

## **Finance Committee Meeting**

Tuesday, October 17, 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. September 19, 2023 Minutes

4) **Reports and Discussion**

4)a. Financial Statements

4)a.1. August 2023 Statements

4)b. Audit Update

4)c. Bond Sale Update

4)d. ProForma Update

4)e. Budget Update

4)f. Enrollment Update

5) **Adjournment**

**OFFICIAL MINUTES  
MINNEAPOLIS BOARD OF EDUCATION**

**FINANCE COMMITTEE MEETING  
SEPTEMBER 19, 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 Joyner Emerick, Ira Jourdain, Abdul Abdi (3)

Absent: Directors Sharon El-Amin, Kim Ellison (2)

**APPROVAL OF AGENDA**

Jourdain moved to approve the agenda.

On a voice vote, the motion was adopted unanimously.

**ACCEPTANCE OF MINUTES**

Jourdain moved to approve the minutes from the May 16, 2023 meeting.

Director Emerick asked for two corrections to be made to the draft May 16, 2023, minutes as presented. Both corrections were accepted and reflected in the minutes prior to approval.

On a voice vote, the motion was adopted unanimously.

**REPORTS AND DISCUSSION**

**Financial Statements: July 2023**

Staff presented the financial statements from July 2023.

**Audit Update**

Staff presented an update on the fiscal year 2023 financial audit, which is being conducted currently and is due to be reported to the Board in November or December 2023.

**Levy Update**

Staff presented an update on the levy, which was pre-certified at the board's September 12<sup>th</sup> regular business meeting.

**Budget Calendar**

Staff presented a draft budget calendar, which outlined several finance-related tasks mapped out to the estimated date they would occur.

#### **ADJOURNMENT**

Without objection, Chair Abdi adjourned the meeting at 6:17 p.m.

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

Meeting materials: <https://meetings.boardbook.org/Public/Agenda/1807?meeting=600485>

DRAFT

# Monthly Financial Report August 31, 2023

\*Unaudited\* Report

Prepared By: Finance Division

Prepared For: Finance Committee

[www.mpls.k12.mn.us](http://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 August 31, 2023

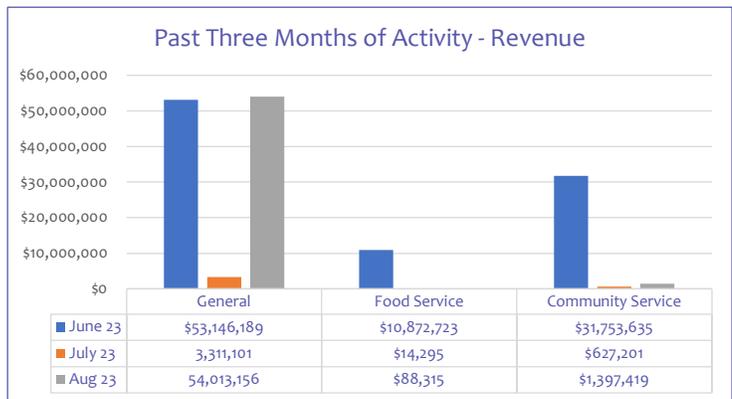
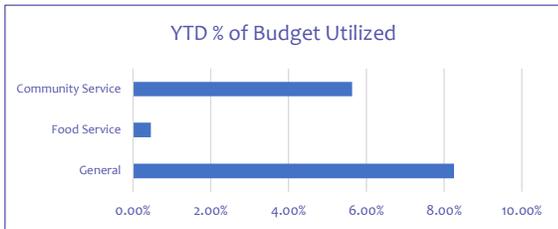
Minneapolis Public School began the fiscal year in compliance with the District balance fund policy. Minneapolis Public School is projected to be in compliance at the end of this fiscal year with the District fund policy. Current fund balance is \$155,089,599. District policy dictates that the unassigned portion of General Fund balance be at least 8.0%. Due to the timing of recording revenues & expenditures, fund balance fluctuates throughout the year.

	General	Food Service	Community Service
Month \$ Ending balance	\$155,089,599	(\$2,175,794)	\$6,055,022

## Revenue Highlights for Operating Funds As of August 31, 2023

General Fund revenue during the month was \$54,013,156. Year to date General Fund revenue was \$57,324,457 (8.25 percent of budgeted revenue). Revenue activity in other funds are stated below:

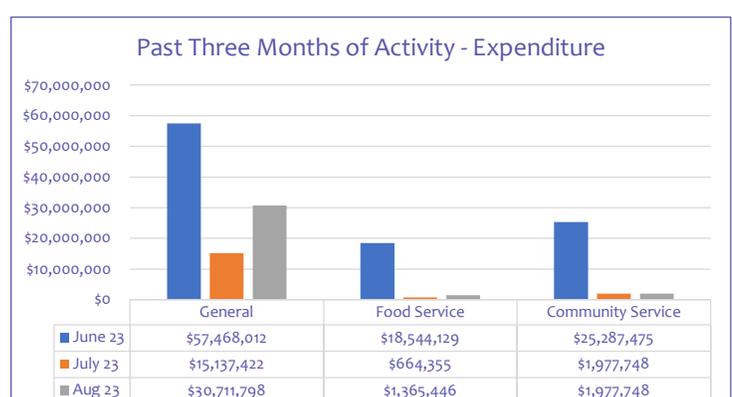
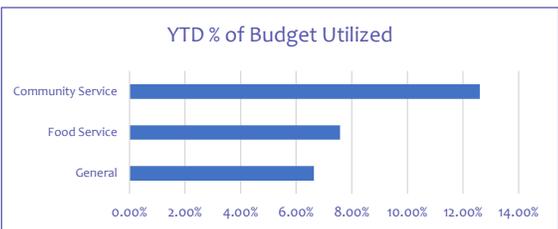
Revenue Year-To-Date Totals	
General	\$57,324,257
Food Service	\$102,610
Community Service	\$2,024,620



## Expenditures Highlights for Operating Funds As of August 31, 2023

General Fund expenditures during the month was \$30,771,798 while YTD expenditures totaled \$45,849,220 (YTD actuals as a % of budget totaled 6.6%). Revenue activity in other funds are stated below:

Expenditures Year-To-Date Totals	
General	\$45,849,220
Food Service	\$2,029,801
Community Service	\$4,141,357



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

**Revenue Summary**

Fund	Budget	YTD Actuals	% of Budget	PY YTD Actuals	PY % of Budget
<b>General Fund</b>					
Local Sources	145,848,250	3,688,712	2.5%	2,256,425	1.7%
State Sources	387,105,129	48,966,847	12.6%	47,208,387	13.3%
Federal Sources	145,626,310	4,655,292	3.2%	9,733,335	7.3%
Other	16,111,002	13,406	0.1%	4,884	0.2%
<b>Total</b>	<b>694,690,691</b>	<b>57,324,257</b>	<b>8.3%</b>	<b>59,203,031</b>	<b>9.5%</b>
<b>Operating Funds</b>					
Food Service Fund	22,487,000	102,610	0.5%	152,835	0.6%
Community Service Fur	35,972,036	2,024,620	5.6%	1,877,970	5.1%
<b>Non-Operating Funds</b>					
Building Construction Fur	83,908,725	2,000,071	2.4%	845,143	1.3%
Debt Service Fund*	92,497,284	2,713,125	2.9%	3,382,105	3.7%
<b>Total All Funds</b>	<b>929,555,736</b>	<b>64,164,682</b>	<b>6.9%</b>	<b>65,461,084</b>	<b>7.8%</b>

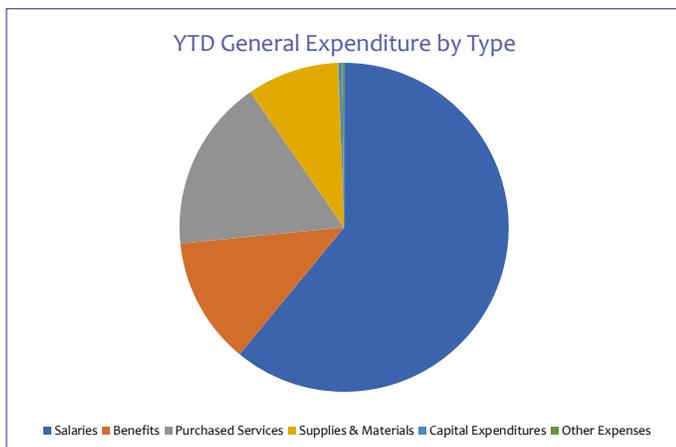
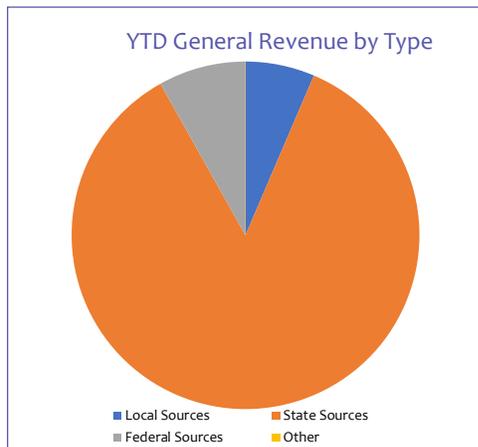
\*For the purposes of this report, other financing sources are reported as revenue

**Expenditure Summary**

Fund	Budget	YTD Actuals	% of Budget	PY YTD Actuals	PY % of Budget
<b>General Fund</b>					
Salaries	391,532,285	27,954,151	7.1%	29,642,224	8.0%
Benefits	142,117,625	5,705,740	4.0%	5,548,305	4.2%
Purchased Services	117,123,922	7,762,007	6.6%	9,781,980	8.8%
Supplies & Materials	31,437,816	4,175,384	13.3%	5,306,468	25.5%
Capital Expenditures	793,909	159,430	20.1%	83,940	56.0%
Other Expenses	8,528,147	92,509	1.1%	14,758	0.2%
<b>Total</b>	<b>691,533,704</b>	<b>45,849,220</b>	<b>6.6%</b>	<b>50,377,675</b>	<b>7.8%</b>
<b>Operating Funds</b>					
Food Service Fund	26,819,050	2,029,801	7.6%	2,162,861	8.1%
Community Service Fund	32,872,032	4,141,357	12.6%	3,957,256	10.4%
<b>Non-Operating Funds</b>					
Building Construction Fund	132,002,128	12,434,485	9.4%	6,836,344	5.3%
Debt Service Fund*	92,497,294	16,717,702	18.1%	16,229,308	17.8%
<b>Total All Funds</b>	<b>975,724,208</b>	<b>81,172,565</b>	<b>8.3%</b>	<b>79,563,444</b>	<b>8.6%</b>

\*For the purposes of this report, other financing uses are included in expenditures.

**YTD General Fund Revenue & Expenditure by Type**



Minneapolis Public Schools  
Special School District No. 1  
Expenditure Summary (upcoming month)  
Month Ended September 30, 2023

The next monthly financial information is currently in the process of being reconciled and will be ready for financial reporting in the upcoming meetings. The values related to expenditures below should be seen as early projections for what will be disclosed in further meetings. The values are both unaudited and the period for the upcoming month has not been fully reconciled - changes are expected for the upcoming monthly financial report.

Expenditure Summary (flash)

Fund	Budget	YTD Actuals	YTD as % of Budget
<b>General Fund</b>			
Salaries	391,532,285	62,185,366	15.9%
Benefits	142,117,625	16,255,092	11.4%
Purchased Services	117,123,922	13,500,546	11.5%
Supplies & Materials	31,437,816	8,199,421	26.1%
Capital Expenditures	793,909	176,360	22.2%
Other Expenses	8,528,147	577,475	6.8%
Total	691,533,704	100,894,260	14.6%
<b>Operating Funds</b>			
Food Service Fund	26,819,050	3,975,610	14.8%
Community Service Fund	32,872,032	6,661,665	20.3%
<b>Non-Operating Funds</b>			
Building Construction Fund	132,002,128	31,719,854	24.0%
Debt Service Fund*	92,497,294	16,717,702	18.1%
<b>Total All Funds</b>	<b>975,724,208</b>	<b>159,969,090</b>	<b>16.4%</b>

\*For the purposes of this report, other financing uses are included in expenditures.

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

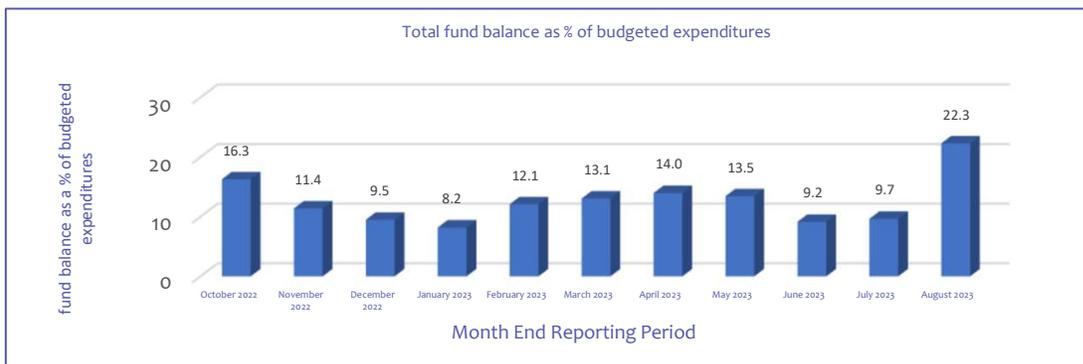
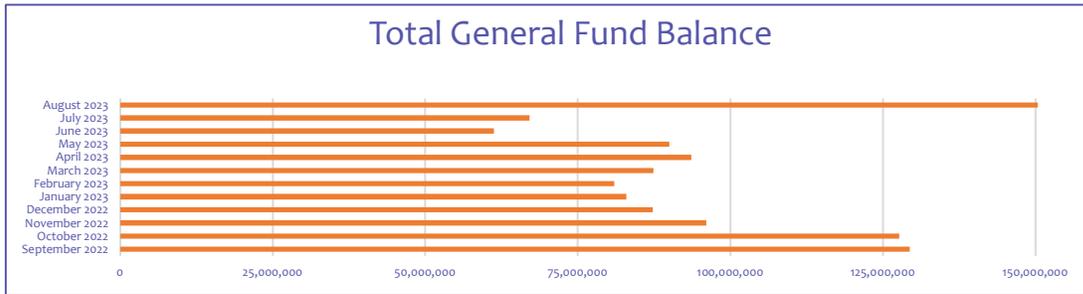
	<u>Budget</u>	<u>YTD Actuals</u>	<u>% of Budget</u>	<u>PY YTD Actuals</u>	<u>PY % of Budget</u>
<b>Revenues</b>					
Local sources					
Property taxes	145,848,250	-	0.0%	-	0.0%
Earnings on investments	2,000,000	1,910,662	95.5%	1,530,432	76.5%
Other local and county revenues	14,111,002	1,778,050	12.6%	725,993	118.0%
Revenue from state sources	387,105,129	48,966,847	12.6%	47,208,387	13.3%
Revenue from federal sources	145,626,310	4,655,292	3.2%	9,733,335	7.3%
Sale and other conversion of assets	-	13,406	0.0%	4,884	0.0%
<b>Total Revenues</b>	<b>694,690,691</b>	<b>57,324,257</b>	<b>8.3%</b>	<b>59,203,031</b>	<b>9.5%</b>
<b>Expenditures</b>					
Current					
Administration	12,315,356	1,575,446	12.8%	2,488,147	6.5%
District support services	50,040,939	7,863,366	15.7%	10,976,438	26.9%
Elementary and secondary regular	304,897,855	13,501,127	4.4%	15,259,793	5.8%
Vocational education instruction	6,843,107	219,768	3.2%	277,603	5.2%
Special education instruction	133,611,176	6,842,869	5.1%	5,991,044	4.6%
Community education and services	63,344	-			
Instructional support services	55,986,048	3,593,734	6.4%	3,573,671	8.6%
Pupil support services	104,369,589	5,296,132	5.1%	5,145,396	6.2%
Sites and buildings	48,499,564	5,162,416	10.6%	5,183,940	13.0%
Fiscal and other fixed cost programs	(25,877,983)	1,614,932	(6.2%)	1,397,702	100.2%
Capital Outlay					
Administration	-	-	0.0%		0.0%
District support services	-	-	0.0%		0.0%
Elementary and secondary regular	638,655	883	0.1%	8,036	803.6%
Vocational education instruction	-	-	0.0%		0.0%
Special education instruction	-	4,855	0.0%	5,605	0.0%
Instructional support services	81,033	2,342	2.9%		0.0%
Pupil support services	15,500	-	0.0%		0.0%
Sites and buildings	49,521	151,351	305.6%	70,298	50.0%
<b>Total Expenditures</b>	<b>691,533,704</b>	<b>45,829,220</b>	<b>6.6%</b>	<b>50,377,673</b>	<b>7.8%</b>
Excess of Revenues Over (Under) Expenditures	3,156,987	11,495,037	-	8,825,357	
<b>Other Financing Sources</b>					
Lease financing	-	-	0.0%		0.0%
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>3,156,987</b>	<b>11,495,037</b>		<b>8,825,357</b>	

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

<b>Assets</b>	<u>Current Year</u>	<u>Prior Year</u>
Cash and investments	139,691,891	130,681,569
Cash and investments held by trustee	-	-
Due from food service fund (negative cash)	6,630,000	1,512,930
Receivables		
Current property taxes receivable	71,182,485	65,277,073
Delinquent property taxes receivable	791,906	867,727
Due from other Minnesota school districts	44	-
Due from the Minnesota Department of Education	28,331,739	36,997,249
Due from the federal government through MDE	9,855,000	12,972,904
Due from the federal government directly	24,575	563,870
Due from other governmental units	2,021,148	1,664,494
Other receivables	1,275,305	584,365
Prepaid items	10,008,639	4,838,730
Inventory	124,920	124,920
<b>Total assets</b>	<b><u>269,937,652</u></b>	<b><u>256,085,831</u></b>
<b>Liabilities</b>		
Salaries and compensated absences payable	10,904,063	11,084,398
Payroll deductions and contributions payable	6,599,095	10,950,600
Accounts and contracts payable	2,078,962	10,291,267
Due to other governmental units	541	520
Unearned revenue	7,753	-
<b>Total liabilities</b>	<b><u>19,590,414</u></b>	<b><u>32,326,785</u></b>
<b>Deferred Inflows of Resources</b>		
Property taxes levied for subsequent expenditures	94,397,977	113,606,563
Unavailable revenue - delinquent property taxes	791,906	867,727
Deferred Inflow - lease revenue	67,756	-
<b>Total deferred inflows of resources</b>	<b><u>95,257,639</u></b>	<b><u>114,474,290</u></b>
<b>Fund Balances</b>		
<b>Total fund balances</b>	<b><u>155,089,599</u></b>	<b><u>109,284,757</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b><u>269,937,652</u></b>	<b><u>256,085,831</u></b>

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 above graphs display total fund balance, unassigned in a portion of the overall fund balance of MPS.

## 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

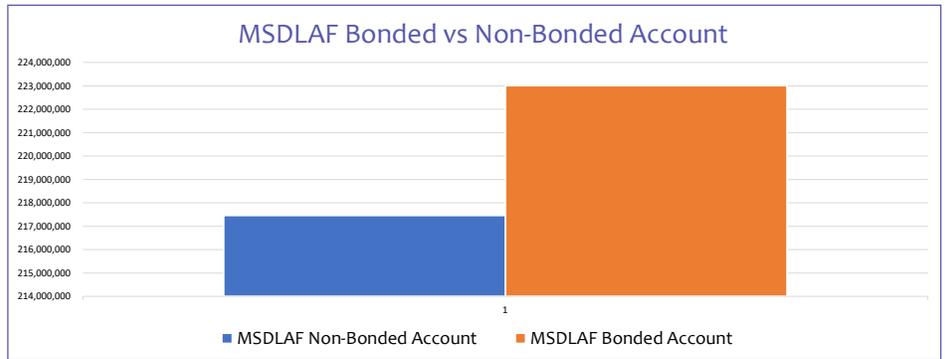
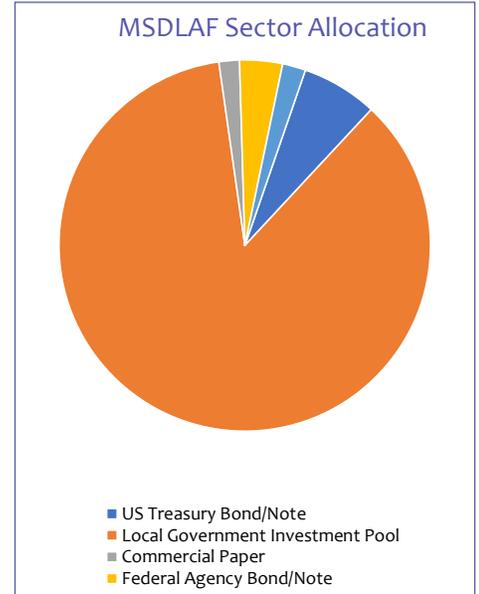
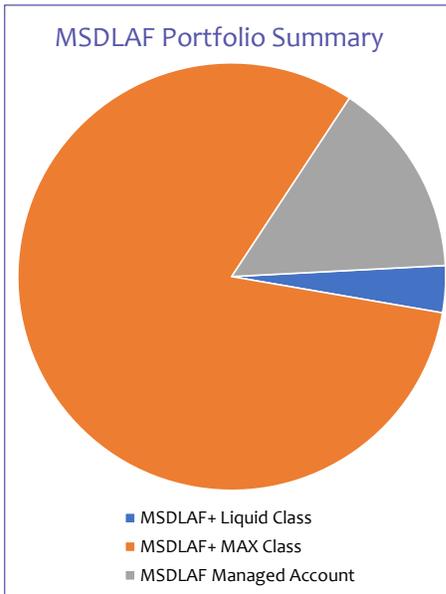
Unassigned – represents the residual classification for the government’s general fund

As displayed in the bar graph above, the District receives revenue throughout the year unevenly causing the fund balance bar graph to show a U shaped curve. The District receives most of their funds during the first third and end of the school year. Due to uneven revenue collection during the year, the District must set aside funding for the periods to remain in operations. This additional reconciling item is being displayed as "fluctuations of revenue during the year" as part of assigned. Assigned fund balance is fully reconciled during the course of the annual audit process at June year end.

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

MSDLAF Investment Accounts*	2023 August
<b>MSDLAF</b>	
General Investments	65,679,333
General	146,847,746
Payroll	4,930,186
2015D COP's	-
2016A GO Bonds	-
2016B GO Bonds (LTFM)	3,172,419
2016C COP's	2,679,614
2017A GO Bonds	5,843,432
2017B GO Bonds (LTFM)	11,595,759
2017C COP's	7,209,388
2018A GO Bonds	447,003
2018B GO Bonds (LTFM)	8,607,779
2019A GO Bonds	18,026,200
2019B GO Bonds (LTFM)	18,690,534
2019C COP's	-
2020B GO Bonds	31,667,369
2020C GO Bonds (LTFM)	19,393,643
2021B GO Bonds	24,248,195
2021C GO Bonds (LTFM)	17,711,858
2021D Bond Refunding	-
2022A GO Bonds	27,997,970.98
2022B GO Bonds (LTFM)	25,717,846.29
2022C Bond Refunding	0.00
<b>Total Fair Market Value</b>	<b>440,466,275</b>

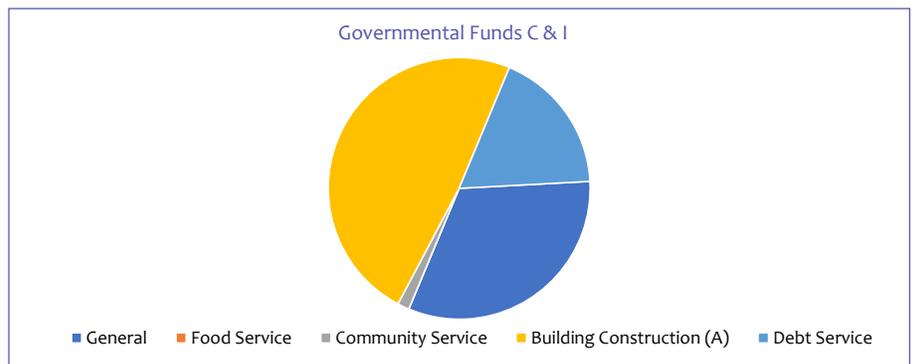
Non MSDLAF Accounts*	
US Bank	186,547
Wells Fargo	10,489
Cash with Fiscal Agents	31,753,411
Student Activity Accounts	568,176
<b>Total Non MSDLAF</b>	<b>32,518,624</b>
<b>Total Cash &amp; Investments</b>	<b>472,984,899</b>



\*Note 1: These amounts represent cash balances and do not take into account pending transactions (outstanding checks, deposits in transit, etc.).  
 \*Note 2: Cash & Investments balances for non-governmental funds may also be displayed above, however aren't included in cash on hand table.  
 \*Note 3: 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
<b>Operating Funds</b>	
General	\$139,691,891
Food Service	\$3,067
Community Service	\$6,334,441
<b>Non-Operating Funds</b>	
Building Construction (A)	\$210,950,383
Debt Service	\$77,813,976

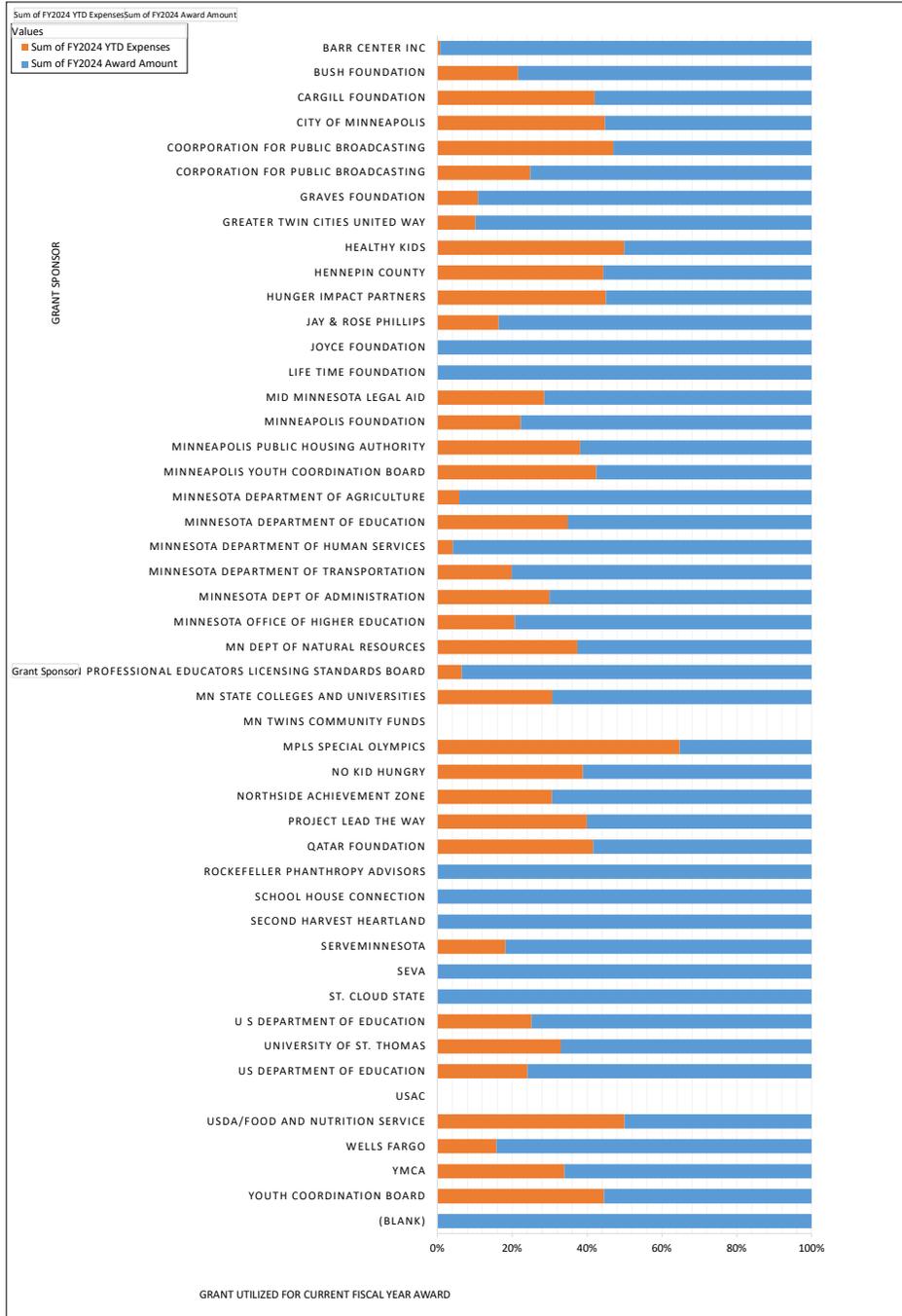


(A) A significant portion of The District's Cash and Investment is in the building construction fund. This funding must be spent on capital

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

Grant	Sum of Budget	Sum of CYExpenditures
<b>City of Minneapolis</b>	<b>200,001</b>	<b>65,558</b>
Building Peaceful Schools	150,001	8,719
Preschool Screening	50,000	56,839
<b>Corporation for Public Broadcasting</b>	<b>115,729</b>	<b>89,380</b>
<b>Joyce Foundation</b>	<b>125,984</b>	<b>-</b>
<b>Minneapolis Foundation</b>	<b>97,500</b>	<b>23,893</b>
<b>Minneapolis Youth Coordination Board</b>	<b>75,000</b>	<b>-</b>
<b>Minnesota Department of Education</b>	<b>107,759,471</b>	<b>8,524,474</b>
<b>Minnesota Dept of Administration</b>	<b>3,227</b>	<b>3,227</b>
<b>Northside Achievement Zone</b>	<b>159,977</b>	<b>10,615</b>
<b>Qatar Foundation</b>	<b>38,367</b>	<b>3,657</b>
<b>U S Department of Education</b>	<b>330,001</b>	<b>25,343</b>
<b>US Department of Education</b>	<b>2,335,270</b>	<b>467,382</b>
MPS Gear Up II	2,335,270	467,382
<b>Wells Fargo</b>	<b>36,425</b>	<b>6,908</b>
<b>YMCA</b>	<b>152,400</b>	<b>(82,675)</b>
<b>Youth Coordination Board</b>	<b>297,000</b>	<b>43,737</b>
<b>Minneapolis Public Housing Authority</b>	<b>696,520</b>	<b>49,959</b>
Stable Homes Stable Schools	696,520	49,959
<b>University of St. Thomas</b>	<b>-</b>	<b>1,658</b>
Teacher Quality Project Grant	-	1,658
<b>(blank)</b>	<b>6,750</b>	<b>-</b>
Southwest Football	6,750	-
(blank)	-	-
<b>Second Harvest Heartland</b>	<b>20,000</b>	<b>8,071</b>
Fall 2022 Second Harvest Grant	20,000	8,071
<b>Lifetime Foundation</b>	<b>12,194</b>	<b>385</b>
Let's Get Kids Moving	12,194	385
<b>MNDOT</b>	<b>1,824</b>	<b>1,400</b>
Safe Routes to School Boost- Edison Bike Fleet	1,824	1,400
<b>Outride</b>	<b>15,000</b>	<b>-</b>
Roosevelt CTE Bicycle Grant	15,000	-
<b>Melinda Vaughn Pollinator Fund</b>	<b>2,792</b>	<b>180</b>
Edison Pollinator Garden	2,000	-
Whittier Pollinator Garden	792	180
<b>MN Legal Aid</b>	<b>-</b>	<b>5,901</b>
Citizenship Grant	-	5,901
School Community Success Network/Full Service	437,742	22,113
<b>MN Office of Higher Education</b>	<b>116,251</b>	<b>12,861</b>
Get Ready College Counselors 2022	116,251	12,861
<b>Mn department of Human Services</b>	<b>100,000</b>	<b>20,487</b>
DHS Refugee Family Coach Connector	100,000	20,487
<b>Department of Justice</b>	<b>153,750</b>	<b>8,664</b>
Cops- School Violence Prevention/Safety Partners Netwc	153,750	8,664
<b>PESLB</b>	<b>-</b>	<b>3,459</b>
Teacher Mentorship & Retention of Effective Teachers	-	3,459
<b>Hennepin County</b>	<b>116,861</b>	<b>15,644</b>
Homework Starts with Home	116,861	15,644
<b>United Way</b>	<b>37,276</b>	<b>-</b>
Henry paychecks	37,276	-
<b>Hennepin County Youth Sports Program</b>	<b>52,800</b>	<b>13,500</b>
Green Central Heart of Dance Residency	25,000	13,500
Roosevelt Track Equipment	4,000	-
South Football helmets	8,000	-
Southwest Shooting Machine	6,800	-
Washburn Backboards	9,000	-
<b>Special Olympics MN</b>	<b>-</b>	<b>151</b>
Urban Innovation	-	151
Twins	-	-
<b>Cargill through Achieve</b>	<b>700,000</b>	<b>135,931</b>
Cargill GEMS/GISE	300,000	6,910
Cargill Stem	400,000	129,021
BARR Center Grant - Henry	8,500	-
BARR Center Grant - South	8,500	(21)
<b>Grand Total</b>	<b>114,213,112</b>	<b>9,481,842</b>

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



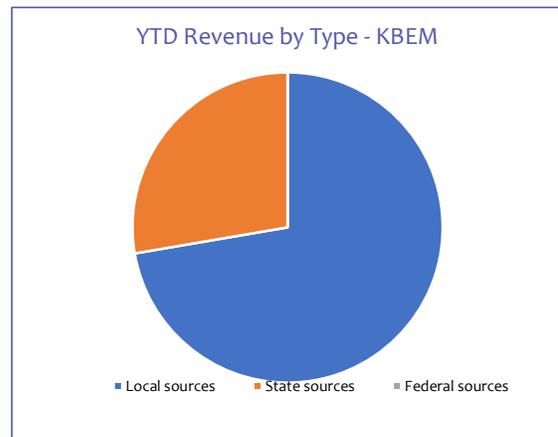
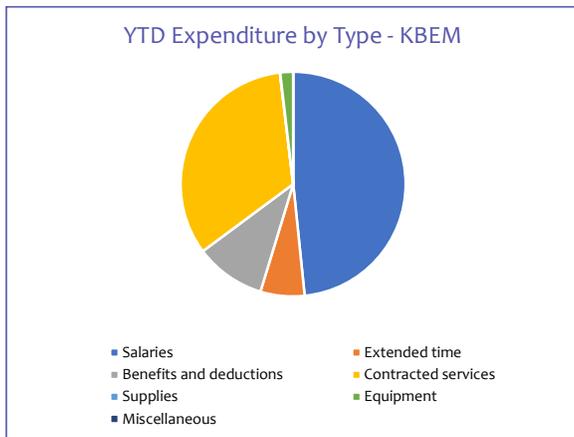
**Minneapolis Public Schools  
Special School District No. 1  
Budget and Actual Expenditures - KBEM  
Month Ended August 31, 2023**

<b>Fund</b>	<b>Budget</b>	<b>YTD Actuals</b>	<b>% of Budget</b>	<b>PY YTD Actuals</b>	<b>PY % of Budget</b>
Salaries	869,586	100,625	11.6%	97,389	<b>13.4%</b>
Extended time	42,500	13,184	31.0%	6,908	22.9
Benefits and deductions	335,195	20,990	6.3%	17,398	6.4
Contracted services	435,759	69,277	15.9%	50,155	15.6
Supplies	131,091	135	0.1%	8,283	5.6
Equipment	-	3,802	0.0%		0
Miscellaneous	-	12		200	1.1
<b>Total</b>	<b>1,814,131</b>	<b>208,025</b>	<b>11.5%</b>	<b>180,333</b>	<b>11.9</b>

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

	<b>YTD Actuals</b>
Local sources	130,594
State sources	50,000
Federal sources	-
<b>YTD Revenue Received</b>	<b>180,594</b>

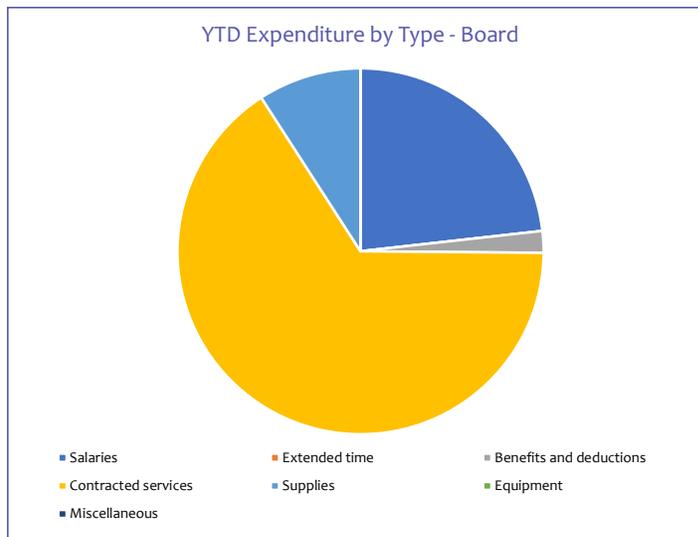
**Pie Chart Displaying Breakdown of Revenue & Expenditure by Type**



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

Fund	Budget	YTD Actuals	% of Budget	PY YTD Actuals	PY % of Budget
Salaries	184,000	28,308	15.4%	81,068	21.3%
Extended time	-	-	0.0%		0.0%
Benefits and deductions	66,240	2,335	3.5%	11,424	10.6%
Contracted services	270,200	80,141	29.7%	119,209	37.0%
Supplies	12,000	11,104	92.5%	160	5.0%
Equipment	-	-	0.0%		0.0%
Miscellaneous	-	-			0.0%
<b>Total</b>	<b>532,440</b>	<b>121,888</b>	<b>22.9%</b>	<b>211,861</b>	<b>23.2%</b>

**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 - Governmental Funds (Non - General Fund)**  
**Month Ended August 31, 2023**

\*The activity represented below is for the current fiscal year\*

	<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>
<b>Revenues</b>				
Local sources	28,428	1,249,147	2,000,071	-
Revenue from state sources	10,195	36,582	-	2,713,125
Revenue from federal sources	-	738,891	-	-
Other Revenue	63,987	-	-	-
<b>Total Revenues</b>	<b>102,610</b>	<b>2,024,620</b>	<b>2,000,071</b>	<b>2,713,125</b>
<b>Expenditures</b>				
Current	2,029,801	4,141,357	6,495,493	-
Capital Outlay	-	-	5,938,992	-
Debt Service	-	-	-	16,717,702
<b>Total Expenditures</b>	<b>2,029,801</b>	<b>4,141,357</b>	<b>12,434,485</b>	<b>16,717,702</b>
Excess of Revenues Over (Under) Expenditures	(1,927,191)	(2,116,737)	(10,434,414)	(14,004,577)
<b>Other Financing Sources</b>				
<b>Total Other Financing Sources</b>	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>(1,927,191)</b>	<b>(2,116,737)</b>	<b>(10,434,414)</b>	<b>(14,004,577)</b>
<b>Fund Balances</b>				
<b>August 31, 2023</b>	<b>(2,175,794)</b>	<b>1,393,671</b>	<b>215,450,725</b>	<b>15,288,380</b>

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

\*The activity represented below is a snapshot as of month end\*

	Operating Funds		Non-Operating Funds	
	Food Service	Community Service	Building Construction	Debt Service
<b>Assets</b>				
Cash and investments	3,067	6,334,441	210,950,383	77,813,976
Receivables	-	5,293,669	-	43,754,305
Due from other gov entitites	3,465,414			
Prepaid items	-	-	681,551	-
Inventory	1,505,952	-	-	-
<b>Total assets</b>	<b>4,974,433</b>	<b>11,628,110</b>	<b>211,631,933</b>	<b>121,568,281</b>
<b>Liabilities</b>				
Due to general fund (negative cash)	6,630,000	-	-	-
Salaries and benefits payable		1,940	-	-
Accounts, contracts, and DTOG payable	85,064	64,627	3,303,096	-
Unearned revenue	435,163	110	-	-
<b>Total liabilities</b>	<b>7,150,227</b>	<b>66,677</b>	<b>3,303,096</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>				
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>5,506,412</b>	<b>-</b>	<b>93,003,615</b>
<b>Fund Balances</b>				
<b>Total fund balances</b>	<b>(2,175,794)</b>	<b>6,055,022</b>	<b>208,328,839</b>	<b>28,564,666</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>4,974,433</b>	<b>11,628,110</b>	<b>211,631,933</b>	<b>121,568,281</b>

DATE: October 17, 2023  
 TO: Board of Education, Finance Committee  
 FROM: MPS Office of Budget & Planning  
 RE: Notes to August 2023 Financial Statements

The purpose of this document is to provide commentary on the accompanying financial statements covering August 2023, which is the second month of fiscal year 2024. These financial statements are preliminary and unaudited. These financial statements are also subject to change pending any future accounting adjustments or resulting from the FY23 audit currently in process.

Like most school districts, MPS is subject to financial seasonality related to the school year beginning in September and ending in early June. As a result, actual financial performance against plan is difficult to gauge until we are a few months into the school year. Through August actual revenue and expenditures are in line with our general expectations and we do not believe a budget amendment is necessary. Additionally, initial beginning-of-year student counts are in line with the current budget.

**Revenue**

District operating revenue is consistent with last year and with plan. Because of the district’s cash-basis approach to revenue recognition and the volatility of the timing of revenue payments, it is much too early to assess YTD revenue performance.

000's of \$	YTD Actuals (thru Aug '23)			YTD % of Budget		
	FY24	FY23	Var	FY24	FY23	Var
Local Sources	2,475	2,256	219	1.7%	1.7%	0.0%
State Sources	48,967	47,208	1,758	12.6%	13.5%	-0.8%
Federal Sources	4,653	9,733	(5,081)	3.2%	7.3%	-4.1%
Other	5	5	(0)	0.0%	2.3%	-2.2%
Subtotal General Fund Revenue	56,099	59,203	(3,104)	8.1%	9.6%	-1.5%
Other Operating Funds	2,083	2,031	52	3.6%	3.3%	0.3%
Operating Revenue	58,182	61,234	(3,052)	7.7%	9.0%	-1.3%

The only revenue category that is materially different from last year through August is federal sources of revenue. However, there are many factors that impact the timing of federal reimbursements, including the timing of expenditures, the timing of our reimbursement requests, and the timing of the Minnesota Department of Education’s (MDE) approval of those requests. While we are still waiting for MDE to approve our applications for FY24 we believe that they will eventually be approved as all budgeted expenditures comply with program requirements.

**Enrollment**

This year the district has not been able to tabulate enrollment counts as quickly or as accurately as in the past. This results from the implementation of a new Student Information System (SIS) which, while a much-needed upgrade, has created short term obstacles to getting this information. Because of this the district went through a manual count process asking educators to identify which students were

Special School District No 1 • Notes to August 2023 Financial Statements

attending. This exercise was conducted after the fifteen-day statutory period had elapsed after which a district must withdraw any student who has not attended the school.

	9/20/2023	Budget	Prelim Variance	10/1/2022	Prelim YOY Change
Community Schools	21,583	21,248	335	21,766	-183
Magnet Schools	4,531	4,596	-65	4,661	-130
Citywide Programs	876	1,011	-135	937	-61
Special Education Schools	328	283	45	317	11
District Alternative Programs	46	62	-16	62	-16
Stadium View	41	0	41	45	-4
Hospital Sites	23	0	23	25	-2
<b>MPS Operated Sites</b>	<b>27,428</b>	<b>27,200</b>	<b>228</b>	<b>27,813</b>	<b>-385</b>

The results of our preliminary count of K-12 students reaffirms our annual revenue budget, with 228 more students counted than was budgeted. Since the enrollment count is slightly favorable, we have also been able to conduct our annual staff adjustment process in a way that is expense neutral. Some important highlights of the district’s enrollment count:

- While we are 228 students over budget, we have also observed a 385-student decrease when compared to the October 1, 2022 official count. However, we believe there may be some opportunity due to any students who may continue to enroll in the district.
- The biggest variance from budget is at community schools, which are collectively 335 students over plan.
- While magnet enrollment is down year-over-year and below plan, that may be a result of new enrollments at several magnet schools being halted since the late summer. Enrollments in these programs was halted because of space issues.

**Expenditures**

District operating expenditures for the first two months of the fiscal year are consistent with expectations, but it is too early in the year to draw any major conclusions.

000's of \$	YTD Actuals			% of Budget		
	FY24	FY23	Var	FY24	FY23	Var
Salary & Benefits	33,660	35,191	1,531	6.3%	6.9%	-0.6%
Purchased Services	7,763	9,782	2,019	6.6%	8.1%	-1.5%
Supplies & Materials	4,175	5,306	1,131	13.3%	20.2%	-6.9%
All Other	1,254	99	(1,156)	13.5%	0.4%	13.1%
<b>Subtotal General Fund</b>	<b>46,852</b>	<b>50,378</b>	<b>3,526</b>	<b>6.8%</b>	<b>7.5%</b>	<b>-0.7%</b>
Other Operating Funds	6,171	6,120	(51)	9.8%	10.4%	-0.6%
<b>Subtotal Operating Expenses</b>	<b>53,023</b>	<b>56,498</b>	<b>3,474</b>	<b>7.0%</b>	<b>7.7%</b>	<b>-0.7%</b>

- Expenditures for supplies & materials are \$1.1M lower than in the same period last year. The primary driver of this variance is \$1.6M in expenditures for math curriculum classroom kits and materials in FY23 that did not occur in the current year, FY24.
- Miscellaneous expenditures are about \$1.1M higher than in the same period last year. This is related to a one-time purchase of books for students to read over the summer that were paid for in July and will be reclassified to supplies & materials in a future period as well as other charges that are pending distribution to appropriate accounts.

### **Grants & Federal Funds**

The district budgeted about \$152.2M in expenditures this year to be funded with Federal funds and other Federal, state, local, and private grants. Of this amount, about 63%, or \$95.5M is from COVID-19 related emergency funding, with a large bulk of the remainder being Federal Title I funds. Since Federal money mostly funds additional activities inside of schools and additional services to students, year-to-date expenditures using grant or federal funds has been minimal. We anticipate seeing consistent usage of these funds beginning in September.

### **Cash & Equivalents**

At the end of August 2023, the district held \$440.5M in cash and equivalents in its Minnesota School District Liquid Asset Fund (MSDLAF) accounts. \$223M of this represents bond proceeds that must be used for approved capital projects and \$77.8M must be used for debt service payments. Additionally, the district held \$765K in non-MSDLAF accounts, \$568K of which are student activity accounts. Even further, the district ended August with \$31.8M in cash being held by outside external fiscal agents.

The district has sufficient cash on hand to continue operating normally for the foreseeable future.

Special School District Number One  
Preliminary Student Counts for 2023-2024 School Year

	YEAR IN SCHOOL												K-12 Total	EC	Total Count	
	KG	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th				12th
<b>Elementary School</b>																
Anishinabe Academy Elementary	34	28	41	23	39	41	0	0	0	0	0	0	0	206	20	226
Armatage Elementary	58	75	58	58	62	48	0	0	0	0	0	0	0	359	0	359
Bancroft Elementary	74	79	69	78	64	60	0	0	0	0	0	0	0	424	43	467
Barton Elementary	78	84	93	74	90	69	0	0	0	0	0	0	0	488	0	488
Bethune Elementary	40	31	29	39	38	37	0	0	0	0	0	0	0	214	25	239
Bryn Mawr Elementary	52	72	57	61	49	58	0	0	0	0	0	0	0	349	27	376
Burroughs Elementary	72	76	76	74	101	70	0	0	0	0	0	0	0	469	0	469
Cityview Elementary	16	34	24	30	20	25	0	0	0	0	0	0	0	149	14	163
Dowling Elementary	69	60	51	52	56	27	0	0	0	0	0	0	0	315	0	315
Emerson Elementary	82	95	92	92	80	77	0	0	0	0	0	0	0	518	0	518
Field Elementary	0	0	0	86	87	108	0	0	0	0	0	0	0	281	0	281
Folwell Elementary	70	59	55	39	50	55	0	0	0	0	0	0	0	328	21	349
Green Central Elementary	90	93	88	93	86	79	0	0	0	0	0	0	0	529	56	585
Hale Elementary	97	111	115	0	0	0	0	0	0	0	0	0	0	323	0	323
Hall Academy Elementary	41	30	28	25	26	27	0	0	0	0	0	0	0	177	26	203
Hiawatha Elementary	59	83	73	0	0	0	0	0	0	0	0	0	0	215	0	215
Hmong International Academy Elementary	31	32	36	34	25	32	0	0	0	0	0	0	0	190	0	190
Howe Elementary	0	0	0	87	75	83	0	0	0	0	0	0	0	245	0	245
Jenny Lind Elementary	37	35	34	32	44	40	0	0	0	0	0	0	0	222	20	242
Kenny Elementary	43	46	62	56	47	48	0	0	0	0	0	0	0	302	0	302
Kenwood Elementary	54	68	64	57	51	55	0	0	0	0	0	0	0	349	0	349
Lake Harriet Lower Elementary	108	92	109	0	0	0	0	0	0	0	0	0	0	309	0	309
Lake Harriet Upper Elementary	0	0	0	82	97	90	0	0	0	0	0	0	0	269	0	269
Lake Nokomis Keewaydin Elementary	0	0	96	80	93	78	0	0	0	0	0	0	0	347	0	347
Lake Nokomis Wenonah Elementary	80	78	0	0	0	0	0	0	0	0	0	0	0	158	0	158
Las Estrellas Elementary	65	73	78	52	52	45	0	0	0	0	0	0	0	365	48	413
Loring Elementary	50	37	53	44	52	40	0	0	0	0	0	0	0	276	30	306
Lucy Laney Elementary	56	55	69	51	56	44	0	0	0	0	0	0	0	331	37	368
Lyndale Elementary	73	63	68	58	73	57	0	0	0	0	0	0	0	392	45	437
Marcy Elementary	63	65	79	73	63	78	0	0	0	0	0	0	0	421	16	437
Nellie Stone Johnson Elementary	51	36	40	41	31	33	0	0	0	0	0	0	0	232	27	259
Northrop Elementary	58	68	70	60	70	70	0	0	0	0	0	0	0	396	0	396
Pillsbury Elementary	71	46	63	54	70	45	0	0	0	0	0	0	0	349	29	378
Pratt Elementary	22	34	40	37	26	29	0	0	0	0	0	0	0	188	16	204
Seward Elementary	103	107	97	85	83	86	0	0	0	0	0	0	0	561	41	602
Waite Park Elementary	49	51	41	41	39	45	0	0	0	0	0	0	0	266	0	266
Webster Elementary	32	40	49	41	48	31	0	0	0	0	0	0	0	241	17	258

Special School District Number One  
Preliminary Student Counts for 2023-2024 School Year

	YEAR IN SCHOOL												K-12 Total	EC	Total Count	
	KG	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th				12th
Whittier Elementary	65	64	78	65	64	65	0	0	0	0	0	0	0	401	26	427
Windom Elementary	47	73	62	71	68	53	0	0	0	0	0	0	0	374	0	374
<b>Elementary School Total</b>	<b>2090</b>	<b>2173</b>	<b>2237</b>	<b>2025</b>	<b>2075</b>	<b>1928</b>	<b>0</b>	<b>12528</b>	<b>584</b>	<b>13112</b>						
<b>K-8 Schools</b>																
Ella Baker PK-8	57	57	68	42	46	55	73	65	84	0	0	0	0	547	31	578
Sullivan PK-8	55	61	61	66	54	59	65	72	75	0	0	0	0	568	0	568
<b>K-8 Schools Total</b>	<b>112</b>	<b>118</b>	<b>129</b>	<b>108</b>	<b>100</b>	<b>114</b>	<b>138</b>	<b>137</b>	<b>159</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1115</b>	<b>31</b>	<b>1146</b>
<b>Middle School</b>																
Andersen Middle	0	0	0	0	0	0	426	343	317	0	0	0	0	1086	0	1086
Anthony Middle	0	0	0	0	0	0	245	247	246	0	0	0	0	738	0	738
Anwatin Middle	0	0	0	0	0	0	102	78	102	0	0	0	0	282	0	282
Franklin Middle	0	0	0	0	0	0	102	89	96	0	0	0	0	287	0	287
Justice Page Middle	0	0	0	0	0	0	293	331	313	0	0	0	0	937	0	937
Northeast Middle	0	0	0	0	0	0	171	169	191	0	0	0	0	531	0	531
Olson Middle	0	0	0	0	0	0	88	121	101	0	0	0	0	310	0	310
Sanford Middle	0	0	0	0	0	0	245	231	240	0	0	0	0	716	0	716
<b>Middle School Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1672</b>	<b>1609</b>	<b>1606</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4887</b>	<b>0</b>	<b>4887</b>
<b>High School</b>																
Edison High	0	0	0	0	0	0	0	0	0	217	205	228	189	839	0	839
FAIR High	0	0	0	0	0	0	0	0	0	103	95	82	64	344	0	344
Henry High	0	0	0	0	0	0	0	0	0	206	226	205	185	822	0	822
Heritage Academy High	0	0	0	0	0	0	0	0	0	10	19	24	15	68	0	68
Longfellow High	0	0	0	0	0	0	0	0	0	2	5	11	36	54	0	54
North High	0	0	0	0	0	0	0	0	0	129	135	132	100	496	0	496
Roosevelt High	0	0	0	0	0	0	0	0	0	294	332	266	215	1107	0	1107
South High	0	0	0	0	0	0	0	0	0	300	323	312	357	1292	0	1292
Southwest High	0	0	0	0	0	0	0	0	0	301	311	309	401	1322	0	1322
Washburn High	1	0	0	0	0	0	0	0	0	392	398	377	400	1568	0	1568
Wellstone High	0	0	0	0	0	0	0	0	0	22	28	31	56	137	0	137
Wellstone High SWS	0	0	0	0	0	0	0	0	0	0	0	10	32	42	0	42
<b>High School Total</b>	<b>1</b>	<b>0</b>	<b>1976</b>	<b>2077</b>	<b>1987</b>	<b>2050</b>	<b>8091</b>	<b>0</b>	<b>8091</b>							
<b>Special Education School</b>																
Harrison Education Center	0	0	0	0	0	0	0	0	0	10	4	14	8	36	0	36
River Bend Education Center	0	1	3	4	7	8	11	7	17	0	0	0	3	61	0	61

Special School District Number One  
Preliminary Student Counts for 2023-2024 School Year

	YEAR IN SCHOOL												K-12 Total	EC	Total Count		
	KG	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th				12th	
Transition Plus	0	0	0	0	0	0	0	0	0	0	0	0	0	231	231	0	231
<b>Special Education School Total</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>8</b>	<b>11</b>	<b>7</b>	<b>17</b>	<b>10</b>	<b>4</b>	<b>14</b>	<b>242</b>	<b>328</b>	<b>0</b>	<b>328</b>	
<b>Other Sites</b>																	
Minneapolis Academy & Career Center	0	0	0	0	0	0	0	0	0	0	5	10	31	46	0	46	
MPS Metro DT	0	3	2	7	5	6	0	0	0	0	0	0	0	23	0	23	
MPS Online 6-12	0	0	0	0	0	0	25	32	43	35	45	58	66	304	0	304	
MPS Online K-5	5	11	12	10	6	21	0	0	0	0	0	0	0	65	0	65	
Stadium View	0	0	0	0	0	0	0	1	1	8	5	5	21	41	0	41	
<b>Other Sites Total</b>	<b>5</b>	<b>14</b>	<b>14</b>	<b>17</b>	<b>11</b>	<b>27</b>	<b>25</b>	<b>33</b>	<b>44</b>	<b>43</b>	<b>55</b>	<b>73</b>	<b>118</b>	<b>479</b>	<b>0</b>	<b>479</b>	
<b>Total MPS Operated Sites</b>	<b>2208</b>	<b>2306</b>	<b>2383</b>	<b>2154</b>	<b>2193</b>	<b>2077</b>	<b>1846</b>	<b>1786</b>	<b>1826</b>	<b>2029</b>	<b>2136</b>	<b>2074</b>	<b>2410</b>	<b>27428</b>	<b>615</b>	<b>28043</b>	
<b>Contract Alternative Sites</b>																	
Center School	0	0	0	0	0	0	0	0	0	0	0	0	38	38	0	38	
Loring Nicollet	0	0	0	0	0	0	0	0	0	0	0	0	58	58	0	58	
Menlo Park	0	0	0	0	0	0	0	0	0	0	0	0	65	65	0	65	
MERC	0	0	0	0	0	0	0	0	0	0	0	0	69	69	0	69	
Plymouth Youth Center	0	0	0	0	0	0	0	0	0	0	0	0	91	91	0	91	
Ronald McDonald	0	2	2	0	0	2	0	0	0	1	1	0	0	8	0	8	
Takoda Prep	0	0	0	0	0	0	0	0	0	0	0	0	40	40	0	40	
Volunteers of America	0	0	0	0	0	0	0	0	0	0	0	0	60	60	0	60	
<b>Contract Alternative Sites Total</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>421</b>	<b>429</b>	<b>0</b>	<b>429</b>	
<b>Total Student Enrollments</b>	<b>2208</b>	<b>2308</b>	<b>2385</b>	<b>2154</b>	<b>2193</b>	<b>2079</b>	<b>1846</b>	<b>1786</b>	<b>1826</b>	<b>2030</b>	<b>2137</b>	<b>2074</b>	<b>2831</b>	<b>27857</b>	<b>615</b>	<b>28472</b>	