

# September 2024 Finance Committee Meeting

Tuesday, September 17th, 2024, 4:15 PM

Building/Room: Building A Room 16 (Leonhardi's Classroom)

## Members:

Isaac Leonhardi	Chair of Committee, BOD Treasurer	Present
Wendell Sletten	Board Member, Teacher	Present
Dustin Reeves	Contracted Business Manager	Present
Kate Hinton	Administration	Present
Justin Gehring	Staff/Parent	Absent
Shauni Holt	Staff	Present
Jennifer Stieve	Parent	Present
Yohannes Ghebru	Parent	Present
Noah Langseth	Teacher	Present
Mary Yapp	Board Member, Parent	Present
Heather Krisko	Parent	Present
Olufunmilayo Ogunwole	Parent	Present

**Community Members:** *Amanda Thao and Rachel Holst (AFC Committee Members)*

**Meeting Start: 4:19pm**

## Agenda:

### Introductions/Purpose of Committee (Leonhardi)

- a. As the Finance Committee, we have oversight of the financials and report them to the Board of Directors. We keep track of the audit progress and send updates throughout the year. Meetings will typically take place on Tuesdays before the BOD meeting and occasionally on Thursdays, as needed.
- b. Introductions were completed by all individuals present.

### 1. Finance Reports/ Current Year Financials (Reeves)

- a. Our original budget was based on an ADM of 690. The working budget was updated, based on enrollment, to 677 ADM. Administration and Reeves will

continue to monitor the ADM throughout the fiscal year and make adjustments as deemed necessary.

- i. The school's adopted budgeted surplus for the year is \$68,211. The school's working budget surplus for the year is \$67,235.
- b. The fund balance calculation is based on the total amount of expenditures throughout the year. Our PSEO count for the Century College credits contract drove the fund balance percentage up slightly due to actual credits enrollment. The PSEO contract services line item amount is going down as a result.
- c. Currently MSA meets bond requirements and projects 92 days cash on hand, meeting the 60 day requirement. Our debt service ratio coverage is estimated at 1.26, which is above the 1.0 required rate. With expansion underway, we are meeting the requirements from bondholders to be above the 1.2 rate.
  - i. *It was noted by the Committee that the printed reports had been updated by Reeves late in the afternoon, and the amount was reflected differently than what was provided to the committee. Updated reports will be presented to the Board of Directors. It was also noted that the finance reports are occasionally updated during meetings, and the preliminary reports provided to the committee may not reflect the exact report that is submitted to the Board of Directors.*
- d. Request to re-label ERC Credit line items, as the school has not received disbursement from the IRS for the Employee Retention Credit. Item was relabeled "Assigned fund balance- State Aid Holdback".
- e. No current issues with cash flow projected for this fiscal year, per Reeves.
- f. Clarification that the Journal Entries (with the header "JE" on the supplemental report) were from items that were a prepaid expenditure or items having the UFARS coding corrected.
- g. Holt provided an overview of the Supplemental items that reflect negative balances. All items are anticipated to be in the positive as the year progresses.
  - i. NHS- prepaid yearly membership.
  - ii. Prom- prepaid site deposit.
  - iii. Theater- prepaid licensure for production.
  - iv. Boys Basketball- prepaid middle school league fee.
  - v. Athletic Account- prepaid middle school league overall fee.
- h. Noted a large transaction Amazon for \$8,535. This was a staff laptop replacement cycle purchase and was within the technology line budget.
- i. Request to inactivate some activity codes from reports. Reeves and Holt will review.

## **2. 24/25 Budget (Hinton/ Reeves)**

- a. At the end of August, we were 16.67% of the way through the fiscal year. Cash balance as of the reporting period is \$1,934,572 which includes \$1,404,564 of funds that are required to maintain the Days Cash on Hand requirement for bonding. Cash has increased from the prior month of \$1,624,411 and this is due

to the receipt of a portion of the FY24 Holdback funds. We anticipate the remainder of the holdback funds in April/May 2025.

- i. Revenues received at the end of the reporting period are reflected at 15.98% of the working budget.
  - ii. Expenditures disbursed as of the end of the reporting period are reflected 9.62% of the working budget. Reeves verified that it is common at this point of the year to reflect approximately at this rate due to the accrual process.
- b. The committee asked if the Board of Directors were required to approve the updated budget. The enrollment is 722. The Board approved enrollment was 720. The ADM was adjusted based on PSEO. The budget is still on target.

**3. Fundraising/ AFC Committee / Donations (Hinton/ Gehring/ Holt)**

- a. Give To The Max is the first large fundraiser push. When Gehring is back onsite, they will coordinate with individuals interested in being a member of the sub-committee.

**4. Expansion Update (Hinton)**

- a. Dr. Hinton provided a brief overview of Expansion. There is a Town Hall for the community on 9/18/2024 to provide available updates on expansion. Currently holding steady without changing the plan, but it is possible that things coming through the city/county may impact our timeline.
- b. The board will be advised by JB Vang on what the next steps are at the September Board meeting.

**5. Audit Plan (Hinton/ Reeves)**

- a. The audit is scheduled for the 21st and the 22nd of October. BER would like to get the audit done sooner for bondholders. Creative Planning is working to get items ready for this. Most of the work is done in the Creative Planning offices. Abdo Solutions will be completing the audit this year. Abdo Solutions also completed the audit last year.

**Additional Comments:**

- The current unaudited projection for the surplus in the FY24 is \$25,000. The amount changed from a previous projection, as a line item was found to be charged to the Building Company versus the insurance claims payment receipt.
- Financial training is on the Board of Directors agenda for the future. A member of Creative Planning will complete the training with the Board of Directors, on a date to be decided.

**Meeting adjourned at 5:00 pm**

**Next meeting is scheduled for October 15th, 2024 at 4:15pm.**