL Teachers.
- Benefits budget has been updated to reflect current experience, totaling an increase of $231,012 from the FY26 Revised Budget in the Regular Instructional Services budget area. This is attributed to an increase in healthcare premiums for the fiscal year, as well as additional staffing.
- Building Lease Cost is set at $1,841,111 during the year, based on current enrollment estimates and annual debt service calculations.
- Other discretionary categories were adjusted based on prior year experience and discussions with school leadership.

In total, the Original Budget projects a net surplus of $207,641 which would result in a cumulative fund balance of $13,938,266 or 61.2% fund balance to expenditures.

Dan McGrath asked for motion to approve the Revised Budget Narrative for 2026 and the 2027 Original Budget Summary. Motion to approve was made by Mary Tate and seconded by Denise Toussaint. Motion carried unanimously.

## Financial Report

Dustin Reeves Presented:

## Higher Ground Academy

**Saint Paul, Minnesota**
**April 2026 Financial Report**
**Executive Summary**

## Summary of Key Financial Indicators

∗ Average Daily Membership (ADM) Overview

o Original Budget: 1,200

o Working Budget: 1,149

o Actual: 1,148

∗ The school's Original Budget surplus for the year is $204,120. A projected cumulative fund balance of $13,679,890 or 63% of expenditure at fiscal year-end.

∗ The School's Working Budget reflects a surplus of $97,000. This result would project a cumulative fund balance of $13,571,711 or 63% of expenditures at fiscal year-end.

∗ As of this reporting period, Days Cash on Hand is 200 days. Above 60 days meets minimum bond covenants.

∗ Projected Debt Service Coverage Ratio at fiscal year-end is 1.11. Above 1.10x meets minimum Bond covenants.

## Financial Report Key Points

∗ As of month-end, 83.33% of the year was complete.

∗ Revenues received at end of the reporting period | 81%.

∗ Expenditures disbursed at end of the reporting period | 80%.

∗ Cash Balance as of the reporting period is $11,809,368 which is down from the previous month of $11,980,257 due to regular processing of invoices.

∗ Current year holdback estimate is $1,394,246.

∗ Prior Year holdback is estimated at $69,849.

## Other Items

∗ The beginning balances shown on the Balance Sheet are based on audited data as of June 30, 2025.

∗ The Working Budget projects Federal aid revenues of $1,047,058. These are reimbursement-based grants, so funds will need to be expended before we can claim the revenues.

∗ The Fiscal Year 2026 Lease Aid Application has been submitted to the Department of Education; The application has subsequently been approved. Funding has started to flow for this program, and is reflected on the statement of revenues and expenditures.

## Higher Ground Academy

**Saint Paul, Minnesota**
**May 2026 Financial Report**
**Executive Summary**

## Summary of Key Financial Indicators

- ∗ Average Daily Membership (ADM) Overview
  - o Original Budget: 1,200
  - o Working Budget: 1,149
  - o Actual: 1,147
- ∗ The school's Original Budget surplus for the year is $204,120. A projected cumulative fund balance of $13,679,890 or 63% of expenditure at fiscal year-end.
- ∗ The School's Working Budget reflects a surplus of $79,090. This result would project a cumulative fund balance of $13,554,861 or 63% of expenditures at fiscal year-end.
- ∗ As of this reporting period, Days Cash on Hand is 197 days. Above 60 days meets minimum bond covenants.
- ∗ Projected Debt Service Coverage Ratio at fiscal year-end is 1.10. Above 1.10x meets minimum bond covenants.

## Financial Report Key Points

- ∗ As of month-end, 91.67% of the year was complete.
- ∗ Revenues received at end of the reporting period | 90%.
- ∗ Expenditures disbursed at end of the reporting period | 89%.
- ∗ Cash Balance as of the reporting period is $11,607,190 which is down from the previous month of $11,809,368 due to regular processing of invoices.
- ∗ Current year holdback estimate is $1,527,697.
- ∗ Prior Year holdback is estimated at $69,849.

## Other Items

∗ The beginning balances shown on the Balance Sheet are based on audited data as of June 30, 2025.

∗ The Working Budget projects Federal aid revenues of $1,047,058. These are reimbursement-based grants, so funds will need to be expended before we can claim the revenues.

∗ The Fiscal Year 2026 Lease Aid Application has been submitted to the Department of Education; the application has subsequently been approved. Funding has started to flow for this program and is reflected on the statement of revenues and expenditures.

Denise Toussaint made a motion to approve the April and May Financials and checks and wires, Mary Tate seconded. Motion carried unanimously.

## Monitor Progress on Exhibit S, Outstanding Obligations from Previous Contract

Samuel Yigzaw – We need to take care of a few items from last year's evaluation. The bylaws needed to be adjusted and registered. Everything else has been completed.

## School Leader Contract

Samuel Yigzaw's contract expires at the end of this month. A 3-year contract has been approved and John Cairns will get the contract ready for signatures. Dan McGrath asked for motion to approve the new 3-year contract. Motion to approve was made by Mary Tate and seconded by Shannon Tanghe. Motion carried unanimously.

## Approve Board Calendar for FY27

Samuel Yigzaw presented the new school calendar FY27 for approval. Dan McGrath asked for motion to approve the new school calendar. Motion to approve was made by Shannon Tanghe and seconded by Denise Toussaint. Motion carried unanimously.

## Approve a Donation

Samuel Yigzaw-A check for the amount of $1,000 was received and there is no conflict of interest.

Dan McGrath asked for motion to approve the check. Motion to approve was made by Brian Swerine and seconded by Denise Toussaint. Motion carried unanimously.

## New Business

Samuel Yigzaw – Erin Anderson is working on the Expansion Application for approval for the next time it has to be submitted.

## Adjournment

Dan McGrath asked for motion to adjourn the board meeting. Motion to adjourn was made by Brian Swerine and seconded by Denise Toussaint. Motion carried unanimously.

Meeting adjourned at 8:49 a.m.