



## Spectrum Finance Committee Minutes

Date: Monday, May 16, 2022  
Scheduled Time: 8:00 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).*

<b>Position</b>	<b>Committee Member</b>	<b>Attendance</b>
Joe Thomas	Board Treasurer	Present
Annalise Marberg	Parent Committee Member	Present
Nick Taintor	BerganKDV/Financial Manager	Absent
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 8:00 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. April 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 813, 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 78 days (minimum is 30 days) with a projected debt service coverage ratio of 1.30 (minimum of 1.10x).

As of month-end, 83% of the year is complete, with a cash balance as of the reporting period of \$2,248,967, which is down from the previous month of \$2,428,689. State aids receivable shows a negative (\$230,639). This amount will be adjusted as MDE finalizes their year-end reviews. Ms. Merrill-Myhre went on to note that the current year holdback balance is \$733,411, which is approximately 10% of total state aids. The remaining holdback amount will be paid back to the school in fiscal year 2023 with the majority of the reimbursement coming in the fall. Revenues received at the end of the reporting period were at 79.1% as compared to expenditures at 76.6%, 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 April Financial Report by the Board as presented.

**B. April Management Report**

The Committee reviewed the April Management Report. Prior to the start of the meeting, Spectrum's Business Accounts Specialist, Mary Chaffin, reviewed the report and noted the following:

- Check #202101759 = This check has Bergan listed as the vendor; however, it was paid to the Minnesota Twins. Bergan shared the following information upon inquiry, "There is a default setting in Skyward where if the system cannot find the vendor ID when uploading files (from Bill.com into Skyward), it will post to vendor=BerganKDV." Bergan will void the wire and set it up under the correct vendor name.
- Check #202101851 and #202101859 – both check numbers were skipped numbers. Upon inquiry, Bergan shared the following: "vendor payments go in sequential order. Accounts Payable entered a wire twice in the middle of the batch and had to delete. The system does not go back and fill in that wire number, therefore the reason for the skip."

Mr. DeBruyn shared that the previous procedure for when manual checks written appeared on the monthly statement was to wait until the check written had cleared the bank. However, moving forward, all manual checks written by the school will be sent to BerganKDV within the respective month they were written. Bergan will record/include the manual checks on the respective report in which the check has cleared the bank.

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

**C. April Contracted Services Report**

The Committee reviewed the April Contracted Services Report. Ms. Merrill-Meyer shared that all line items are trending on budget. It is anticipated that both Attorney Services and Concurrent Enrollment/PSEO will increase. Mr. DeBruyn shared that the school has had several recent events which required access to legal services. Several line items are trending over budget; however, there are other line items under budget, as well as additional funds in the "contingency" category to cover overages.

**D. April Food Service Report**

The Committee reviewed the April Food Services Report. The report indicates a current cumulative loss of (\$40,612.25) for the school year. Ms. Merrill-Myhre stated that all of her other schools, including traditional districts, run a deficit in the area of food service. Mr. DeBruyn noted that he is anticipating a contractual increase from Premier Kitchens for the FY23 school year. He will reach out to them to get a preliminary contract for the upcoming school year and will report back to the Committee as more information becomes available.

**E. Update on FY23 Northstar Bus Contract**

Mr. DeBruyn provided an update on the FY23 Northstar Bus Contract. He shared that PACT Charter School made the decision to not tier with another school, which was not unexpected. Regardless, Northstar has committed to the lower increase for Spectrum and is working to secure another school(s) for which bussing will be tiered. Mr. DeBruyn did reach out to Northstar to see if there were any other options to be explored for bussing and Northstar confirmed that there are not. So, it will mean that Spectrum will need to adjust its start and end times of the school day by 15 minutes (start and end time will be 15 minutes earlier) in order to accommodate the necessary tier with another school. Mr. DeBruyn shared that the Spectrum Board of

Directors will consider approval of the start/end times for the FY23 school year at its meeting on Thursday, May 19<sup>th</sup>. In addition, the Board will consider approval of the FY23 Northstar Bus Contract as well. He stated that he went through the most current contract from Northstar and the billing process will still need to be addressed.

**V. Old Business**

None

**VI. Previously Tabled Items**

None

**VII. Miscellaneous**

**A. Capital Expenditures**

Mr. DeBruyn gave a brief update on Capital Expenditures needing to be completed by the end of fiscal year 22. He shared that the challenge is ongoing in attempting to get the items ordered and paid for within the current year so as to not carry over the expenditure into the following calendar year (causing a possible appearance of running a deficit budget in FY23). He inquired about the possibility of taking the money currently within the FY22 budget allocated for capital expenditures and placing it in a fund to be utilized as the expenditure is realized rather than carrying the expenditures over into the next fiscal year. Ms. Merrill-Myhre acknowledged the request and it will be taken under advisement, but no final solution was proposed.

**VIII. Next Meeting Agenda Input – Friday, June 17 – 8:00 a.m.**

None

**IX. Adjournment**

The meeting was adjourned at 8:52 am

Respectfully submitted,  
Dawn Sorenson