

**Finance Committee Meeting Minutes**  
February 16th, 2024

*Note: The Spectrum Finance Committee meeting was conducted via electronic means (using Zoom) per Minnesota Statutes, section 13D.021, Subdivision 1(4).*

<b>Committee Member</b>	<b>Position</b>	<b>Attendance</b>
Joe Thomas	School Board Treasurer	Present
Bridget Merrill-Myhre	BerganKDV, Outsourced Controller	Present
Dan DeBruyn	Executive Director	Present
Mary Chaffin	Business Accounts Specialist	Present
Ben Slater	Parent Representative	Present
Daniel Parke	Parent Representative	Present
Jennifer Linn	Executive Administrative Assistant	Present

**I. all to Order**

The meeting was called to order at 8:14 a.m.

**II. Old Business**

None

**III. On-Going Business**

**A. Update on School Meal Program**

Mary Chaffin presented the update on the Schools Meals Program. These numbers are only for the month of January. Financials will differ based on when revenue is received, and invoices are paid.

- Lunches Ordered (from caterer): 8,362  
Lunches Served: 8,520 with a difference of 168 meals.
- Breakfasts ordered (from caterer): 3,874.  
Breakfasts Served: 3,105 with a difference of 769 meals.
- Including milk, trays, napkins, and Ala Carte, the total cost was \$41,989.04.  
Reimbursement received was \$51,485.64 for a balance of \$9,496.60.
- Salaries and benefits were \$9,912.32 for January.
- Grand total of all January accounts = -415.72

**B. Update on Construction Plans**

Mr. DeBruyn explained that the public hearing at Planning and Zoning will close on February 27. If they approve the request for a PUD, it will then go to the City Council for approval on Monday 4<sup>th</sup>, 2024. If all moves forward as planned, the next steps will be finalizing construction documents and proceeding with the bonding process.

Mr. Taintor has an additional 2-3 underwriters that Spectrum may consider ensuring the school is maximizing available bond funds for the project.

**IV. New Business**

**A. Finance Reports** – Bridget Merrill-Myhre provided data for the month of January. The committee reviewed the reports and is recommending acceptance.

**1. January Financials** – Summary of Key Financial Indicators

*\*These numbers are based on the recommended approval of the revised budget.\**

- a. Average Daily Membership (ADM) Overview – Budgeted 874: Actual: 874.
- b. The school’s budgeted surplus for the year is \$0. A projected cumulative fund balance of \$2,993,760 or 25% of expenditures at fiscal year-end.
- c. Projected Days Cash on Hand for the projected fiscal year-end is 67 days. Above 30 days meets minimum bond covenants.
- d. Projected Debt Service Coverage Ratio at fiscal year-end is 1.22. Above 1.10x that meets minimum bond covenants.
- e. As of month-end 58% of the year was complete.
- f. Cash balance as of the reporting period \$2,773,732, down from the previous month of \$2,890,196.
- g. The current year holdback balance is estimated at \$544,058 as of the reporting period. The holdback amount is approximately 10% of total state aids. The remaining holdback amount will be paid back to the school in fiscal year 2025.
- h. Revenues received at the end of the reporting period were -56.7%
- i. Expenditures disbursed at end of the reporting period were -51.2%

**2. January Management/Supplemental Report**

A number of skipped check numbers were noted in the report.

- Cash receipts 23-50113 thru 23-501231 are escrow cash receipts related to the ABC.
- 202300263-202300264 were voided and reissued for correct amounts.
- 202300265-202399266 were escrow wires.

**3. January Food Services Report**

The Committee reviewed the Food Services Report. January showed revenue at \$37,096.64 and total expenditures of \$46,186.73 which created an overall deficit of \$-9,090.09.

**4. January Contracted Services Report**

No concerns noted.

**B. Midyear Budget Review and Adjustments**

FY24 – Revised Budget Narrative

*The key changes between Original Budget (dated 6.16.23) and Revised Budget version (dated 2.14.24).*

- 1. Enrollment** – budget assumes ADM of 874, which is a decrease of \$107k versus the original budget.
- 2. Federal Revenues** – decreased by \$76k versus the original budget due to a decrease in Title and Federal Special Ed funding.
- 3. Local Revenues** – decreased by \$5k versus the original budget due to YTD.
- 4.** The full year forecast increased by \$160k relative to the original budget for Salaries and Wages.
- 5. Contracted Services** decreased \$65k from the original budget based on YTD expenses.
- 6. Communication Services** decreased \$9k from the original budget based on YTD

billings.

7. **Utilities** decreased \$8k from original budget based on YTD billings.
8. Curriculum materials, supplies, & textbooks increased by \$39k based on YTD billings and expected costs.
9. **Building Improvements/Furniture and Other Equipment** decreased \$26k due to a reallocation of expenses between the school and ABC.
10. **State Special Ed and other Grants** decreased by 106k due to less funding.
11. **Repayment of First Bank of Elk River loan** decreased \$106k to reflect minimum payments.
12. **Food Service** – budgeting a larger deficit of \$18k while also using the remaining fund balance of \$32k carried over from FY23. Adjustments were made to the **revenue due to new legislation in FY24 for free breakfast and lunch.**

**Net Income did not change, and the school is expecting a balanced budget where revenues equal expenses.**

### **C. Additional Items**

1. Employee Retention Credit is still unresolved. No new information has been provided.
2. A Football team fundraiser was held that sold blankets for \$75. There was no authorization or approval given. Parent member ordered through the company and now there is a \$3,500 balance owed. Unfortunately, Spectrum's name is attached to the account. Staff is working to get it resolved.
3. Spectrum has a Line of Credit of \$450,000 through the bank that will have a \$500 document fee coming due to renew by February 28. The recommendation of the committee is to close out the account since cash flow is good and it has not been utilized in a number of years.
4. Mr. DeBruyn shared with the committee the importance of enrollment tied to bonding tied to lease aid.

**V. Next Meeting Agenda – The next scheduled meeting is on Friday March 21st, 2024 @ 8:00 a.m.**

### **VI. Adjournment**

Respectfully submitted,  
*Jennifer Linn – Executive Administrative Assistant*