



17796 Industrial Circle NW ■ Elk River, MN 55330
Phone: 763-241-8703 ■ Fax: 763-633-1380
www.spectrumhighschool.org

Spectrum Finance Committee Minutes

Date: Tuesday, June 15, 2021
Scheduled Time: 9:00 a.m.

NOTE: The Spectrum Finance Committee meeting was conducted via electronic means (using Zoom) as is allowed under the auspices of Minnesota State Statute, 13D.021, Subdivision 1(4).

Position	Committee Member	Attendance
Kathy Reed	Board Treasurer	Present
Annalise Marberg	Parent Committee Member	Present
Nick Taintor	BerganKDV/Financial Manager	Present
Dan DeBruyn	Executive Director	Present
Dawn Sorenson	Exec. Administrative Asst.	Present

I. Call to Order

The meeting was called to order at 9:05 a.m.

II. Old Business

None

III. On-Going Business.

A. 2020-2021 Finance Committee Goals

- Will train and educate on concurrent enrollment and the affects to budget for the purpose of achieving awareness and understanding by January 2021. **Completed** May 15, 2021

IV. New Business

A. May Financial Report

Mr. Taintor presented the May financials. He stated that the school is currently budgeting 785 Average Daily Membership (ADM) for all students. State revenues are based on 775 ADM (to include a buffer for PSEO/Concurrent Enrollment Students). Actual membership as of May 31st was 787, with a current ADM of 796, which includes the full time PSEO students attending other institutions for which the school does not get reimbursed from the State; however, the expense has been accounted for in the overall budget. Mr. Taintor went on to note that the working budget projects an annual surplus (revenues to exceed expenditures) in all funds in the amount of \$125,710, with a projected cumulative fund balance of \$2,290,284, which is 24% of total budgeted expenditures.

Overall, the School is right on track with 86.1% of expenditures spent year to date as compared to 91.73% of the fiscal year completed. Mr. Taintor stated that the projected days cash on hand is 64 (minimum is 30 days) and a projected debt service coverage ratio of 1.28x (minimum of 1.10x).

Mr. Taintor then went on to report on the Balance Sheet. He stated that the beginning balances shown on the Balance Sheet are based on the audited ending information as of June 30, 2020. He went on to note that due from the Building Company, in the amount of \$209,849, represents funds that have been paid for by the School on behalf of the Building Company. The School will get a portion of this paid back this fiscal year.

Mr. Taintor then went on to report that the School has received the entire holdback for FY2019-2020. Currently, the State holdback for FY21 fiscal year is estimated to be a receivable of \$742,919, which is

approximately 10% of total state aids at the time of this report. Finally, Mr. Taintor stated that the remaining holdback amount will be paid back to the School in FY22.

Following discussion, the Committee recommended approval of the May Financial Report by the Board as presented.

B. May Management Report

The Committee reviewed the May Management Report. Mr. Taintor shared that wire numbers 202000671 and 202000707 were skipped due to a wire being entered twice. Upon consultation with Spectrum's Business Office, wire numbers 202000779-202000826 that were noted as skipped in the Management Report were issued in May; however, they were not processed until June and will appear in the June Management Report when presented at the July Board meeting.

Following discussion, the Committee recommended approval of the May Management Report by the Board as presented.

C. May Contracted Services Report

The Committee reviewed the May Contracted Services Report. Mr. Taintor reported that the Concurrent Enrollment/PSEO line item was over what was anticipated as the fall billing from ARCC was approximately \$60,000 and the spring billing was \$90,000. Mr. DeBruyn shared that this amount includes all students who are PSEO and taking concurrent enrollment C@SH (College @ Spectrum High).

D. May Food Service Report

The Committee reviewed the May Food Services Report. Mr. Taintor shared that currently the budget is anticipating a transfer from the general fund into the food service fund of approximately (\$18,734.76). Mr. DeBruyn inquired about the commodities reimbursement and whether or not it had been received and/or accounted for in this calculation. Mr. Taintor stated that he would reach out to the Minnesota Department of Education to see if the commodities had been issued for the year, which typically takes place in May. Mr. DeBruyn will consult with Ms. Russell, Spectrum's Food Services Manager, to see if she had any additional information in this area.

E. Remainder of FY22 Long Range Budget

The Committee reviewed the remainder of the FY22 Long Range Budget. Mr. Taintor and Mr. DeBruyn described in detail each area of the budget and the rationale for each line item.

Following discussion, the Committee recommended approval of the FY22 Long Range Budget by the Board at their June 24, 2021 meeting.

F. FY21 CliftonLarsonAllen Audit Engagement Letter

Mr. DeBruyn shared that he had received notification from Mr. Hoogeveen that he and Michelle Hoffman (Mr. Hoogeveen is planning to retire at year-end) would be sending out the FY21 Audit Engagement Letter shortly; however, it had not been received as of the date of this meeting. Mr. DeBruyn will reach out to Mr. Hoogeveen and Ms. Hoffman to make sure that the letter is received in time for inclusion in the packet of information that will be sent to the Board for their meeting on June 24th and will be presented for consideration of approval. Both Mr. Taintor and Mr. DeBruyn anticipate an increase in cost of approximately 3%, but will know more once the letter is finally received.

Following discussion, the Committee was comfortable in making a recommendation that the Spectrum Board consider approval of the engagement letter once received.

G. FY22 Premier Kitchens Contract

Mr. DeBruyn presented the FY22 contract. He called the Committee's attention to the 2.9% increase in cost for student meals – from that of \$2.80/meal to \$2.88/meal. He stated that it means roughly another \$2,500 in overall costs to the school, which will need to be covered by the general fund since the school already is not able to cover the entire cost of food service with what is charged for student meals. Mr. DeBruyn went on to state that we are not currently looking at increasing the price of meals, but may need to look at it in the near future.

Following discussion, the Committee was comfortable in making a recommendation that the Spectrum Board consider approval of the FY22 Premier Kitchens Contract as presented.

V. Old Business

None

VI. Previously Tabled Items

None

VII. Miscellaneous

The Committee thanked Ms. Reed for her service as Treasurer of Spectrum's Board and for her invaluable work on the Finance Committee. Ms. Reed will be stepping down from the Board at the June meeting due to her last child having graduated from Spectrum and she is therefore no longer eligible to serve on the Board according to the school's Bylaws. Thank you for your service, Kathy – you will be missed!

VIII. Next Meeting Agenda Input

There will not be a Finance Committee meeting in the month of July; however, the June Management Report will be sent to the full Board for consideration of approval. In addition, as is per usual at every monthly Board meeting, Mr. DeBruyn will have an up-to-date ADM accounting within the confines of his monthly Executive Director Report. The next meeting for the Finance Committee will take place on Friday, August 13, 2021, at 9:00 a.m. This is one week earlier than usual due to the August Board meeting needing to take place the 3rd Thursday of the month, as opposed to the 4th, due to FY22 Open House.

IX. Adjournment

The meeting was adjourned at 10:11 a.m.

Respectfully submitted,
Dawn Sorenson