



## Spectrum Finance Committee Minutes

Date: Friday January 20, 2023  
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).*

Position	Committee Member	Attendance
Joe Thomas	Board Treasurer	Present
Bridget Merrill-Myhre	BerganKDV	Present
Dan DeBruyn	Executive Director	Present
Mary Chaffin	Business Accounts Specialist	Present
Jennifer Linn	Exec. Administrative Asst.	Present

### I. Call to Order

The meeting was called to order at 8:03 am.

### II. On-Going Business.

#### A. 2022-2023 Finance Committee Goals

- *The Finance Committee will work with the Business Account Specialist to research, apply for, and track the food commodities application with Premier Kitchen to ensure it is completed by the required timeline and the refund obtained by June 2023.*
- Ms. Chaffin provided a brief update for the Committee noting that the School has received approximately \$20,000 from the Supply Chain Assistance fund that is being utilized to cover costs associated with milk, fruits and vegetables. In addition, the school will be receiving approximately \$10,000 in commodities reimbursement. These amounts will help to offset the deficit projected in the Food Services fund for FY23.
- *The Finance Committee will work with administration and BerganKDV to ensure the detailed budget for FY24 is keyed into Skyward by July 2023 leading to more current internal reports for improved and timely decision-making.*
- Ms. Merrill-Myhre will work with Mr. DeBruyn to ensure that the FY24 budget is keyed into Skyward by July 2023.

### III. New Business

#### A. FY23 December Financials

Ms. Merrill-Myhre provided an overview of the Executive Summary of the FY23 December Financials. She reported that the FY23 budget is based on 840 Average Daily Membership (ADM) and actual ADM is currently 878. Ms. Merrill-Myhre then went on to note that currently the school's budgeting a surplus for the year at \$7,983, with a projected cumulative fund balance of \$2,621,541 or 25% of expenditures at fiscal year-end. In addition, the Projected Days Cash on Hand for the fiscal year-end is 110 days (minimum is 30 days in the bond covenant) with a projected debt service coverage ratio of 1.18 (minimum of 1.10x).

As of month-end, 50% of the year is complete, with a cash balance as of the reporting period of \$2,587,455, which is down from the previous month of \$3,072,682. State aids receivable shows a negative (\$7,705). This

amount will be adjusted as MDE finalizes their year-end reviews. MDE most likely is paying more than expected based on last year's amounts. This will continue to be monitored over the next several months. Current state holdback balance is \$505,108 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 2024. Revenues received at end of the reporting period were -52.3% as compared to expenditures disbursed at 47.9%. Ms. Merrill-Myhre stated that the revenues are higher due to the \$250,000 loan received by the school to help pay for the parking lot project. Ms. Merrill-Myhre went on to state that there is nothing of significance to report with regard to revenues and expenditures and that all is on track currently when comparing budget to actual.

The Committee then went on to review the Balance Sheet and Statement of Revenues and Expenditures.

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

**B. December Management/Supplemental Report**

The school received the \$250K loan from First Bank of Elk River to help with the parking lot construction.

The current year's budget is under review. An updated working budget column will be presented after updates to the mid-year budget are complete.

Following discussion, the Committee recommends the Board consider approval of the December Management/Supplemental Report as presented.

**C. December Contracted Services Report**

The Committee reviewed the December Contracted Services Report. It was noted that the Advertising & Marketing (PRG 107) FY 22-23 Original Budget \$31,000 and FY 23 12/31/22 YTD \$2,907.83 at 9.4%. Mr. DeBruyn noted that this amount is lower than anticipated with additional advertising that has been completed. Coding or timing of invoices/expenditures will be reviewed.

**D. December Food Service Report**

The Committee reviewed the December Food Service Report for which is currently showing an overall, deficit of (\$3,653.34). It was again stated that the approximate \$10,000 in commodities reimbursement, as well as the \$20,000 from the Supply Chain Assistance fund, will help offset the projected fund loss.

**E. Leave Carryover Proposal**

Mr. DeBruyn shared, that while the proposal was written in October, it was reviewed and in need of revision. Time is needed to review and revise. We are aiming for February at this time.

**IV. Old Business**

**A. Land Donation Update**

Mr. DeBruyn shared that the Land Donation was completed by the end of the calendar year in order to allow for maximum tax deduction for the previous land owner. Spectrum's attorney is currently in the process of filing for tax exemption on the land. It has not yet been determined whether it will be necessary to combine the two pieces of property or work with the City of Elk River to change the zoning on the property.

**V. Previously Tabled Items**

None

**VI. Miscellaneous**

None

**VII. Next Meeting Agenda Input** – Friday, February 17, 2023 – 8:00 a.m.

**VIII. Adjournment**

The meeting was adjourned at 8:58 a.m.

Respectfully submitted,  
Jennifer Linn