

FINANCE COMMITTEE MINUTES

This meeting was held remotely via Google Meet
November 24, 2025 at 7:30 a.m.

Members in Attendance: John Bellingham, Ashley Benhart, Jamie Bente, Lynda Boudreau, Rob Dehnert, Jason Engbrecht, Meghan Knutson, Brett Martindale, Barbie Roessler, and Chad Wolff

Others in Attendance: Caroline Stutsman

Members Absent: Stacy Fox

This meeting was called to order at 7:30 a.m.

I. Business Items

- a. Approval of the previous meeting minutes: Motion to approve by Mr Bellingham and Seconded by Ms Boudreau. Mr Wolff abstained due to absence from the previous meeting. Motion carried.

II. Contracts, Agreements, Bids and Grants for Review

III. Financial Performance

- a. Results of the Fiscal Year 2024-2025 Audit Presented by Caroline Stutsman: Ms Stutsmans shared that it's BergaKDV's role to provide an opinion on the financial strength of the district. The school's business department is responsible for providing the numbers and auditors make sure that those numbers make sense and are truthful. Faribault has received an unmodified opinion and the financial statements present fairly. In the report in accordance with Government Auditing Standards, we had a finding in a lack of segregation of duties This is pretty typical finding when understaffed and do not have resources or staff available to separate duties. There were no findings in legal compliance. Single audit for federal programs has not been finalized yet until the final issuance which is expected some time in early 2026. At this time, there are no findings in federal programs. Financial Analysis: Gen Ed Aid received a 2% increase in the formula allowance and our ADM decreased by 15. Our Adjusted ADM decreased by 19.84, for a 3,044.15 total. Our general fund revenue has been pretty consistent. Revenues are over state average but this due to the needs of the kids. Expenses are over the state average as well but are also consistent year over year. Mr Wolff - We're at a 4% cost for school admin . Can you give us the state average? Ms Stutsman - can provide that information and will provide it during the board meeting. Mr. Bente believes it to be about 6%. Increase in 1.2 million increase in fund balance. 2.3% over budget of revenues. Expenditures came in under budget by .7% and we're sitting at an 18% fund balance while the Board

has a target of 9.5%. Food Service - Revenues are down due to decreased number of students served but showing increase in expenditures due to staffing costs and equipment purchases. Commed Ed - Revenues are showing an increase due to program activity as well as state and federal grants. Community Ed with a positive fund balance.

- b. October Student Counts: Enrollment Data for October down compared to September's student count of 3086 students, which is a decrease of about 49 students. Changed to an ADM factor instead of Student Count. Average 3061 students but final ADM expected to be above what we had budgeted for the year..
- c. October Investment Financial Report: Decreased our investments, 3 CDs matured and we had an investment that matured. We used those funds for the October expenses.
- d. October Comparative Financial Report: HVAC - Shows zero balance due to rebates and timing. Water running the same, electric a bit higher at this time last year but expenses are higher overall year to date. Self-insurance. Revenues are exceeding expenditures. Decrease in medical claims as compared to this time last year..
- e. October Analytics: Still using the 26 Adopted budget- On target for our expenditures and revenues. Used about 24% of our budget for expenditures. Revenues as of October, we've received about 17% of the budget. Multi-year: 22% of our budget has been spent compared to 24% in FY25 and 23% in FY24.

IV. Financial Strategies

- a. Approval of the Revised Budget: Large increase in student enrollment equates to increase in staff. Using the 3086 students, projected as of October 1, equates to about a \$330k increase based on the Gen Ed formula. We also have recognized an increase in compensatory funding by \$400K which is based on Free and Reduced. In order to serve the increased students, we increased our salary and benefits by adding 8 teachers. We began FY26 with a 14% Fund balance and are projecting to end the year with a 10.84% fund balance to the general fund. Student Counts - still expecting a decrease over time due to less Kindergarteners coming in versus seniors going out. Mr Wolff asked for an explanation on our spending deficit of nearly 1.5 million? Ms Roessler explained that we're trying to purposely deficit spend in order to get our fund balance closer to 9.5% board standard as well as budgeting on the conservative side in order to give us a little cushion. Projecting our fund balance out over the next couple years: Looking at 10.84% in FY26 and 10.26% in FY27 and 8.7% in FY28 if we did nothing. Mr Wolff asked if we're looking at reductions for FY27 about 1.4 million. Ms Roessler stated that, yes, that is a safe assumption. If student enrollment continues to decline, our salary and benefit costs will need to be reduced. Motion to approve Ms Boudreau and seconded by Mr Bente. Motion passed.
- b. Approval of the Pay 26 Property Tax Levy: Next Monday, December 1st, the school board will need to vote adopting the property tax levy. - These taxes will be collected in the calendar year 2026 and we'll receive the revenue in 2027. The

General Fund shows a negative change of 4.28%, Community Ed and Debt Service increased by 6.47% and 5.88% respectively. However, overall tax payers will see a decrease of 2.22%, or \$273,662, in 2026. The total property tax levy for 2026 is \$12,064,410.59. Motion to approve Mr Engbrect and seconded by Ms Boudreau.

V. Next Meeting: January 19, 2026, at 7:30 am.

VI. Adjournment at 8:31 am: Motion to adjourn by Mr Engbrect and seconded by Ms Boudreau. Motion carried.

Respectfully submitted by Brett Martindale