

FINANCE COMMITTEE MINUTES

This meeting was held remotely via Google Meet
January 21, 2025 at 7:30 a.m.

Members in Attendance: John Bellingham, Jamie Bente, Lynda Boudreau, Rob Dehnert, Stacy Fox, Roxanne Hill, Meghan Knutson, Brett Martindale, Joel Olson, Barbie Roessler, and Chad Wolff

Others in Attendance: Amy Bouma

Members Absent: Dave Campbell and Jason Engbrecht

This meeting was called to order at 7:31 a.m.

- I. Business Items
 - a. Approval of the previous meeting minutes: Motion to approve by Ms Boudreau and seconded by Mr Bellingham.

- II. Contracts, Agreements, Bids and Grants for Review
 - a. Approval of the Finance Committee schedule for Calendar Year 2025: Motion by Mr Olson and seconded by Mr Bente. Motion carried.
 - b. Approval of the North Alexander Park Facilities Cooperative Agreement: The purpose of the agreement is to make available to both parties, FPS and the City of Faribault, the benefits of Bell Field and the softball complex located at N. Alexander Park. This contract is good through December 31, 2044 and maintenance is to be split 50/50 between the two parties. The city will perform the maintenance and the school will be invoiced for our share of those costs. Barbie researched this contract due to the length of the term and potential costs but found that this is a standard contract of the past. Motion for approval by Ms Boudreau and seconded by Mr Olson. Motion carried.
 - c. Discussion (Not Approval) of the Fiscal 2024 Audit: Ms Roessler discussed the Communications Letter and the Financial Statement as provided by our auditors at BerganKDV. BerganKDV issued FPS an unmodified opinion of our financial statements, which is the highest opinion a school district can receive, meaning there were no material weakness findings in any of our major funds. We had one significant deficiency in our financial statements which was due to a Lack of Segregation of Accounting Duties. This is a pretty typical finding in most schools that do not have a large accounting team. We'll continue to evaluate our segregation of duties and will work to improve segregation with our budgetary limits. We had 3 significant findings within Legal Compliance. First was our Lack of OPEB Trust Reporting Form. This is largely due to US Bank, which is our trust advisor, and their failure to send this form to us but also to the Office of the State Auditor. US Bank has never submitted this form on our behalf before and once

we found out we had them send it as soon as possible but it was still beyond the October deadline to file. Going forward, this will not be an issue because US Bank is aware now that they need to submit the form on our behalf and will give us a copy. Secondly, we had a significant finding in our Lack of Sufficient Collateral. This was unfortunate because we had a high influx of deposits hit our bank on June 30 which brought our balance above our collateral threshold of 110% of the FDIC insured amount. This was really just a bad timing issue and we'll make sure that it doesn't happen again. Our last finding was a Late Submission of our financial data to the MDE. The reason being that we had turnover right at the beginning of our audit season and then our auditors themselves were very busy by the end of the submission period. Some major financial things to point out: there was a 4% increase in state aid as compared to FY23. Federal revenue increased about \$14.1 million or 8%. We came in about \$2 million less in expenditures than we had budgeted for in FY24 and our unassigned fund balance came in around just under \$9 million or 14% of our budgeted expenditures which is four and a half percentage points higher than our 9.5% board policy. Mr Wolff had a question regarding the administrative costs increasing by 1% over last year to reach 4% in FY24. Ms Roessler noted that we are under the statewide average of 5% for administrative costs. Community Ed had all positive fund balances including School Readiness. Also, Food Service's fund balance is about 6 months reserve over where it should be. We're going to be looking at about \$385k renovation of McKinley's kitchen for the ALC/McKinley reorganization and we'll also be looking at replacing some lunch room tables at McKinley as well at other sites in order to spend down this balance. Ms Boudreau asked if we needed to get approval from MDE to replace the tables and Ms Roessler stated that tables did not need to be approved prior to purchasing them. Even with those expenses, Ms Roessler is still afraid the state will eventually take back some of our Food Service Funds.

III. Financial Performance

- a. December Student Counts: Between November and December, we lost around 11 students and on the year we are currently down 47 students as compared to what we had budgeted for.
- b. December Comparative Financial Report: Natural Gas and Electricity were higher in December of 2024 than they were at this point last year. Looking at total utility expenses year-to-date as of December of 24, we're still sitting about \$20k less than compared to December of 2023. Medical claims are higher this year at this point in time than they were last year and we're currently \$200k expenses over revenue. We're hoping that the medical claims will even out as the year goes on. Ms Roessler did note that we have a strong fund balance for our self-insurance and she is not concerned at this time.
- c. December Investment Report: Ms Roessler noted that we're doing our best to get interest on any possible revenue dollars coming in each month. For December we earned about \$90k in interest and our total cash and investment accounts are steadily hovering around \$22 million overall.

- d. December Analytics: Ms Roessler provided a 3 year guideline report showing our expenses as compared to budget, as of December, for each year of the 3 year timeframe. Our general fund, fund 01, is right on track, as compared to other years. Mr Wolff proposed a question whether or not we are deficit spending because looking at the expense and revenue budgets for FY25, it does look like we're deficit spending by around \$4 million dollars. Ms Roessler explained that the difference is coming in Fund 06, Construction. We have already received the majority of the Long-term Facility Maintenance bonds in FY24, sitting in the Fund 06 fund balance, but the actual projects are still a work in progress.

IV. Financial Strategies

V. Next Meeting: February 10, 2025 at 7:30 am.

VI. Adjournment at 8:26 am: Motion by Ms Boudreau and seconded by Ms. Fox. Motion carried.

Respectfully submitted by Brett Martindale

**Faribault Public Schools
Enrollment Report by Building
FY 2024-2025**

January

	McKinley	Jefferson	Lincoln	Roosevelt	Middle School	High School	ALC	FOA - MS	FOA - HS	Total Served @ FPS	Plus: Projected Tuition	Projected Total ADM
Early Childhood	71									71		71
VPK	66									66		66
Kindergarten		61	55	85						201		201
1		64	71	67						202		202
2		67	73	70						210		210
3		60	63	76						199		199
4		51	52	48						151		151
5		58	60	62						180		180
6					182					182		182
7					206			4		210		210
8					199			9		208		208
9						240	3		8	251		251
10						248	18		14	280		280
11						200	31		37	268		268
12						195	59		31	285		285
Total	137.00	361.00	374.00	408.00	587.00	883.00	111.00	13.00	90.00	2,964	-	2,964
+/-over Last Month	(5)	8	(8)	6	(4)	(28)	(4)	2	15	(18)		

School Year 2024 - 2025

	<i>September</i>	<i>October</i>	<i>November</i>	<i>December</i>	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>	<i>YTD Average</i>	<i>Plus: Projected Tuition</i>	<i>Projected Total ADM</i>
Early Childhood	53	55	56	76	71					62		62
VPK	66	66	66	66	66					66		66
Kindergarten	196	206	205	204	201					202	2.0	204
1	202	205	202	200	202					202	2.0	204
2	213	216	211	209	210					212		212
3	197	201	200	198	199					199	2.8	202
4	152	153	151	149	151					151	3.0	154
5	176	180	179	177	180					178	3.0	181
6	180	184	184	182	182					182	2.0	184
7	212	215	210	210	210					211	4.4	216
8	209	216	212	210	208					211	2.0	213
9	250	256	253	250	251					252	3.9	256
10	284	291	287	283	280					285	5.9	291
11	278	279	275	274	268					275	5.8	281
12	310	311	303	294	285					301	14.5	315
Total	2,978	3,034	2,993	2,982	2,964	-	-	-	-	2,990	51.3	-
		56	(40)	(11)	(18)	(2,964)	-	-	-			
EC-12 Average												
September - June		3,006	3,002	2,997	2,990							
Over (Under) Budget	(51)	5	(36)	(47)	(65)							

Faribault Public Schools
Comparative Financial Report - Select General Fund Expenditure Accounts
As of January 31, 2025

	FY24 January 2024	FY25 January 2025	FY24 YTD Through January 2024	FY25 YTD Through January 2025	FY24 FIN Budget	FY25 REV Budget	FY24 % of Budget through January 2024	FY25 % of Budget through January 2025
EXPENDITURES:								
HVAC	23,836	48,816	68,614	114,326	289,000	289,000	23.74%	39.56%
Water	6,342	8,426	42,518	45,133	60,700	67,200	70.05%	67.16%
Electric	62,460	45,787	458,699	396,263	642,000	639,000	71.45%	62.01%
Snow Removal	4,520	15,270	4,705	17,576	101,200	100,200	4.65%	17.54%
Total Expenditures	97,159	118,298	574,536	573,299	1,092,900	1,095,400	52.57%	52.34%

Faribault Public Schools
Comparative Financial Report - Self Insurance Fund
As of January 31, 2025

	FY24 January 2024	FY25 January 2025	FY24 YTD Through January 2024	FY25 YTD Through January 2025	FY24 FIN Budget	FY25 REV Budget	FY24 % of Budget through January 2024	FY25 % of Budget through January 2025
REVENUES:								
District Contributions	222,923	249,426	1,338,572	1,482,032	2,459,074	2,536,426	54.43%	58.43%
Employee Contributions	20,812	20,994	150,407	155,308	266,918	270,338	56.35%	57.45%
Retirees Contributions	8,126	5,310	57,962	58,710	133,531	111,005	43.41%	52.89%
Cobra Contributions	909	-	6,360	2,862	10,955	11,130	58.06%	25.72%
Total Revenue	252,770	\$275,730	\$1,553,301	\$1,698,912	\$2,870,478	\$2,928,899	54.11%	58.01%

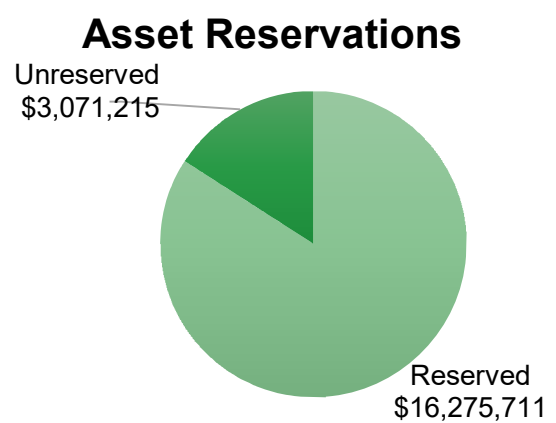
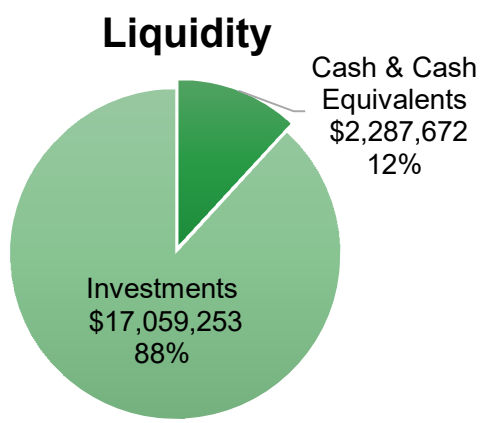
EXPENDITURES:								
Medical Claims	165,781	278,303	1,296,822	1,707,492	2,327,127	2,323,743	55.73%	73.48%
Administrative Fees	53,700	37,389	211,793	255,016	403,953	403,787	52.43%	63.16%
Additional Charges	3,996	4,685	51,290	32,863	83,872	84,357	61.15%	38.96%
Total Expenditures	\$223,477	\$320,376	\$1,559,905	1,995,371	\$2,814,952	\$2,811,887	55.41%	70.96%

(\$296,459)



FARIBAULT PUBLIC SCHOOLS
Investment Balances
As of January 2025

	Ending Balance 12/31/2024	Ending Balance 1/31/2025	Interest/Div Earned
CCF - MAIN CHECKING	878,409.17	717,111.00	\$ 4,121.21
CCF -SAVINGS	1,011,264.41	515,080.61	3,816.20
MSDLAF+LIQUID MONEY MARKET	679,155.40	880,932.98	2,750.71
MSDLAF+ MAX MONEY MARKET	171,501.03	172,141.55	640.52
MN TRUST OPERATIONS	7,112,389.85	5,806,469.85	66,258.14
MN TRUST INVESTMENTS	4,608,240.84	4,108,240.84	-
MN TRUST MAINTENANCE BONDS	4,529,749.76	4,065,906.91	11,154.16
US BANK - IRREVOCABLE TRUST	2,478,431.31	2,478,431.31	-
US BANK - ROOSEVELT DEBT	204.16	204.16	-
FIRST UNITED BANK CD	150,000.00	150,000.00	-
PREMIER BANK CD	150,000.00	150,000.00	-
RELIANCE BANK CD	150,000.00	150,000.00	-
STATE BANK OF FARIBAULT CD	150,000.00	150,000.00	-
PETTY CASH	2,406.00	2,406.00	\$ -
TOTAL CASH AND INVESTMENTS	\$ 22,071,751.93	\$ 19,346,925.21	\$ 88,740.94



Faribault Public Schools ISD 656
Exp/Rev Summary - Fd
Period Ending January 31, 2025

Sequence: L, Fd

		25REV					% YTD	Remaining
Description		Annual Budget	Period 202507	Year To Date	% YTD	Encumbrances	+ Enc	Balance
E	Expenditure							
01	General	62,734,386.00	5,105,179.14	31,018,706.25	49%	140,507.72	50%	31,575,172.03
02	Food Service	2,966,447.00	209,249.39	1,162,097.97	39%	13,803.63	40%	1,790,545.40
04	Community Service	6,068,693.00	437,641.58	2,789,123.72	46%	9,339.81	46%	3,270,229.47
06	Building Construction	3,713,542.00	82,842.03	4,093,707.72	110%	0.00	110%	(380,165.72)
07	Debt Redemption	2,430,808.00	0.00	266,408.33	11%	2,166,875.00	100%	(2,475.33)
20	Internal Service	2,811,887.00	320,375.98	1,995,371.15	71%	40,189.35	72%	776,326.50
45	OPEB Irrevocable Trust	393,000.00	9,039.41	80,352.49	20%	0.00	20%	312,647.51
50	Student Activities	110,000.00	19,879.38	51,497.86	47%	482.87	47%	58,019.27
E	Expenditure	81,228,763.00	6,184,206.91	41,457,265.49	51%	2,371,198.38	54%	37,400,299.13
R	Revenue							
01	General	(63,343,593.00)	(3,131,710.13)	(23,616,740.48)	37%	0.00	37%	(39,726,852.52)
02	Food Service	(2,990,250.00)	(214,885.27)	(1,227,531.31)	41%	0.00	41%	(1,762,718.69)
04	Community Service	(5,950,098.00)	(563,313.65)	(2,453,244.67)	41%	0.00	41%	(3,496,853.33)
06	Building Construction	(122,500.00)	0.00	(194,020.76)	158%	0.00	158%	71,520.76
07	Debt Redemption	(2,460,300.00)	(59,169.77)	(1,441,872.91)	59%	0.00	59%	(1,018,427.09)
20	Internal Service	(2,928,899.00)	(275,730.26)	(1,698,911.99)	58%	0.00	58%	(1,229,987.01)
45	OPEB Irrevocable Trust	(125,000.00)	0.00	(89,193.86)	71%	0.00	71%	(35,806.14)
50	Student Activities	(108,000.00)	(9,049.55)	(46,955.38)	43%	0.00	43%	(61,044.62)
R	Revenue	(78,028,640.00)	(4,253,858.63)	(30,768,471.36)	39%	0.00	39%	(47,260,168.64)
Report Totals:		3,200,123.00	1,930,348.28	10,688,794.13	334%	2,371,198.38	408%	(9,859,869.51)

Faribault Public Schools ISD 656 Multi Year Guideline by Object Series

Sequence: Fd, O/S		202307			202407			202507		
Description	Budget 23FIN	Year to Date	%	Budget 24FIN	Year to Date	%	Budget 25REV	Year to Date	%	
01 General										
100 Salaries & Wages	33,329,686.00	15,486,018.53	46%	36,691,729.00	16,359,857.91	45%	35,234,515.00	16,451,099.38	47%	
200 Employee Benefits	12,376,700.00	5,854,642.50	47%	12,743,620.00	6,033,169.44	47%	12,079,183.00	6,349,307.79	53%	
300 Purchased Services	8,789,786.00	4,757,410.04	54%	9,419,104.00	4,969,632.31	53%	10,245,155.00	4,953,170.23	48%	
400 Supplies & Materials	2,867,236.00	2,135,157.25	74%	2,870,733.00	1,595,582.92	56%	2,712,546.00	1,369,410.05	50%	
500 Capital Expenditures	1,327,615.00	1,274,462.41	96%	2,066,851.00	1,634,386.34	79%	2,036,082.00	1,750,819.39	86%	
800 Other Expenditures	430,293.00	160,941.03	37%	621,589.00	152,686.67	25%	426,905.00	144,899.41	34%	
01 General	59,121,316.00	29,668,631.76	50%	64,413,626.00	30,745,315.59	48%	62,734,386.00	31,018,706.25	49%	
Report Totals:	59,121,316.00	29,668,631.76	50%	64,413,626.00	30,745,315.59	48%	62,734,386.00	31,018,706.25	49%	