

**UPDATE - Financial Advisory Council Meeting for October 22, 2024 has been CANCELED.**

1. Welcome and Introductions
2. Acceptance of the Agenda
3. Approve May 14, 2024 Meeting Minutes 2
4. Appointment of FAC Chair and Secretary
5. Levy Pay 25 Update 4
6. FY23 Audit Update 15
7. FY24 Audit Update
8. FY25 Financial Update
9. Future Meetings:
  - November 19, 2024
  - January 14, 2025
  - March 18, 2025
  - May 13, 2025
  - TBD: Presentation of 2024-2025 report to the School Board
10. Other
11. Adjourn

**ROBBINSDALE AREA SCHOOLS – INDEPENDENT SCHOOL DISTRICT 281  
FINANCIAL ADVISORY COUNCIL (FAC)  
MINUTES FOR May 14, 2024  
DRAFT**

FAC Members			
X	Lennie Kaufman, Chair	X	April Gulley
	Walter Gray	X	Katherine Lankford
X	Greg Kugler		Nicole Sandback
X	Edwin Ochoa		
School Board Member			
X	John Vento, Treasurer		
District 281 Staff			
X	Marti Voight, Interim Superintendent		
X	Virginia Verbrugge, Assistant Director of Finance		
X	Karylanne Marchand, Business Office Manager		

**Agenda Item 1: Welcome and Introductions**

Chair Lennie Kaufman called the meeting to order at 6:35 p.m., with the FAC members and others noted above in attendance. The meeting was held in person at the Education Service Center. Mr. Kaufman opened the meeting by welcoming the attendees.

**Agenda Item 2: Acceptance of Agenda**

The agenda had been distributed to the members prior to the meeting. A motion was properly made and seconded to accept the distributed agenda. The motion passed unanimously.

**Agenda Item 3: Approve January 16, 2024, Meeting Minutes**

The minutes had been distributed to the members prior to the meeting. A motion was properly made and seconded to approve the minutes. The motion passed unanimously.

**Agenda Item 4: Approve April 29, 2024, Meeting Minutes**

The minutes had been distributed to the members prior to the meeting. A motion was properly made and seconded to approve the minutes. The motion passed unanimously.

**Agenda Item 5: Capital Projects (Tech) Levy Discussion**

Our outside communications consultant, Jeff Dehler, led a discussion regarding the presentation of District 281’s request for an extension of our current Tech levy. The District is asking voters to approve a ten year extension of its authority to levy taxes in support of maintaining our technology structure and improving safety and security in the school buildings. The tax rate of 4.207% will remain the same, and the levy is expected to generate approximately \$7,000,000 of revenue in its first year (fiscal 25-26). Jeff talked about a process to engage the community and provided a facilitation guide to assist with internal and external meetings in support of the upcoming referendum. He asked for FAC feedback regarding the questions being asked, and for any questions the FAC thought should be asked. Jeff also presented information regarding prior referendum voting results and discussed impacts of both passage and defeat of the proposed referendum.

**Agenda Item 6: LTFM Projects and Bonding**

Alissa Pier discussed the current LTFM plan for 2025. She walked through planned activity at the following schools: Forest, Lakeview, Neill, Spanish Immersion, Zachery Lane, Fair Crystal, and Sandberg. The total cost of the planned work is approximately \$19,000,000.

Michael Hart from PMA Securities, the District’s financial advisory firm, then gave a presentation covering:

- LTFM Funding Uses
- LTFM funding options (Annual Levy and LTFM Bonds)
- Anticipated Future LTFM project costs over the next five years (not including Health and Safety Levy)crr
- Projected District Debt & LTFM Tax Levies
- Projected Impact on Residential Property Taxes
- Other Related Items

**Agenda Item 7: FY25 Budget Update**

Ginny Verbrugge led a discussion regarding the District’s plan to close the gap between revenues and expenses in the FY25 General Fund Budget. The goal is to close a \$17.4MM gap. She discussed the proposed changes impacting each of the Cabinet departments in the District. A great deal of information gathering, discussions, and constituent input was undertaken to reach the decisions necessary to close the budget gap. This required significant FTE reductions, and other non-personnel expense reductions. She also discussed changes made to expenses in FY24 that would have a positive impact in FY25. Additional changes could still occur as further discussions occur during the approval process. A final budget must be approved before the end of the fiscal year (June 30).

**Agenda Item 8: FAC Member Appointments**

At the end of this fiscal year, the terms of two FAC members will come to an end. Public notice will be given to solicit applications for three-year terms to fill these positions on the FAC. The two members with expiring terms are Walter Gray and Lennie Kaufman.

**Agenda Item 9: Future Meetings/FAC Timeline**

This is the final scheduled FAC regular meeting for fiscal year 2024. The August 5 School Board meeting is the date for the presentation of the 2023-2024 FAC annual report to the School Board. The FAC was invited to attend the School Board’s budget discussion at their work session on May 20.

**Agenda Item 10: Other**

A brief discussion occurred regarding the completion of the FY23 audit. Completion was expected before the end of August.

**Agenda Item 11: Adjournment**

A proper motion was made and seconded to adjourn the meeting, and the motion passed unanimously.

These minutes respectfully submitted by Lennie Kaufman



# Preliminary Proposed Levy Taxes Payable 2025

Kristen Hoheisel  
Chief Financial Officer

Sept. 16, 2024



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# Purpose

- Provide an overview of the proposed, preliminary property tax levy for Payable 2025
- Review significant changes from prior year levy





# Key Messages

- Preliminary certification is a component of the overall levy process
- Revisions to the levy are still being made which will likely change the total amount
- Certifying the “Maximum” allows for greater flexibility
- The school board will have one more chance to act on the 2025 property tax levy
  - Dec. 2, 2024 - Truth in Taxation hearing
  - Dec. 16, 2024 - Certification



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# Timelines

<b>Sept. 16</b>	Board adopts Preliminary Proposed 2024 Levy Payable 2025
<b>Sept. 30</b>	Deadline for school board to certify proposed property tax levies to county auditor
<b>Mid-November</b>	County mails property tax statements showing estimated Payable 2025 property taxes and meeting date/time/location for the final levy and budget discussions

# General Fund Levies



	<b>Pay 2024 RMV Information</b>	<b>Pay 2024 NTC Information</b>	<b>Total</b>	<b>Est. Pay 2025 RMV Information</b>	<b>Est. Pay 2025 NTC Information</b>	<b>Total</b>
Op Ref - Voter Approved	26,268,560.84		26,268,560.84	25,029,898.99		25,029,898.99
PY Adjustments			0.00			0.00
Equity	576,100.00		576,100.00	795,874.43		795,874.43
Local Optional Revenue (LOR)	8,341,490.52		8,341,490.52	8,165,558.52		8,165,558.52
Transition	222,259.38		222,259.38	217,571.91		217,571.91
CY Adjustments	119,134.05		119,134.05	204,250.11		204,250.11
PY Adjustments	118,801.18		118,801.18	96,408.42		96,408.42
Cap Proj Ref - Voter Approved	0.00	6,642,659.85	6,642,659.85	0.00	0.00	0.00

	<b>Pay 2024 RMV Information</b>	<b>Pay 2024 NTC Information</b>	<b>Total</b>	<b>Est. Pay 2025 RMV Information</b>	<b>Est. Pay 2025 NTC Information</b>	<b>Total</b>
Operating Capital		1,797,252.96	1,797,252.96		1,863,961.46	1,863,961.46
Alt Teach Comp		1,004,017.56	1,004,017.56		970,686.08	970,686.08
Achieve & Integration		823,282.78	823,282.78		819,211.57	819,211.57
Reemployment Ins		100,000.00	100,000.00		200,000.00	200,000.00
Safe Schools		414,792.00	414,792.00		406,044.00	406,044.00
Safe Schools Intermed		172,830.00	172,830.00		169,185.00	169,185.00
Career and Technical		368,192.91	368,192.91		368,192.91	368,192.91
LTFM		2,014,546.57	2,014,546.57		137,864.63	137,864.63
Building / Land Lease		3,156,773.21	3,156,773.21		3,124,283.00	3,124,283.00
Before Adjustments		9,851,687.99	9,851,687.99		8,059,428.65	8,059,428.65
PY Adjustments		(2,084,492.24)	(2,084,492.24)		(1,662,650.78)	(1,662,650.78)
<b>Sub Total</b>	<b>0.00</b>	<b>7,767,195.75</b>	<b>7,767,195.75</b>	<b>0.00</b>	<b>6,396,777.87</b>	<b>6,396,777.87</b>
<b>Total General</b>	<b>35,646,345.97</b>	<b>14,409,855.60</b>	<b>50,056,201.57</b>	<b>34,509,562.38</b>	<b>6,396,777.87</b>	<b>40,906,340.25</b>

# Community Service Levies



	Pay 2024			Est. Pay 2025		
	RMV Information	Pay 2024 NTC Information	Total	RMV Information	Est. Pay 2025 NTC Information	Total
Basic Community Education		652,634.86	652,634.86		593,316.50	593,316.50
Early Child Family		348,545.30	348,545.30		359,636.51	359,636.51
Home Visiting		17,697.42	17,697.42		18,244.21	18,244.21
Adults w/ Disabilities		10,442.15	10,442.15		9,534.80	9,534.80
School Age Care		1,400,000.00	1,400,000.00		1,350,000.00	1,350,000.00
Prior Years Adjustments		(32,998.36)	(32,998.36)		276,758.10	276,758.10
<b>Total</b>	<b>0.00</b>	<b>2,396,321.37</b>	<b>2,396,321.37</b>	<b>0.00</b>	<b>2,607,490.12</b>	<b>2,607,490.12</b>

# Debt Service Levies



	Pay 2024 RMV Information	Pay 2024 NTC Information	Total	Est. Pay 2025 RMV Information	Est. Pay 2025 NTC Information	Total
Debt Service Voter-Approved		0.00	0.00		0.00	0.00
Debt Service Other		21,765,355.53	21,765,355.53		24,701,249.16	24,701,249.16
Debt Excess		(88,661.99)	(88,661.99)		0.00	0.00
Adjustments		58,810.38	58,810.38		68,592.23	68,592.23
<b>Total Debt Service</b>	<b>0.00</b>	<b>21,735,503.92</b>	<b>21,735,503.92</b>	<b>0.00</b>	<b>24,769,841.39</b>	<b>24,769,841.39</b>
OPEB Debt Service Other		1,843,905.00	1,843,905.00		0.00	0.00
Debt Excess		(176,434.26)	(176,434.26)		(245,062.79)	(245,062.79)
Prior Years Adjustments		13,952.62	13,952.62		245,062.79	245,062.79
<b>Total OPEB Debt</b>	<b>0.00</b>	<b>1,681,423.36</b>	<b>1,681,423.36</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

# Totals



	<b>Pay 2024 RMV Information</b>	<b>Pay 2024 NTC Information</b>	<b>Total</b>	<b>Est. Pay 2025 RMV Information</b>	<b>Est. Pay 2025 NTC Information</b>	<b>Total</b>
General	35,646,345.97	14,409,855.60	50,056,201.57	34,448,320.90	6,021,275.67	40,469,596.57
Community Service	0.00	2,396,321.37	2,396,321.37	0.00	2,607,490.12	2,607,490.12
Debt Service	0.00	21,735,503.92	21,735,503.92	0.00	24,769,841.39	24,769,841.39
OPEB Debt Service	0.00	1,681,423.36	1,681,423.36	0.00	0.00	0.00
<b>Total</b>	<b>35,646,345.97</b>	<b>40,223,104.25</b>	<b>75,869,450.22</b>	<b>34,448,320.90</b>	<b>33,398,607.18</b>	<b>67,846,928.08</b>



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# Next Steps

- Administration recommends the school board adopt a “maximum” proposed 2025 property tax levy at the Sept.16, 2024 business meeting
- School board will act on final levy certification on Dec.16, 2024
  - Taxpayers will have an opportunity to provide input during the Truth in Taxation meeting



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# Questions?

# INDEPENDENT SCHOOL DISTRICT NO. 281

Audit Report for Year Ended June 30, 2023

# AUDITOR'S ROLE



## OPINION ON FINANCIAL STATEMENTS

- DISTRICT AUDIT
- SINGLE AUDIT OF FEDERAL AWARDS EXPENDITURES

## INTERNAL CONTROLS AND COMPLIANCE

- FINANCIAL STATEMENT AUDIT
- FEDERAL SINGLE AUDIT
- STATE LAWS AND REGULATIONS

# AUDIT RESULTS



## DISTRICT FINANCIAL AUDIT

- Opinions on Basic Financial Statements
  - Unmodified “Clean” Opinion

# AUDIT RESULTS (CONTINUED)



## INTERNAL CONTROL AND COMPLIANCE – FINANCIAL AUDIT

- Internal Controls Over Financial Reporting
  - Material Weakness – Compliance With Regulatory Reporting Deadlines
- Compliance Over Financial Reporting
  - No Findings Reported for Current Year

# AUDIT RESULTS (CONTINUED)



## MN LEGAL COMPLIANCE

- Minnesota Legal Compliance
  - Timely Submission of Audited Financial Data and Financial Statements
  - Annual Broker Certifications not Obtained Prior to Investment Transactions

# AUDIT RESULTS – FEDERAL SINGLE AUDIT



## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

- Opinion on SEFA
  - Fairly Stated in Relation to Financial Statements
- Internal Control and Compliance
  - Compliance with Federal Reporting Deadline
  - Significant Deficiency in Internal Control Over Compliance With Federal Allowable Cost Requirements – Title I Program

# FOLLOWUP ON PRIOR YEAR FINDINGS



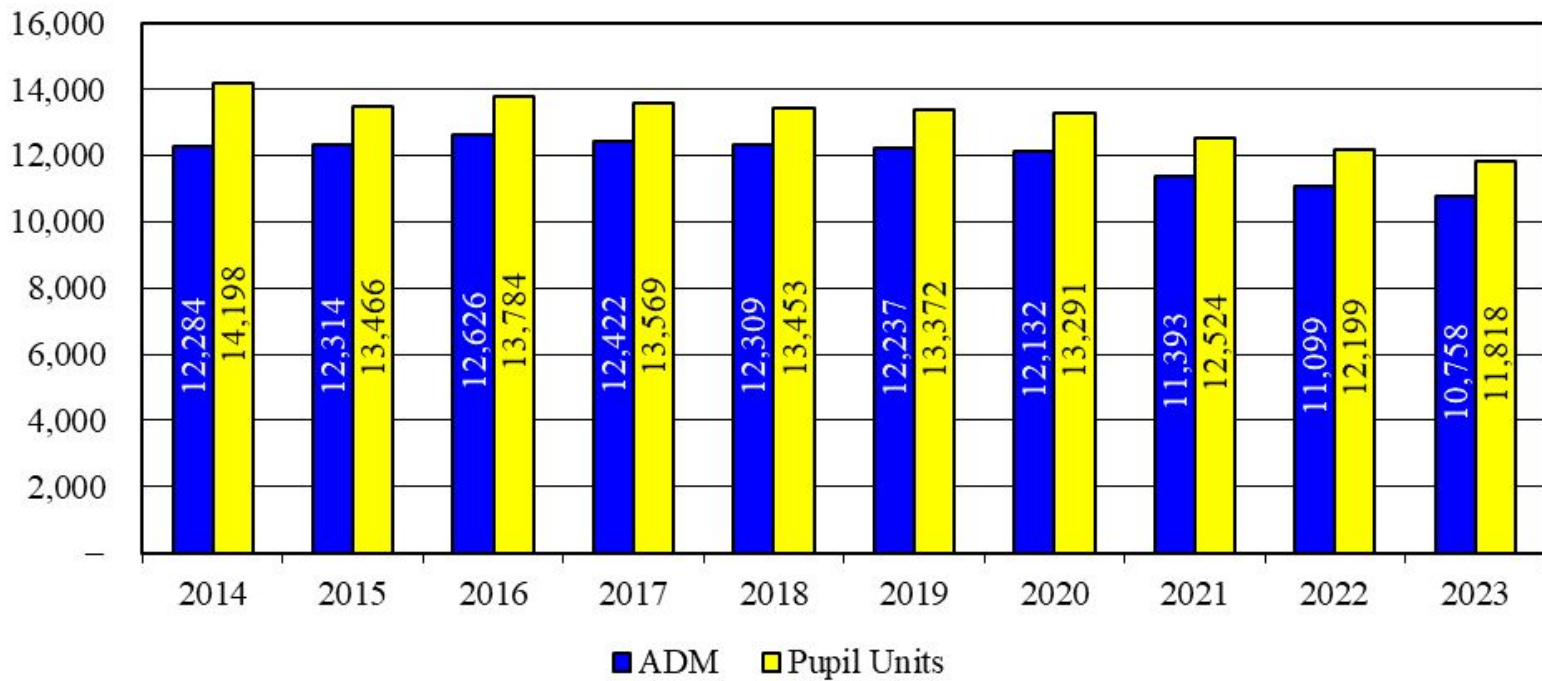
## Internal Control Over Financial Reporting

- Material Weakness Reported For Fiscal Year (FY) 2022, Corrected in FY 2023
  - ☐ Material Audit Adjustment
  - ☐ No Similar Finding For FY 2023

# ADJUSTED ADM AND PUPIL UNITS SERVED



Adjusted ADM and Pupil Units Served

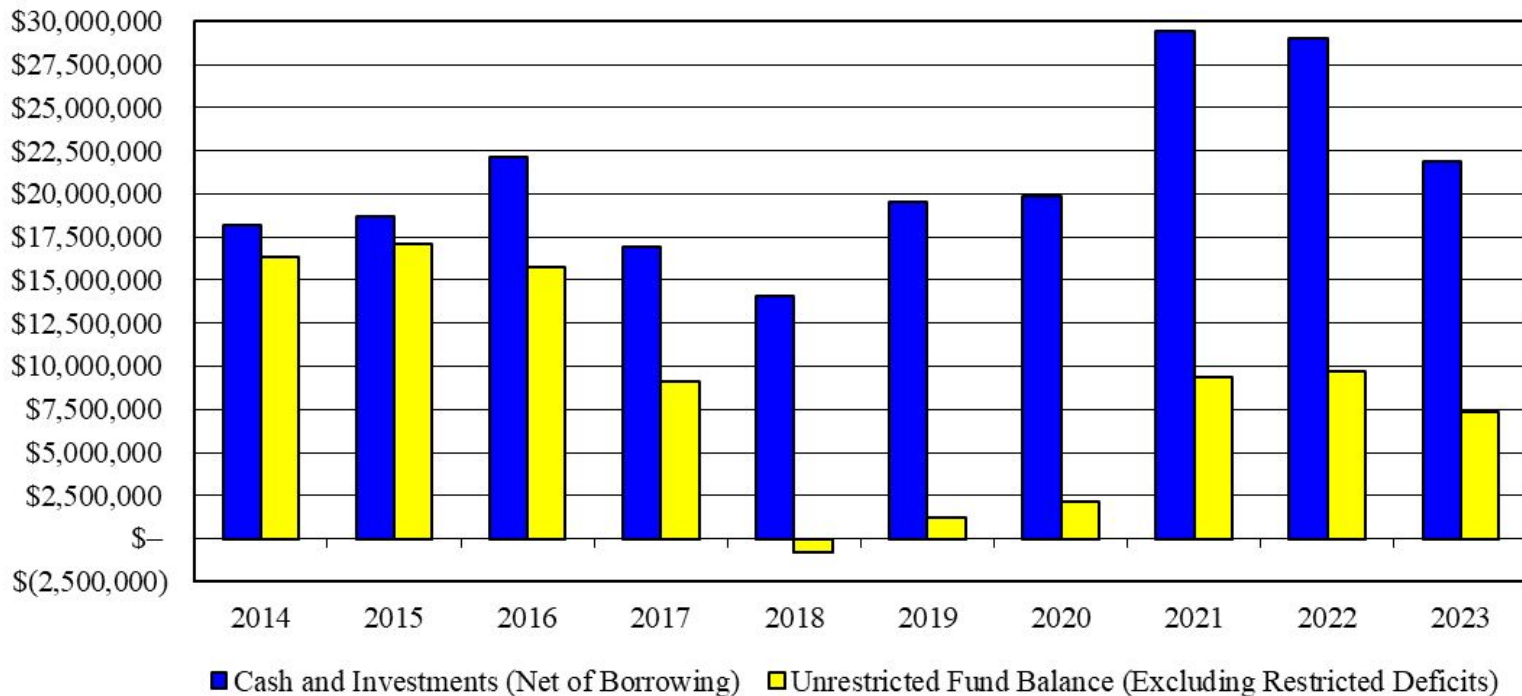


# GENERAL FUND FINANCIAL POSITION



## TREND ANALYSIS

General Fund Financial Position  
Year Ended June 30,



# GENERAL FUND FINANCIAL POSITION (continued)

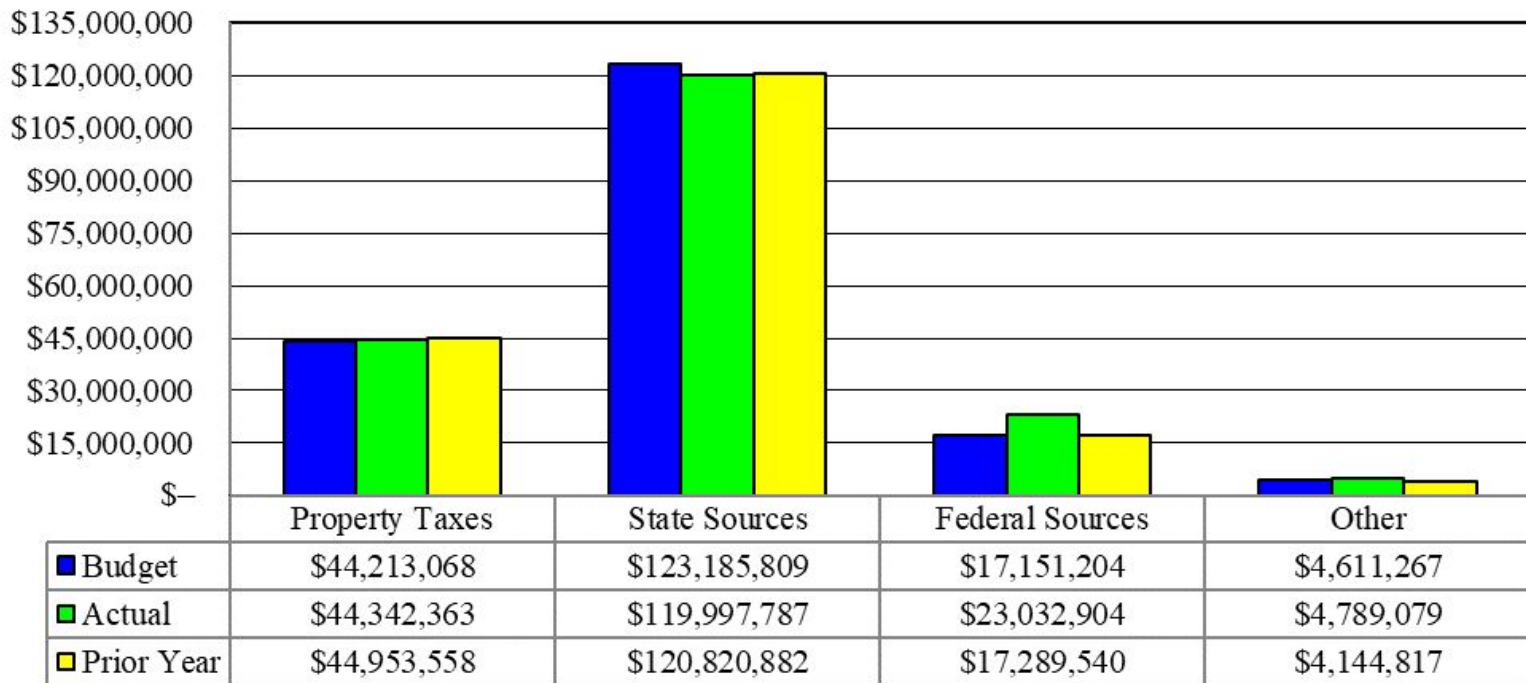
	June 30,				
	2019	2020	2021	2022	2023
Nonspendable fund balances	\$ 264,546	\$ 713,515	\$ 1,218,616	\$ 1,687,909	\$ 1,054,268
Restricted fund balances (1)	4,579,465	5,397,172	8,493,612	9,147,685	9,857,244
Unrestricted fund balances					
Assigned	1,210,419	1,507,829	1,882,535	6,960,051	1,734,895
Unassigned	—	622,412	7,502,120	2,739,848	5,644,195
<b>Total fund balance</b>	<b>\$ 6,054,430</b>	<b>\$ 8,240,928</b>	<b>\$ 19,096,883</b>	<b>\$ 20,535,493</b>	<b>\$ 18,290,602</b>
Unrestricted fund balances as a percentage of expenditures	<u>0.7%</u>	<u>1.2%</u>	<u>5.4%</u>	<u>5.2%</u>	<u>3.7%</u>
Unassigned fund balances as a percentage of expenditures	<u>—</u>	<u>0.3%</u>	<u>4.3%</u>	<u>1.5%</u>	<u>2.8%</u>

(1) Includes any deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.

# GENERAL FUND REVENUE



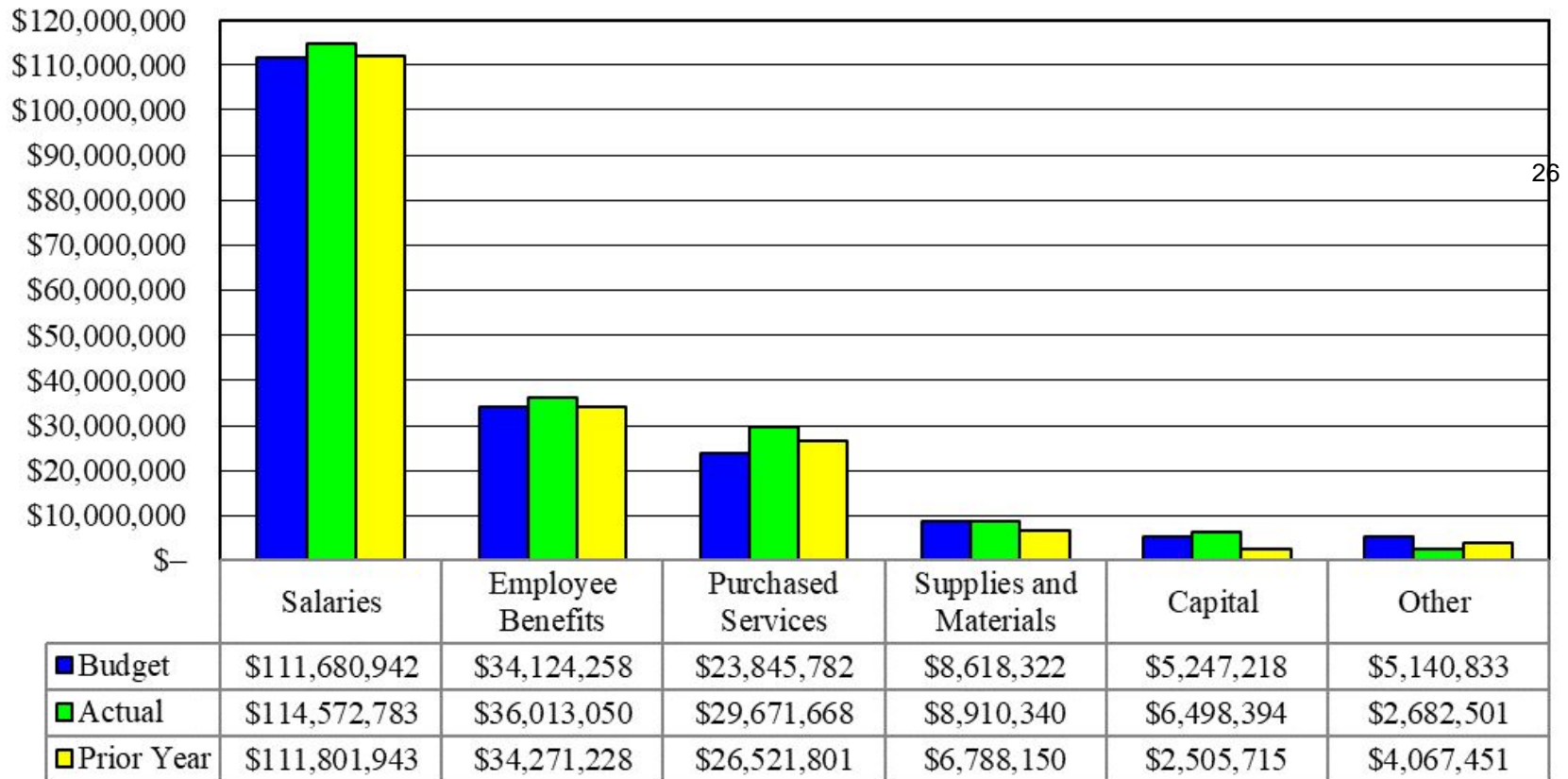
General Fund Revenue



# GENERAL FUND EXPENDITURES



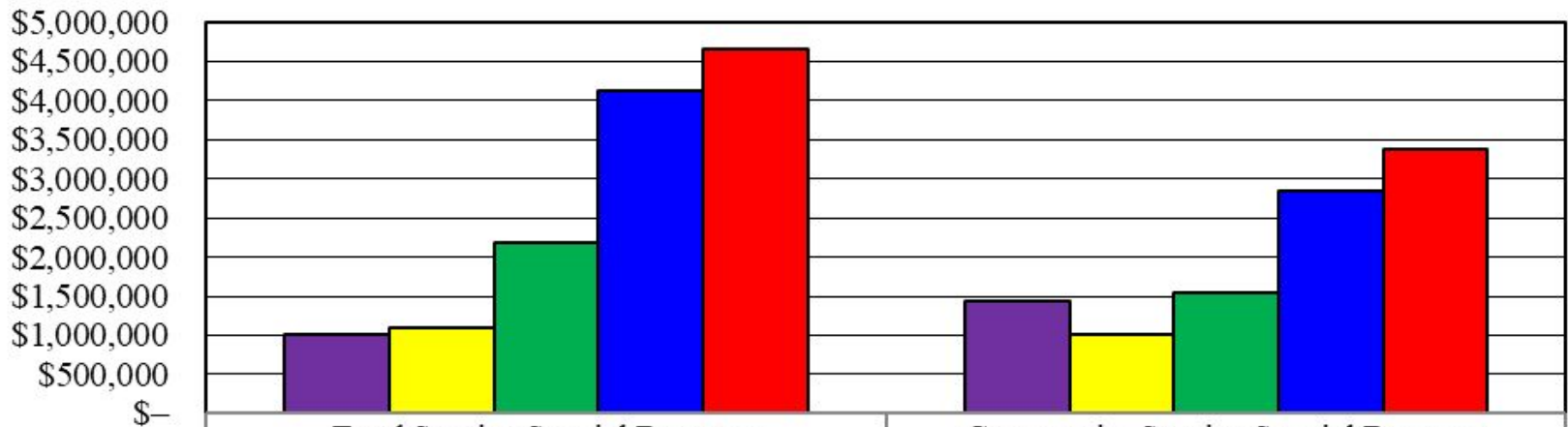
General Fund Expenditures



# OTHER GOVERNMENTAL OPERATING FUNDS



Other Operating Funds  
Total Fund Balances



	Food Service Special Revenue	Community Service Special Revenue
2019	\$1,014,401	\$1,432,849
2020	\$1,102,274	\$1,006,548
2021	\$2,177,912	\$1,535,374
2022	\$4,120,440	\$2,840,488
2023	\$4,655,237	\$3,374,489

# INTERNAL SERVICE FUNDS – NET POSITION

	<u>Self-Insured Dental Benefits</u>	<u>Self-Insured Health Benefits</u>
Change in net position		
Operating revenue – contributions	\$ 1,294,710	\$ 19,864,315
Operating expenses – benefits	<u>1,302,617</u>	<u>19,228,089</u>
Operating income (loss)	(7,907)	636,226
Nonoperating revenue (expense)	<u>31,823</u>	<u>2,874</u>
Change in net position	23,916	639,100
Net position – Beginning of Year	<u>1,322,003</u>	<u>(1,854,363)</u>
Net position – End of Year	<u><u>\$ 1,345,919</u></u>	<u><u>\$ (1,215,263)</u></u>

# DISTRICT-WIDE STATEMENT OF NET POSITION

	June 30,		Change
	2023	2022	
Net position – governmental activities			
Total fund balances – governmental funds	\$ 37,793,897	\$ 41,415,082	\$ (3,621,185)
Total capital assets, net of depreciation/amortization	304,251,616	303,825,003	426,613
OPEB asset, net of deferments	5,879,713	5,615,407	264,306
Bonds, COPs, financed purchases, and leases	(214,286,318)	(209,392,887)	(4,893,431)
PERA and TRA pensions, net of deferments	(129,334,266)	(162,105,824)	32,771,558
Other adjustments	(5,449,451)	(6,889,768)	1,440,317
Total net position – governmental activities	<u>\$ (1,144,809)</u>	<u>\$ (27,532,987)</u>	<u>\$ 26,388,178</u>
Net position			
Net investment in capital assets	\$ 102,505,704	\$ 111,931,629	\$ (9,425,925)
Restricted	19,107,831	17,685,336	1,422,495
Unrestricted	<u>(122,758,344)</u>	<u>(157,149,952)</u>	<u>34,391,608</u>
Total net position	<u>\$ (1,144,809)</u>	<u>\$ (27,532,987)</u>	<u>\$ 26,388,178</u>