



Spectrum Finance Committee Minutes

Date: Monday, March 21, 2022
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
Joe Thomas	Board Treasurer	Present
Annalise Marberg	Parent Committee Member	Present
Nick Taintor	BerganKDV/Financial Manager	Present
Bridget Merrill-Myhre	BerganKDV	Present
Dan DeBruyn	Executive Director	Present
Mary Chaffin	Business Accounts Specialist	Present
Dawn Sorenson	Exec. Administrative Asst.	Present

I. Call to Order

The meeting was called to order at 9:00 am.

II. Old Business

None

III. On-Going Business.

A. 2021-2022 Finance Committee Goals

- *By January/February 2022, the Finance Committee will review current PSEO and concurrent/C@SH enrollment in order to accurately project budgetary impact and modify the 2021-2022 fiscal budget accordingly. Completed*

IV. New Business

A. February Financial Report

Ms. Merrill-Myhre provided an overview on ADM (Average Daily Membership). She noted that the school was originally budgeting 800 ADM; however, upon the revised midyear budget that was approved by the Board in February, the budget ADM is now 814. Actual enrollment at the time of this report is 814, which fluctuates throughout the year. She went on to note that currently the school's budgeting a surplus for the year at \$100,000, with a projected cumulative fund balance of \$2,437,380, or 24% of expenditures at fiscal year-end. In addition, the Projected Days Cash on Hand for the fiscal year-end is 81 days (minimum is 30 days) with a projected debt service coverage ratio of 1.30 (minimum of 1.10x).

As of month-end, 66.67% of the year is complete, with a cash balance as of the reporting period of \$2,380,856, which is down from the previous month of \$2,556,308. State aids receivable shows a negative (\$96,969). This amount will be adjusted as MDE finalizes their year-end reviews. It was clarified that this will be a revenue increase for Spectrum once MDE finalizes their reconciling on FY21. Ms. Merrill-Myhre went on to note that the current year holdback balance is \$394,728, which is approximately 10% of total state aids. The remaining holdback amount will be paid back to the school in fiscal year 2023. Revenues received at the end of the reporting period were at 63% as compared to expenditures at 60.1%, and all is on track when comparing budget to actual.

The Committee went on to review the Balance Sheet, Statement of Revenues and Expenditures, and Cash Flow reports. Nothing of significance was noted and all is on track when comparing budget to actual. Cash Flow is good.

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

B. February Management Report

The Committee reviewed the February Management Report. It was noted that #202101497 and #202101504 were missing due to Accounts Payable entering a wire twice in the middle of the batch which had to be deleted. The system doesn't go back and fill in the wire number and therefore the sequencing skips as noted above and in the report.

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

C. February Contracted Services Report

The Committee reviewed the February Contracted Services Report. Ms. Merrill-Meyer shared that the report now reflects the mid-year budget review that was conducted and approved by the Board at the February meeting.

D. February Food Service Report

The Committee reviewed the February Food Services Report. The report indicates a current cumulative loss of (\$30,787.88) for the school year. Mr. DeBruyn inquired with Ms. Chaffin as to whether or not the commodities reimbursement is included within the invoices from Premiere Kitchens or if the school will receive a reimbursement check at the end of the year. Ms. Chaffin will follow up with Ms. Russell and report back her findings. Mr. DeBruyn went on to explain that the school didn't receive commodities reimbursement for FY21 as it only served bag lunches which do not qualify.

E. FY23 Long Range Budget Projection – Salary Line Only

The FY23 Long Range Budget Projection shows a 3% increase over FY22 salaries and benefits with \$4,074,635 allocated for salaries and \$1,200,221 for benefits. Mr. DeBruyn inquired about the projected % increase to benefits for FY23. Ms. Merrill-Myhre shared that the formula used is 29% of salaries for the projected amount of \$1,200,221.

Following discussion, the Committee recommended approval of the FY23 Long Range Budget Projection – Salary Line Only of 3% increase by the Board as presented.

V. Old Business

A. Food Services Deficit Update

Ms. Chaffin reported that she continues to look into the deficit; however, had no update at this time.

VI. Previously Tabled Items

None

VII. Miscellaneous

None

VIII. Next Meeting Agenda Input – Friday, April 22, 2022 at 8:30 a.m.

None

IX. Adjournment

The meeting was adjourned at 9:38 am

Respectfully submitted,
Dawn Sorenson