Finance & Facilities Committee

Monday, October 12, 2026 6:00 PM
District Office Conf Rm B, 512 Industrial Blvd., Waconia, MN 55387

1. **CESO's Audit of Finance & Business, and Human Resources Offices**	**Presenter:** Pam Carman, Director of Finance & Operations

Summary of CESO's FBOA and HROA

Finance Committee
October 12, 2026

CESO's Scoring Rubric

District Finance Assessment

CESO evaluated the District's Finance and Business Operations using a comprehensive assessment framework to understand current practices, identify strengths, and uncover opportunities to improve efficiency, effectiveness, consistency, and long-term sustainability.

Overall Score
1.79
Emerging

What Was Assessed

Finance operations were evaluated across seven key areas using a four-level rubric (Emerging, Developing, Proficient, Distinguished).

Purchasing & Accounts Payable	Purchasing lifecycle, approvals, vendor management and payment processes
Accounts Receivable & Cash Handling	Revenue collection, invoicing, cash handling and point-of-sale practices
General Accounting Practices	Account structure, reconciliations, internal controls and operational continuity
Payroll & Benefits Administration	Payroll processing, benefits administration and financial reconciliation
Reporting & Compliance	Audit, budgeting, levy, Board reporting, tax reporting and state/federal compliance
Talent Development	Onboarding, cross-training, role clarity, professional development and succession planning
Proactive Practices	Long-range financial planning, technology, community engagement and future initiatives

Key Strengths

Payroll accuracy & compliance
Strong payroll accuracy, recurring compliance reviews and successful transition to electronic timekeeping.

Required reporting
Strong statutory and tax reporting and robust MARSS and other state reporting processes.

Financial planning
Advanced enrollment, revenue and multi-year forecasting.

Transparency & communication
Regular financial reporting to leadership, committees and the Board.

Positive audit direction
Movement toward a more collaborative, team-based audit process and resolution of prior minor findings.

HR/Payroll collaboration
Productive coordination around payroll, benefits and employee changes.

Areas for Improvement

Document critical processes
Expand standard operating procedures (SOPs) and establish consistent recurring workflows.

Reduce key-person dependency
Strengthen cross-training, backup coverage and succession planning.

Strengthen internal controls
Improve segregation of duties, cash handling, accounts receivable and reconciliation processes.

Clarify ownership & accountability
Define responsibility for recurring Finance, HR, Payroll and benefits processes.

Modernize workflows
Reduce spreadsheets/manual processes and better leverage technology.

Build sustainable capacity
Address backlogs and transactional workload so Finance leadership can devote greater capacity to strategic work.

Overall theme: Strong core financial practices are in place; the primary opportunities are to make those practices more documented, standardized, cross-trained and sustainable.

District HR Assessment

CESO evaluated the District's Human Resources operations using a comprehensive assessment framework to understand current practices, identify strengths, and uncover opportunities to improve efficiency, effectiveness, consistency, and long-term sustainability.

Overall Score
2.64
Developing

What Was Assessed

HR operations were evaluated across seven key areas using a four-level rubric (Emerging, Developing, Proficient, Distinguished).

Hiring & Onboarding	Talent acquisition, hiring process, applicant tracking and onboarding.
Total Compensation	Compensation philosophy, salary structures, benefits, wellness and related analytics.
Employee Experience	Leaves, accommodations, workplace injuries, retention, recognition and engagement.
Talent Development & Performance Management	Professional development, evaluations, succession planning and performance management.
Offboarding	Separation processes, District property, employee records and exit feedback.
Process Design & Documentation	HR and payroll partnership, personnel files, process documentation and required reporting.
Proactive Practices	Staff planning, workforce strategy, people data and HR strategic planning.

Key Strengths

Offboarding process
Established processes for employee separations.

Payroll integration
Effective collaboration with payroll to process employee changes and maintain accuracy.

Benefits administration
Successful administration of benefit programs and annual open enrollment.

Compliance
Strong adherence to employment laws, contracts and required reporting.

Employee relations
Responsive and supportive approach to employee relations.

Collaboration and communication
Productive working relationships with leadership, buildings and staff.

Areas for Improvement

Document HR processes
Expand and update standard operating procedures (SOPs) to ensure consistency and reduce reliance on individual knowledge.

Strengthen data management
Enhance maintenance, accuracy and cleanup of employee data.

Clarify roles and responsibilities
Define ownership for key HR processes and improve cross-training and backup coverage.

Optimize HR systems and technology
Better leverage available tools to improve efficiency and workflow.

Enhance recruitment and onboarding
Standardize practices and documentation to support consistency.

Build sustainable capacity
Address current workload and key person dependency to support long-term sustainability.

Overall theme: Strong HR practices are in place; key opportunities focus on documentation, data management, defined ownership and sustainable capacity.

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2. **2026-27 October 1 Enrollment**

Presenter: Pam Carman, Director of Finance & Operations

2026-27 October 1 Enrollment

Pam Carman, Director of Finance & Operations
October 12, 2026

FY27 Enrollment Update

Grade Level	FY27 Projection	10/1 Enrollment	Variance	% Variance
Elementary (K–5)	1,536	1,553	17	1.1%
Middle School (6–8)	868	864	(4)	-0.5%
High School (9–12)	1,327	1,325	(2)	-0.2%
Total K–12	**3,731**	**3,742**	**11**	**0.3%**

October 1 K–12 enrollment is **3,742** students, **11** students **(0.3%)** above the FY27 projection.

Elementary enrollment is 17 students above projection, driven in part by Kindergarten enrollment of **256** compared with a projection of **225 (+31)**.

Note: Enrollment totals exclude shared-time students, as reflected in the "Totals by Grade" worksheet.

2026-27 10/1 Enrollment by Grade

Elementary (K–5)

Grade	FY27 Projection	10/1 Enrollment	Variance
Kindergarten	225	256	31
Grade 1	235	232	(3)
Grade 2	251	250	(1)
Grade 3	273	284	11
Grade 4	256	258	2
Grade 5	296	273	(23)
Total K–5	**1,536**	**1,553**	**17**

Middle School (6–8)

Grade	FY27 Projection	10/1 Enrollment	Variance
Grade 6	303	284	(19)
Grade 7	304	294	(10)
Grade 8	261	286	25
Total 6–8	**868**	**864**	**(4)**

High School (9–12)

Grade	FY27 Projection	10/1 Enrollment	Variance
Grade 9	333	335	2
Grade 10	322	305	(17)
Grade 11	354	350	(4)
Grade 12	318	335	17
Total 9–12	**1,327**	**1,325**	**(2)**

EOY ADM History & Forecast Accuracy

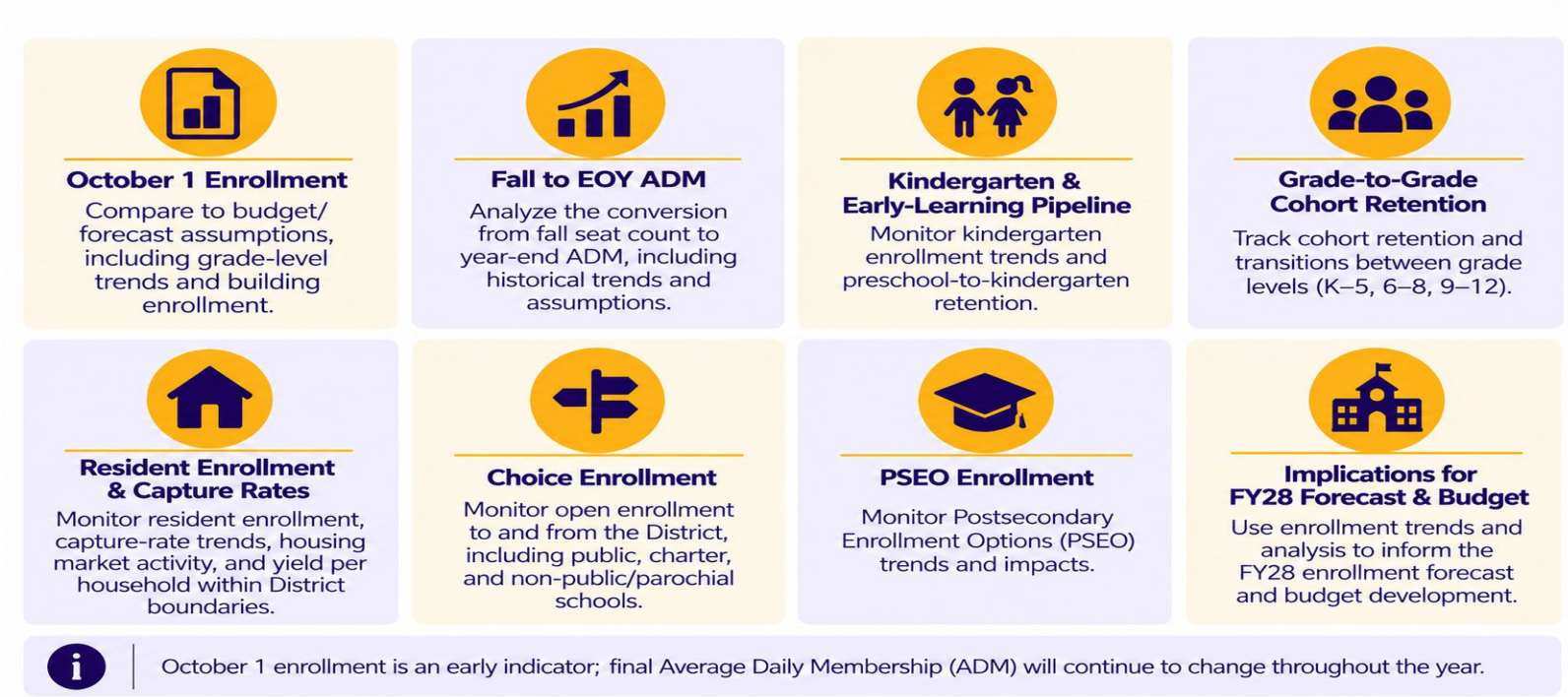
Fiscal Year	Revised Forecast	Actual / Preliminary ADM	Variance	% Variance
2016-17	3,968	3,899	(69)	(1.7%)
2017-18	3,990	4,039	49	1.2%
2018-19	4,105	4,051	(54)	(1.3%)
2019-20	4,145	4,071	(74)	(1.8%)
2020-21	4,088	3,972	(116)	(2.8%)
2021-22	4,050	4,017	(33)	(0.8%)
2022-23	4,000	3,979	(21)	(0.5%)
2023-24	3,950	3,921	(29)	(0.7%)
2024-25	**3,888**	**3,878**	**(10)**	**(0.3%)**
2025-26*	**3,817**	**3,809**	**(8)**	**(0.2%)**

EOY ADM decreased by **69 students (1.8%)** from 3,878 in FY25 to 3,809 (preliminary) in FY26.

First two years using the current enrollment projection methodology. Forecast variance: **less than 0.3%** in each year.

Note: *EOY ADM for 2025–26 is preliminary as of September 14, 2026. The District continues to review and correct enrollment reporting errors. Final FY26 ADM is expected in late December 2026/early January 2027.*

Enrollment Context and Next Steps



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3. **Long-Range Board Planning Timeline**

Long-Range Board Planning Timeline

Facilities, Capital Planning & Operating Referendum Renewals

Finance Committee, October 12, 2026

Looking Ahead: Facilities and Finance Timeline

Why We Are Looking Ahead

- The District will be navigating several significant facilities and financial planning decisions over the next several years.
- Some of these decisions have separate timelines, but they may overlap and should be considered together.
- This timeline helps the Board see the broader picture and potential decision points.

Middle School IAQ / HVAC

- The Middle School HVAC/IAQ system is the District's highest-priority facilities need.
- Near-term decisions will be required regarding interim measures, project scope, design, funding, and implementation.
- This work includes the MDE process, design and bidding, potential 2027 pull-forward work, and a full project implementation in 2028.

Capital Referendum Planning

- Facility assessments have identified additional capital needs beyond the Middle School project.
- Planning for a potential future capital referendum will require time for prioritization, scope development, community engagement, financial analysis, and Board discussion.
- The current facilities planning work anticipates approximately 12–18 months for that process.
- The timing of a future referendum would be a Board decision based on refined information and analysis.

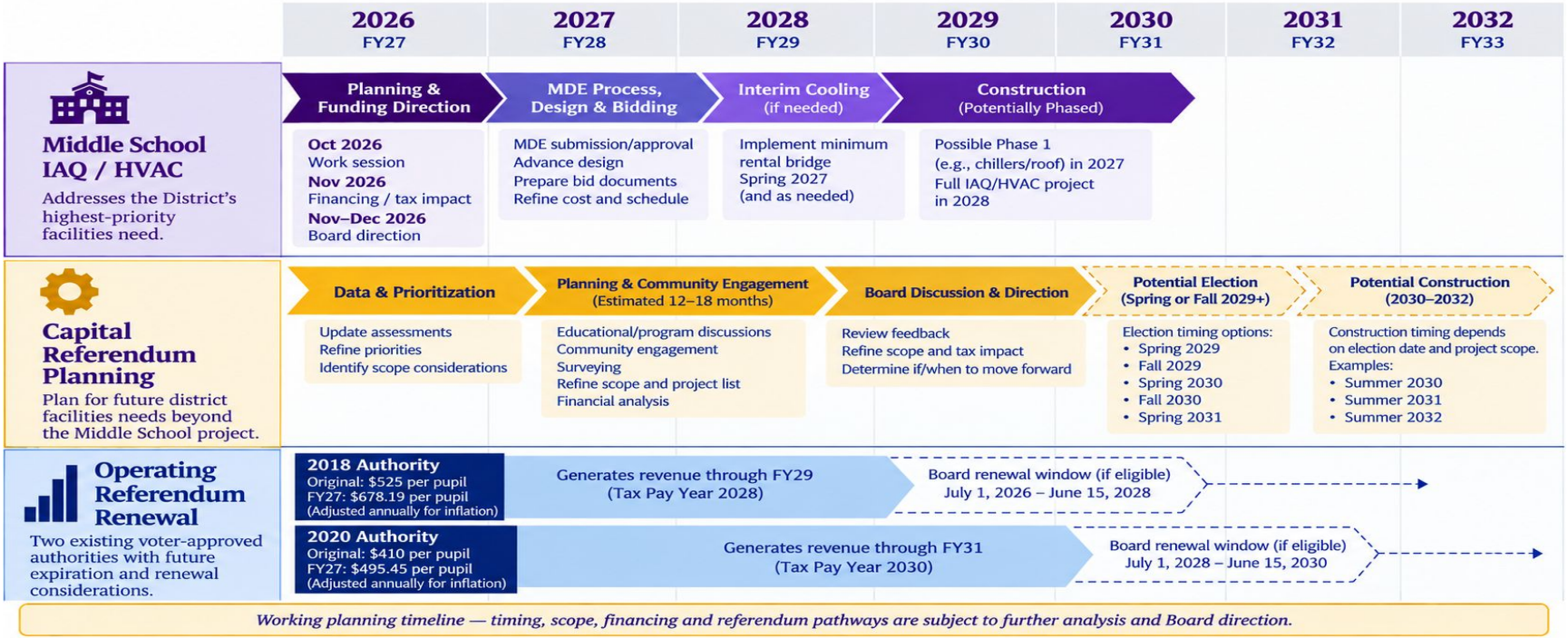
Operating Referendum Renewals

- The District has two existing voter-approved operating referendum authorities with future expiration and renewal considerations.
- Understanding those timelines alongside capital and debt planning will help the Board evaluate the District's broader financial landscape.
- Renewal options, timing, and eligibility will require further analysis and Board direction.

Purpose of the Timeline

The following timeline is intended to identify known and anticipated decision points, potential planning windows, and areas requiring further analysis. *It is a planning framework — not a recommendation or commitment to a particular project scope, financing approach, referendum date, or renewal strategy.*

Long-Range Board Planning Timeline



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4. **Audit Update**