



Spectrum Finance Committee Minutes

Date: Monday, December 12, 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).

Position	Committee Member	Attendance
Joe Thomas	Board Treasurer	Present
Annalise Marberg	Parent Committee Member	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 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 will be utilized to cover costs associated with milk. 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 continue to work to ensure that the FY24 budget is keyed into Skyward by July 2023.

III. New Business

A. FY23 November Financials

Ms. Merrill-Myhre provided an overview of the Executive Summary of the FY23 November financials. She reported that the FY23 budget is based on 840 Average Daily Membership (ADM) and actual ADM is currently 881. 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) with a projected debt service coverage ratio of 1.18 (minimum of 1.10x).

As of month-end, 41.7% of the year is complete, with a cash balance as of the reporting period of \$3,072,682, which is slightly up from the previous month of \$2,891,152. State aids receivable shows a negative (\$27,432). 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 \$417,335 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 43.8% as compared to expenditures disbursed at 35.8%. 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 November Financial Report by the Board as presented.

B. November Management/Supplement Report

The Committee reviewed the November Management/Supplement Report. As was noted in the report, item numbers 202200669-202200670 were skipped due to two payables from September. At that time, there was a system upload issue and therefore it was attempted several times. Once finally uploaded successfully, these two wires were posted incorrectly and so AP voided the wires and reposted.

Item numbers 202200672-202200673 were wires from the Spectrum Building Company, an affiliated building company (ABC), account. The report produced only accounts for items related to the school's account and not the ABC.

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

C. November Contracted Services Report

The Committee reviewed the November Contracted Services Report. It was noted that the Staff Development & Staff Training line item has been 95% spent as compared to budget due to the following expenses - \$1,200 Cognitive Coaching Seminar and \$2,366 for Staff Tuition. The budget line will be adjusted at revised budget. In addition, the Furniture and Other Equipment is over budget due to the purchase of an outdoor electronic sign of \$44,000; bleacher purchase of \$17,000; and \$5,000 for a new ice machine. Mr. DeBruyn went on to state that these purchases should have been realized in the FY22 budget, but due to supply chain issues, were delayed and therefore are hitting the FY23 budget.

Mr. DeBruyn then went on to inquire about a previous line item in the budget titled Building and Land seeking to know whether this could be added back into the budget. Ms. Merrill-Myhre made note of the request and will add the line item back when completing the mid-year budget adjustments.

D. November Food Service Report

The Committee reviewed the November Food Service Report for which it was noted that currently the report is showing overall, a deficit of (\$2,038.61). 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. Employee Retention Credit Report

Mr. DeBruyn stated that BerganKDV (separate division) has been retained to gather together the required information to be sent to the federal government for possible reimbursement of employee retention costs

during the pandemic. Ms. Merrill-Myhre reported that originally it was thought that charter schools were not eligible for assistance through this fund; however, since that time, charter schools have been approved and so it is recommended that Spectrum apply. The cost for BerganKDV to do the Employee Retention Credit Consulting for 2020/2021 is a one-time fee of \$9,000, which will be covered by the anticipated reimbursement. The full reimbursement amount is unknown at this time.

F. Kotapay Agreement

Mr. DeBruyn shared that Kotapay is a 3rd party vendor for which BerganKDV is requiring the school to authorize to assist in the dissemination of payroll for its employees. In this manner, should either Ms. Jorris and/or Ms. Freier at BerganKDV be unavailable for whatever reason, other staff at BerganKDV will have access to the school's bank accounts and PIN numbers to ensure continuity of payroll operations for Spectrum employees. This item was for information and discussion only.

G. Leave Carryover Proposal

Mr. DeBruyn shared that the proposal is not yet ready for dissemination. It is anticipated that it will be ready by the scheduled January, 20, 2023 Finance Committee meeting.

IV. Old Business

A. Land Donation Update

No real update at this time. Mr. DeBruyn stated that the attorneys continue their work, but are waiting on a new appraisal due to the smaller parcel of land that is being donated. Mr. DeBruyn will keep the Committee apprised as additional information is available.

V. Previously Tabled Items

None

VI. Miscellaneous

None

VII. Next Meeting Agenda Input – Friday, January 20, 2023 – 8:00 a.m.

VIII. Adjournment

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

Respectfully submitted,
Dawn Sorenson