

Finance Committee Meeting

Tuesday, September 19, 2023 5:00 PM

Board Assembly Room, 1250 West Broadway Avenue, Minneapolis, Minnesota 55411

1) **Call to Order and Roll Call**

2) **Adoption of Agenda**

3) **Approval of Minutes**

3)a. May 16, 2023 Minutes

4) **Reports and Discussion**

4)a. Financial Statements

4)a.1. July 2023 Statements

4)b. Audit Update

4)c. Levy Update

4)d. Budget Calendar

5) **Adjournment**

**OFFICIAL MINUTES
MINNEAPOLIS BOARD OF EDUCATION**

**FINANCE COMMITTEE MEETING
MAY 16, 2023**

CALL TO ORDER AND ROLL CALL

Committee Chair Abdul Abdi called the meeting to order at 5:00 p.m., a quorum being present.

Present: Directors Sharon El-Amin, Kim Ellison, Sonya Emerick, Ira Jourdain (arrived after roll call at 5:08p.m.) Abdul Abdi (5)

Absent: (0)

APPROVAL OF AGENDA

El-Amin moved to approve the agenda.

On a voice vote, the motion was adopted unanimously.

ACCEPTANCE OF MINUTES

El-Amin moved to approve the minutes from the April 18, 2023 meeting.

On a voice vote, the motion was adopted unanimously.

REPORTS AND DISCUSSION

Financial Statements: March 2023

Staff presented the financial statements from March 2023.

Student Enrollment Update

Staff presented an update on the student enrollment figures from October 1, 2022 to April 1, 2023, during which time there was a 14 student decrease.

2023-2024 Insurance Program

Staff presented an overview of the upcoming year's insurance program for non-medical/dental coverage areas.

ADJOURNMENT

Without objection, Chair Abdi adjourned the meeting at 5:40 p.m.

Minutes submitted by Ryan Strack, Assistant to the Superintendent and Board.

Meeting materials: <https://meetings.boardbook.org/Public/Agenda/1807?meeting=583125>

DRAFT

Monthly Financial Report July 31, 2023

Unaudited Report

Prepared By: Finance Division

Prepared For: Finance Committee

www.mpls.k12.mn.us

John B. Davis Education and Service Center | 1250 W. Broadway Ave. Minneapolis, MN 55411

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Monthly Finance Highlights

Ending Fund Balance for Operating Funds Month Ended July 31, 2023

Minneapolis Public School began the fiscal year in compliance with the District's fund balance policy, which dictates that the unassigned portion of the General Fund balance be at least 8.0%. Due to the timing of recording revenues & expenditures, fund balance fluctuates throughout the year. The District expects to be in compliance with the fund balance policy at the end of this fiscal year.

Below are preliminary governmental fund balances as of the end of July 2023:

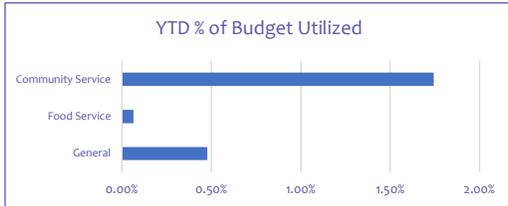
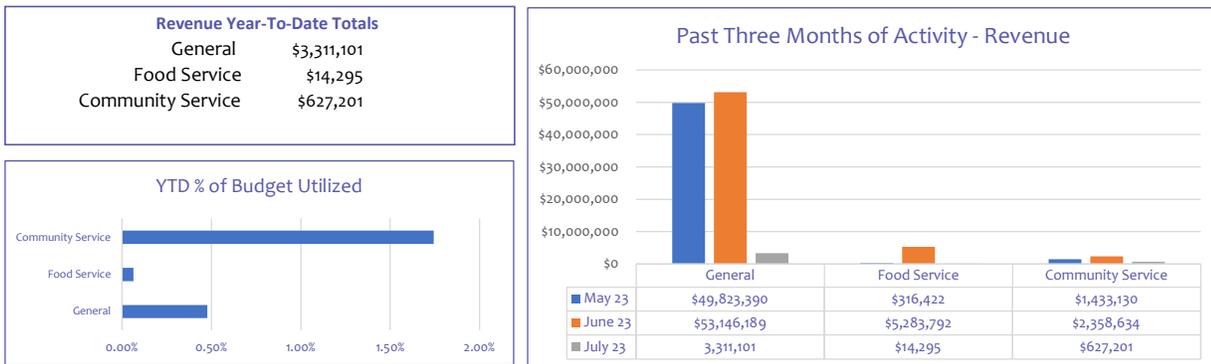
	General	Food Service**	Community Service
Preliminary Governmental Fund Balances*	\$67,089,599	(\$5,648,604)	\$3,510,408

*Fund balances will be updated after the fiscal year end audit, which is currently on-going. The District expects those funds to be higher after the same audit.

**At the end of the year, funds from General Fund will be transferred to cover the Food Service deficit.

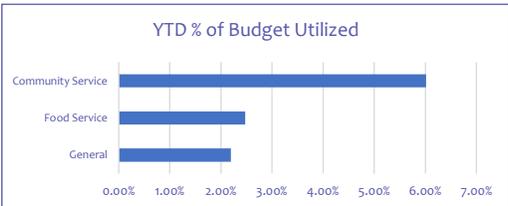
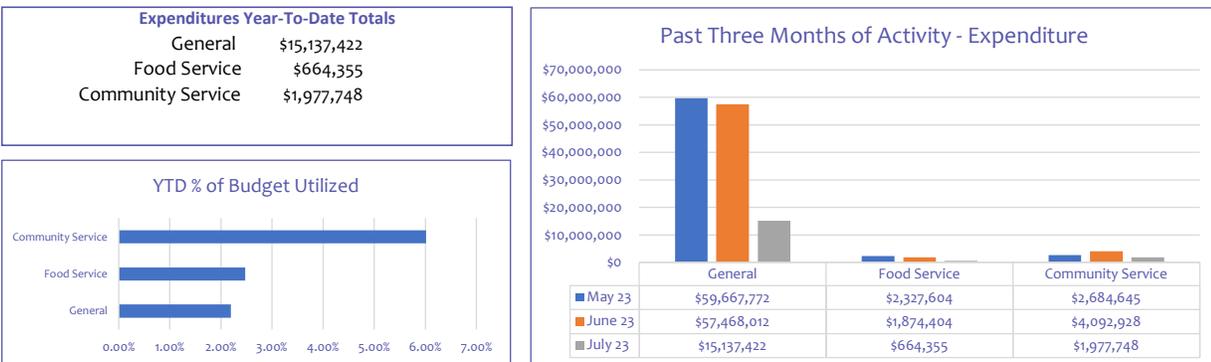
Revenue Highlights for Operating Funds As of July 31, 2023

General Fund revenue for July 2023 was \$3,311,101, which is 0.5% of budgeted revenue. Revenue activity in other funds is stated below:



Expenditures Highlights for Operating Funds As of July 31, 2023

General Fund expenditures for July 2023 were \$15,137,422, which is 2.2% of budget. Revenue activity in other funds are stated below:



**Minneapolis Public Schools
Special School District No. 1
Revenue and Expenditure Summary
Month Ended July 31, 2023**

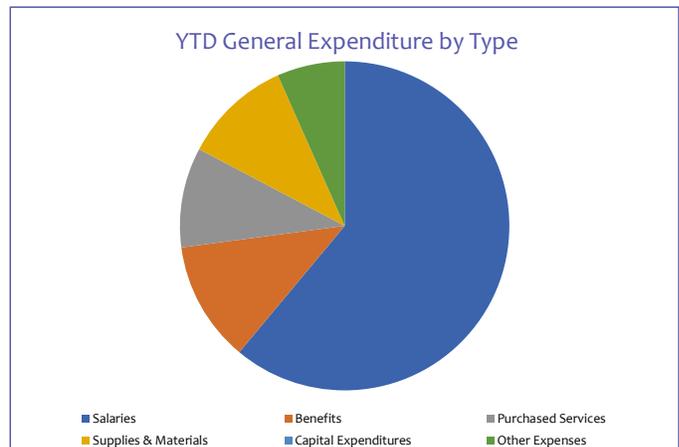
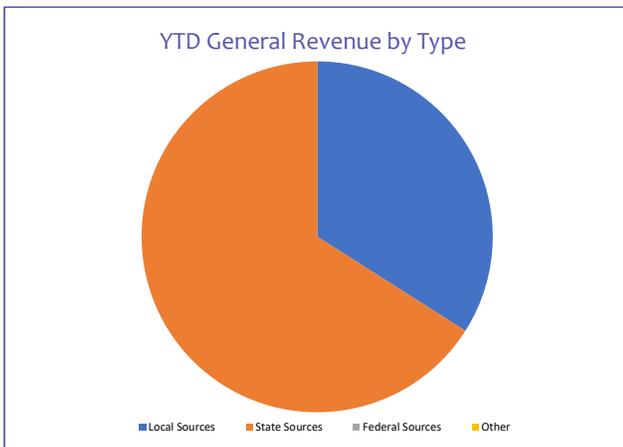
Revenue Summary

Fund	Budget	YTD Actuals	YTD as % of Budget
General Fund			
Local Sources	145,848,250	1,125,935	0.1%
State Sources	387,105,129	2,185,166	0.2%
Federal Sources	145,626,310	-	0.0%
Other	16,111,002	-	0.0%
Total	694,690,691	3,311,101	0.4%
Operating Funds			
Food Service Fund	22,487,000	14,295	0.0%
Community Service Fund	35,972,036	627,201	0.1%
Non-Operating Funds			
Building Construction Fund	83,908,725	992,765	0.1%
Debt Service Fund	92,497,284	1,022,107	0.1%
Total All Funds	929,555,736	5,967,469	0.6%

Expenditure Summary

Fund	Budget	YTD Actuals	YTD as % of Budget
General Fund			
Salaries	391,532,285	9,242,492	0.9%
Benefits	142,117,625	1,793,535	0.2%
Purchased Services	117,123,922	1,486,759	0.2%
Supplies & Materials	31,437,816	1,610,391	0.2%
Capital Expenditures	793,909	-	0.0%
Other Expenses	8,528,147	1,004,246	0.1%
Total	691,533,704	15,137,422	1.5%
Operating Funds			
Food Service Fund	26,819,050	664,355	0.1%
Community Service Fund	36,224,807	1,977,748	0.2%
Non-Operating Funds			
Building Construction Fund	132,002,128	2,741,654	0.3%
Debt Service Fund	92,497,294	16,717,702	1.7%
Total All Funds	979,076,983	37,238,881	3.8%

YTD General Fund Revenue & Expenditure by Type



Minneapolis Public Schools
Special School District No. 1
Expenditure Summary (upcoming month)
Month Ended August 31, 2023

The next monthly financial information is currently being reconciled and will be presented at October meeting. Expenditures below are early projections. These values are unaudited and have not been fully reconciled, therefore, changes are expected for the upcoming monthly financial report.

Fund	Budget	YTD Actuals	YTD as % of Budget
General Fund			
Salaries	391,532,285	27,961,631	7.1%
Benefits	142,117,625	5,705,740	4.0%
Purchased Services	117,123,922	8,134,715	6.9%
Supplies & Materials	31,437,816	4,076,074	13.0%
Capital Expenditures	793,909	159,430	20.1%
Other Expenses	8,528,147	1,092,241	12.8%
Total	691,533,704	47,129,830	6.8%
Operating Funds			
Food Service Fund	26,819,050	2,005,330	7.5%
Community Service Fund	36,224,807	4,024,583	12.2%
Non-Operating Funds			
Building Construction Fund	132,002,128	12,476,726	9.5%
Debt Service Fund	92,497,294	16,717,702	18.1%
Total All Funds	979,076,983	82,354,171	8.4%

Minneapolis Public Schools
Special School District No. 1
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Month Ended July 31, 2023

	<u>Budget</u>	<u>YTD Actuals</u>	<u>YTD as % of Budget</u>
Revenues			
Local sources			
Property taxes	145,848,250	-	0.0%
Earnings on investments	2,000,000	-	0.0%
Other local and county revenues	14,111,002	1,125,935	8.0%
Revenue from state sources	387,105,129	2,185,166	0.6%
Revenue from federal sources	145,626,310	-	0.0%
Sale and other conversion of assets	-	-	0.0%
Total Revenues	694,690,691	3,311,101	0.5%
Expenditures			
Current			
Administration	12,315,356	1,282,163	10.4%
District support services	50,040,939	4,251,814	8.5%
Elementary and secondary regular	304,897,855	3,134,145	1.0%
Vocational education instruction	6,843,107	6,106	0.1%
Special education instruction	133,611,176	1,990,536	1.5%
Community education and services	63,344	-	
Instructional support services	55,986,048	1,122,077	2.0%
Pupil support services	104,369,589	1,588,587	1.5%
Sites and buildings	48,499,564	1,761,995	3.6%
Fiscal and other fixed cost programs	(25,877,983)	-	0.0%
Capital Outlay			
Administration	-	-	0.0%
District support services	-	-	0.0%
Elementary and secondary regular	638,655	-	0.0%
Vocational education instruction	-	-	0.0%
Special education instruction	-	-	0.0%
Instructional support services	81,033	-	0.0%
Pupil support services	15,500	-	0.0%
Sites and buildings	49,521	-	0.0%
Total Expenditures	691,533,704	15,137,422	2.2%
Excess of Revenues Over (Under) Expenditures	3,156,987	(11,826,322)	-
Other Financing Sources			
Lease financing	-	-	0.0%
Total Other Financing Sources	-	-	-
Net Change in Fund Balances	3,156,987	(11,826,322)	-

Minneapolis Public Schools
Special School District No. 1
General Fund Balance Sheet
July 31, 2023

Assets

Cash and investments	111,915,526
Cash and investments held by trustee	-
Due from food service fund (negative cash)	6,009,802
Receivables	
Current property taxes receivable	65,216,633
Delinquent property taxes receivable	867,727
Due from other Minnesota school districts	44
Due from the Minnesota Department of Education	447,468
Due from the federal government through MDE	3,638,854
Due from the federal government directly	29,250
Due from other governmental units	2,887,922
Other receivables	2,088,253
Prepaid items	10,008,639
Inventory	124,920
Total assets	203,235,037

Liabilities

Salaries and compensated absences payable	12,328,951
Payroll deductions and contributions payable	4,098,969
Accounts and contracts payable	5,167,720
Due to other governmental units	(0)
Unearned revenue	7,753
Total liabilities	21,603,392

Deferred Inflows of Resources

Property taxes levied for subsequent expenditures	113,606,563
Unavailable revenue - delinquent property taxes	867,727
Deferred Inflow - lease revenue	67,756
Total deferred inflows of resources	114,542,046

Fund Balances

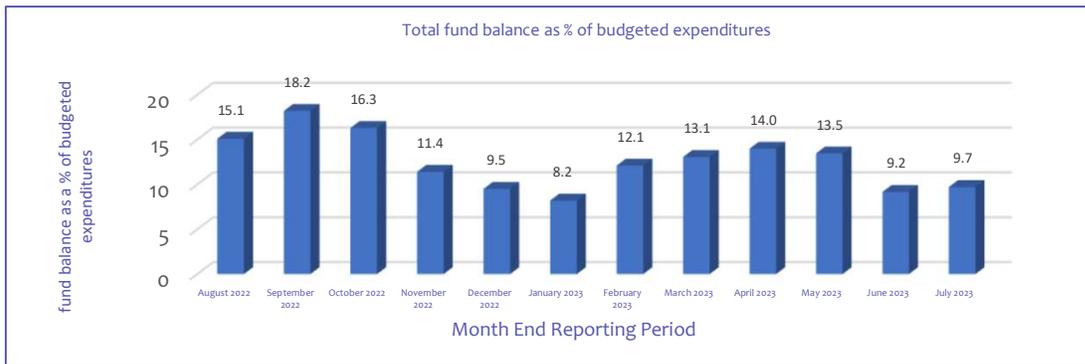
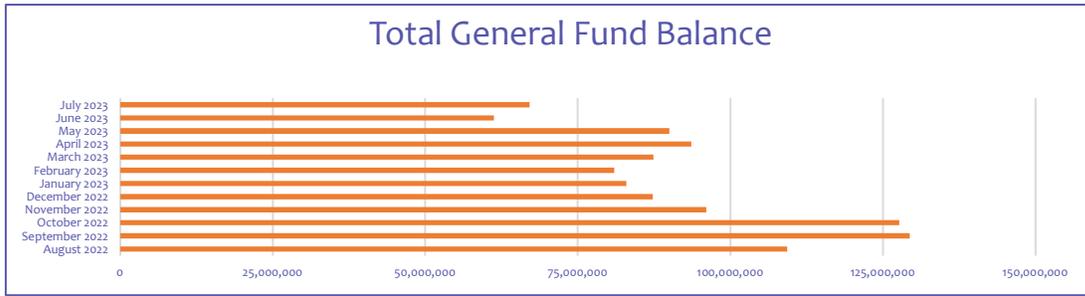
Total fund balances	67,089,599
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Total liabilities, deferred inflows of resources, and fund balances

	203,235,037
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Cash and investments are net of salaries & compensated wages payable

General Fund - Fund Balance Analysis



District policy dictates that the unassigned portion of General Fund balance be at least 8.0% of budgeted expenditures. The graphs show total fund balance, unassigned portion of the overall fund balance.

Overview of fund balance types

Nonspendable – assets that are inherently nonspendable (inventory and prepaid expenditures).

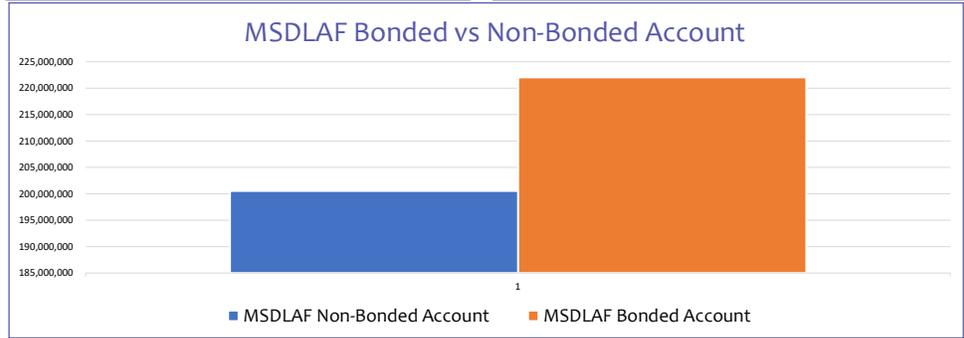
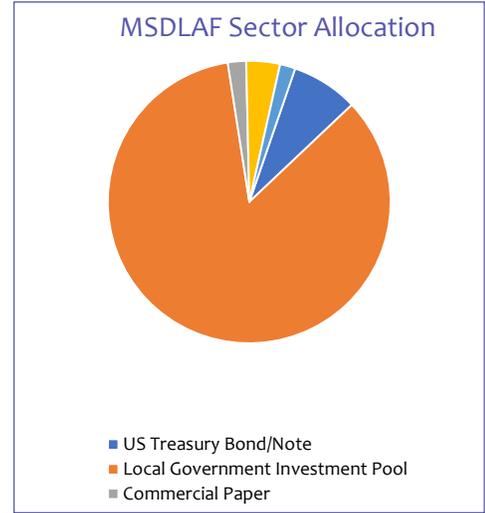
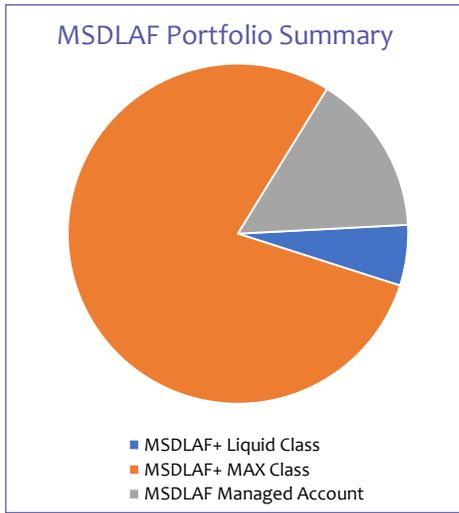
Restricted – amounts that are subject to externally enforceable legal purpose restrictions.

Assigned – amounts that are subject to a purpose constraint that represents an intended use established by The District

Unassigned – represents the residual classification for the government’s general fund

Minneapolis Public Schools
Special School District No. 1
Cash Position & Minnesota School District Liquid Asset Fund Investment Fair Market Values
Month Ended July 31, 2023

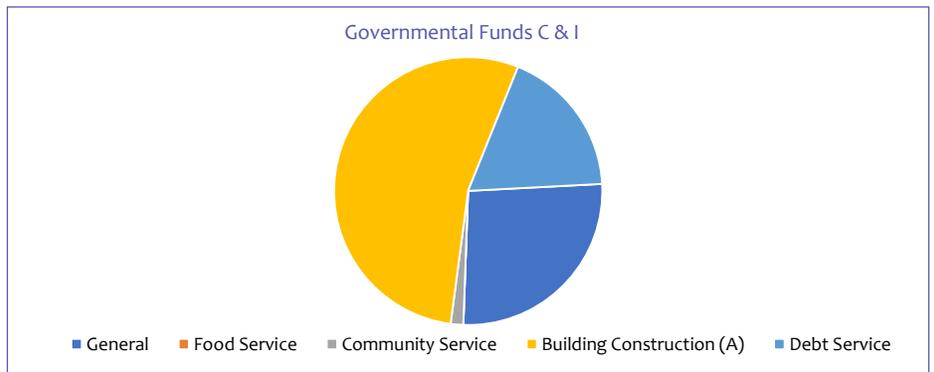
MSDLAF Investment Accounts*	2023 July
MSDLAF	
General Investments	65,447,638
General	126,932,234
Payroll	8,151,768
2016B GO Bonds (LTFM)	3,158,090
2016C COP's	2,667,511
2017A GO Bonds	5,817,038
2017B GO Bonds (LTFM)	11,543,383
2017C COP's	7,176,824
2018A GO Bonds	444,983
2018B GO Bonds (LTFM)	8,568,898
2019A GO Bonds	17,944,777
2019B GO Bonds (LTFM)	18,606,111
2020B GO Bonds	31,524,332
2020C GO Bonds (LTFM)	19,306,044
2021B GO Bonds	24,138,669
2021C GO Bonds (LTFM)	17,631,856
2022A GO Bonds	27,871,507.38
2022B GO Bonds (LTFM)	25,601,681.75
Total Fair Market Value	422,533,344
Non MSDLAF Accounts*	
US Bank	186,547
Wells Fargo	10,489
Cash with Fiscal Agents	31,753,411
Student Activity Accounts	568,176
Total Non MSDLAF	32,518,624
Total Cash & Investments	455,051,968



* These amounts represent cash balances and do not take into account pending transactions (outstanding checks, deposits in transit, etc.).
 * Cash & Investments balances for non-governmental funds may also be displayed above, however aren't included in cash on hand table.
 * All investments held at the Minnesota School District Liquid Asset Fund adhere to MPS investment Policy 3296 & 3296A, as well as state & federal guidelines.

Month End Governmental Funds Cash and Investments

Governmental Funds	Balances
Operating Funds	
General	\$111,915,526
Food Service	\$0
Community Service	\$6,377,602
Non-Operating Funds	
Building Construction (A)	\$228,663,780
Debt Service	\$76,594,486

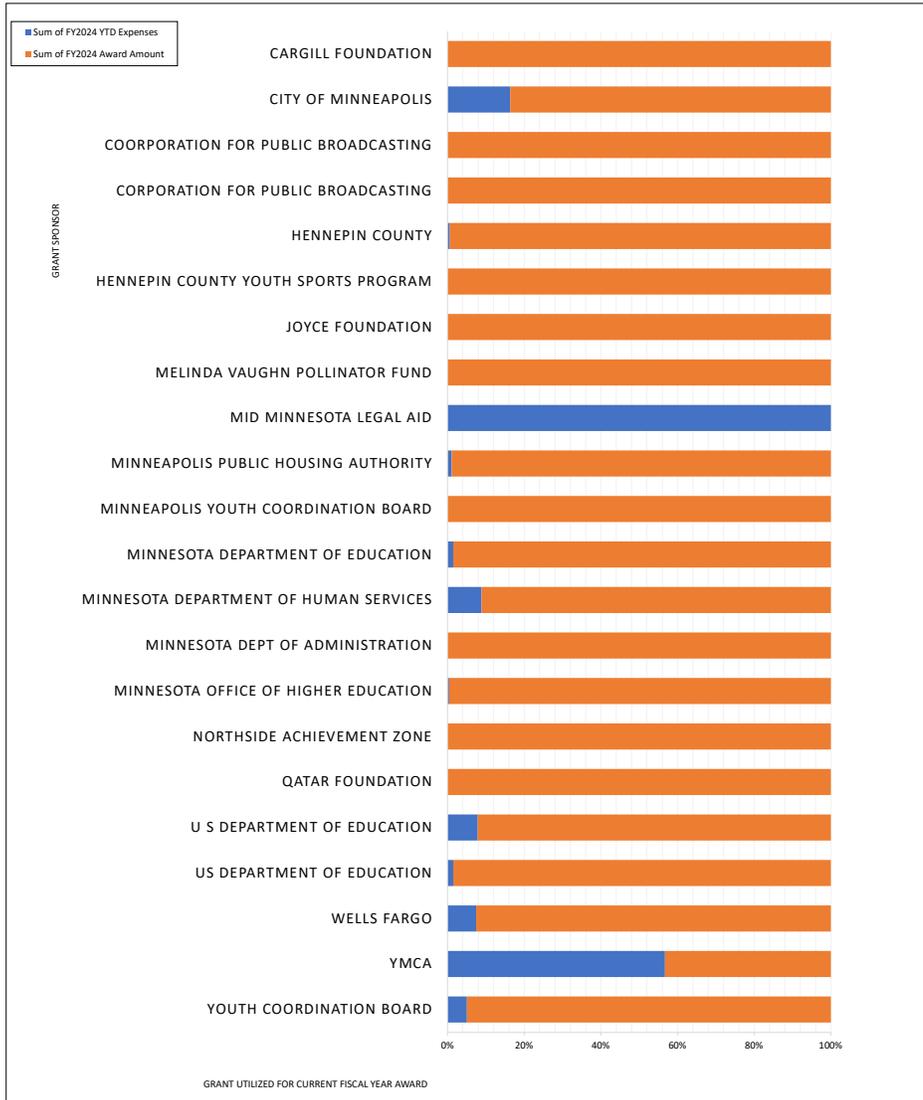


(A) A significant portion of The District's Cash and Investment is in the building construction fund. This funding must be spent on capital

Minneapolis Public Schools
Special School District No. 1
Grant Awards and Expenditures
Month Ended July 31, 2023

Grant	Award	YTD Expenditures
21st Century Cohort VII 2020/2021	7,925	2,142
ABE Wells Fargo GED	36,425	2,939
American Rescue Plan Act	2,551	-
Arabic Pathway	38,367	-
ARP Homeless Children	282,619	10,210
Arts and Cultural Heritage Fund (ACHF)	3,227	-
AYP SUPPORT GRANT	1,644,991	103,702
Beacons 21st 2020-2021	2,500	16,657
Building Peaceful Schools	150,001	3,317
Cargill GEMS/GISE	300,000	-
Cargill Stem	400,000	-
Citizenship grant	-	3,463
Community Success Network	36,478	8,948
CSLD Birth-5	84,933	5,139
CSLD Grade 6-12	825,623	26,065
CSLD K to 5th grade	548,360	2,942
Driving Academic Achievement at NSJ	159,977	-
Early Childhood - Ti	364,923	2,825
EHA Title VI-B Fede	10,283,778	428,522
ESSER II	-	2,730
ESSER II Summer School	-	6,824
ESSER III	20,993,304	78,303
FALL YMAP	75,000	-
FED ABE	57,378	10,607
FRC - Operations Grant	260,000	15,657
GEAR UP II	2,335,270	24,579
GET Ready Counselors	116,251	457
Homework Starts at home	116,861	589
Human Capital In RIS	125,984	-
IEL/Civics	8,333	178
Indian Ed - Formula	330,001	28,176
McKinney Vento	80,000	138
MDE Grow Your Own Adult Pathway	287,773	-
MDE Grow Your Own Secondary Pathway	176,917	365
MPS Early Learning Scholarships for High Five & Three	1,617,680	289,155
MPS Success for the Future	590,078	14,029
Part H - PL89-313	229,150	344
Preschool Screening	-	25,929
School Safety Field	151,351	-
Sp Ed - LCTS -	-	100
Summer Preschool Fund	-	(1,156)
TITLE I High 5	5,847,138	1,894
TITLE IA BASIC	23,135,054	117,590
TITLE ID BASIC	130,451	1,630
TITLE IIA	2,614,534	-
TITLE III	937,398	46,355
Title IV	1,074,014	3,561
Vocational Ed - Perk	300,000	1,393
Winter YMAP	37,000	87
Stable Homes Stable Schools	696,520	7,334
ESSER III COMM ED	250,522	353,847
Beacons Ignite Afterschool	10,200	-
Safe Routes to School	2,023	1,400
ESSER III learning recovery	29,046,554	25,189
DHS Refugee Family	100,000	9,657
Vocational Life Skills	-	1,666
Non-Exclusionary Discipline Training and Support	-	-
MDE Grow Your Own Secondary Pathway II	278,578	374
MDE Grow Your Own Concurrent Enrollment	-	199
CPB Community Service Grant	113,178	-
ADSI	1,186,440	-
BSCA Stronger Connec	213,590	-
Cops- School Violence	153,750	3,289
Edison Pollinator Garden	2,000	-
Roosevelt CTE Bicycle	15,000	-
Southwest Football Helmets	6,750	-
Teacher Mentorship and Retention of Effective Teachers	-	2,290
Whittier Pollinator Garden	792	-
Grand Total	108,875,495	1,691,627

Minneapolis Public Schools
 Special School District No. 1
 Grant Utilization for Current Fiscal Year Award
 Month Ended July 31, 2023



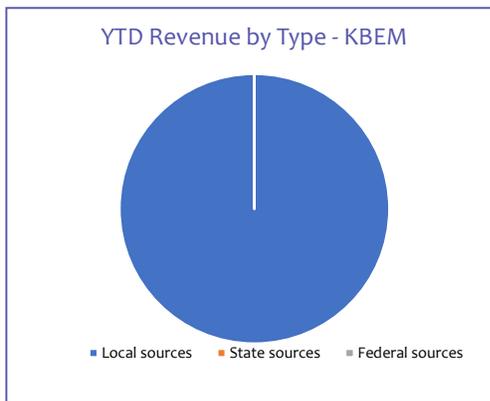
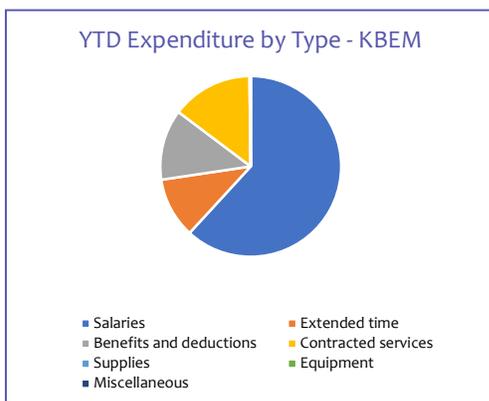
**Minneapolis Public Schools
Special School District No. 1
Budget and Actual Expenditures - KBEM
Month Ended July 31, 2023**

	FY2024 Budget	YTD Actual Amounts	YTD Utilized vs Budget %
Salaries	869,586	45,893	5.3%
Extended time	42,500	8,045	18.9%
Benefits and deductions	335,195	9,346	2.8%
Contracted services	435,759	10,802	2.5%
Supplies	131,091	135	0.1%
Equipment	-	-	0.0%
Miscellaneous	-	12	
Total	1,814,131	74,233	4.1%

**Revenue Breakdown - KBEM
Month Ended July 31, 2023**

	YTD Actual Amounts
Local sources	62,153
State sources	-
Federal sources	-
YTD Revenue Received	62,153

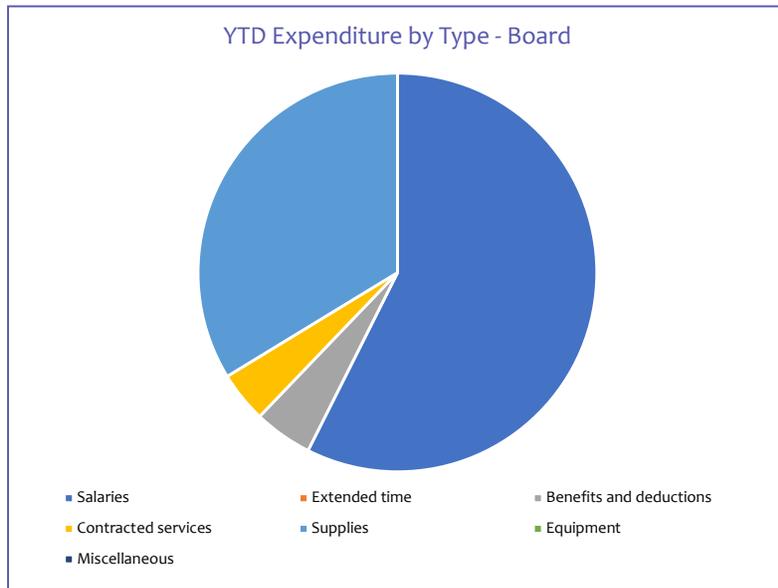
Pie Chart Displaying Breakdown of Revenue & Expenditure by Type



**Minneapolis Public Schools
Special School District No. 1
Budget and Actual Expenditures - Board of Education
Month Ended July 31, 2023**

	FY2024 Budget	YTD Actual Amounts	YTD Utilized vs Budget %
Salaries	184,000	14,154	7.7%
Extended time	-	-	0.0%
Benefits and deductions	66,240	1,167	1.8%
Contracted services	270,200	1,024	0.5%
Supplies	12,000	8,312	69.3%
Equipment	-	-	0.0%
Miscellaneous	-	-	0.0%
Total	532,440	24,657	4.6%

Pie Chart Displaying Breakdown of Expenditure by Type



Minneapolis Public Schools
Special School District No. 1
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Non General Fund
July 31, 2023

	<u>Operating Funds</u>		<u>Non-Operating Funds</u>	
	<u>Food Service</u>	<u>Community Service</u>	<u>Building Construction</u>	<u>Debt Service</u>
Revenues				
Local sources	-	613,657	992,765	-
Revenue from state sources	1,400	13,544	-	1,022,107
Revenue from federal sources	-	-	-	-
Other Revenue	12,895	-	-	-
Total Revenues	14,295	627,201	992,765	1,022,107
Expenditures				
Current	664,355	1,977,748	2,622,434	-
Capital Outlay	-	-	119,220	-
Debt Service	-	-	-	16,717,702
Total Expenditures	664,355	1,977,748	2,741,654	16,717,702
Excess of Revenues Over (Under) Expenditures	(650,060)	(1,350,547)	(1,748,889)	(15,695,594)
Other Financing Sources				
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances	(650,060)	(1,350,547)	(1,748,889)	(15,695,594)
Fund Balances				
June 30, 2023	-	4,860,955	227,634,029	44,988,551
July 31, 2023	-	3,510,408	225,885,139	29,292,957

Minneapolis Public Schools
Special School District No. 1
Balance Sheet - Governmental Funds (Non - General Fund)
July 31, 2023

	Operating Funds		Non-Operating Funds	
	Food Service	Community Service	Building Construction	Debt Service
Assets				
Cash and investments	-	6,377,602	228,663,780	76,594,486
Receivables	-	2,784,010	-	44,374,035
Prepaid items	-	-	681,551	-
Inventory	1,505,952	-	-	-
Total assets	1,505,952	9,161,611	229,345,330	120,968,521
Liabilities				
Due to general fund (negative cash)	6,009,802	-	-	-
Salaries and benefits payable	-	1,940	-	-
Accounts, contracts, and DTOG payable	142,291	72,548	3,460,193	-
Unearned revenue	1,002,463	110	-	-
Total liabilities	7,154,556	74,597	3,460,193	-
Deferred Inflows of Resources				
Total deferred inflows of resources	-	5,576,608	-	91,675,566
Fund Balances				
Nonspendable	1,505,952	-	681,551	-
Restricted	(7,154,556)	3,510,408	225,203,589	29,292,957
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	(5,648,604)	3,510,408	225,885,139	29,292,957
Total liabilities, deferred inflows of resources, and fund balances	1,505,952	9,161,611	229,345,330	120,968,521

Fiscal Year 24-25 Draft Budget Calendar

Month	Levy Certification	Strategic Operating Plan	FY 25 Operating Budget	FY25 Capital Budget
Sep	<p>9/7 – Levy certification report released.</p> <p>9/12 – BOE considers resolution approving maximum levy.</p> <p>9/30 – Finance to have all information entered into Levy Information System.</p>	Finance pro-forma work.	<p>Staff Adjustment for FY23 (weekly meetings)</p> <p>Prepare analysis of prior year revenue & expenses.</p>	
Oct		10/17 – Status Quo Pro-Forma shared with Finance Committee.	<p>Budget Analysts begin meeting with department managers.</p> <p>Identify final membership for Budget Alignment Committee.</p>	
Nov	Proposed property tax statements mailed.	<p>Identify members to sit on Strategic Operating Plan Workgroup (SOPW).</p> <p>11/14 – Status-Quo Pro-Forma shared with BOE.</p> <p>11/21 – Request Finance Committee discuss board values and provide initial guidance.</p>	<p>Departments begin presentations to Budget Alignment Committee.</p> <p>Final enrollment and revenue projections.</p> <p>School request portal opens.</p>	Gap/Fit Analysis and project cost estimates calculated.
Dec	12/12 – Truth in Taxation hearing and final BOE approval.	<p>Plan priorities identified.</p> <p>12/12 – Full board discuss board values and affirm/amend initial guidance.</p>	Department presentations continue.	<p>Gap/Fit continues.</p> <p>Work with Strategic Operating Plan workgroup to prioritize projects.</p>

Month	Levy Certification	Strategic Operating Plan	FY 25 Operating Budget	FY25 Capital Budget
Jan		1/9 – Full board provides values statement and budget guidance. Work with REAA to identify equity issues.	Initial school allocations calculated and communicated. Budget presentations to Parent Advisory Groups. Budget Alignment Committee finalizes department prioritization.	
Feb		Reconcile equity considerations with financial plan.	2/12 – Allocation memos to schools. 2/13 – Budget Tie-out (BTO) system opens.	Tentative list of prioritized projects finalized. Project list reconciled with Strategic Operating Plan.
Mar		Internal leaders review and finalize draft report.	3/1 – BTO System closes. Interview & Select begins	Determine bonding capacity and finalize list of projects.
Apr		4/16 – Finance Committee reviews draft report.	Interview & Select continues. Finance/HR reviews and approves budget data	4/9 – Draft capital plan communicated to Board Office. 4/16 – Finance Committee reviews draft plan and forwards to BOE for full board approval.
May		5/15 – Final Report to BOE. 5/16 – Final Report published on Budget website.	5/15 – Budget First Reading Late May – initial budget data loaded to SAP.	5/15 – Capital Plan First Reading
Jun			6/11 – Budget Approval 6/12 – Signed resolution published on budget website. 6/12 – All changes loaded to SAP.	6/11 – Capital Plan Approval 6/12 – Signed resolution published on budget website.

Month	Levy Certification	Strategic Operating Plan	FY 25 Operating Budget	FY25 Capital Budget
FY25			September – Budget Book.	Aug – Finalize bonding plans 12/10 – BOE approves bond sale (if applicable)