

## **Finance Committee Meeting**

Tuesday, September 29, 2026 5:45 PM

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

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

2) **Approval of the Agenda**

3) **Acceptance of Minutes**

3)a. August 25, 2026

4) **Reports and Discussion**

4)a. Financial Statements

4)a.1. August 2026 Financial Statements

4)b. General Financial Operations Updates

4)c. Fiscal Year 2026 Audit Update

4)d. 2027 Property Tax Levy Update

4)e. Policy Reviews

5) **Adjournment**

**OFFICIAL MINUTES  
MINNEAPOLIS BOARD OF EDUCATION**

**FINANCE COMMITTEE MEETING  
Aug. 25, 2026**

**CALL TO ORDER AND ROLL CALL**

Committee Chair Abdul Abdi called the meeting to order at 5:45 p.m., a quorum being present.

Present: Collin Beachy, Kim Ellison, Joyner Emerick, Abdul Abdi (4)

Absent: Adriana Cerrillo (1)

Pursuant to Minnesota Statutes Section 13D.02, Director Emerick participated via interactive technology due to an approved reason.

**APPROVAL OF AGENDA**

Ellison moved to approve the agenda. Beachy seconded the motion.

On a roll call vote, the agenda was approved with the following result:

Aye: Beachy, Ellison, Emerick, Abdi (4)

Nay: (0)

Abstain: (0)

Absent: Cerrillo (1)

**ACCEPTANCE OF MINUTES**

Beachy moved to approve the minutes from the April 28, 2026 and the May 5, 2026 meeting. Ellison seconded the motion.

On a voice vote, the motion was adopted with the following result:

Aye: Beachy, Ellison, Emerick, Abdi (4)

Nay: (0)

Abstain: (0)

Absent: Cerrillo (1)

## **REPORTS AND DISCUSSION**

### **Financial Statements**

Staff presented financial statements for the month of July 2026.

### **Fiscal Year 2026 Audit Update**

Staff provided an update on the progress for the upcoming 2026 audit.

### **2027 Property Tax Levy Update**

Staff provided an update on the process for the 2027 property tax levy.

### **Finance Business Operations & Organizational Design Assessment Review**

Staff from the Center of Effective School Operations (CESO) presented their recommendations on their Finance Business Operations & Organizational Design Assessment.

## **ACTION ITEMS**

### **Resolution certifying the proposed property tax levy for payable 2027 (2026-0064)**

Ellison moved to refer Resolution 2026-0064 (Resolution certifying the proposed tax levy for payable 2027) to the full board. Beachy seconded the motion.

On a voice vote, the motion was adopted with the following result:

Aye: Beachy, Ellison, Emerick, Abdi (4)

Nay: (0)

Abstain: (0)

Absent: Cerrillo (1)

## **ADJOURNMENT**

Without objection, Chair Abdi adjourned the meeting at 7:02 p.m.

Minutes submitted by Nandi O'Brien, School Board Administrator and Assistant Clerk.

Meeting materials: <https://meetings.boardbook.org/Public/Agenda/1807?meeting=761818>

# Financial Statements (August 2026)

## July Financial Statements Notes

- The August report will focus on revenue and expenditures compared to last year
- [Actual] FY2027 Beginning Fund Balances not available:
  - Modified Accrual Accounting
  - FY2026 Audit underway and on track to meet statutory deadlines
  - FY2027 Beginning/Fund Balances will be presented when audit has sufficiently advanced to establish those balances

# August Financial Statements Highlights: General Fund

| General Fund | Budget         | YTD           | Percent of Budget | Prior Year Percent of Budget |
|--------------|----------------|---------------|-------------------|------------------------------|
| Revenue      | \$ 737,250,679 | \$ 62,980,018 | 8.5%              | 6.1%                         |
| Expenditures | \$ 735,313,855 | \$ 57,688,904 | 7.8%              | 6.6%%                        |

Revenue vs Expenditures    \$ 1,936,824    \$ 5,291,114

Beginning Fund Balance

Pending Finalization of FY2026 Audit

Ending Fund Balance

# August Financial Statements Highlights: Community Service Fund

| Community Service Fund | Budget        | YTD          | Percent of Budget | Prior Year Percent of Budget |
|------------------------|---------------|--------------|-------------------|------------------------------|
| Revenue                | \$ 40,245,093 | \$ 2,090,994 | 5.2%              | 10.6%                        |
| Expenditures           | \$ 42,389,002 | \$ 4,542,802 | 10.7%             | 12.8%                        |

Revenue vs Expenditures \$ (2,451,808)

Beginning Fund Balance

Pending Finalization of FY2026 Audit

Ending Fund Balance

# August Financial Statements Highlights: Food Service Fund

| Food Service Fund | Budget        | YTD          | Percent of Budget | Prior Year Percent of Budget |
|-------------------|---------------|--------------|-------------------|------------------------------|
| Revenue           | \$ 24,535,441 | \$ 67,554    | 0.3%              | 0.3%                         |
| Expenditures      | \$ 24,535,441 | \$ 1,717,515 | 7.0%              | 7.5%                         |

Revenue vs Expenditures \$ (1,649,961)

Beginning Fund Balance

Pending Finalization of FY2026 Audit

Ending Fund Balance

# Questions



MINNEAPOLIS  
PUBLIC SCHOOLS  
Urban Education. Global Citizens.

# Monthly Financial Report

August 31, 2026

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\*Unaudited\* Report

Prepared By: Finance Division  
Prepared for: Finance Committee

## MINNEAPOLIS PUBLIC SCHOOLS

Special School District No.1  
Minneapolis, Minnesota

[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

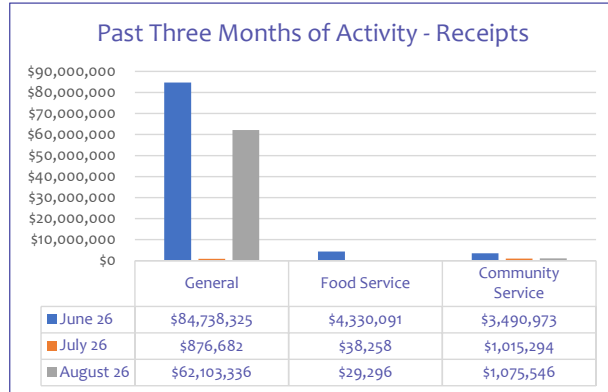
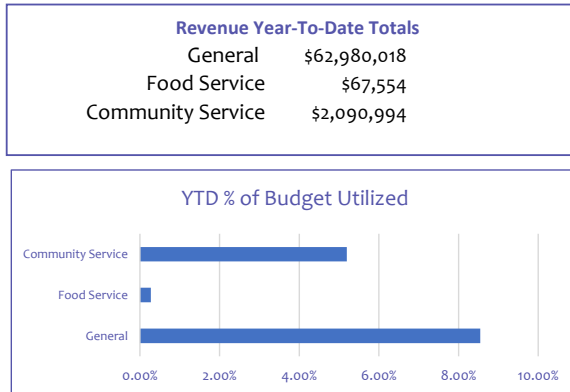
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# Monthly Finance Highlights

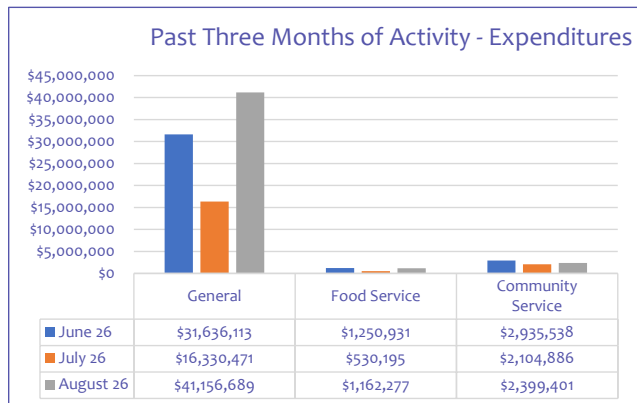
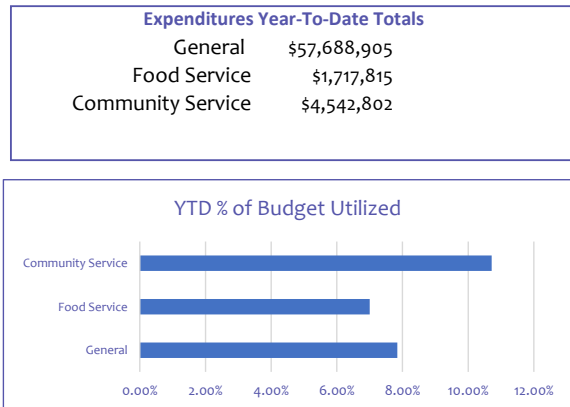
## Revenue Highlights for Operating Funds As of August 31, 2026

General Fund revenue during the month was \$62,103,336 (YTD actuals as a % of budget totaled 8.54%). Revenue activity in other funds are stated below:



## Expenditures Highlights for Operating Funds As of August 31, 2026

General Fund expenditures during the month were \$41,156,689 (YTD actuals as a % of budget totaled 7.85%). Expenditure activity in other funds are stated below:



**Minneapolis Public Schools  
Special School District No. 1  
Revenue and Expenditure Summary  
Month Ended August 31, 2026**

**Revenue Summary**

| Fund                        | Budget             | YTD Actuals       | % of Budget | PY YTD Actuals    | PY % of Budget |
|-----------------------------|--------------------|-------------------|-------------|-------------------|----------------|
| <b>General Fund</b>         |                    |                   |             |                   |                |
| Local Sources               | 183,050,715        | 3,455,951         | 1.9%        | 1,539,107         | 0.9%           |
| State Sources               | 500,816,241        | 59,497,463        | 11.9%       | 41,150,637        | 12.5%          |
| Federal Sources             | 53,383,723         | -                 | 0.0%        | -                 | 0.0%           |
| Other                       | -                  | 26,604            | -           | (9,965)           | 0.0%           |
| <b>Total</b>                | <b>737,250,679</b> | <b>62,980,018</b> | <b>8.5%</b> | <b>42,679,779</b> | <b>6.1%</b>    |
| <b>Operating Funds</b>      |                    |                   |             |                   |                |
| Food Service Fund           | 24,535,441         | 67,554            | 0.3%        | 60,011            | 0.3%           |
| Community Service Fund      | 40,245,093         | 2,090,994         | 5.2%        | 3,748,317         | 10.6%          |
| <b>Non-Operating Funds</b>  |                    |                   |             |                   |                |
| Building Construction Fund* | 90,336,000         | 1,134,680         | 1.3%        | 1,408,333         | 1.6%           |
| Debt Service Fund*          | 102,482,078        | 3,374,794         | 3.3%        | 3,372,871         | 3.3%           |
| <b>Total All Funds</b>      | <b>994,849,291</b> | <b>69,648,041</b> | <b>7.0%</b> | <b>51,269,310</b> | <b>5.4%</b>    |

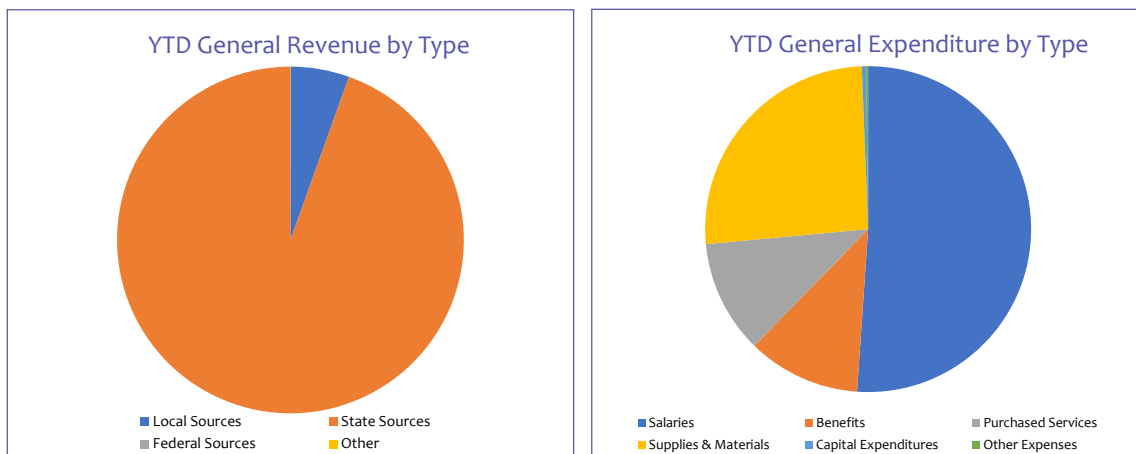
\*For the purposes of this report, other financing sources are reported as revenue

**Expenditure Summary**

| Fund                       | Budget               | YTD Actuals       | % of Budget | PY YTD Actuals    | PY % of Budget |
|----------------------------|----------------------|-------------------|-------------|-------------------|----------------|
| <b>General Fund</b>        |                      |                   |             |                   |                |
| Salaries                   | 421,894,764          | 29,471,263        | 7.0%        | 30,736,887        | 7.9%           |
| Benefits                   | 156,782,972          | 6,462,390         | 4.1%        | 6,411,012         | 4.0%           |
| Purchased Services         | 116,755,298          | 6,484,227         | 5.6%        | 6,734,797         | 5.8%           |
| Supplies & Materials       | 36,757,036           | 14,911,149        | 40.6%       | 4,367,256         | 10.3%          |
| Capital Expenditures       | 506,815              | 245,798           | 48.5%       | 17,752            | 0.2%           |
| Other Expenses             | 2,616,970            | 114,078           | 4.4%        | 46,325            | 0.5%           |
| <b>Total</b>               | <b>735,313,855</b>   | <b>57,688,905</b> | <b>7.8%</b> | <b>48,314,029</b> | <b>6.6%</b>    |
| <b>Operating Funds</b>     |                      |                   |             |                   |                |
| Food Service Fund          | 24,535,441           | 1,717,815         | 7.0%        | 1,869,310         | 7.5%           |
| Community Service Fund     | 42,389,002           | 4,542,802         | 10.7%       | 4,960,003         | 12.8%          |
| <b>Non-Operating Funds</b> |                      |                   |             |                   |                |
| Building Construction Fund | 148,277,954          | 13,623,577        | 9.2%        | 6,202,390         | 4.0%           |
| Debt Service Fund*         | 102,482,078          | 14,312,531        | 14.0%       | 16,877,612        | 16.7%          |
| <b>Total All Funds</b>     | <b>1,052,998,330</b> | <b>91,885,630</b> | <b>8.7%</b> | <b>78,223,343</b> | <b>7.5%</b>    |

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

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



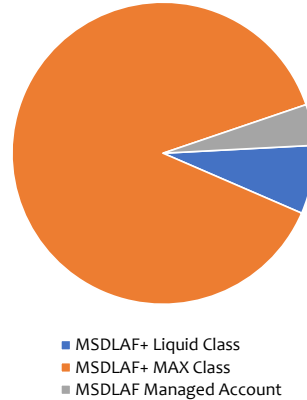
Minneapolis Public Schools  
Special School District No. 1  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - General Fund  
Month Ended August 31, 2026

|                                                 | Budget             | YTD<br>Actuals    | % of<br>Budget | PY YTD<br>Actuals | PY % of<br>Budget |
|-------------------------------------------------|--------------------|-------------------|----------------|-------------------|-------------------|
| <b>Revenues</b>                                 |                    |                   |                |                   |                   |
| Local sources                                   |                    |                   |                |                   |                   |
| Property taxes                                  | 173,184,748        | -                 | 0.0%           | -                 | 0.0%              |
| Earnings on investments                         | 2,000,000          | 1,091,633         | 54.6%          | 1,126,207         | 56.3%             |
| Other local and county revenues                 | 7,865,967          | 2,364,319         | 30.1%          | 412,900           | 2.0%              |
| Revenue from state sources                      | 500,816,241        | 59,497,463        | 11.9%          | 41,150,637        | 12.5%             |
| Revenue from federal sources                    | 53,383,723         | -                 | 0.0%           | -                 | 0.0%              |
| Sale and other conversion of assets             | -                  | 26,604            | -              | (9,965)           | 0.0%              |
| <b>Total Revenues</b>                           | <b>737,250,679</b> | <b>62,980,018</b> | <b>8.5%</b>    | <b>42,679,779</b> | <b>6.1%</b>       |
| <b>Expenditures</b>                             |                    |                   |                |                   |                   |
| Current                                         |                    |                   |                |                   |                   |
| Administration                                  | 26,239,249         | 2,996,502         | 11.4%          | 2,894,442         | 12.9%             |
| District support services                       | 52,858,278         | 13,573,951        | 25.7%          | 7,894,773         | 13.8%             |
| Elementary and secondary regular                | 277,448,837        | 16,176,218        | 5.8%           | 13,920,762        | 5.0%              |
| Vocational education instruction                | 3,797,604          | 142,287           | 3.7%           | 241,355           | 3.9%              |
| Special education instruction                   | 170,203,850        | 8,045,285         | 4.7%           | 8,257,149         | 5.3%              |
| Community education and services                | -                  | -                 | -              | -                 | 0.0%              |
| Instructional support services                  | 48,068,843         | 3,687,472         | 7.7%           | 3,552,677         | 7.6%              |
| Pupil support services                          | 104,583,702        | 5,261,691         | 5.0%           | 5,398,572         | 5.1%              |
| Sites and buildings                             | 49,387,580         | 5,649,282         | 11.4%          | 4,278,638         | 9.5%              |
| Fiscal and other fixed cost programs            | 2,219,097          | 1,910,419         | 86.1%          | 1,857,910         | 86.2%             |
| Capital Outlay                                  |                    |                   |                |                   |                   |
| Administration                                  | -                  | -                 | -              | -                 | -                 |
| District support services                       | -                  | -                 | -              | -                 | 0.0%              |
| Elementary and secondary regular                | 116,318            | -                 | -              | -                 | 0.0%              |
| Vocational education instruction                | 239,982            | -                 | -              | -                 | 0.0%              |
| Special education instruction                   | -                  | -                 | -              | -                 | 0.0%              |
| Instructional support services                  | 97,975             | -                 | 0.0%           | 17,752            | 0.2%              |
| Pupil support services                          | -                  | -                 | -              | -                 | 0.0%              |
| Sites and buildings                             | 52,540             | 245,798           | 467.8%         | -                 | 0.0%              |
| <b>Total Expenditures</b>                       | <b>735,313,855</b> | <b>57,688,904</b> | <b>7.8%</b>    | <b>48,314,029</b> | <b>6.6%</b>       |
| Excess of Revenues Over<br>(Under) Expenditures | 1,936,824          | 5,291,114         |                | (5,634,250)       |                   |
| <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>          |

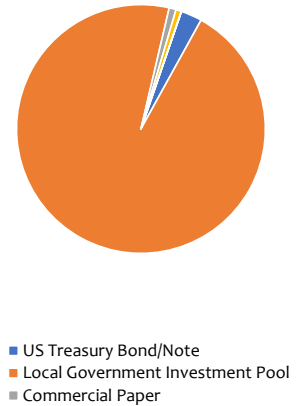
Minneapolis Public Schools  
Special School District No. 1  
Cash Position & Minnesota School District Liquid Asset Fund Investment Fair Market Values  
Month Ended August 31, 2026

| MSDLAF Investment Accounts*         | 2026<br>August     |
|-------------------------------------|--------------------|
| <b>MSDLAF</b>                       |                    |
| General Investments                 | 16,751,870         |
| General                             | 176,362,927        |
| Payroll                             | 7,798,795          |
| 2017B GO Bonds (LTFM)               | 7                  |
| 2017C COP's                         | 3,082              |
| 2019A GO Bonds                      | 552                |
| 2019B GO Bonds (LTFM)               | 4,294,602          |
| 2020B GO Bonds                      | 20                 |
| 2020C GO Bonds (LTFM)               | 7,313,655          |
| 2021B GO Bonds                      | 30                 |
| 2021C GO Bonds (LTFM)               | 1,105,742          |
| 2022A GO Bonds                      | 3,663,093          |
| 2022B GO Bonds (LTFM)               | 9,232,716          |
| 2023A GO Bonds                      | 12,488,990         |
| 2023B GO Bonds                      | 19,631,352         |
| 2024A GO Bonds                      | 26,599,613         |
| 2024B GO BOND (LTFM)                | 7,203,346          |
| 2025A GO Bonds                      | 49,010,835         |
| 2025B GO Bonds (LTFM)               | 40,842,410         |
| 2025C GO Bonds                      | 246                |
| <b>Total Fair Market Value</b>      | <b>382,303,883</b> |
| <b>Non MSDLAF Accounts*</b>         |                    |
| US Bank                             | -                  |
| Wells Fargo                         | 693,560            |
| Cash with Fiscal Agents             | 239,744            |
| Student Activity Accounts           | 716,239            |
| <b>Total Non MSDLAF</b>             | <b>1,649,543</b>   |
| <b>Total Cash &amp; Investments</b> | <b>383,953,425</b> |

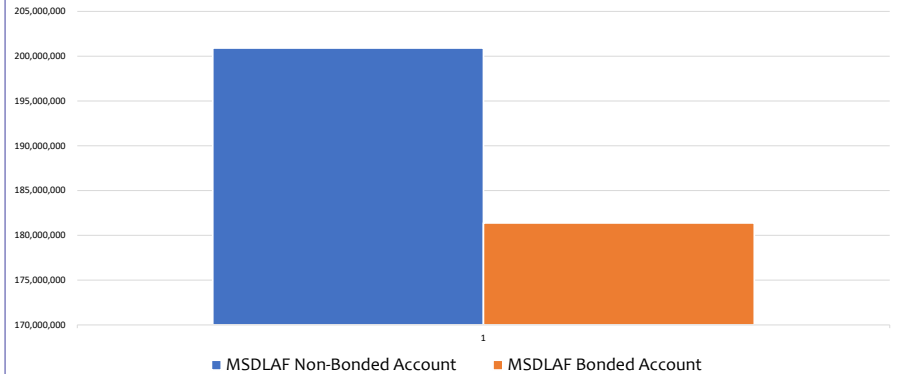
MSDLAF Portfolio Summary



MSDLAF Sector Allocation



MSDLAF Bonded vs Non-Bonded Account



\*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.

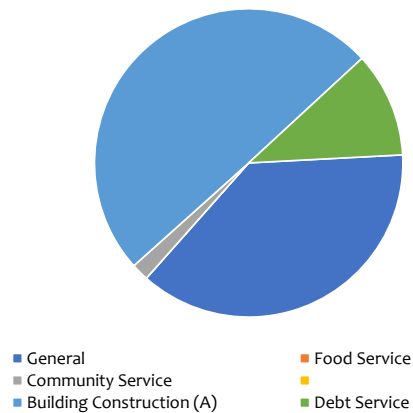
\*Note 3: All investments held at the Minnesota School District Liquid Asset Fund adhere to MPS investment Policy 3296 & 3296A, as well as state & federal guidelines.

Month End Governmental Funds Cash and Investments

| Governmental Funds         | Balances      |
|----------------------------|---------------|
| <b>Operating Funds</b>     |               |
| General                    | \$169,516,539 |
| Food Service               | \$0           |
| Community Service          | \$8,278,809   |
| <b>Non-Operating Funds</b> |               |
| Building Construction (A)  | \$225,643,808 |
| Debt Service               | \$49,997,719  |

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

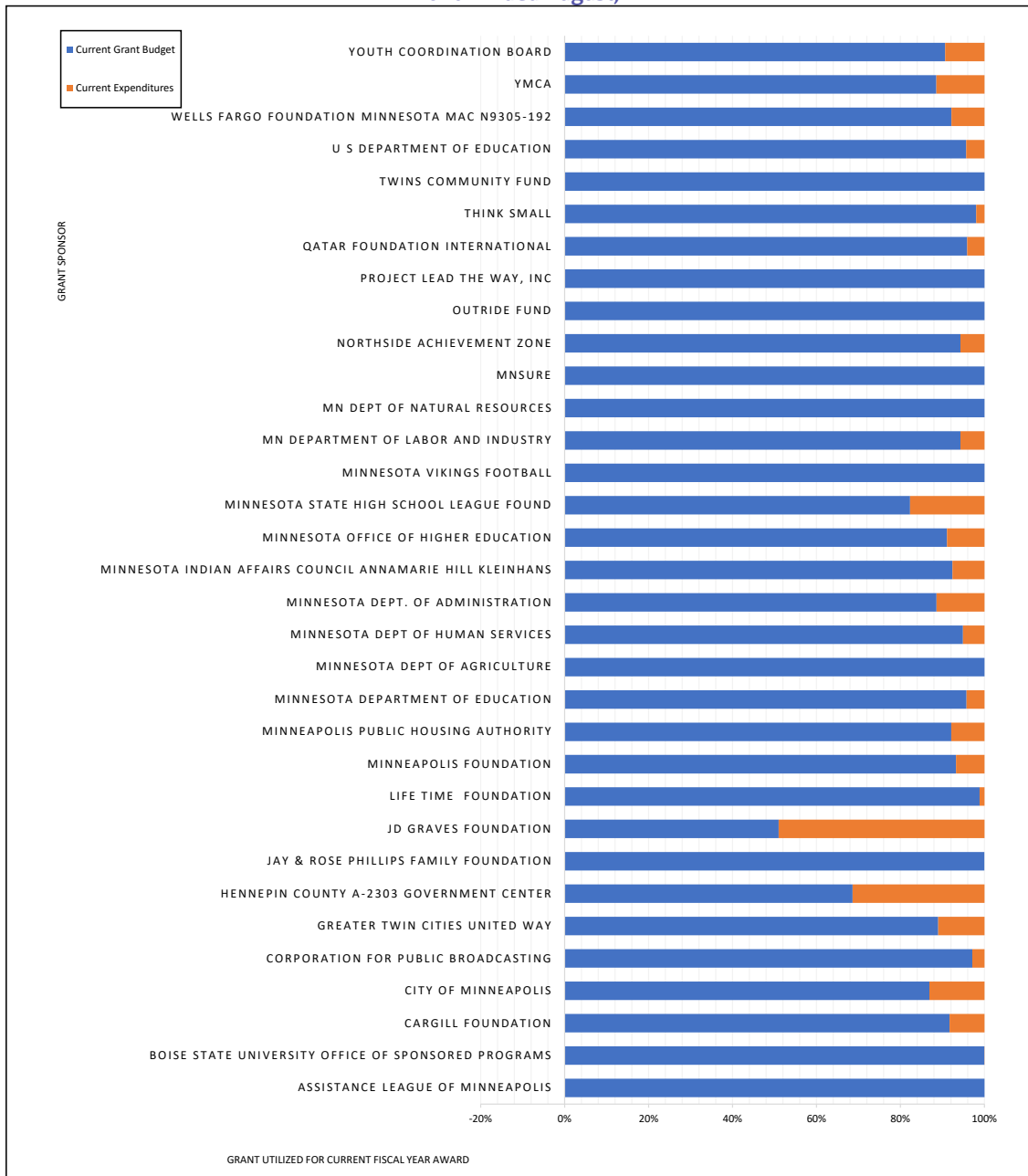
Governmental Funds C & I



Minneapolis Public Schools  
Special School District No. 1  
Grant Awards and Expenditures  
Month Ended August 31, 2026

| Grant Sponsor                                             | Current Grant<br>Budget | Current<br>Expenditures |
|-----------------------------------------------------------|-------------------------|-------------------------|
| Assistance League of Minneapolis                          | 1,265                   | -                       |
| Boise State University Office of Sponsored Programs       | 467,872                 | 65                      |
| Cargill Foundation                                        | 716,306                 | 64,807                  |
| City of Minneapolis                                       | 523,308                 | 78,845                  |
| Corporation for Public Broadcasting                       | 47,885                  | 1,421                   |
| Greater Twin Cities United Way                            | 9,127                   | 1,129                   |
| Hennepin County A-2303 Government Center                  | 563,786                 | 257,987                 |
| Jay & Rose Phillips Family Foundation                     | 64,281                  | (12)                    |
| JD Graves Foundation                                      | 18,546                  | 17,820                  |
| Life Time Foundation                                      | 27,388                  | 315                     |
| Minneapolis Foundation                                    | 1,308,398               | 95,156                  |
| Minneapolis Public Housing Authority                      | 790,645                 | 67,707                  |
| Minnesota Department of Education                         | 44,850,380              | 2,006,636               |
| Minnesota Dept of Agriculture                             | 27,000                  | -                       |
| Minnesota Dept of Human Services                          | 59,947                  | 3,223                   |
| MINNESOTA DEPT. OF ADMINISTRATION                         | 108,000                 | 13,934                  |
| Minnesota Indian Affairs Council Annamarie Hill Kleinhans | 500,001                 | 41,218                  |
| Minnesota Office of Higher Education                      | 587,284                 | 57,308                  |
| Minnesota State High School League Found                  | 4,656                   | 1,002                   |
| Minnesota Vikings Football                                | 530,843                 | -                       |
| MN Department of Labor and Industry                       | 509,998                 | 31,011                  |
| MN Dept of Natural Resources                              | 21,832                  | -                       |
| MNSure                                                    | 50,000                  | -                       |
| Northside Achievement Zone                                | 555,890                 | 33,748                  |
| Outride Fund                                              | 596                     | -                       |
| PROJECT LEAD THE WAY, INC                                 | 9,750                   | -                       |
| Qatar Foundation International                            | 43,315                  | 1,858                   |
| Think Small                                               | 1,337,757               | 26,799                  |
| Twins Community Fund                                      | 2,317                   | -                       |
| U S Department of Education                               | 4,642,644               | 210,696                 |
| Wells Fargo Foundation Minnesota MAC N9305-192            | 40,000                  | 3,416                   |
| YMCA                                                      | 972,913                 | 125,994                 |
| Youth Coordination Board                                  | 325,177                 | 33,479                  |
| <b>Grand Total</b>                                        | <b>59,719,104</b>       | <b>3,175,561</b>        |

**Minneapolis Public Schools  
Special School District No. 1  
Grant Utilization for Current Fiscal Year Award  
Month Ended August, 2026**



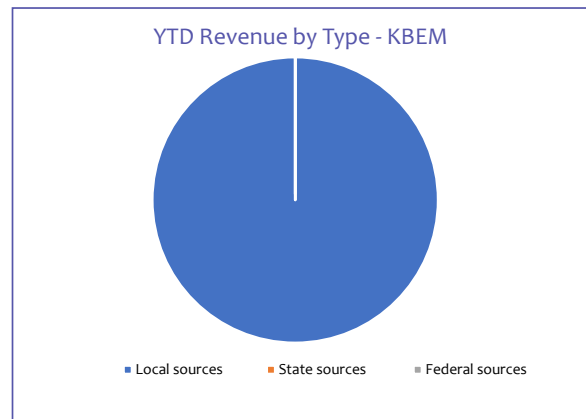
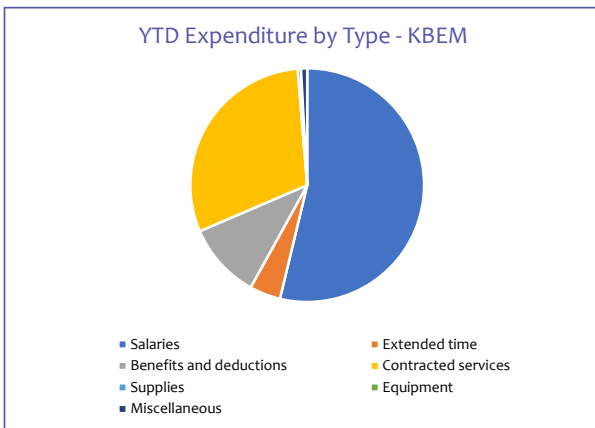
Minneapolis Public Schools  
Special School District No. 1  
Budget and Actual Expenditures - KBEM  
Month Ended August 31, 2026

| Fund                    | Budget           | YTD Actuals    | % of Budget  | PY YTD Actuals | PY % of Budget |
|-------------------------|------------------|----------------|--------------|----------------|----------------|
| Salaries                | 768,217          | 96,057         | 12.5%        | 119,153        | 15.7%          |
| Extended time           | 20,000           | 7,653          | 38.3%        | 6,112          | 0.0%           |
| Benefits and deductions | 319,709          | 18,794         | 5.9%         | 22,803         | 7.5%           |
| Contracted services     | 217,597          | 53,862         | 24.8%        | 53,995         | 50.9%          |
| Supplies                | 240              | 801            | 333.9%       | 2,500          | 11.6%          |
| Equipment               | -                | -              | -            | -              | 0.0%           |
| Miscellaneous           | 3,500            | 1,526          | 43.6%        | 60             |                |
| <b>Total</b>            | <b>1,329,263</b> | <b>178,694</b> | <b>13.4%</b> | <b>204,623</b> | <b>17.2%</b>   |

Revenue Breakdown - KBEM  
Month Ended August 31, 2026

|                             | YTD Actuals    |
|-----------------------------|----------------|
| Local sources               | 177,481        |
| State sources               | -              |
| Federal sources             | -              |
| <b>YTD Revenue Received</b> | <b>177,481</b> |

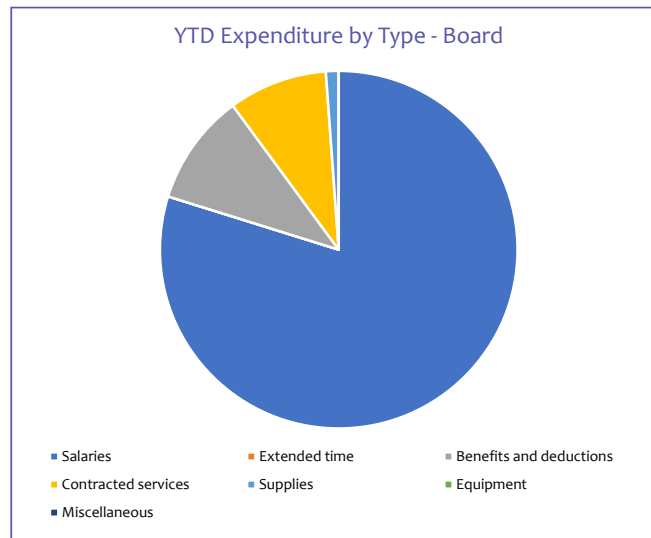
Pie Chart Displaying Breakdown of Revenue & Expenditure by Type



**Minneapolis Public Schools  
Special School District No. 1  
Budget and Actual Expenditures - Board of Education  
Month Ended August 31, 2026**

| <b>Fund</b>             | <b>Budget</b>  | <b>YTD<br/>Actuals</b> | <b>% of<br/>Budget</b> | <b>PY YTD<br/>Actuals</b> | <b>PY % of<br/>Budget</b> |
|-------------------------|----------------|------------------------|------------------------|---------------------------|---------------------------|
| Salaries                | 317,801        | 52,168                 | 16.4%                  | 47,830                    | 16.3%                     |
| Extended time           | -              | -                      | -                      | 150                       | 0.0%                      |
| Benefits and deductions | 87,243         | 6,599                  | 7.6%                   | 7,525                     | 9.8%                      |
| Contracted services     | 167,500        | 5,840                  | 3.5%                   | 5,500                     | 2.4%                      |
| Supplies                | 13,000         | 754                    | 5.8%                   | 840                       | 6.5%                      |
| Equipment               | -              | -                      | -                      | -                         | 0.0%                      |
| Miscellaneous           | -              | -                      | -                      | -                         | 0.0%                      |
| <b>Total</b>            | <b>585,544</b> | <b>65,362</b>          | <b>11.2%</b>           | <b>61,845</b>             | <b>10.1%</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, 2026

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

|                                                 | <u>Operating Funds</u>  |                              | <u>Non-Operating Funds</u>       |                         |
|-------------------------------------------------|-------------------------|------------------------------|----------------------------------|-------------------------|
|                                                 | <u>Food<br/>Service</u> | <u>Community<br/>Service</u> | <u>Building<br/>Construction</u> | <u>Debt<br/>Service</u> |
| <b>Revenues</b>                                 |                         |                              |                                  |                         |
| Local sources                                   | 10,310                  | 1,977,640                    | 1,134,680                        | -                       |
| Revenue from state sources                      | -                       | 113,355                      | -                                | 3,374,794               |
| Revenue from federal sources                    | -                       | -                            | -                                | -                       |
| Other Revenue                                   | 57,244                  | -                            | -                                | -                       |
| <b>Total Revenues</b>                           | <b>67,554</b>           | <b>2,090,994</b>             | <b>1,134,680</b>                 | <b>3,374,794</b>        |
| <b>Expenditures</b>                             |                         |                              |                                  |                         |
| Current                                         | 1,717,815               | 4,542,802                    | 4,935,150                        | -                       |
| Capital Outlay                                  | -                       | -                            | 8,688,427                        | -                       |
| Debt Service                                    | -                       | -                            | -                                | 14,312,531              |
| <b>Total Expenditures</b>                       | <b>1,717,815</b>        | <b>4,542,802</b>             | <b>13,623,577</b>                | <b>14,312,531</b>       |
| Excess of Revenues Over<br>(Under) Expenditures | (1,650,261)             | (2,451,808)                  | (12,488,896)                     | (10,937,737)            |
| <b>Other Financing Sources</b>                  |                         |                              |                                  |                         |
| <b>Total Other Financing Sources</b>            | <b>-</b>                | <b>-</b>                     | <b>-</b>                         | <b>-</b>                |

# General Financial Operations Updates

September 29, 2026 Finance Committee Meeting

# Updates

- Fiscal year 2025 audit corrective action plan
- CESO assessment follow-up
- State Special Education coding/reporting for 2025-2026
- OPEB trust
- Questions

## Fiscal year 2025 audit corrective action plan

- Financial Closing and Bank Reconciliation Process Review/Approval
- SAP User Rights Related to Segregation of Duties
- Vendor Payment Controls Related to Transportation
- Budget vs Actual UFARS Coding

## CESO assessment follow-up

- Standard Operating Procedures
- Regular Department Meetings
- Cash Handling
- Budget to Actual Monitoring
- Procurement Policy 3312

# State Special Education coding/reporting for 2025–2026

- Special Education Data Reporting Application (SEDRA)
  - Used to report special education data to calculate special education aid and tuition billing rates
- Uniform Financial Accounting and Reporting System (UFARS)
  - Provides financial information for public review and evaluation
  - Demonstrate financial accountability for program implementation
  - Enable compliance with state and federal financial reporting requirements
  - Improves decision-making capabilities for state and local agencies
  - Uses modified accrual accounting (revenue reported when it is known and collectible within the current period)
- November 30 annual deadline for UFARS/SEDRA systems
  - Current FY2026 reconciliation nearly complete by the end of September 2026
  - Last year's FY2025 reconciliation began in November 2025
  - Will reconcile quarterly in FY2027

## OPEB trust

- Irrevocable trust created by MPS for “Other Post Employment Benefits” pursuant to [Minnesota Statutes Section 471.6175](#)
- Very small deductions from the trust since its creation (positive change of \$2.8 million in FY25) and the trust holds nearly \$30 million in assets (FY25 audit)
- Following review of the plan to seek reimbursement from prior year expenses to support the FY26 operating budget, CESO representatives advised that we not move forward with planned draws
- Continuing to research potential allowable uses of the trust that might benefit the general operating budget

# Questions

# Policy Reviews

September 29, 2026 Finance Committee Meeting

# Agenda

- Policy 3312 (Bidding Requirements)
- Policy
- Questions

# Policy 3312 (Bidding Requirements): Background

- Policy 3312 currently requires formal bids for purchases (other than professional services and textbooks) that are expected to exceed \$100,000 require formal bid processes
- This threshold is lower than what is allowed in state law (bids are required for \$175,000 purchases)
- CESO assessment recommends that MPS align with the state law
- This would potentially increase the number of potential vendors and could produce lower pricing and improved services/goods as well as reduce administrative work for MPS staff and potential vendors
- A prior policy audit conducted by the MN School Boards Association (MSBA) had also recommended a revision to this policy as part of a larger revision of all of MPS' procurement and purchasing policies

# Policy 3312 (Bidding Requirements): Recommendation

- **Short-term:**

- Amend Policy 3312 to change the bid threshold from \$100,000 to \$175,000

- **Longer-term:**

- Evaluate MSBA's recommendation to adopt one procurement policy (would consolidate approximately seven MPS policies into one)

# Investment Policies

- Investing by public entities is highly regulated and governed by state and federal law
- MPS currently has two policies regarding investments:
  - [Policy 3296 \(Investment\)](#) and [Policy 3470 \(Trust Account Investment\)](#)
- MSBA model policy language supports compliance and they would provide proposed revisions in the event of statutory, regulatory, or case law changes
- **Recommendation:**
  - Adopt the MSBA model template policy on investments to replace current policy language in Policy 3296 (Investment) and Policy 3470 (Trust Account Investment)

# Questions