



Spectrum High School Finance Committee Minutes

Date: August 14, 2020
Scheduled Time: 9:00 a.m.

NOTE: Due to current health pandemic of COVID-19, 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 Advisor	Present
Tyler Dehne	BerganKDV	Present
Dan DeBruyn	Executive Director	Present
Dawn Sorenson	Exec. Administrative Asst.	Present

I. Call to Order

The meeting was called to order at 9:00 a.m.

II. Old Business

None

III. On-Going Business.

- A. 2020-2021 Finance Committee Goals
FY21 Finance Committee Goals will be addressed at the September 18th meeting of the Committee.

IV. New Business

A. June Financials

Mr. Taintor presented the Executive Summary of the June financials. He shared that the School is currently budgeting 775 Average Daily Membership (ADM), whereas actual ADM after adjustments is 753.85. Mr. DeBruyn shared that the Minnesota Department of Education does not fully fund students who are enrolled in Spectrum’s C@SH (College @ Spectrum High) concurrent enrollment program. Spectrum’s MARSS (Minnesota Automated Reporting Student System) Coordinator must go in after the fact and adjust the ADM count according to the number of students who were enrolled in C@SH courses and academic studies, which isn’t fully known until the end of the year, and therefore the reason why the overall ADM is lower than originally budgeted. Moving forward, Mr. DeBruyn is recommending that the School anticipate a lower ADM due to the increased number of students taking C@SH courses. Originally, the FY21 budget was based on an ADM of 810 and Mr. DeBruyn is recommending that this number be reduced to 800. Mr. Taintor and Mr. DeBruyn will review the current FY21 budget for necessary adjustments and will present a revised budget for consideration of approval in either September or October.

Mr. Taintor then went on to share that the working budget 2019-2020 projects an annual surplus (revenues to exceed expenditures) in all funds in the amount of \$133,009 with a projected cumulative fund balance of \$2,265,730, or 25% of total budgeted expenditures. Whereas, actual activity (preliminary) presents revenues exceeding expenditures (annual surplus) in all funds of \$44,659 and a fund balance percentage of 24%. Projected Days Cash on Hand is 73 days (minimum requirement is 30 days) and the Projected Debt Service Coverage is 1.27x (minimum of 1.10x).

Mr. Taintor stated that the beginning balances shown on the Balance Sheet are based on the audited ending information as of June 30, 2019. Due from the Building Company, in the amount of \$210,042, represents funds that have been paid for by the School on behalf of the Building Company.

Mr. Taintor went on to share regarding the State holdback amount for 2019-2020, which is estimated to be a receivable of \$605,726 and is approximately 10% of total state aids. The remaining holdback amount will be paid back to the School in fiscal year 2021.

Lastly, Mr. Taintor shared that the annual audit is slated for September, and it is anticipated that it will be ready for presentation to the Finance Committee and School Board sometime either in October or November.

Following discussion, the Committee recommended approval of the preliminary June financials as presented.

B. July Management Report

The Committee reviewed the July Management Report. A permanent notation has been added to the report to clarify sequencing skips, if any. It was noted that #'s 99900175 through 99900177 were skipped due to Accounts Payable entering a wire twice in the middle of the batch and had to delete one. The system doesn't go back and fill in a wire that was missed and so some were missed. Otherwise, nothing else of significance was noted.

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

C. June Contracted Services Report

The Committee reviewed the June Contracted Services Report. Nothing of significance was noted.

D. June Food Service Report

The Committee reviewed the June Food Services Report. Mr. Taintor stated, as anticipated, the School's general budget transferred \$30,736.18 to cover the food account deficit for the year. Mr. DeBruyn shared that he and Jennifer Russell, Spectrum's Food Service Manager, have been working with Premiere Kitchen, the School's food service provider for FY21, to navigate what the service will entail for distance learning and hybrid. Premiere Kitchen stated that the cost of bag lunches and boxed salads, which is what is necessary for the School to meet the mandates of the hybrid learning model with regard to social distancing, are more expensive to produce because of increased labor costs. As such, Spectrum has negotiated to have Premiere Kitchen provide all of the necessary components for reimbursable meals and Spectrum staff will assemble to lunches in order to control cost. Details regarding school lunch for students on campus is still being worked on, as well as how, if needed, lunches will be made available to students who are synchronous at home on the days they aren't on campus, as well as those students who have chosen asynchronous learning. Mr. DeBruyn will continue to apprise the Committee of potential financial impact as it becomes available.

E. FY21 Committee Meeting Dates

The Committee reviewed the proposed FY21 Finance Committee meeting dates as presented. It was noted that the majority of the meeting dates will fall on the third Friday of the month, beginning at 9:00 a.m., with the exception of those months where the Board meeting has been moved up a week due to conflicts with holidays and breaks.

Following review, the Committee approved the proposed meeting dates as presented.

F. Corona Virus Relief Funding

Mr. DeBruyn presented the notice received from the Minnesota Department of Education (MDE) indicating that Spectrum is eligible for the allocation of Coronavirus Relief Fund (CRF) funds, in the amount of \$171,719, for the support of school operations, as well as student, family and staff support. He stated that it is his understanding that \$120,660 of the funds allocated as “operating” must be spent first and by December 31, 2020. Mr. DeBruyn went on to state that he’s waiting to hear from MDE as to possible spending restrictions.. He will update the Committee as more information becomes known.

G. Enrollment Numbers and Update on fall Plans

Mr. DeBruyn updated the Committee on enrollment. He shared that total enrollment as of this date is 851. As noted previously, currently, the FY21 budget is based on 810 students, with the recommendation to reduce this number to 800. He went on to share that approximately 80% of families/students have requested the hybrid option of being on campus two days a week – either Tuesday/Wednesday or Thursday/Friday. He shared that Infinite Campus has created a new module which has the capability to sort students by family group and building to create an equitable split of the population to ensure the requirement of 50% capacity at each school building. He anticipates, after the sort is run, that some tweaking may be necessary; however, it will be significantly less work than if the school had to do it manually. All in all, Mr. DeBruyn is very optimistic regarding the start of the FY21 school year calling out that the learning plan in place is significantly different than what was done this past spring, and commended the staff for their dedication and hard work in putting it in place.

V. Old Business

None

VI. Previously Tabled Items

None

VII. Miscellaneous

None

VIII. Next Meeting Agenda Input – Friday, September 18th at 9:00 a.m.

- FY21 Finance Committee Goals
- FY21 Revised Budget

If the school continues with distance learning and/or the recommendation from the Governor is to continue social distancing, this meeting may also be held via Zoom/Online.

IX. Adjournment

The meeting was adjourned at 9:50 a.m.

Respectfully submitted,
Dawn Sorenson