

Finance Committee Meeting Minutes – October 23rd, 2023

Note: The Spectrum Finance Committee meeting was conducted via electronic means (using Zoom) per Minnesota Statutes, section 13D.021, Subdivision 1(4).

Committee Member	Position	Attendance
Joe Thomas	School Board Treasurer	Present
Bridget Merrill-Myhre	BerganKDV, Outsourced Controller	Present
Dan DeBruyn	Executive Director	Present
Mary Chaffin	Business Accounts Specialist	Present
Ben Slater	Parent Representative	Present
Daniel Parke	Parent Representative	Present
Jennifer Linn	Executive Administrative Assistant	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. Update on School Meal Program

There will be an update provided at the November 10th meeting. This will provide data from the prior month. It was noted that Spectrum recently received a reimbursement from MDE for the lunch program of around \$40,000, which was not included in the report from September. As a result, the account will be in the black (rather than -\$25,000).

B. Update on construction process and timeline with the City of Elk River

Mr. Peterson and Mr. DeBruyn will be going to the Planning and Zoning Commission meeting tomorrow evening for a Concept Review and consideration of the Planned Unit Development (PUD). This will be followed by a work session with the City Council on Monday, November 6. As a result of this process, approvals needed prior to bonding will likely be received in January – delaying the bonding and construction project by three to six months.

IV. New Business

A. Finance Reports – Bridget Merrill-Myhre provided data for the month of September. The committee reviewed the reports and is recommending acceptance.

1. September Financials – Summary of Key Financial Indicators

Average Daily Membership (ADM) Overview – Budgeted 895: ADM, Actual: 895. The school's budgeted surplus for the year is \$0.

The projected Days Cash on Hand for the projected fiscal year-end is 75 days.

The Projected Debt Service Coverage Ratio at fiscal year-end is 1.27. This is above the 1.10x that meets minimum bond covenants.

2. September Management/Supplemental Report

a. As of month-end, 25% of the year was complete.

b. Cash balance as of the reporting period \$3,235,584 is up from the previous month of \$2,839,687.



- c. Current year holdback balance is estimated at \$253,265 as of the reporting period. The holdback amount will be paid back to the school in fiscal year 2025.
- d. Revenues received at the end of the reporting period 24.2%
- e. Expenditures disbursed at end of the reporting period 15.5%
- f. Other rentals is 41.4% spent due to tent rental for Open House in August.
- g. Furniture & Other Equipment is 60% spent due to a golf cart purchase and downpayment for lockers at the High School.
- h. FY23 Audit is underway and is close to being complete with Schlenner Wenner. They have requested to present to the Board in December. However, they will work with Creative Planning to ensure all filing requirements are met for bond obligations at the end of November.
- i. The Committee reviewed the Management Report. No inconsistencies to report.

3. September Food Services Report

The Committee reviewed the Food Services Report. September shows an overall deficit of around \$25,000. However, we received a payment of around \$40,000 from the state not yet booked in the financial statement. Mary C. will work with Bridget to pull more detailed food service numbers for review at the November meeting.

4. September Contracted Services Report

No concerns were noted at this time. Mr. DeBruyn explained concurrent enrollment billing by semester lagging in the budget. He also noted the need to reconcile concurrent enrollment at the end of each semester.

B. Revised Committee Description

The Committee reviewed the revised Committee Description and discussed the various roles and responsibilities – including how they relate to the strategic plan and Board financial goals. No concerns were noted about the proposed changes which will be forwarded to the School Board for approval.

C. Proposed Finance Committee 2023-2024 Goals

The committee reviewed and agreed to the following proposed goals based on current work being done in the areas of food service and extracurricular budgets:

- 1. The Finance Committee will closely monitor the implementation of the statutorily required free food service program (breakfasts and lunches) monthly and work with administration to make any financial adjustments in order to maximize revenue and minimize expenditures by June 2024.
- 2. The Finance Committee will work with the Executive Director and Creative Planning (formerly BerganKDV) to better understand revenue and expenditures of the extracurricular program in order to more accurately reflect both in the mid-year budget (January 2024) and FY25 budget (June 2024).

V. Next Meeting Agenda – The next scheduled meeting is on Friday November 10th, 2023 @ 8.15 a.m.

A. Update on School Meal Program

B. Update on construction process and timeline – follow-up of city meetings.

VI. Adjournment

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

Respectfully submitted,

Jennifer Linn – Executive Administrative Assistant
