

2019-20

FINAL BUDGET

For the Fiscal Year ending June 30th, 2020



DISTRICT196

One District. Infinite Possibilities.

Rosemount-Apple Valley-Eagan Public Schools
Rosemount, Minnesota 55068

Educating our students to reach their full potential



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January 13, 2020

To: School Board of Independent School District 196
Fr: Mark Stotts, Director of Finance and Operations
Christopher Onyango-Robshaw, Coordinator of Finance
Danny DuChene, Manager of Financial Systems, Reporting and Compliance

INTRODUCTION

To comply with Minnesota Statute 123B.77, the School Board approved the district's 2019-20 Preliminary Budget at the regular school board meeting on Monday, June 24, 2019. The 2019-20 Final Budget included in this report reflects changes in budget items due to updated student enrollment and staffing data, contract settlements and other factors unavailable or unknown at the time of approval for the preliminary budget.

REPORT FORMAT

The 2019-20 Final Budget is presented in the three sections outlined below:

- **Community Budget Guide** – provides an executive summary of the remaining two sections described below
- **Financial Section** – provides an overview and analysis of each of the district's funds
- **Informational Section** – provides selected financial, student demographic, and economic data on a multi-year comparative basis

REPORTING ENTITY AND ITS SERVICES

District 196, located on the southeastern edge of the Minneapolis/St. Paul metropolitan area, was incorporated in 1950 and serves a portion of nine suburban communities within Dakota County. The district provides a full range of public and community education services appropriate to grade levels ranging from pre-kindergarten through grade 12, as well as adult programs.

FINANCIAL AND BUDGETARY CONTROL

District leadership is responsible for establishing and maintaining internal controls designed to ensure that the assets and resources of the district are protected from theft, misuse or loss. The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of the costs and benefits requires estimates and judgments by district leaders.

The district's budget process is based, first, on development of a budget projection model that attempts to project resources and expenses over a multiple-year period. The budget projection is used by the School Board and the administration to determine budget parameters and staffing guidelines. This budget has been prepared in accordance with the budget parameters and staffing guidelines approved by the School Board at the February 11, 2019 meeting. Legal budgetary control is at the fund level; however, directors, principals, coordinators and other budget managers are responsible for monitoring their budget centers within each of the funds. All appropriations lapse at year-end.

BUDGET PROCESS AND ASSUMPTIONS

The district operates in a decentralized or site-based environment. Annually, schools receive staffing, instructional and capital expenditure allocations from the district office to support their operations. Other programs, such as curriculum materials, major maintenance projects, special education program and facilities and grounds maintenance are centrally managed. A majority of the allocations to the schools are driven by student enrollment and per student allocations reviewed and approved by the School Board, as previously mentioned. In addition to the board approved staffing guidelines, the District utilizes enrollment counts as of October 1 of the current academic year to prepare the final allocations and budget.

Staffing Allocation

- Staff is allocated to each site based on the staffing guidelines and ratios developed by the administration and approved by the School Board. School principals and department administrators are responsible for staffing their building or department according to their allocations.
- The finance department, based on School Board-approved contracts and verified by school principals and other budget administrators, initially calculates employee salaries used in the budget. Salaries for employee groups that do not have approved contracts are estimated based on specific budget parameters determined by the School Board.
- Employee benefits are estimated using a variety of techniques. Retirement benefits, social security and workers' compensation premium budgets are calculated as specified percentages of salaries. Budgets for health, dental, life insurance and a tax sheltered annuity match are estimated based on the projected number of employees reported by school principals and other budget administrators, premium information provided by the insurance carriers and current employee contracts. For groups that have no contract but for which there is a limit on the district's contribution, increase in the maximum district contribution is based on budget parameters reviewed by the School Board in February 2019.

Non-Salary Allocations for Schools

- Instructional Allocations – instructional allocations were reduced by 4.0 percent as part of the budget cut reductions for the 2019-20 school year
- Staff Development – In addition to the instructional allocations, schools receive \$8 per pupil for staff development activities.
- Co-curricular staffing and supplies - Secondary schools receive co-curricular staffing and supply allocations to support their co-curricular programs. Co-curricular staffing and supply allocations for 2019-20 school year have been decreased by 4.0 percent in conjunction with the reduction in instructional allocations set by the school board.
- Compensatory Education Allocations – 2019-20 allocations are based on estimates prepared by the Minnesota Department of Education. These estimates are based on the district’s actual enrollment and actual free-and-reduced-price lunch counts on October 1, 2019.
- Targeted assistance (basic skills) per pupil allocations for grades K-8 remain at the 2012-13 level: \$40.50 per pupil unit for non-Title I elementary and middle schools and \$20.25 for Title I elementary schools.
- Learning and Development Program – School districts are required to reserve a portion of the general education formula revenue to reduce and maintain class size in elementary grades, with first priority on kindergarten, first-, second-, and third-grade class sizes. The allocations for each school were based on actual October 1, 2019 enrollment counts.
- Administrative and support department non-salary budgets were determined by each department head based on parameters established by the School Board, and then reviewed and approved by the superintendent or the director of finance and operations. For 2019-20, the inflationary adjustment for non-salary budgets is 2.0 percent except for budget items, such as heating fuel and electricity, which are based on recent trends and industry direction.

Revenues

- Estimates are prepared by the Finance Department based on state statutes, using the actual October 1, 2019 enrollment. The district receives a \$6,438 per pupil allowance during the 2019-20 school year, which reflects a 2.0 percent increase over 2018-19 p.p.u. allowance (\$6,312). The amount set aside for pupil transportation for the current school year is \$299.99, or 4.77 percent of the formula allowance. The projected adjusted pupil units for the 2019-20 school year is 31,078.

DESCRIPTION OF FUNDS

The Minnesota Department of Education has established the existence of the various district funds. Each fund is accounted for as an independent entity. Descriptions of the funds included in this report are as follows:

Governmental Funds

- **General Fund** – Used to account for all financial resources except those required to be accounted for in another fund. The district maintains five sub-accounts within the General Fund: Operating, Transportation, Capital, Quality Compensation, and Special Education. Beginning with the 2019-20 school year, student activity accounts will be reported in a restricted area of the general fund, as required by MDE and the GASB #84 statement.
- **Building Construction Fund** - Used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue or capital project levies.
- **Debt Service Fund** – Used to account for the accumulation of resources for, and payment of, general obligation long-term debt principal, interest and related costs. The district maintains a separate Other Post-Employment Benefits (OPEB) account within the debt service fund to account for OPEB-related debt activity. All other debt service is recorded in the general debt service account.
- **Food Service Special Revenue Fund** – The food service special revenue fund is primarily used to account for the district’s child nutrition program.
- **Community Service Special Revenue Fund** – The community service special revenue fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, or other similar services.

Proprietary Funds

- **Internal Service Funds** – Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The district has established four internal service funds: Severance Benefits, Self-Insured Dental, and Self-Insured Health. Beginning in 2018-19, the district has transitioned to an Irrevocable OPEB Trust, which will be housed in the Fiduciary funds below.

Fiduciary Funds

- **Trust Funds** – The district maintains an employee benefit trust fund used to administer resources received and held by the district as the trustee for employees participating in the district’s flexible benefit plan (Internal Revenue Code § 125 Cafeteria Plan). The district also will maintain an OPEB Irrevocable Trust fund as mentioned above.
- **Scholarship Private-Purpose Trust Fund** – The scholarship private-purpose trust fund is used to account for resources held in trust to be used by various other third parties to award scholarships to students.
- **Agency Funds** – Agency funds are established to account for cash and other assets held by the district as the agent for others. The district maintains two agency funds used to account for a Graduate Credit Program (a continuing education program organized for the benefit of district certified staff) and the Minnesota Reading Recovery Conference.

FISCAL SUMMARY

The following is a summary listing of the budget for each of the fund groups contained in the 2019-20 Final Budget:

	Fund Balance July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Projected Fund Balance June 30, 2020
General Fund	50,927,013	384,896,688	383,118,578	(64,770)	52,640,353
Special Revenue Funds	6,909,927	21,900,008	22,047,591	64,770	6,827,114
Building Construction Fund	6,027,686	-	2,000,000	-	4,027,686
Debt Service Funds	1,699,991	17,789,889	17,111,670	-	2,378,210
Internal Service Funds	8,269,818	54,373,000	57,719,999	-	4,922,819
Fiduciary Funds	55,147,720	6,054,000	6,350,000	-	54,851,720
	128,982,156	485,013,585	488,347,838	-	125,647,903

The following table is a fund balance summary of the categories within the general fund for the 2019-20 Final Budget

	Fund Balance 7/1/2019	Revenues	Expenditures	Fund Transfer	Projected Fund Balance 6/30/2020
General Fund					
Unassigned	37,352,792	360,174,968	354,411,971	(50,000)	43,065,789
Assigned - Site Carryover	1,311,999	-	-	-	1,311,999
Restricted					
Operating Capital	4,947,276	9,512,322	12,116,970	-	2,342,628
LTFM	4,071,499	8,676,036	10,505,732	-	2,241,803
Capital Projects Levy	1,150,621	5,683,362	5,683,362	-	1,150,621
Medical Assistance	671,447	850,000	415,313	-	1,106,134
Non-Spendable	1,421,379	-	-	-	1,421,379
Total General Fund	50,927,013	384,896,688	383,133,348	(50,000)	52,640,353

ACKNOWLEDGEMENTS

This budget document, in conjunction with the preliminary budget document requires many hours of preparation, deliberation and review by the School Board, Budget Advisory Council members, superintendent, budget managers and members of the finance department. Many thanks go to all involved for their efforts in preparing this important budget document.

Respectfully,



Mark Stotts
Director of Finance and Operations

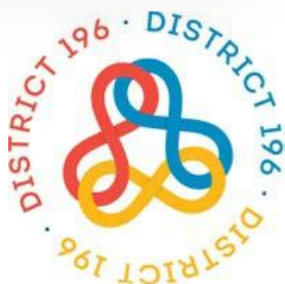


Christopher Onyango-Robshaw
Coordinator of Finance



Danny DuChene
Manager of Financial Systems, Reporting,
Compliance, & Student Information Systems

A Budget Guide For Our Community



INDEPENDENT SCHOOL DISTRICT 196
Rosemount-Apple Valley-Eagan Public Schools

Educating our students to reach their full potential

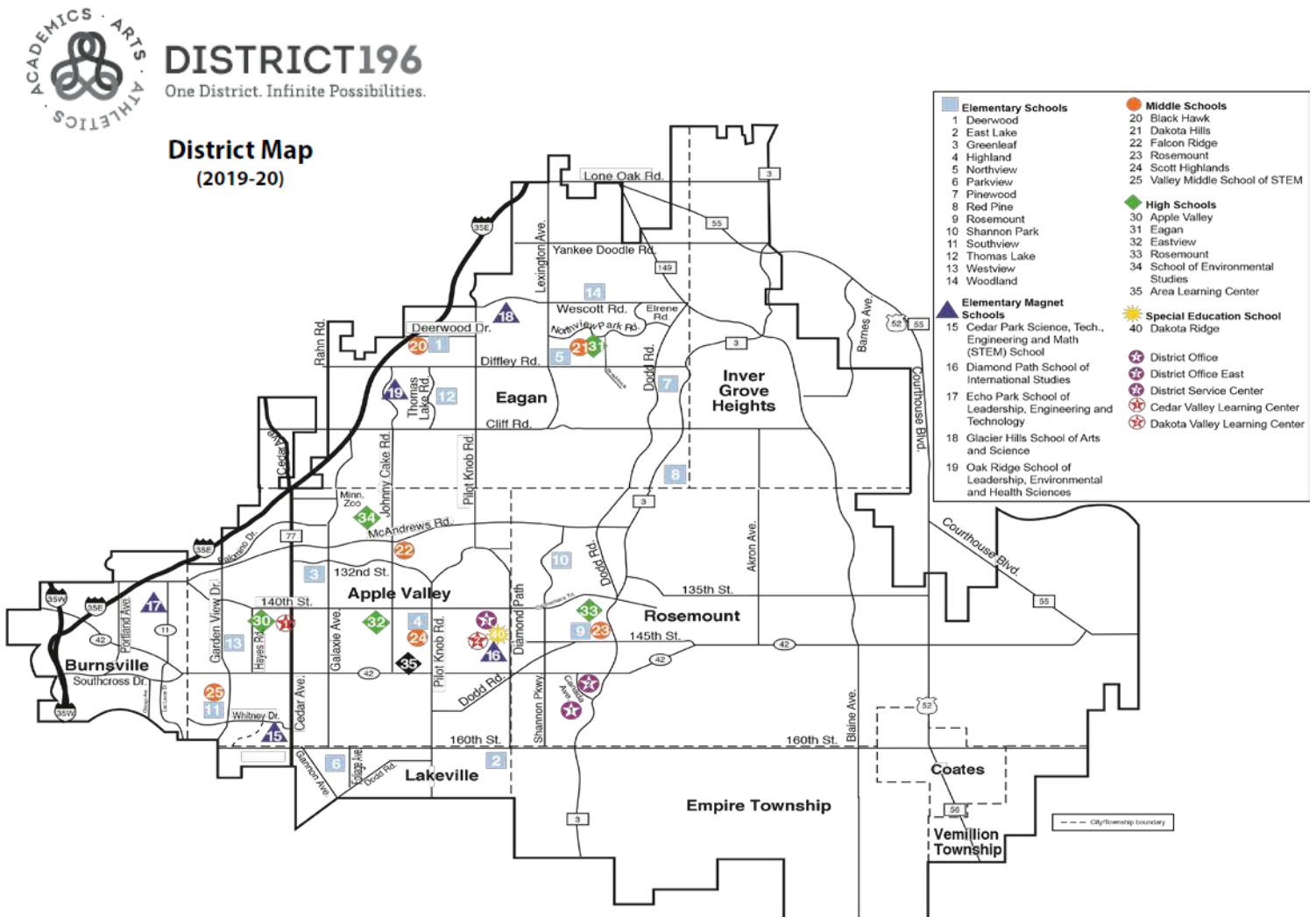




Our District

District 196 is a public school district in Dakota County, Minnesota serving approximately 29,000 students in early childhood programs through grade 12 and a Transitions Plus program serving young adults with disabilities ages 18-21. The mostly suburban district covers 110 square miles in Dakota County and serves all or parts of the cities of Rosemount, Apple Valley, Eagan, Burnsville, Coates, Inver Grove Heights and Lakeville, and Empire and Vermillion townships. Total district population is estimated at 155,000.

District 196 operates its programs in 37 facilities, including 19 elementary schools, six middle schools, four comprehensive high schools, an optional high school for grades 11-12, an area learning center, a school for students with special needs and two learning centers. The district also has three facilities for support staff.



District 196 by the Numbers



92%

Graduation Rate
After 4 years of High School

23.0

Avg. ACT Score in 2019
Approximately 1.8 points higher than the state, and highest in the nation among states that offer ACT to all students

6,628

College Credits
earned by District 196 students in 2018-19 from the University of Minnesota

5

State Championships
From District 196 teams and performing groups in marching band, one-act play, mock trial, girls' track and field and adapted softball In 2018-19

16

Years in a Row
District 196 has earned the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO)

20

Individual State Titles won by District 196 students in speech, debate, Science Olympiad, wrestling, boys' and girls' track and field, and boys tennis

87%

Capture Rate
Resident students who attend District 196 Schools, one of the highest rates in the Twin Cities

220

School Buses in District Fleet
used to transport more than 22,000 students over 2.5 million miles annually

823

Students named AP Scholars
Earning a score of 3 or higher on 3 or more AP exams

2

District 196 High Schools
were in the top 10 of high schools in Minnesota in *US News & World Report's* ranking of the nations Best High Schools

54,000

District Households
Nearly 40 percent of which have preschool and/or school-aged children

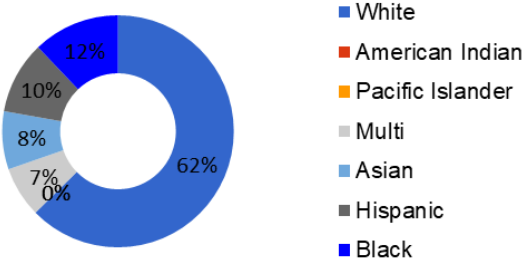




Our Students

Total Students: **29,224**

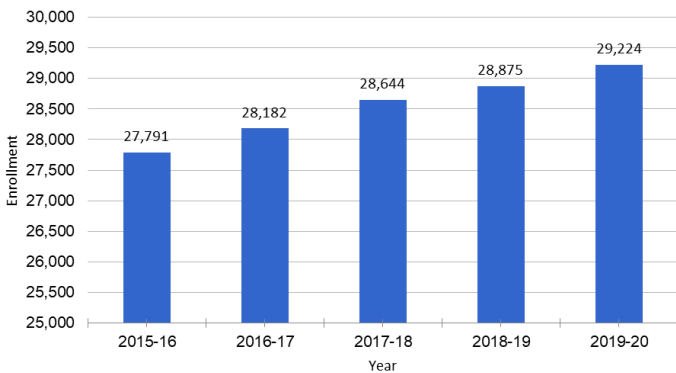
Student Ethnicity



0% - Pacific Islander, 0% - American Indian

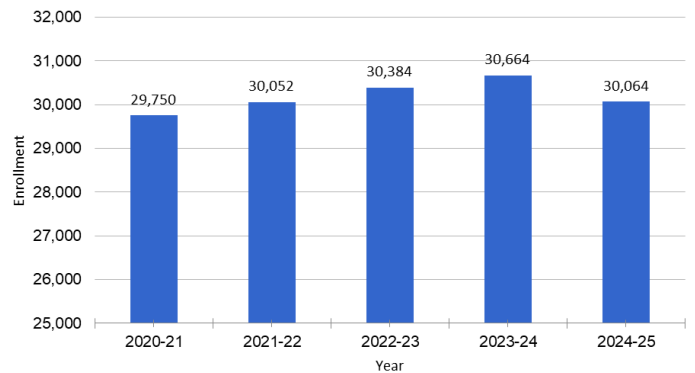
- 4th largest public school district in Minnesota
- Early Childhood Special Education: 554 (1.9%)
- Center-based Special Education: 1,029 (3.5%)
- Grades K-5: 12,390 (42.4%)
- Grades 6-8: 6,621 (22.6%)
- Grades 9-12: 8,630 (29.5%)
- Adult Basic Education: 38 (0.1%)

5 Year Enrollment History



District 196 enrollment has been growing since the 2013-14 school year. The 2019-20 enrollment of 29,224 is .98% higher than 2018-19.

5-Year Enrollment Projections



District 196 enrollment is projected to increase by an average of 1.03% annually over the next five years

2,174

English Learners (EL)

- 7.4% of all students
- Nearly 90 languages spoken by District 196 families

4,463

Special Education

- 15.4% of all students in grades K-12 qualify for special education services

22.4%

Free/Reduced Lunch

- Students who qualified for free/reduced lunch in 2018-19

1,557

Gifted & Talented

- Students are participating in the Gifted & Talented Program in 2019-20

7

District 196 Schools

- Receive Federal Title I Funds to improve the educational achievement of disadvantaged students

Achievement

District 196 students have a tradition of outstanding achievement both in and out of the classroom. Our students win a large number of state and national awards in a variety of curricular and cocurricular competitions, and earn scholarships to colleges and universities throughout the country, as well as appointments to United States military academies.



District 196 students consistently score well above average on state and national assessments and graduate at a high rate (see bottom table). The Minnesota Comprehensive Assessments (MCAs) and Minnesota Test of Academic Skills (MTAS) are given annually to all students statewide in grades 3-8 (reading and math), grade 10 (reading), grade 11 (math), and in science grades 5, 8 and once in high school. The MCAs and MTAS are designed to measure district and student progress on teaching and learning the Minnesota Academic Standards, which are required for graduation. Students who meet or exceed the standards are considered to be “proficient” in the subject areas.

2018-19 Math - Percentage of Students Proficient							
Grade	3	4	5	6	7	8	11
District 196	71.6%	70.6%	62.6%	59.3%	59.2%	65.4%	62.2%
Statewide	66.0%	64.3%	52.4%	50.9%	52.5%	55.7%	45.4%
Difference	5.6%	6.3%	10.2%	8.4%	6.7%	9.7%	16.8%

2018-19 Reading - Percentage of Students Proficient							
Grade	3	4	5	6	7	8	10
District 196	61.3%	60.1%	73.2%	66.6%	62.0%	63.7%	73.3%
Statewide	55.0%	55.9%	66.2%	63.2%	57.9%	58.2%	61.1%
Difference	6.3%	4.2%	7.0%	3.4%	4.1%	5.5%	12.2%

2018-19 Science - Percentage of Students Proficient			
Grade	5	8	HS
District 196	65.9%	55.5%	73.9%
Statewide	54.9%	43.0%	54.4%
Difference	11.0%	12.5%	19.5%

District 196 high school students in the class of 2019 scored well above state and national composite scores on the American College Test (ACT) entrance exam. The ACT average composite score for the district’s class of 2019 was 23.0. The district average was 1.4 point higher than the Minnesota average of 21.4, which was highest in the nation among states where more than half of all graduates took the test.

ACT Average Composite Scores			
Year	District 196	Minnesota	National
2019	23.0	21.4	20.7
2018	23.1	21.3	20.8
2017	23.1	21.5	21.0
2016	23.0	22.1	20.8
2015	24.4	22.7	21.0
2014	24.1	22.9	21.0
2013	24.0	23.0	20.9
2012	24.1	22.8	21.1
2011	24.0	22.9	21.1

4-Year High School Graduation Rates								
	2010-11*	40878	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
District 196	88.2%	90.7%	92.2%	91.9%	89.8%	91.8%	89.9%	90.5%
Minnesota	76.9%	77.6%	80.0%	81.2%	81.9%	82.2%	82.7%	83.2%

* Effective with the 2010-11 school year, the methods used to calculate cohort-adjusted graduation rates were changed to comply with requirements set by the US Department of Education.



Our School Board & Staff

The School Board is the governing body of the district, responsible for developing policy to ensure the proper care, management and control of district affairs, and supporting the mission of *educating our students to reach their full potential*. The board approves staff hiring, sets the annual local school levy, approves expenditures and educational programs (curriculum), and otherwise ensures that proper facilities and equipment are available to support teaching and learning in the district.



Jackie Magnuson
Chairperson



Joel Albright
Vice Chairperson



Sachin Isaacs
Clerk



Art Coulson
Treasurer



Mary Kreger
Superintendent



Craig Angrimson
Director



Mike Roseen
Director



Bob Schutte
Director

(term ends Jan 2020)

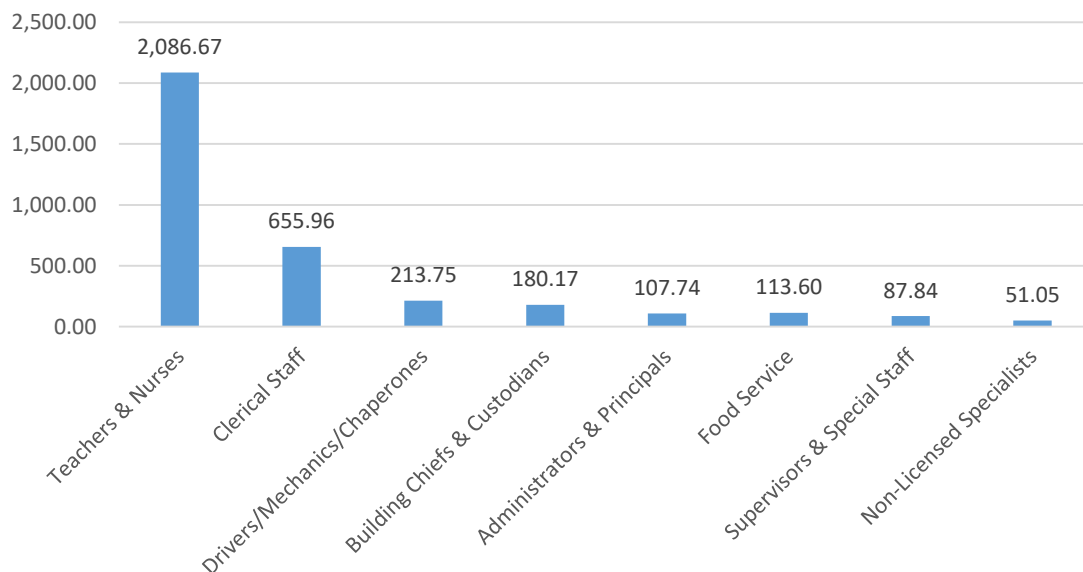


Cory Johnson
Director

(term begins Jan 2020)

The seven School Board members are elected at large in odd-numbered years and serve four-year terms. The board typically holds regular meetings on the second and fourth Monday of each month, as well as workshops, committee meetings and public hearings, as needed. The public is invited to attend board meetings and may address items on the agenda and during the open forum and special communication portions of the meeting. The superintendent is appointed by and responsible to the School Board, and is the sole official representative and spokesperson of the district.

2019-20 Final Budget FTEs by Classification



Our Strategies and Goals



The district's beliefs and strategies were developed by a 60-member task force of parents, staff, School Board members and leaders from the local business, civic and faith communities. Task force members first attended informational meetings to establish a shared base of knowledge about the district, then facilitator-led planning meetings to develop the belief statements and strategies and goals that were approved by the School Board.

BELIEF STATEMENTS

We believe...

- Students come first
- All students can learn
- High expectations inspire students and staff to excel
- Learning is maximized in a safe, respectful and inclusive environment
- A well-rounded education includes opportunities in academics, the arts and athletics
- Learning is a lifelong pursuit
- Effective management of resources is critical
- Partnerships and collaboration enhance educational programming
- A culture of innovation and continuous improvement prepares students to be college or career ready
- An informed and engaged community guides effective decision-making

Strategy #1: TEACHING & LEARNING

Deliver a high-quality instructional program that anticipates and meets the needs of all learners

- Identify and implement essential learning in all content areas for early childhood through grade 12 (E-12) which will be clearly aligned, viable, relevant, rigorous, and understood by staff, students, and parents
- Identify and implement effective and engaging instructional strategies that are connected to a rigorous curriculum to maximize learning for all students
- Support learning for all students and guide instruction by designing and implementing a balanced assessment program which is both summative and formative
- Develop a systematic process of intervention and enrichment in all schools within a District 196 Response to Intervention framework, ensuring every student receives the time and support needed to master or exceed essential learning
- Continue to ensure high-quality teachers through differentiated professional development, effective evaluation and support that promotes collaboration, continuous learning, research-based instructional practices and growth in student achievement

Strategy #2: EARLY LEARNING

Provide a well-aligned continuum of high-quality, culturally responsive, early learning (birth to grade 3) services to meet the needs of all students

- Coordinate and align educational experiences between early childhood services (birth to kindergarten) and elementary schools (kindergarten to grade 3)
- Offer a continuum of high-quality, culturally responsive, early learning services to meet all students' needs
- Investigate and develop strategies for outreach, community engagement and collaboration

Strategy #3: EDUCATIONAL EQUITY

Implement a systemic process that increases achievement for all students by addressing equitable access to opportunities in our schools and programs

- Increase cultural proficiency across the district
- Increase access and participation for all students in co-curricular activities and learning opportunities
- Ensure access and increase participation in programs that prepare students for college
- Develop a systemic process to recruit and retain diverse and culturally proficient staff to reflect the diversity of the student population
- Distribute resources for schools based on multiple factors including student needs (E-12)

Strategy #4: PARTNERSHIPS

Develop and implement sustainable strategies to increase collaboration between the district and community partners

- Establish a structure that will support new and existing partnerships
- Increase partnerships by enhancing relationships among schools and between schools and the community
- Distribute resources for schools based on multiple factors including student needs (E-12)



Our Budget

The preliminary budget adopted by the School Board each June is the official authorization for expenditures for the upcoming school year, which begins July 1 each year. This budget plan guides staff in how funds are spent toward instructional programs for students. The budget is developed by the superintendent and administration with input from the district's citizen-led Budget Advisory Council and in accordance with School Board-approved budget and staffing guidelines. The School Board Audit and Finance Committee reviews the proposed budget. If necessary, revisions are incorporated into the proposed budget for School Board review. The School Board is required by state law to adopt the preliminary budget by July 1 each year.

Fund	Budgeted Expenses	% of Budget
General Fund	383,183,348	78.45%
Internal Service Funds	57,719,999	11.82%
Debt Service Fund	17,111,670	3.50%
Food Service Fund	12,776,262	2.62%
Community Service Fund	9,271,329	1.90%
Expendable Trust Fund	6,350,000	1.30%
Building Construction Fund	2,000,000	0.41%
Agency Funds	-	0.00%
Totals	488,412,608	100.00%

School district budgeting is a continuous five-step process

Each step outlined below requires school board approval and is open for public inspection and comment. Since the process spans multiple school and calendar years, the district can be in multiple phases of the process at any given time.

- 1) Property Tax Levy** – The process begins with submission of estimated property tax levy information to the Minnesota Department of Education (MDE) by mid-July. The MDE calculates the maximum levy amount based on current legislation. This levy is certified by the School Board prior to the end of the calendar year.
- 2) Preliminary Budget** – This process includes the completion of long-range enrollment projections, updating the five-year budget forecast, development of staffing guidelines and determination of revenue and expenditure assumptions preliminary budgets must be approved by the school board prior to July 1.
- 3) Final Budget** – Each fall, the Finance Department prepared the final budget that includes actual October 1 enrollment and changes in school finance law. The School Board approves the final budget in December or January.
- 4) Budget Adjustments** – In the spring, the School Board may approve budget adjustments to account primarily for grant dollars the district may have received during the year. These adjustments allow for accurate funding for programs and provide the most accurate basis for developing the prelim budget for the following year.
- 5) Annual Financial Audit and Comprehensive Annual Financial Report** – The final step in the budgeting process is closing the books and preparing the financial statements for the year. During this period, the district undergoes an independent audit as required by state law. The School Board typically reviews the audited comprehensive annual financial report in October or November.

Budget Funds



General Fund

2019-20 budgeted amount: \$383,183,348 (78.45%)

General Account

2019-20 budgeted amount: \$256,508,073 (66.9%)

This is the district's main operating budget. This account pays for the instructional programs, daily operations of schools, general functions of the district and long-term facility maintenance expenditures. More in-depth information on this account is provided in the following pages of this publication.

Special Education Account

2019-20 budgeted amount: \$75,256,931 (19.6%)

This account is used to record all financial activities associated with providing special education services to students with special needs.

Quality Compensation Account

2019-20 budgeted amount: \$7,507,981 (2.0%)

The Quality Compensation for Teachers (Q Comp) Program was approved by the Minnesota Legislature in 2005. This program is designed to advance the teaching profession by providing structured professional development and evaluation, and an alternative pay schedule that compensates teachers based on performance, not just seniority. The district was first approved to participate in this program in 2007-08. The district uses this account to track revenues and expenditures associated with providing additional compensation to licensed teachers and Nurses.

Pupil Transportation Account

2019-20 budgeted amount: \$20,837,661 (5.4%)

This account is used to record and report all pupil transportation activities including transportation of students with special needs and students who attend non-public schools.

Capital Expenditure Account

2019-20 budgeted amount: \$22,622,702 (5.9%)

This account is used to record all financial activities related to major building maintenance projects, capital equipment and technology equipment purchases, instructional facilities lease payments, curriculum and media resource materials.

Student Activities Account

2019-20 budgeted amount: \$450,000 (.1%)

The student activity account is used to track all activity for school extra-curricular student activities. The 2019-20 fiscal year is the first fiscal year in which MDE has required student activity accounts operate under school board control.

Food Service Fund

2019-20 budgeted amount: \$12,944,407 (2.60%)

This fund is used to record financial activities of the district's food service program. Food service includes activities for the purpose of preparation and service of milk, meals and snacks in connection with school and community service activities.

Community Service Fund

2019-20 budgeted amount:

\$9,271,329 (1.90%)

This fund is comprised of five components, each with its own fund balance. The five components are community service, community education, early childhood family education, school readiness and Adult basic education.

Building Construction Fund

2019-20 budgeted amount: \$2,000,000 (.41%)

When voters approve a building construction or facilities renovation bond, the district sells bonds in order to pay for the work. This is the fund that receives the money from the sale of the bonds and pays for the land purchases, construction of new schools, renovations of existing schools and other costs directly associated with the voter approved bond.

Debt Service Funds

2019-20 budgeted amount: \$17,111,670 (3.50%)

When the district sells bonds to finance voter-approved construction of new facilities or major renovation of existing facilities and funding for other post employment benefits, the district also receives authority to levy a direct general tax upon the property of the district for the repayment of principal and interest on the bonds as due.

Expendable Trust Fund

2019-20 budgeted amount: \$6,350,000 (1.30%)

This fund is used to record revenues and expenditures for trust agreements where the School Board has accepted the responsibility to serve as trustee, including the irrevocable OPEB trust. The property in the trust agreement typically comes to the district by gift.

Agency Funds

2019-20 budgeted amount: \$0 (0.00%)

Agency funds are used to account for assets where the district has a formal agency agreement with other governmental units, employees, students or others. The district maintains two agency funds to account for activities related to a continuing education program (District Graduate Credit Program) for district licensed staff and the Minnesota Reading Recovery Conference. The district does not budget for these funds.

Internal Service Funds

2019-20 budgeted amount: \$57,719,999 (11.82%)

Internal service funds are used to account for the financing of goods or services provided by one department to another within the school district. The district maintains three internal service funds to report severance, self insured Health plan and self-insured dental plan.



General Fund

The majority of general fund expenditures are for student instruction and support services. The general fund is the district's main operating budget and the fund in which the School Board has the most discretion.

The 2019-20 general fund budget was developed to support the district's mission to *educate our students to reach their full potential*.

Student Instruction: \$269,943,289 (70.45%)

All costs associated with the teaching of students, the interaction between teachers and students in the classroom and cocurricular activities at the kindergarten, elementary and secondary levels. It also includes services for alternative education, special education, English Learner and other compensatory instructional programs.

Student Support Services: \$60,111,051 (15.69%)

This includes all costs associated with operating a school, including student transportation, school office, assessment and testing, guidance, counseling, nursing services and instructional administration. Instructional administration includes the directors of elementary and secondary education, and teaching and learning. It also includes the costs of their immediate offices, including those individuals in direct support of the administrator.

Sites and Buildings: \$37,347,670 (9.75%)

This includes all costs for the acquisition, operation, maintenance, repair and remodeling of all facilities and grounds of the school district. It also includes salary and benefits of the district's building chiefs, custodial staff, groundskeepers and maintenance specialists, and utilities.

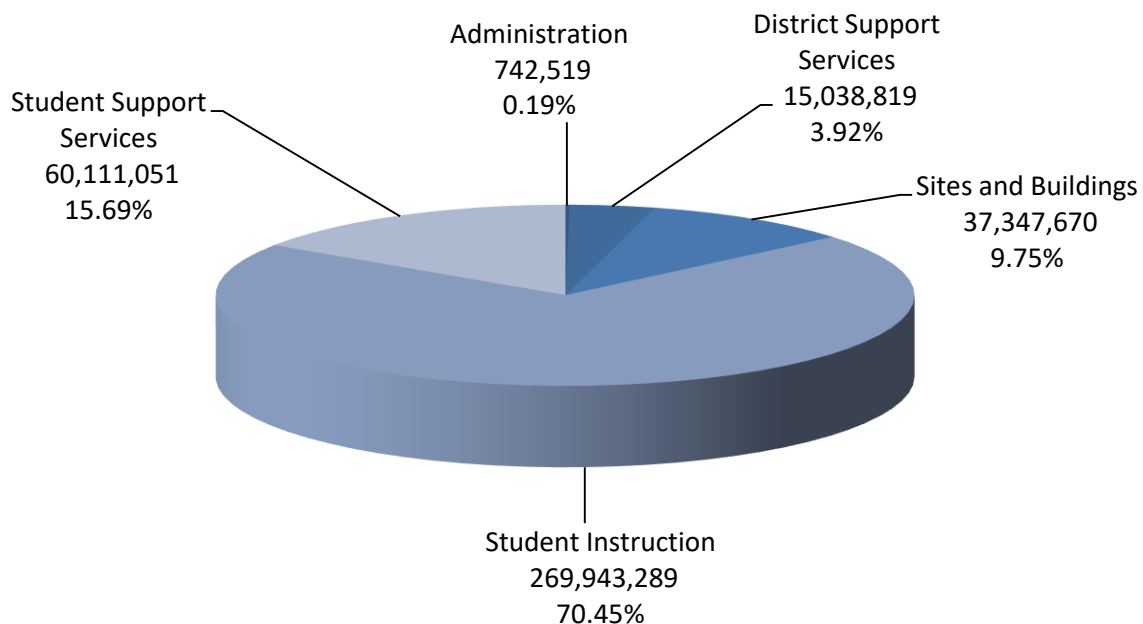
District Support Services: 15,038,819 (3.92%)

This includes expenses for services provided centrally by the district, such as human resources, business services, communication, purchasing, mail processing, technology support and legal services. Also included are insurance costs.

Administration: \$742,519 (.19%)

This includes the costs for general district and site administration. General district administration includes the School Board and the superintendent in support of school and other district administrators

2019-20 General Fund Expenditures **Total General Fund = \$383,183,348**



General Fund by Program



Student Instruction \$269,943,289 70.47%	Elementary Instruction	\$ 70,703,421
	Middle and High School Instruction	\$ 91,707,678
	Cocurricular and Extra Curricular Activities	\$ 7,595,695
	Gifted & Talented Program	\$ 2,199,569
	English Language Learners	\$ 7,044,910
	Title Programs	\$ 2,863,444
	Career and Technical Programs	\$ 4,987,133
	Special Education	\$ 75,371,756
	Library/Media Center	\$ 3,638,904
	Instruction-Related Technology	\$ 3,830,779
Student Support Services \$60,111,051 15.67%	Elementary School Administration	\$ 8,163,566
	Middle School Administration	\$ 3,934,636
	High School Administration	\$ 2,739,086
	Instructional Administration	\$ 8,129,751
	Curriculum Development	\$ 3,765,830
	Guidance and Counseling Services	\$ 3,642,042
	Health Services	\$ 2,677,983
	Other Student Support (Attendance & Social Work Services)	\$ 2,088,007
	Staff Development	\$ 3,962,119
	Student Transportation	\$ 21,008,031
Sites & Buildings \$37,347,670 9.75%	Capital Expenditures	\$ 3,661,896
	Long-Term Facilities Maintenance	\$ 10,505,732
	Operations and Maintenance	\$ 22,388,271
	Property and Other Insurance	\$ 791,771
District Support Services \$15,038,819 3.93%	Business Services – Finance	\$ 2,059,710
	Business Services - Purchasing and Receiving	\$ 1,089,060
	Human Resources	\$ 4,061,024
	Graphics & Mail Processing	\$ 349,041
	Census/Student Information	\$ 265,438
	Communication	\$ 781,777
	Legal Services	\$ 582,861
	Technology Support	\$ 5,849,908
	Retirement of non-bonded Debt	\$ -
Administration \$742,519 0.19%	Office of Superintendent	\$ 320,249
	School Board	\$ 422,270
Total General Fund		\$ 383,183,348



General Fund by Category

The categories of general fund expenditure are salaries, benefits, purchased services, supplies and materials, capital and other expenditures. As shown in the graph below, 84% of the general fund budget pays for people (salaries and benefits), and the majority of those people are teachers and instructional staff who work with students in the classroom.

Salaries: \$238,172,920 (62.16%)

Includes salaries for district administrators, principals, teachers, secretarial and clerical employees, building chiefs, custodians, transportation, food service and other staff.

Benefits: \$83,396,345 (21.76%)

Includes the district's contribution for employee retirement (FICA/Medicare, TRA and PERA); health, dental and life insurance premiums, and tax-shelter annuities for eligible employees.

Purchased Services: \$23,421,649 (6.11%)

Includes utilities, legal services, contracted work and other services that must be purchased from outside sources.

Supplies and Materials: \$18,183,083 (4.75%)

Includes general supplies such as copier paper, instructional supplies for classrooms, textbooks and workbooks, standardized tests and media resources.

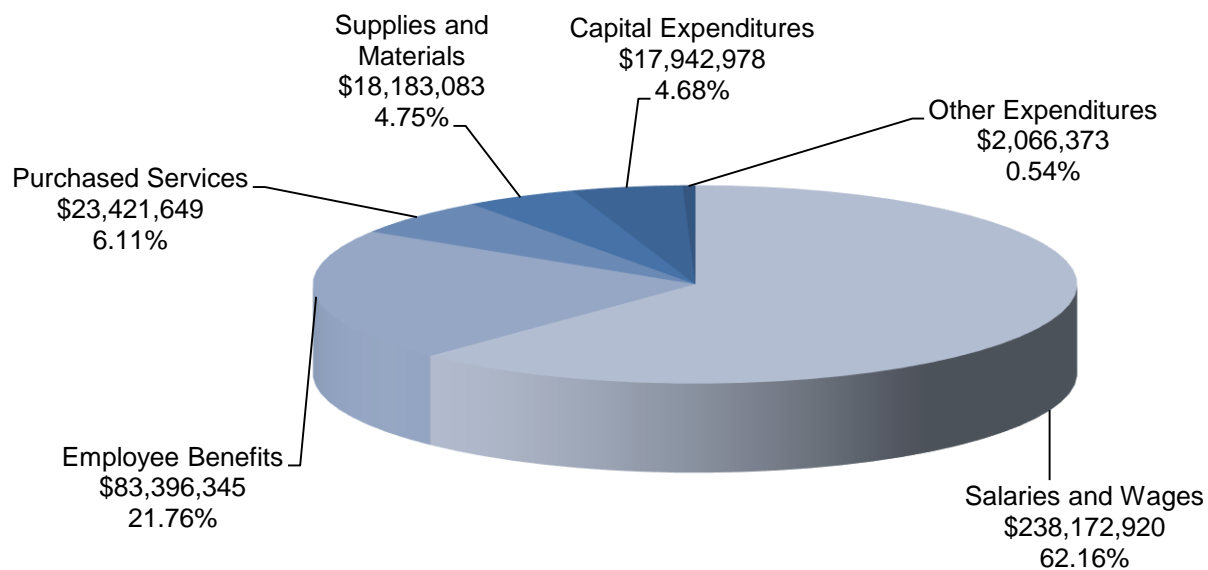
Capital Expenditures: 17,942,978 (4.68%)

Includes building repairs and site improvements, technology equipment such as computers for classrooms, printers, copiers, fax machines and school buses.

Other: \$2,066,373 (.54%)

Includes miscellaneous expenditures that are not categorized elsewhere such as membership dues for professional organizations, taxes, special assessments, debt services, permanent transfers to other funds and non-bonded debt service payments.

2019-20 General Fund Expenditures
Total = \$383,183,348

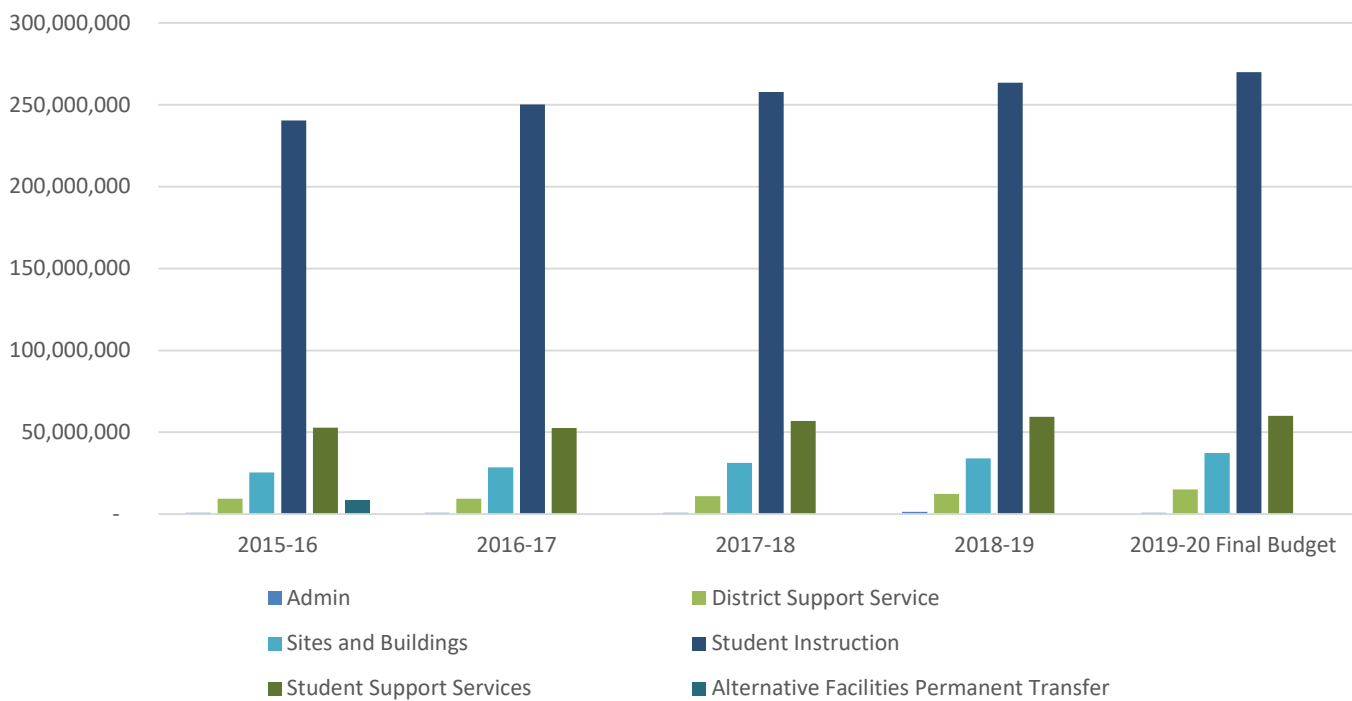


General Fund History



The general fund is the district's main operating fund. The graph below shows that more than 85% of the district's general fund resources are used for student instruction and student support services. This is consistent with the district's mission to "educate our students to reach their full potential." Some of the instructional programs that were added in the past years to help close the achievement gap include integration programs, elementary magnet schools, striving readers, Advancement Via Individual Determination (AVID) and Response to Intervention. Actual expenditures for district support services and administration for the past four school years remain relatively stable. This is consistent with the district's goal to focus resources on classroom instruction for students.

Five-Year Overview

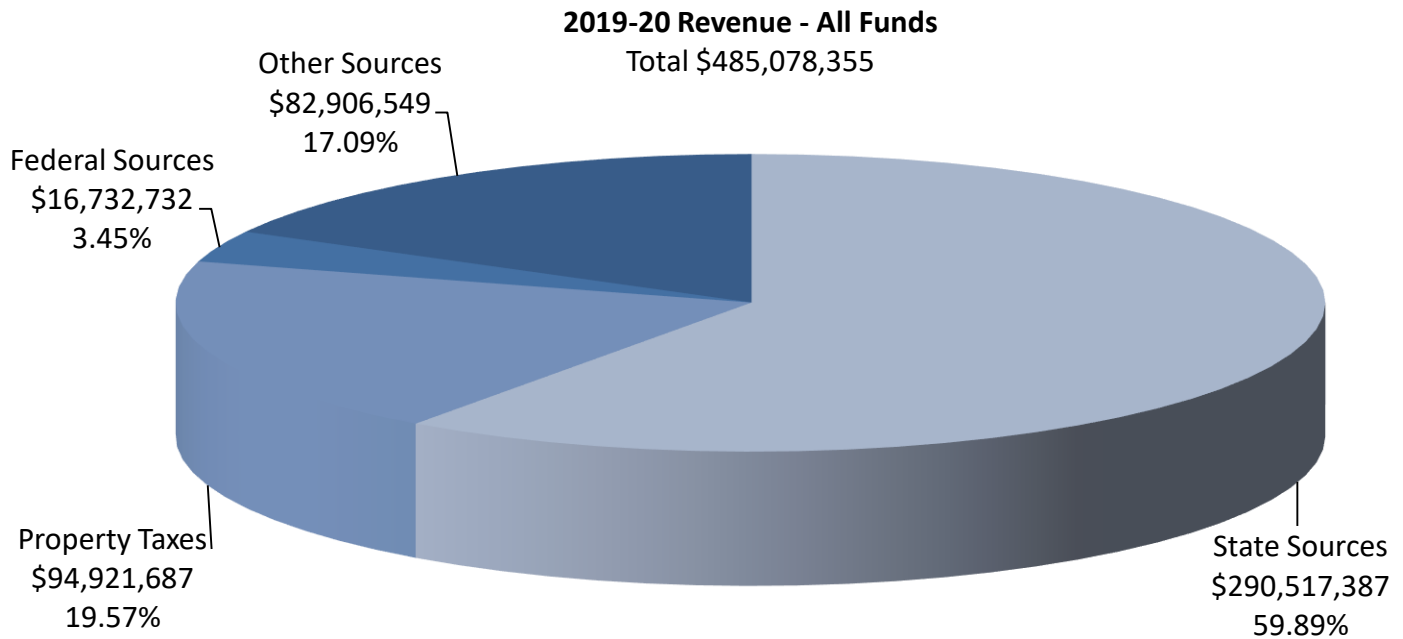


Fiscal Year	Admin	% of General Fund	District Support Service	% of General Fund	Sites and Buildings	% of General Fund	Student Instruction	% of General Fund	Student Support Services	% of General Fund	Alternative Facilities Permanent Transfer	% of General Fund	Total
2012-13	745,958	0.25%	8,515,239	2.84%	24,480,638	8.17%	212,236,139	70.86%	46,074,398	15.38%	7,456,023	2.49%	299,508,395
2013-14	824,584	0.27%	8,245,963	2.67%	25,327,993	8.21%	220,733,192	71.55%	47,247,279	15.31%	6,128,529	1.99%	308,507,540
2014-15	755,173	0.23%	8,803,178	2.74%	25,162,631	7.83%	231,336,502	71.95%	49,268,129	15.32%	6,220,053	1.93%	321,545,666
2015-16	875,623	0.26%	9,360,366	2.77%	25,460,515	7.54%	240,428,662	71.25%	52,783,277	15.64%	8,554,099	2.53%	337,462,542
2016-17	832,120	0.24%	9,478,826	2.77%	28,677,481	8.39%	250,146,442	73.18%	52,671,268	15.41%	N/A	N/A	341,806,137
2017-18	739,764	0.21%	11,031,920	3.08%	31,399,807	8.77%	257,883,119	72.03%	56,970,562	15.91%	N/A	N/A	358,025,172
2018-19	1,368,882	0.37%	12,316,635	3.32%	34,018,669	9.18%	263,529,317	71.10%	59,404,356	16.03%	N/A	N/A	370,637,859
2019-20 Final Budget	742,519	0.19%	15,038,819	3.92%	37,347,670	9.75%	269,943,289	70.45%	60,111,051	15.69%	N/A	N/A	383,183,348



Our Revenue Sources

The district receives revenue on a per pupil basis from state aids and credits, property taxes, federal aids and other sources. State aids and property taxes make up more than 80% of total district revenues, while federal aids and other sources account for the remaining 20% of revenues.



State Aids and Credits: \$290,517,387 (59.89%)

These include per pupil basic general education aid; special education regular and excess cost aid; Basic Skills aid, including compensatory education aid, English Learners aid and Literacy Incentive aid; operating capital state aid for equipment and facilities maintenance, and aid for gifted and talented education. The Minnesota Legislature determines the level of funding provided by the state.

Federal Aids: \$16,732,732 (3.45%)

These include federal grants for Title programs such as Title I, which focuses on improving the achievement of educationally disadvantaged students, and aids to support special education services for students with special needs.

Property Taxes: \$94,921,687 (19.57%)

These are local taxes the district collects from property owners. The Minnesota Legislature determines the maximum amount the district can levy each year. The district also has authority to seek additional property taxes (up to a maximum amount per pupil established by the Legislature) to support special programs or basic operations through a voter-approved levy referendum. In November 2013, district voters approved a single ballot question to revoke the district's current levy for \$1,111 per pupil and replace it with a new 10-year levy for \$1,486 per pupil, an increase of \$375 per pupil. As the percentage of state aid has decreased, the percentage of revenues from local property taxes had increased from 18.49% in 2007-08 to 20.00% projected for 2018-19.

Other: \$82,906,549 (17.09%)

These revenues include miscellaneous School Board-approved fees for co curricular activities, student parking, and admission to athletic and fine arts performances. It also includes interest income from the district's short-term investments, gifts to the district and permanent transfers from other funds.

Property Taxes



School district property tax levies are limited by state law. The Minnesota Department of Education computes the levy limitation for each school district based on current legislation and formulas. The school district then certifies the levy to the county auditor, the county sends out tax statements to individual property owners, collects the taxes and makes payments to the school district.

Property taxes are determined by the taxable market value of the property (determined by the county assessor), class rate percentages set in law for each category of property (such as residential homestead, residential non-homestead, apartments, etc.) and state-paid property tax aids and credits. These state-paid property tax aids and credits reduce the actual amount of tax paid by propertyowners.

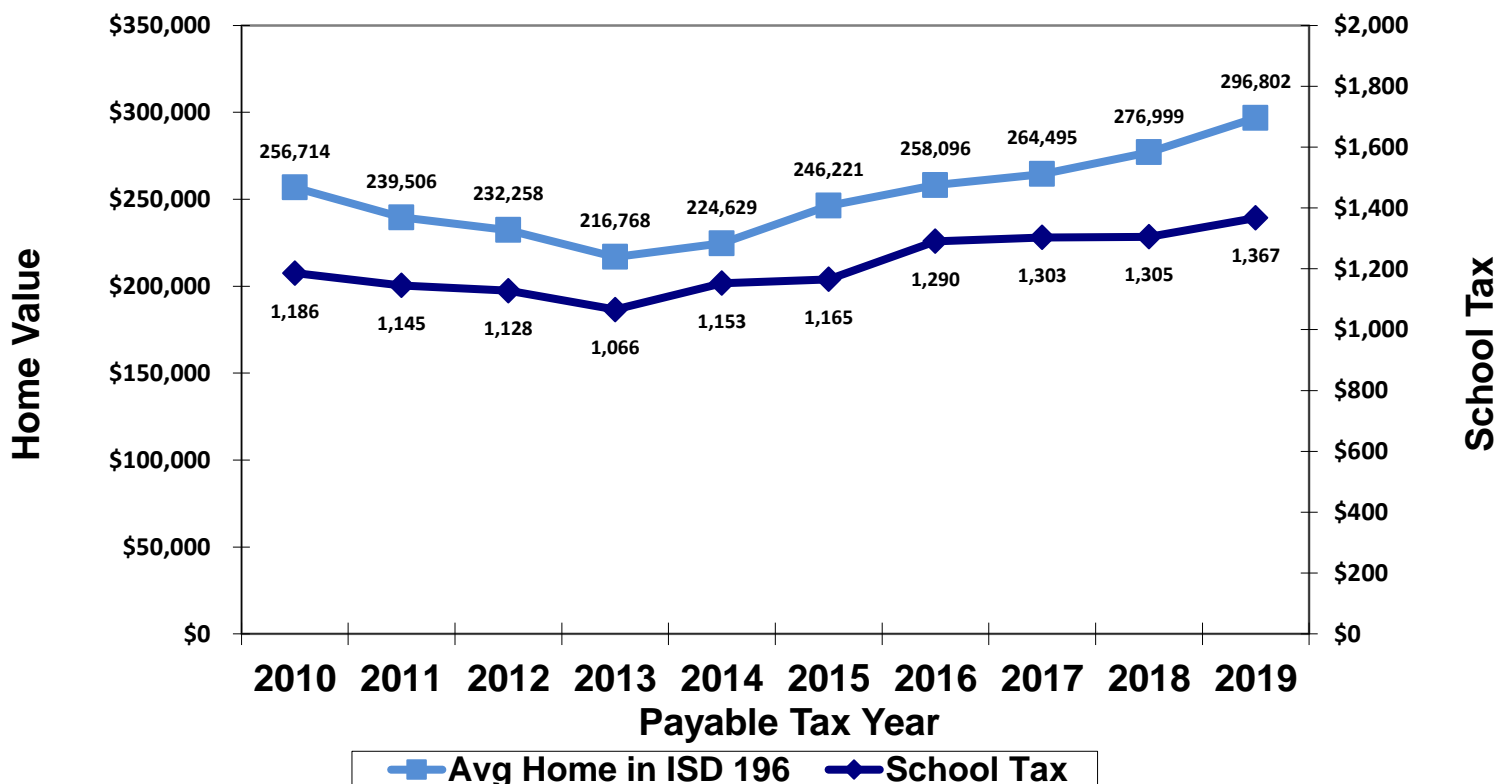
The two types of property tax levies are:

- **Voter-approved levies** – These include building bond and operating levy referendum votes.
- **Levies resulting from School Board decisions** – Levy limitations are calculated by the Minnesota Department of Education based on current legislation and formulas. The School Board can approve levy amounts up to but not exceeding the limits established by the state. Examples include the safe schools levy, alternative facilities levy, health and safety levy, etc.

For 2019-20, the voter-approved levies for the district’s general fund total \$37.9 million before state aids and credits; levies based on School Board decisions total \$34.70 million before state aids and credits.

The chart below shows the average home value for the district and the corresponding school tax from 2010 to 2019. Home values within the district have been increasing the last three years, consistent with statewide property value trends.

School Taxes Payable on Avg. Value Home





Budget FAQs & Contact Information

What is the district's average spending per student for instruction and how is it calculated?

While there is no universally agreed upon definition of what should be included in "instructional" spending, a reasonable approach is to divide the total general fund (operating) budget by the average daily membership in the district, which is close to but not the same as the total number of students in the district.

\$383,183,348	General Fund Budget
/ 28,881	Divided by ADM
<hr/>	
\$13,267	Avg. spend per student

What is an ending fund balance?

An ending fund balance is money remaining at the end of the school year. There are three main factors that impact the ending fund balance positively and negatively:

1. Schools and departments underspend their budgets.

According to district practice, budgeted funds that are underspent by a school are carried over to that school's budget for next year, while budgeted funds that are underspent by a department are not carried over to that department's budget for next year.

2. Aid payments from the state may be less than anticipated based on economic conditions. The majority of district revenues come from the state (74.6% in 2018-19). If the state experiences a revenue shortfall during the year, funding to school districts may be prorated, which results in a loss of revenues to the districts.

3. Budget assumptions may have changed. Two of the biggest assumptions used to build the school district's budget are the amount of state funding the district will receive and total student enrollment, as districts are funded based on the number of students enrolled. The district's preliminary budget must be developed by the administration and approved by the School Board before July 1 each year. Official enrollment for the year is not determined until October 1 each year and in funding years (every other year) the state does not determine education funding levels until the legislative session concludes in the spring.

Why does the district need a fund balance reserve and what is it used for?

The fund balance is similar to a savings account, a rainy day reserve that can be used to cover unforeseen costs that could not be planned for when the budget was developed. Examples include proration or delay of state aid to the district, a major equipment failure or significant increase in energy or fuel prices. School Board policy requires the district to maintain a minimum fund balance equivalent to at least 5 percent of general fund expenditures for the year.

Does the district consider budget suggestions?

Yes. The district invites residents and employees to submit suggestions on ways to reduce costs and increase revenues in the district's budget. Budget reduction suggestion forms are available at all district schools and offices, at regularly scheduled School Board meetings and at www.district196.org/District/Departments/Finance. Suggestions should be addressed to the Director of Finance and Operations, District Office, 3455 153rd Street West, Rosemount, MN 55068. All submitted suggestions are reviewed by members of the district's citizen-led Budget Advisory Council.

More Information

For questions about the school district budget, contact:

Mark Stotts - Director of Finance and Operations
Mark.Stotts@district196.org or 651-423-7713

Christopher Onyango Robshaw - Coordinator of Finance
Christopher.Onyango-Robshaw@district196.org or 651-423-7748

Historical budget and finance information can be found at www.district196.org/District/Departments/Finance. The site includes information on the entire budget process and timelines, an intro to school finance, and printable budgets for the last nine (9) years.



FINANCIAL SECTION





Summary of Funds - All Funds

	Fund Balance July 1, 2019	Revenues	Expenditures	Other Financing Sources (Uses)	Projected Fund Balance June 30, 2020
General Fund	50,927,013	384,896,688	383,118,578	(64,770)	52,640,353
Special Revenue Funds					
Food Service	4,115,838	12,738,797	12,776,262	-	4,078,373
Community Service	2,794,089	9,161,211	9,271,329	64,770	2,748,741
Total Special Revenue Funds	6,909,927	21,900,008	22,047,591	64,770	6,827,114
Building Construction Fund	6,027,686	-	2,000,000		4,027,686
Debt Service Funds					
Regular	(554,624)	17,749,889	17,111,170	-	84,095
OPEB Bonds	2,254,615	40,000	500	-	2,294,115
Total Debt Service Funds	1,699,991	17,789,889	17,111,670	-	2,378,210
Internal Service Funds					
GASB #16	(4,227,935)	900,000	3,199,999	-	(6,527,934)
OPEB Trust	-	-	-	-	-
Self-Insured Dental	183,938	473,000	420,000	-	236,938
Self-Insured Health	12,313,815	53,000,000	54,100,000	-	11,213,815
Total Internal Service Funds	8,269,818	54,373,000	57,719,999	-	4,922,819
Fiduciary Funds					
Agency	33,155	1,654,000	1,650,000	-	37,155
OPEB Irrevocable Trust	54,485,170	4,400,000	4,700,000	-	54,185,170
Flex Trust	629,395	-	-	-	629,395
Total Fiduciary Funds	55,147,720	6,054,000	6,350,000	-	54,851,720
Total All Funds	128,982,156	485,013,585	488,347,838	-	125,647,903

Funds Overview – The table above is a summary of all of the district’s governmental funds, internal services funds and fiduciary funds. The governmental funds included are the general fund, special revenue funds that include food service and community service, building construction fund, and the debt service funds that include regular and other post-employment benefits (OPEB) bonds.

This summary provides an overview of the financial information for all of the district funds. Detailed analysis of the individual funds follows this page.

General Fund - All Sub-Accounts

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Revenues					
State Sources	260,157,330	271,769,390	281,583,680	285,587,734	286,413,605
Property Taxes	66,590,727	71,208,374	72,874,150	75,545,518	75,545,518
Federal Sources	9,427,560	10,801,070	10,805,731	10,817,926	11,372,472
Other Sources	11,469,276	11,744,147	11,818,719	11,139,596	11,565,093
Total revenue	347,644,892	365,522,981	377,082,279	383,090,774	384,896,688
Expenditures					
Salaries and wages	215,617,882	225,046,923	233,046,496	236,828,155	238,172,920
Employee benefits	76,360,634	80,575,022	82,224,153	84,643,430	83,396,345
Purchased services	21,656,947	24,736,036	26,295,318	21,955,838	23,421,649
Supplies and materials	15,097,993	16,056,802	15,660,727	16,097,083	18,183,083
Capital expenditures	9,801,227	11,132,802	9,954,095	15,818,845	17,942,978
Other expenditures	2,178,434	1,521,088	1,983,548	1,492,403	2,001,603
Debt service	1,408,731	-	1,400,181	-	-
Total expenditures	342,121,848	359,068,673	370,564,518	376,835,754	383,118,578
Revenue over expenditures	5,523,045	6,454,308	6,517,761	6,255,020	1,778,110
Other financing sources (uses)					
Capital lease	-	1,043,209	-	-	-
Certificates of participation	-	-	-	-	-
Other	80,287	335,183	76,055	-	-
Transfers in	-	-	-	-	-
Transfers (out)	(20,122)	-	(135,509)	(64,770)	(64,770)
Total other financing sources(uses)	60,165	1,378,392	(59,454)	(64,770)	(64,770)
Net change in fund balances	5,583,210	7,833,287	6,458,307	6,190,250	1,713,340
Fund balances					
Beginning of year	31,052,210	36,635,420	44,468,707	50,927,014	50,927,013
End of year	36,635,420	44,468,707	50,927,014	57,117,264	52,640,353

Fund Overview – The general fund is the district’s primary operating fund and accounts for the revenues and expenditures associated with providing a public education to children. The above schedule shows a summary of the general fund activity with revenues reported by the source and expenditures reported by object. The 2019-20 final general fund revenue budget, including other financing sources, is \$384.9 million. This is \$1.8 million more than the preliminary budget estimate. The primary factors for this increase are:

1. A net increase of \$1.4 million in general education aid and state special education aids;
2. An increase of approximately \$500,000 in federal aids, and
3. A net increase of approximately \$400,000 in other sources and revenues, which include gifts, donations, fees for services, and other non aid based revenue.

For the 2019-20 school year, state aids represent 74 percent of the general fund revenue budget, and 19.6 percent of the general fund revenue will come from property tax. Federal aids and other revenues such as gifts, donations, fees, etc. make up the remaining 6.4 percent of the general fund revenue budget.

The 2019-20 final general fund expenditure budget, including other financing uses, is \$383.1 million. This is \$6.5 million more than the preliminary budget estimate. The primary reasons for the increase are:

1. An net increase of \$1.3M in the budgets for salaries and employee benefits, with new employment contracts taking effect for the teacher and clerical bargaining units
2. An increase of \$2.1M in the budgets for supplies and materials;
3. An increase of \$1.5M in the budgets for purchased services, and A
4. An increase of \$2.1M in the capital expenditures budgets.

For the 2019-20 school year, the budgets for salary and employee benefits represent 84 percent of the general fund budgets, 6.1 percent of the budget goes to purchase services, and the remaining 9.8 percent of the budget is planned for supplies and materials, capital expenditures and other expenditures not included in the above categories.

General Fund - General Operating Account

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Revenues					
State Sources	199,070,103	205,259,089	208,996,574	213,617,795	214,203,182
Property Taxes	53,256,023	57,195,390	59,305,409	62,182,184	62,182,184
Federal Sources	4,458,887	5,441,571	4,721,287	4,431,244	4,689,419
Other Sources	9,994,704	10,849,547	10,545,398	10,109,596	10,485,093
Total revenue	266,779,718	278,745,598	283,568,668	290,340,819	291,559,878
Expenditures					
Salaries and wages	155,508,524	161,129,262	166,435,236	168,652,317	168,487,623
Employee benefits	53,496,356	54,912,633	56,638,981	58,664,471	56,962,893
Purchased services	14,993,092	16,946,244	16,356,999	15,658,904	16,680,162
Supplies and materials	9,959,931	10,394,456	10,247,185	10,520,223	12,488,990
Capital expenditures	370,888	650,394	759,111	120,352	291,932
Other expenditures	1,914,043	1,432,768	1,965,898	1,472,503	1,981,703
Debt service	-	-	-	-	-
Total expenditures	236,242,835	245,465,757	252,403,410	255,088,770	256,893,303
Revenues over Expenditures	30,536,883	33,279,841	31,165,258	35,252,049	34,666,575
Other financing sources (uses)					
Capital lease	-	-	-	-	-
Certificates of participation	-	-	-	-	-
Other	80,287	260,652	369	-	-
Transfers in	-	-	-	-	-
Transfers (out)	(20,122)	-	(135,509)	(64,770)	(64,770)
Total other financing sources(uses)	60,165	260,652	(135,140)	(64,770)	(64,770)
Net change in Fund Balance	30,597,048	33,540,493	31,030,118	35,187,279	34,601,805

Revenue – The projected final 2019-20 general account revenue total of \$291.56 million is an increase of \$1.22 million more than the preliminary budget estimate. There are many factors that have contributed to the net increase. However, the primary reasons are listed below.

- 1) An increase of \$258,175 in federal aid.
- 2) An increase of \$375,497 in revenue from other sources than property taxes, or state and federal aids.

Expenditure – The projected final 2019-20 general account expenditure budget, including other financing uses, totaled \$256.89 million. This is \$1.81 million more than the district's preliminary budget estimate. The main reasons for the increase are listed below.

- 1) An increase of \$1,021,258 for purchased services throughout the general account.
- 2) An increase of \$1,968,767 in supplies and materials.
- 3) An increase of \$171,580 in capital expenditures from the preliminary budget.

The net result of the changes described above is that the budgeted revenues in the 2019-20 general account exceed budgeted expenditures by \$34.6 million.

General Fund - Special Education Account

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Revenues					
State Sources	32,887,209	35,443,076	39,420,891	39,680,688	39,873,956
Property Taxes	-	-	-	-	-
Federal Sources	4,968,673	5,359,499	6,084,444	6,386,682	6,683,053
Other Sources	1,090,700	811,717	1,086,652	800,000	850,000
Total revenue	38,946,582	41,614,292	46,591,987	46,867,370	47,407,009
Expenditures					
Salaries and wages	46,389,276	48,574,603	50,165,787	51,809,136	52,981,756
Employee benefits	17,569,084	19,074,641	19,115,184	18,979,551	19,340,169
Purchased services	1,014,085	1,238,274	1,404,369	1,425,853	1,475,706
Supplies and materials	789,671	882,364	777,027	824,223	940,456
Capital expenditures	736,376	811,909	651,091	366,600	503,844
Other expenditures	155,563	9,925	5,999	15,000	15,000
Total expenditures	66,654,055	70,591,716	72,119,458	73,420,363	75,256,931
Revenues over Expenditures	(27,707,473)	(28,977,424)	(25,527,471)	(26,552,993)	(27,849,922)
Other financing sources (uses)					
Capital lease	-	903,052	-	-	-
Certificates of participation	-	-	-	-	-
Other	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources(uses)	-	903,052	-	-	-
Net change in Fund Balance	(27,707,473)	(28,977,424)	(25,527,471)	(26,552,993)	(27,849,922)

Revenue – The projected final 2019-20 special education account revenues totaled \$47.41 million. This is \$539,639 more than the preliminary estimate. This increase is chiefly due to the following factors:

- 1) An increase of \$193,268 in state aid, primarily due to the increased number of students receiving special education services.
- 2) An increase of \$296,371 from federal sources.

Expenditure – The updated expenditure budget estimate for the special education account is \$75.26 million, which is approximately \$1.84 million more than the preliminary budget. The primary reasons for the increase include:

- 1) A net increase of \$1.17 million in salaries and employee benefits from the preliminary budget.
- 2) An increase of \$49,853 in purchased services.

The net result of the changes describe above is that budgeted expenditures in the special education account exceed budgeted revenues by \$27.85 million, which is \$1.3 million more in deficit spending than originally projected in the prelim budget.

General Fund - Quality Compensation Account

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Revenues					
State Sources	4,922,345	4,919,681	4,857,984	4,895,423	4,895,423
Property Taxes	2,363,544	2,446,659	2,526,220	2,776,710	2,776,710
Federal Sources	-	-	-	-	-
Other Sources	-	700	-	-	-
Total revenue	7,285,889	7,367,041	7,384,204	7,672,133	7,672,133
Expenditures					
Salaries and wages	5,863,845	5,939,945	6,111,618	6,112,968	6,132,972
Employee benefits	1,188,319	1,257,248	1,294,754	1,307,525	1,331,749
Purchased services	62,041	58,580	83,298	38,350	38,350
Supplies and materials	18,224	14,745	10,398	4,610	4,610
Capital expenditures	132	-	-	-	-
Other expenditures	-	374	157	300	300
Total expenditures	7,132,561	7,270,892	7,500,224	7,463,753	7,507,981
Revenues over expenditures	153,328	96,148	(116,020)	208,380	164,152
Other financing sources (uses)					
Capital lease	-	-	-	-	-
Certificates of participation	-	-	-	-	-
Other	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources(uses)	-	-	-	-	-
Net change in Fund Balance	153,328	96,148	(116,020)	208,380	164,152

Fiscal year 2019-20 is the thirteenth year that the district will be participating in Minnesota's Quality Compensation (Q Comp) program. The approved Q comp funding will be used to support the following initiatives:

- 1) Additional compensation to those teachers who have elected to participate in the program and have successfully completed all of the requirements;
- 2) Stipends for site team members – members will review participating teachers' individual growth plans to check alignment with school and district goals, plan professional development in the building and conduct Q Comp orientation;
- 3) Q Comp program implementation and administration costs and professional development activities for participants.

Revenue – The final Q Comp revenue estimate is \$7.67 million. This is equivalent to the preliminary estimate to the reflected Minnesota Department of Education updated Q Comp aid calculation.

Expenditure – The preliminary Q comp expenditure budget estimate was \$7.46 million; the final budget estimate is \$7.51 million. The \$44,228 increase in the expenditure budget is mainly due to adjustments made to reflect updated information for actual number of participants, salaries and actual health insurance costs.

The net result of the changes described above is that the final budgeted expenditures is less than budgeted revenues by \$164,152. This is nearly \$44,230 less in deficit spending than the preliminary budget.

General Fund - Pupil Transportation Account

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Revenues					
State Sources	17,257,468	18,247,085	19,213,721	19,791,147	19,839,310
Property Taxes	-	-	-	-	-
Federal Sources	-	-	-	-	-
Other Sources	239,227	154,612	159,885	230,000	230,000
Total revenue	17,496,695	18,401,697	19,373,606	20,021,147	20,069,310
Expenditures					
Salaries and wages	7,482,955	8,294,622	8,710,813	8,277,597	8,627,334
Employee benefits	3,950,392	4,814,506	4,480,441	4,894,197	4,971,478
Purchased services	3,102,891	2,384,464	2,310,293	2,984,149	3,378,849
Supplies and materials	1,575,922	2,137,839	2,357,910	2,354,400	2,355,400
Capital expenditures	1,050,914	898,969	1,225,701	1,500,000	1,500,000
Other expenditures	6,243	66,281	7,007	4,600	4,600
Total expenditures	17,169,317	18,596,681	19,092,166	20,014,943	20,837,661
Revenue over expenditures	327,378	(194,984)	281,440	6,204	(768,351)
Other financing sources (uses)	-	74,531	56,303	-	-
Total other financing sources(uses)	-	74,531	56,303	-	-
Net change in Fund Balance	327,378	(120,453)	337,743	6,204	(768,351)

For the 2019-20 school year, the district set aside \$294.14 (4.66 percent of \$6,312) per adjusted pupil unit from the per pupil unit general education formula allowance for pupil transportation. The district also receives additional categorical funding for transporting students with disabilities and non-public students. The disabled transportation funding has been incorporated with special education funding formula since 1998-99 school year. To maintain funding integrity, the district continues to report disabled transportation aid in the pupil transportation account.

Revenue – The final pupil transportation revenue budget is \$48,163 more than the preliminary estimate. The total revenue for the 2019-20 Transportation Budget is \$20.07 million.

Expenditures – The final expenditure budget for the pupil transportation account totaled \$20.84 million, an increase of \$822,718 from the preliminary budget. This increase is mainly due to an increase in anticipated purchased services for the year as well as an increase in salaries and employee benefits.

Because of these adjustments, the final budget pupil transportation expenditures exceed final budgeted revenue by \$768,351.

General Fund - Capital Expenditures

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Revenues					
State Sources	6,020,206	7,900,458	9,094,510	7,602,681	7,601,734
Property Taxes	10,971,159	11,566,325	11,042,520	10,586,624	10,586,624
Federal Sources	-	-	-	-	-
Other Sources	144,644	-	46,536	-	-
Total revenue	17,136,009	19,466,783	20,183,566	18,189,305	18,188,358
Expenditures					
Salaries and wages	373,281	1,108,491	1,623,043	1,976,137	1,943,235
Employee benefits	156,482	515,993	694,794	797,686	790,056
Purchased services	2,484,837	4,108,474	6,140,358	1,848,582	1,848,582
Supplies and materials	2,754,245	2,627,398	2,268,206	2,393,627	2,393,627
Capital expenditures	7,642,917	7,868,479	7,318,192	13,831,893	15,647,202
Other expenditures	22,298	11,740	4,487	-	-
Debt service	1,408,731	-	1,400,181	-	-
Total expenditures	14,842,793	16,240,575	19,449,260	20,847,925	22,622,702
Revenues over Expenditures	2,293,216	3,226,208	734,306	(2,658,620)	(4,434,344)
Other financing sources (uses)					
Capital lease	-	140,157	-	-	-
Certificates of participation	-	-	-	-	-
Other	-	-	19,383	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources(uses)	-	140,157	19,383	-	-
Net change in Fund Balance	2,293,216	3,366,365	753,689	(2,658,620)	(4,434,344)

The School Board approved the preliminary 2019-20 capital expenditure in April 2019. Since that time, a few adjustments have been made to reflect updated estimates. The financial information above includes information pertaining to the districts operating capital budget and the Long Term Facilities Maintenance (LTFM) budget.

Revenue – The final 2019-20 revenue budget for this fund is lower than the preliminary estimate, by \$947, due to changes in state sources for capital expenses.

Expenditure – The final 2019-20 expenditure for this fund has increased by \$1.77 million from the preliminary budget, primarily due to approved budget adjustments and the allocation of capital carryover dollars to the schools.

With these adjustments, the 19-20 Final Capital Budget shows a deficit spend of nearly \$4.5 million.

Food Service Fund - Special Revenue Fund

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Revenues					
State sources	733,998	719,748	793,658	658,789	813,296
Federal sources	5,148,289	4,978,288	5,373,772	4,521,519	5,301,481
Other Sources	6,684,711	6,570,677	7,431,258	6,622,769	6,624,020
Total revenue	12,566,999	12,268,714	13,598,688	11,803,077	12,738,797
Expenditures					
Salaries and wages	4,364,594	4,019,413	4,126,381	4,164,394	4,310,409
Employee benefits	1,217,139	1,133,035	1,198,056	1,458,382	1,468,972
Purchased services	554,504	511,367	589,638	569,760	569,760
Supplies and materials	5,843,605	5,581,191	6,184,593	5,580,702	6,205,096
Capital expenditures	212,995	100,351	349,022	200,000	200,000
Other expenditures	12,342	13,388	15,197	22,025	22,025
Total expenditures	12,205,178	11,358,744	12,462,887	11,995,263	12,776,262
Revenue over expenditures	361,820	909,969	1,135,801	(192,186)	(37,465)
Other financing sources (uses)					
Other	-	-	-	-	-
Net change in fund balances	361,820	909,969	1,135,801	(192,186)	(37,465)
Fund balances					
Beginning of year	1,708,248	2,070,068	2,980,038	4,115,839	4,115,839
End of year	2,070,068	2,980,038	4,115,839	3,923,653	4,078,374

Fund Overview – The food service special revenue fund is used to account for all financial activities of the district’s food and nutrition program. The food service special revenue fund is self-sustaining. Receipts from sales to students and adults, and reimbursements from federal and state governments cover all costs of the food and nutrition programs. Current meal prices within the district are as follows: Breakfast ranges from \$1.55-\$1.60 and lunch prices range from \$2.50-\$2.65. Meal prices are different at the elementary, middle and high school levels.

Revenue – The final food service revenue projection is \$935,720 more than our preliminary estimate. The projected increase is chiefly due to increase in all funding groups and also is indicative that more students eating school lunches.

Expenditure – The revised food service expenditure budget is \$780,999 more than the preliminary estimate. This increase is mainly due to a combination of the following factors:

- 1) The final budget estimate for salary and employee benefits budgets is \$146,015 more than the preliminary estimate. The adjustments are made to reflect updated salary estimate for cafeteria workers, corresponding statutory benefits (FICA, PERA and workers’ compensation premium). The budgets for tax sheltered annuities match and health insurance premium have also been adjusted to reflect employees’ plan selection.
- 2) A net increase of \$624,394 in the budgets for supplies and materials to reflect updated estimates.

Because of these adjustments, food service fund expenditures are projected to exceed revenues by \$37,465.

Community Service Fund - Special Revenue Fund

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Revenues					
State Sources	3,150,148	3,270,273	3,227,497	3,340,243	3,289,886
Property Taxes	1,668,406	1,673,277	1,673,788	1,676,880	1,676,880
Federal Sources	52,733	55,010	52,596	50,562	58,779
Other Sources	4,023,227	3,985,477	4,116,319	4,107,812	4,135,666
Total revenue	8,894,514	8,984,036	9,070,200	9,175,497	9,161,211
Expenditures					
Salaries and wages	5,385,279	5,426,506	5,674,499	5,801,865	5,852,293
Employee benefits	1,566,191	1,563,291	1,640,592	1,742,091	1,816,757
Purchased services	1,153,211	1,071,482	1,064,903	1,153,097	1,194,346
Supplies and materials	408,457	395,813	322,202	375,779	377,935
Capital expenditures	38,579	28,376	9,882	22,800	24,300
Other expenditures	22,482	27,573	27,481	5,718	5,698
Total expenditures	8,574,200	8,513,040	8,739,559	9,101,350	9,271,329
Revenue over expenditures	320,315	470,996	330,640	74,147	(110,118)
Other financing sources (uses)					
Transfers in	20,122	-	135,509	64,770	64,770
Net change in fund balances	340,437	470,996	466,149	138,917	(45,348)
Fund balances					
Beginning of year	1,516,507	1,856,944	2,327,940	2,794,089	2,794,089
End of year	1,856,944	2,327,940	2,794,089	2,933,006	2,748,741

Fund Overview – The community service fund is used to record all financial activities of the community service program. The community service fund is comprised of five components, each with its own fund balance. The five components are: 1) Community Education – general, 2) Community Education – early childhood screening and aids to non-public students, 3) Early Childhood Family Education, 4) School Readiness, and 5) Adult Basic Education.

Revenue – Several adjustments were made to the revenue budget that resulted in a net decrease of \$14,286 when compared to the preliminary estimate. This net decrease is mainly due to the following factors:

- 1) A decrease of \$50,357 in State Sources revenue.
- 2) A net increase of \$27,854 in revenue from other sources.

Expenditure – The revised expenditure budget is \$169,979 more than the preliminary budget. Many adjustments were made to expenditure items to reflect the district's latest estimates. The major adjustments are summarized below.

- 1) A net increase in estimated purchased services of \$41,249 as well as a net increase of \$125,094 in salaries and benefits.

Because of these budget adjustments, the updated 2019-20 expenditures for the community service expenditure projections are expected to exceed revenues \$110,118, leaving an estimated community education fund balance of \$2,748,741 at the end of FY20.

Building Construction Fund

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Revenues					
Other Sources	1,147,192	545,909	532,140	90,000	-
Expenditures					
Salaries and wages	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased services	6,863,359	8,361,173	2,968,875	-	-
Supplies and materials	202,480	1,503,980	680,002	-	-
Capital expenditures	26,229,120	49,714,207	27,556,757	2,000,000	2,000,000
Other expenditures	-	-	-	-	-
Debt Service	-	-	-	-	-
Total expenditures	33,294,959	59,579,360	31,205,634	2,000,000	2,000,000
Revenue over expenditures	(32,147,767)	(59,033,451)	(30,673,494)	(1,910,000)	(2,000,000)
Other financing sources (uses)					
Debt issuances	-	-	-	-	-
Capital lease	-	-	-	-	-
Certificates of participation	-	-	-	-	-
Other	-	(74,114)	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	-	(74,114)	-	-	-
Net change in fund balances	(32,147,767)	(59,107,565)	(30,673,494)	(1,910,000)	(2,000,000)
Fund balances					
Beginning of year	127,956,511	95,808,744	36,701,179	6,027,685	6,027,685
End of year	95,808,744	36,701,179	6,027,685	4,117,685	4,027,685

Fund Overview – During the 2019-20 school year, District 196 will complete the last building improvement projects from a bond referendum and capital projects levy that was approved by voters in November 2015. The \$180 million single-question referendum provided funding for safety and security improvements districtwide, additional and upgraded spaces for learning to accommodate growing enrollment and increased access to technology for all students.

- *Safe and Secure Entrances* - Renovation to school entrances was completed in three phases. These modifications have improved control of visitor access, routing visitors into the main office for identification and electronic sign in before being allowed access into other areas of the building. Construction of entrance modifications began in fall 2016 and was scheduled to be completed at all buildings by the end of 2018. In addition, 16 schools received site improvements to parking lots, drop-off/pick-up areas and access roads.
- *Learning Spaces*- Enhancements to student learning spaces included the construction of East Lake elementary school, which opened in the Fall of 2017. Other additions included a building wide renovation at Valley Middle School, entrance and media center additions at Apple Valley High School and renovations to the front area and performing arts wing at Rosemount High School along with additional learning spaces at the districts five elementary magnet schools. Furniture at all middle schools and high schools was also purchased as part of the bond.
- *Technology Upgrades* – The district's vision of providing all students in grades 4-12 with district-owned digital devices began in fall 2016, with the three year rollout plan completed in the fall of 2018. Pre-K through 3rd grade students have increased access to technology through the addition of classroom-based devices. Other technological additions included expanded Wi-Fi capacity in all the buildings, a new telephone system and interactive classroom equipment in all schools.

Regular Debt Service Fund

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Projection
Revenues					
State Sources	101,154	116,264	140,039	600	600
Property Taxes	7,309,963	6,792,415	6,989,566	17,699,289	17,699,289
Other Sources	63,554	46,758	54,545	50,000	50,000
Total revenue	7,474,670	6,955,437	7,184,149	17,749,889	17,749,889
Expenditures					
Principal	4,130,000	3,220,000	3,345,000	11,330,000	11,330,000
Interest	5,902,002	6,004,369	5,889,569	5,771,170	5,771,170
Fiscal charges and other	5,980	1,800	1,900	10,000	10,000
Total expenditures	10,037,982	9,226,169	9,236,469	17,111,170	17,111,170
Revenue over expenditures	(2,563,312)	(2,270,732)	(2,052,319)	638,719	638,719
Other financing sources (uses)					
Debt issuances	-	-	-	-	-
Debt refunding payments	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(2,563,312)	(2,270,732)	(2,052,319)	638,719	638,719
Fund balances					
Beginning of year	6,331,740	3,768,428	1,497,696	(554,623)	(554,623)
End of year	3,768,428	1,497,696	(554,623)	84,096	84,096

Fund Overview – The regular debt service fund is used to account for the accumulation of resources for, and payment of, general obligation of long-term debt principal, interest and related costs.

Revenue – Revenues for the regular debt service fund are directly tied to the district's bond principal and interest payment needs. Close to 100 percent of the projected revenue come from property tax levy, only a very small percentage comes from the state in the form of homestead and agricultural market value credits. Our final estimate for this fund is only slightly higher than the preliminary budget.

Expenditure – The updated expenditure budget for this fund is the same as the preliminary projection. The district is not proposing any changes to this expenditure budget.

The projected June 30, 2020 fund balance for this fund is \$84,096.

OPEB Debt Service Fund

	2016-17	2017-18	2018-19	2019-20	2019-20
	Actual	Actual	Actual	Prelim Budget	Final Budget
Revenues					
State Sources	2,354	2,530	1,611	-	-
Property Taxes	10,082,389	10,008,422	9,621,487	-	-
Other Sources	49,229	68,620	118,236	40,000	40,000
Total revenue	10,133,972	10,079,572	9,741,333	40,000	40,000
Expenditures					
Principal	8,330,000	8,665,000	9,125,000	-	-
Interest	1,264,350	889,500	456,250	-	-
Fiscal charges and other	450	450	475	500	500
Total expenditures	9,594,800	9,554,950	9,581,725	500	500
Net change in fund balances	539,172	524,622	159,608	39,500	39,500
Fund balances					
Beginning of year	1,031,212	1,570,384	2,095,006	2,254,614	2,254,614
End of year	1,570,384	2,095,006	2,254,614	2,294,114	2,294,114

Fund Overview – The OPEB debt service fund is used to account for the accumulation of resources for, and payment of, long-term debt principal, interest and other costs for OPEB-related debt activity.

Revenue – Similar to the regular debt service fund, revenues for OPEB debt service fund are directly tied to the district's OPEB bond principal and interest payments. Close to 100 percent of the revenue for this fund comes from property taxes and a very small percentage comes from the state in the form of homestead and agricultural market value credit. Our final estimate is equal to the preliminary budget, with a \$40,000 increase from other revenue sources accounting for the marginal increase.

Expenditure – The updated expenditure budget for this fund is the same as the preliminary projection. The district is not proposing any changes to this expenditure budget.

The projected June 30, 2020 fund balance for this fund is \$2.29 million.

Internal Service Funds

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Revenues					
Other					
GASB #16	1,673,418	802,640	1,521,703	900,000	900,000
Revocable OPEB	7,093,326	3,169,011	-	-	-
Self-Insured Dental Plan	419,323	432,743	461,449	400,000	473,000
Self-Insured Health Plan	45,329,383	48,514,796	51,227,305	48,700,000	53,000,000
Total revenue	54,515,451	52,919,189	53,210,457	50,000,000	54,373,000
Expenditures					
Salaries and wages					
GASB #16	1,117,924	2,516,393	768,318	2,000,001	3,199,999
Employee Benefits					
Revocable OPEB	5,817,254	0	-	-	-
Self-Insured Dental Plan	390,514	400,949	410,243	400,000	420,000
Self-Insured Health Plan	45,062,723	46,647,328	51,252,183	47,000,000	54,100,000
Total expenditures	52,388,414	49,564,670	52,430,743	49,400,001	57,719,999
Revenue over expenditures	2,127,036	3,354,520	779,714	599,999	(3,346,999)
Other financing sources (uses)					
Transfers in					
Self-Insured Health Plan	-	-	-	-	-
Net change in fund balances	2,127,036	3,354,520	779,714	599,999	(3,346,999)
Other financing sources (uses)					
Transfers (Revocable Trust)	-	(30,559,635)	-		
Fund balances					
Beginning of year	32,568,184	34,695,220	7,490,105	8,269,819	8,269,819
End of year	34,695,220	7,490,105	8,269,819	8,869,817	4,922,819

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Fund balance					
GASB #16	(3,267,568)	(4,981,321)	(4,227,935)	(5,327,936)	(6,527,934)
OPEB Revocable Trust	27,390,624	-	-	-	-
Self-Insured Dental Plan	100,937	132,732	183,938	183,938	236,938
Self-Insured Health Plan	10,471,226	12,338,693	12,313,815	14,013,815	11,213,815
Total Fund Balance	34,695,219	7,490,104	8,269,818	8,869,817	4,922,819

Fund Overview – An internal service fund is used to account for the financing of goods or services by one department to another department within the district or to other governmental units on a cost-reimbursement basis. School districts are not required to use internal service funds. The most common use of an internal service fund by school district is for self-insurance programs.

The district maintains four internal service funds to report activities related to other post-employment benefits, severance, self-insured health and self-insured dental. For the 2018-19 school year, the district transitioned from a Revocable OPEB Trust to an Irrevocable OPEB Trust, which is classified differently and not included in the district's internal service funds.

The schedule above shows the actual and projected fund balances for the district's four internal service funds.

Agency Funds - Fiduciary Funds

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Revenues					
Other Sources	2,978	-	31,059	-	-
Expenditures					
Salaries and wages	5,198	-	11,637	-	-
Employee benefits	811	-	-	-	-
Purchased services	248	-	13,865	-	-
Supplies and materials	-	-	1,551	-	-
Capital expenditures	-	-	-	-	-
Other expenditures	-	-	(952)	-	-
Total expenditures	6,257	-	26,102	-	-
Net change in fund balances	(3,279)	-	4,957	-	-
Other financing sources (uses)					
Transfers In (out)	-	-	-	-	-
Fund balances					
Beginning of year	30,700	27,421	27,421	32,378	32,378
End of year	27,421	27,421	32,378	32,378	32,378

Fund Overview – Agency funds are established to account for cash and other assets held by the district as the agent for others. The district maintains two agency funds to account for the activities related to the continuing education program (District Graduate Credit), organized for the benefit of district-licensed staff and the Minnesota Reading Recovery Conference. Previously, the district also managed the Local Collaborative Time Study (LCTS) funds received from Dakota County through its agency fund. However, that fund is now included as part of the General Fund. The district does not budget for the District Graduate Credit Program or the Minnesota Reading Recovery Conference.

Trust Funds - Fiduciary Funds

	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Prelim Budget	2019-20 Final Budget
Revenues					
Flex Trust - REV	1,601,685	1,706,907	1,673,854	1,654,000	1,654,000
Irrevocable OPEB - REV	-	-	5,311,337	2,900,000	4,400,000
Total Revenues	1,601,685	1,706,907	6,985,190	4,554,000	6,054,000
Expenditures					
Flex Trust - EXP	1,554,268	1,678,088	1,589,502	1,650,000	1,650,000
Irrevocable OPEB - EXP	-	4,405,513	4,783,071	4,516,000	4,700,000
Total expenditures	1,554,268	6,083,601	6,372,572	6,166,000	6,350,000
Net change in fund balances	47,416	(4,376,694)	612,618	(1,612,000)	(296,000)
Other financing sources (uses)					
Transfers	-	58,362,417	-	-	-
Fund balances					
Flex Trust - Beginning	468,807	516,223	545,042	629,394	629,394
Flex Trust - Ending	516,223	545,042	629,394	633,394	633,394
OPEB Irrevocable - Beginning	-	-	53,956,904	54,485,170	54,485,170
OPEB Irrevocable - Ending	-	53,956,904	54,485,170	52,869,170	54,185,170
End of year	516,223	54,501,946	55,114,564	53,502,564	54,818,564

Fund Overview – Trust funds are used to account for assets held in trust by the district for the benefit of individuals or other entities. The district maintains three trust funds: 1) an employee benefit trust fund used to report resources received and held by the district as the trustee for employees participating in the district's flexible benefit plan, 2) a scholarship trust fund and 3) the newly implemented OPEB Irrevocable Trust Fund for the 2018-19 school year.

The employee benefits trust fund is used to report activities related to the district's employee flexible benefit plan. This flexible benefit plan is an Internal Revenue Code §125 Cafeteria Plan and is self-supporting. The district does not prepare a budget for this fund. The Irrevocable OPEB Trust is used to report activities related to the district's Other Post Employment Benefits (OPEB).



INFORMATIONAL SECTION





Final Budget Calendar

Completion Date	Persons Responsible	Activities
Friday, Sept. 20, 2019	Mgr. of Financial Systems	Notification to district office budget administrator of final budget timelines
Friday, Sept. 27, 2019	Coordinator of Finance	Notification to schools of carryovers/deficits
Wednesday, Oct. 2, 2019	Principals Student Information Supr. Director of Elem. Education Director of Sec. Education	Verify schools' actual October 1 enrollment
Wednesday, Oct. 2 – Thursday, Oct. 3, 2019	Coordinator of Finance Mgr.of Fin.Sys./Reporting & Compliance	Update schools' instructional and staffing allocations in MyBudgetFile to reflect actual October 1 enrollment
Friday, Oct 4, 2019 (ASAP)	Coordinator of Finance Mgr.of Fin.Sys./Reporting & Compliance	MyBudgetFile available for final budget revisions
Week of Oct. 7, 2019	Elementary Principals Middle School Principals High School Principals Program Admin./Coordinators	MyBudgetFile refresher and work sessions
Monday, Oct. 14, 2019 (Close of Business)	Elementary Principals District-level Administrators Middle School Principals High School Principals	Complete and submit final budget for superintendent's and/or directors' review and approval
Wednesday Oct. 16 – Friday Oct. 18, 2019	Superintendent's Cabinet	Review and approve budgets submitted by their direct reports; inform coordinator of finance when ready for processing
Friday, Oct. 18, 2019	Principals District-level Administrators	Deadline to Submit PCN documentation to the DO for processing prior to October 29th
Monday, Nov. 18, 2019	Director of Fin. & Operations Coordinator of Finance Mgr.of Fin.Sys./Reporting & Compliance Superintendent Superintendent's Cabinet	Prepare draft copy of final budget for review with superintendent and superintendent's Cabinet
Monday, Dec. 9, 2019	Audit/Finance Committee	Review draft copy of the proposed final budget
Monday, Dec. 9, 2019	Director of Fin. & Operations Coordinator of Finance	First presentation of the proposed final budget to the School Board
Monday, Jan. 13, 2020	Director of Fin. & Operations Coordinator of Finance	Final presentation and approval of the proposed final budget to the School Board

Enrollment By Year

as of October 1,	Early Childhood	Kindergarten	Elementary	Secondary	Center-Based Special Education	Total	Annual Increase (Decrease)
2008	445	1,879	11,484	13,035	840	27,683	-0.68%
2009	440	1,818	11,555	12,792	842	27,447	-0.85%
2010	406	1,891	11,531	12,786	840	27,454	0.03%
2011	427	1,902	11,608	12,649	817	27,403	-0.19%
2012	469	1,873	11,622	12,433	771	27,168	-0.86%
2013	475	1,782	11,781	12,430	734	27,202	0.13%
2014	509	1,920	11,910	12,302	771	27,412	0.77%
2015	505	1,910	12,065	12,498	813	27,791	1.38%
2016	486	1,944	12,331	12,579	842	28,182	1.41%
2017	521	2,004	10,225	14,943	951	28,644	1.64%
2018	515	2,002	10,254	15,116	984	28,875	0.81%
2019	554	2,055	10,335	15,251	1,029	29,224	1.21%

Enrollment By Site - October 1st 2019

School	As of October 1											
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary Schools												
Cedar Park	576	590	629	671	689	705	708	697	731	707	683	682
Deerwood	508	523	529	539	583	564	605	643	625	660	635	625
Diamond Path	651	690	721	743	754	750	755	805	832	757	739	743
East Lake	-	-	-	-	-	-	-	-	-	542	631	706
Echo Park	731	720	709	705	666	641	683	665	641	669	713	733
Glacier Hills	560	578	561	611	601	685	721	758	759	749	758	729
Greenleaf	877	860	903	897	907	910	927	949	961	900	872	832
Highland	592	621	620	622	642	717	650	676	695	705	693	697
Northview	487	434	418	386	402	400	387	381	396	409	421	450
Oak Ridge	624	617	601	621	619	622	616	550	537	514	512	511
Parkview	698	763	780	796	785	737	848	890	943	803	795	786
Pinewood	729	662	623	586	572	604	577	609	615	593	587	585
Red Pine	890	886	942	946	945	934	873	823	797	769	720	717
Rosemount	619	650	645	645	616	641	670	704	745	681	707	738
Shannon Park	745	762	769	775	812	817	824	812	800	647	636	608
Southview	697	689	673	638	660	634	626	636	640	626	639	630
Thomas Lake	435	427	426	372	356	374	406	427	473	475	509	540
Westview	524	482	443	442	437	419	398	385	395	421	401	413
Woodland	<u>452</u>	<u>456</u>	<u>473</u>	<u>482</u>	<u>495</u>	<u>525</u>	<u>525</u>	<u>545</u>	<u>587</u>	<u>602</u>	<u>605</u>	<u>665</u>
Total	11,395	11,410	11,465	11,477	11,541	11,679	11,799	11,955	12,172	12,229	12,256	12,390
Middle Schools												
Black Hawk	942	873	861	853	800	798	847	868	865	868	853	787
Dakota Hills	1,206	1,195	1,166	1,121	1,127	1,151	1,102	1,041	1,100	1,100	1,195	1,243
Falcon Ridge	1,108	1,114	1,102	1,121	1,129	1,089	1,032	1,038	1,064	1,097	1,063	1,058
Rosemount	1,116	1,122	1,144	1,165	1,168	1,163	1,199	1,220	1,275	1,300	1,288	1,307
Scott Highlands	815	777	792	805	867	910	936	951	1,010	1,037	1,108	1,150
Valley	<u>972</u>	<u>963</u>	<u>889</u>	<u>915</u>	<u>825</u>	<u>884</u>	<u>839</u>	<u>922</u>	<u>982</u>	<u>1,016</u>	<u>1,080</u>	<u>1,076</u>
Total	6,159	6,044	5,954	5,980	5,916	5,995	5,955	6,040	6,296	6,418	6,587	6,621
High Schools												
Apple Valley	1,902	1,837	1,790	1,728	1,634	1,633	1,665	1,594	1,572	1,602	1,560	1,620
Eagan	2,228	2,212	2,181	2,184	2,107	2,023	2,031	2,001	1,945	2,014	1,962	1,954
Eastview	2,099	2,062	2,136	2,072	2,085	2,069	2,089	2,175	2,152	2,121	2,154	2,187
Rosemount	2,003	2,016	2,085	2,103	2,042	2,036	2,026	2,078	2,124	2,239	2,342	2,369
Environmental Studies	402	394	367	411	423	378	388	434	416	395	351	342
Area Learning Center	<u>170</u>	<u>151</u>	<u>182</u>	<u>156</u>	<u>114</u>	<u>116</u>	<u>136</u>	<u>134</u>	<u>100</u>	<u>99</u>	<u>123</u>	<u>120</u>
Total	8,804	8,672	8,741	8,654	8,405	8,255	8,335	8,416	8,309	8,470	8,492	8,592
Other												
Adult Basic Education	40	35	48	47	66	64	43	62	77	55	41	38
Special Education												
Center-Based	840	842	840	817	771	734	771	813	842	951	984	1,029
Early Childhood	<u>445</u>	<u>440</u>	<u>406</u>	<u>427</u>	<u>469</u>	<u>475</u>	<u>509</u>	<u>505</u>	<u>486</u>	<u>521</u>	<u>515</u>	<u>554</u>
Total	1,325	1,317	1,294	1,291	1,306	1,273	1,323	1,380	1,405	1,527	1,540	1,621
Grand Total	<u>27,683</u>	<u>27,443</u>	<u>27,454</u>	<u>27,402</u>	<u>27,168</u>	<u>27,202</u>	<u>27,412</u>	<u>27,791</u>	<u>28,182</u>	<u>28,644</u>	<u>28,875</u>	<u>29,224</u>

Enrollment By Grade – FY20

School	K	1	2	3	4	5	6	7	8	9	10	11	12	Totals
Elementary Schools														
Cedar Park	129	112	107	101	108	125	-	-	-	-	-	-	-	682
Deerwood	95	105	105	98	114	108	-	-	-	-	-	-	-	625
Diamond Path	122	123	114	132	132	120	-	-	-	-	-	-	-	743
East Lake	126	121	132	118	99	110	-	-	-	-	-	-	-	706
Echo Park	118	144	122	105	120	124	-	-	-	-	-	-	-	733
Glacier Hills	103	118	114	127	123	144	-	-	-	-	-	-	-	729
Greenleaf	126	125	128	147	136	170	-	-	-	-	-	-	-	832
Highland	121	106	125	116	120	109	-	-	-	-	-	-	-	697
Northview	81	60	82	73	83	71	-	-	-	-	-	-	-	450
Oak Ridge	97	94	87	83	72	78	-	-	-	-	-	-	-	511
Parkview	133	114	141	126	147	125	-	-	-	-	-	-	-	786
Pinewood	103	88	98	103	106	87	-	-	-	-	-	-	-	585
Red Pine	115	111	122	109	133	127	-	-	-	-	-	-	-	717
Rosemount	104	128	130	126	135	115	-	-	-	-	-	-	-	738
Shannon Park	85	96	95	103	100	129	-	-	-	-	-	-	-	608
Southview	101	109	104	109	97	110	-	-	-	-	-	-	-	630
Thomas Lake	100	114	70	83	83	90	-	-	-	-	-	-	-	540
Westview	79	82	82	52	56	62	-	-	-	-	-	-	-	413
Woodland	117	111	112	120	104	101	-	-	-	-	-	-	-	665
Total	2,055	2,061	2,070	2,031	2,068	2,105	-	-	-	-	-	-	-	12,390
Middle Schools														
Black Hawk	-	-	-	-	-	-	250	263	274	-	-	-	-	787
Dakota Hills	-	-	-	-	-	-	389	438	416	-	-	-	-	1,243
Falcon Ridge	-	-	-	-	-	-	335	342	381	-	-	-	-	1,058
Rosemount	-	-	-	-	-	-	417	423	467	-	-	-	-	1,307
Scott Highlands	-	-	-	-	-	-	403	412	335	-	-	-	-	1,150
Valley	-	-	-	-	-	-	351	374	351	-	-	-	-	1,076
Total	-	-	-	-	-	-	2,145	2,252	2,224	-	-	-	-	6,621
High Schools														
Apple Valley	-	-	-	-	-	-	-	-	-	460	445	390	325	1,620
Eagan	-	-	-	-	-	-	-	-	-	544	480	517	413	1,954
Eastview	-	-	-	-	-	-	-	-	-	617	617	484	469	2,187
Rosemount	-	-	-	-	-	-	-	-	-	646	644	603	476	2,369
Environmental Studies	-	-	-	-	-	-	-	-	-	-	-	187	155	342
Area Learning Center	-	-	-	-	-	-	-	-	-	2	18	29	71	120
Total	-	-	-	-	-	-	-	-	-	2,269	2,204	2,210	1,909	8,592
Other														
Adult Basic Education	-	-	-	-	-	-	-	-	-	-	-	-	38	38
Special Education														
Center-Based	76	99	83	72	73	80	46	63	58	55	56	67	201	1,029
Early Childhood	554	-	-	-	-	-	-	-	-	-	-	-	-	554
Total	630	99	83	72	73	80	46	63	58	55	56	67	239	1,621
Grand Total	2,685	2,160	2,153	2,103	2,141	2,185	2,191	2,315	2,282	2,324	2,260	2,277	2,148	29,224

Average Daily Membership by Year

Year Ended June 30	Early Childhood	Kindergarten	Elementary 1st-6th	Secondary 7th-12th	Total ADMs	Total Pupil Units	Annual P.U. Increase (Decrease)
2009	232.44	1,851.28	11,842.79	13,405.61	27,332.12	31,781.05	-0.88%
2010	235.58	1,495.18	11,927.94	13,304.89	26,963.59	31,686.88	-0.30%
2011	222.54	1,798.59	11,839.43	13,238.22	27,098.78	31,510.72	-0.56%
2012	159.30	1,850.24	11,948.37	13,012.52	26,970.43	31,406.83	-0.33%
2013	240.34	1,845.80	11,926.58	12,780.09	26,792.81	31,079.22	-1.04%
2014	243.55	1,757.83	12,116.23	12,800.68	26,918.29	31,261.97	0.59%
2015	263.27	1,987.77	12,235.89	12,718.96	27,205.89	29,748.93	-4.84%
2016	261.75	1,969.63	12,423.99	12,871.35	27,526.72	30,100.98	1.18%
2017	268.58	2,005.02	12,728.04	12,901.75	27,903.39	30,494.42	1.31%
2018	268.90	2,119.59	12,840.32	13,086.72	28,315.53	30,932.08	1.44%
2019	264.00	2,123.00	12,997.00	13,394.00	28,778.00	31,078.05	0.47%

Note 1: Enrollment numbers are estimated for the most recent fiscal year.

Note 2: ADM is weighted as follows in computing pupil units:

	Early Childhood and Kindergarten-Handicapped	Kindergarten		Elementary		Secondary
		Part-Time	Day	1-3	4-6	
Fiscal 2008 through 2014	Various	0.612	0.612	1.115	1.060	1.300
Fiscal 2015 through 2017	Various	0.550	1.000	1.000	1.000	1.200
Fiscal 2018-2020	Various	0.550	1.000	1.000	1.000	1.200

Total Employee FTE By Classification

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Administrators/Principals	93.45	108.43	108.68	109.47	114.59	107.74
Supervisors/Special Staff	56.16	58.87	65.42	69.03	73.42	87.84
Teachers/nurses	2,000.94	2,015.86	2,061.98	2,094.98	2,098.20	2,086.67
Clerical	652.79	641.79	647.18	682.98	673.68	655.96
Building Chiefs and Custodians	173.00	180.50	181.50	182.50	185.50	180.17
Food service	111.69	101.06	100.86	112.26	114.28	113.60
Drivers/Mechanics/Chaperones*	191.25	192.75	183.75	192.00	208.50	213.75
Non-licensed specialists	44.24	47.11	48.39	51.95	54.54	51.05
Total	3,323.52	3,346.37	3,397.76	3,495.17	3,522.72	3,496.78

*FTE estimates provided by the Transportation Department

Site Staffing Allocations

	October 1 Enrollment	Admin/Principal/AP	Assistant Administrator	Counselor/Dean	Classroom Teachers	Specialists & Band	Gifted and Talented	Technology Assistant	Nurse	12-Month Secretary	10-Month Secretary	10-Month Clerk	Campus Security	Totals
Elementary Schools														
Cedar Park	682	1.000	0.646	-	26.528	5.507	0.550	-	0.938	1.000	0.900	3.893	-	40.962
Deerwood	625	1.000	0.742	-	24.207	5.087	0.550	-	0.938	1.000	0.900	3.567	-	37.991
Diamond Path	743	1.000	0.586	-	28.751	5.838	0.550	-	0.938	1.000	0.967	4.241	-	43.871
East Lake	706	1.000	0.732	-	27.602	5.671	0.550	-	0.938	1.000	0.939	4.030	-	42.462
Echo Park	733	1.000	0.734	-	28.586	5.846	0.550	-	0.938	1.000	0.973	4.184	-	43.810
Glacier Hills	729	1.000	0.637	-	28.080	5.817	0.550	-	0.938	1.000	0.946	4.161	-	43.128
Greenleaf	832	1.000	0.779	-	32.023	6.614	0.800	-	0.938	1.000	1.088	4.749	-	48.991
Highland	697	1.000	0.859	-	27.084	5.739	0.550	-	0.938	1.000	0.940	3.978	-	42.088
Northview	450	1.000	0.651	-	17.454	3.900	0.300	-	0.938	1.000	0.900	3.450	-	29.593
Oak Ridge	511	1.000	0.678	-	20.005	4.163	0.300	-	0.938	1.000	0.900	3.450	-	32.434
Parkview	786	1.000	0.780	-	30.476	6.233	0.550	-	0.938	1.000	1.035	4.486	-	46.498
Pinewood	585	1.000	0.583	-	22.684	4.642	0.300	-	0.938	1.000	0.900	3.450	-	35.497
Red Pine	717	1.000	0.699	-	27.756	5.629	0.550	-	0.938	1.000	0.940	4.092	-	42.604
Rosemount	738	1.000	0.721	-	28.597	5.912	0.550	-	0.938	1.000	0.970	4.212	-	43.899
Shannon Park	608	1.000	0.709	-	23.394	5.121	0.300	-	0.938	1.000	0.900	3.470	-	36.832
Southview	630	1.000	0.805	-	24.450	5.149	0.550	-	0.938	1.000	0.900	3.596	-	38.388
Thomas Lake	540	1.000	0.679	-	21.067	4.353	0.300	-	0.938	1.000	0.900	3.450	-	33.687
Westview	413	1.000	0.660	-	16.305	3.870	0.300	-	0.938	1.000	0.900	3.450	-	28.423
Woodland	<u>665</u>	<u>1.000</u>	<u>0.683</u>	<u>-</u>	<u>25.872</u>	<u>5.318</u>	<u>0.550</u>	<u>-</u>	<u>0.938</u>	<u>1.000</u>	<u>0.900</u>	<u>3.796</u>	<u>-</u>	<u>40.057</u>
Totals	12,390	19.000	13.363	-	480.921	100.409	9.200	-	17.813	19.000	17.799	73.705	-	751.210
Middle Schools														
Black Hawk	787	2.000	-	2.000	28.540	2.340	0.900	0.450	1.000	2.000	0.650	2.858	-	42.738
Dakota Hills	1,243	2.000	-	2.086	45.077	4.070	0.900	0.450	1.000	2.000	0.738	4.515	-	62.836
Falcon Ridge	1,058	2.000	-	2.000	38.368	3.240	0.900	0.450	1.000	2.000	0.650	3.843	-	54.451
Rosemount	1,307	2.000	-	2.214	47.398	4.000	0.900	0.450	1.000	2.000	0.776	4.747	-	65.485
Scott Highlands	1,150	2.000	-	2.000	41.704	4.300	0.900	0.450	1.000	2.000	0.683	4.177	-	59.214
Valley Middle	<u>1,076</u>	<u>2.000</u>	<u>-</u>	<u>2.000</u>	<u>39.021</u>	<u>2.790</u>	<u>0.900</u>	<u>0.450</u>	<u>1.000</u>	<u>2.000</u>	<u>0.650</u>	<u>3.908</u>	<u>-</u>	<u>54.719</u>
Totals	6,621	12.000	-	12.300	240.108	20.740	5.400	2.700	6.000	12.000	4.147	24.048	-	339.443
High Schools														
Apple Valley	1,620	4.000	-	3.640	60.561	4.337	-	0.450	1.000	4.000	2.001	3.682	2.000	88.200
Eagan	1,954	4.000	-	4.391	73.047	4.661	-	0.450	1.000	4.000	2.414	4.441	2.000	100.404
Eastview	2,187	4.000	-	4.915	81.757	4.909	-	0.450	1.000	4.000	2.702	4.970	2.000	110.703
Rosemount	2,369	4.000	-	5.324	88.561	5.056	-	0.450	1.000	4.000	2.926	5.384	2.000	118.701
SES	342	1.000	-	0.769	12.785	0.351	-	0.225	0.813	1.000	1.283	-	1.000	19.226
ALC	<u>120</u>	<u>0.500</u>	<u>-</u>	<u>-</u>	<u>4.948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.250</u>	<u>1.000</u>	<u>0.855</u>	<u>0.641</u>	<u>1.000</u>	<u>9.194</u>
Totals	8,592	17.500	-	19.039	321.659	19.314	-	2.025	5.063	18.000	12.181	19.118	10.000	446.428

Fund Balances - Governmental Funds

	2015	2016	Fiscal Year 2017	2018	2019
General Fund					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable	924,736	967,324	1,061,586	1,050,944	1,421,379
Restricted	3,296,572	2,454,724	5,838,313	9,318,698	10,840,842
Assigned	6,636,835	10,790,390	7,472,160	8,399,254	1,311,999
Unassigned	21,074,506	16,839,773	22,263,362	25,699,224	37,352,793
Total General Fund	<u>31,932,649</u>	<u>31,052,211</u>	<u>36,635,421</u>	<u>44,468,120</u>	<u>50,927,013</u>
All other governmental funds					
Reserved	-	-	-	-	-
Unreserved, reported in					
Special revenue funds	-	-	-	-	-
Capital Projects – Building Construction Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Nonspendable	132,289	136,641	163,619	208,298	244,503
Restricted	19,609,217	138,407,574	104,910,947	43,679,934	14,947,727
Unassigned, reported in					
Capital Projects – Building Construction Fund	-	-	-	-	-
Debt Service Fund					(554,624)
Total all other governmental funds	<u>19,741,506</u>	<u>138,544,215</u>	<u>105,074,566</u>	<u>43,888,232</u>	<u>14,637,606</u>

Changes in Fund Balances - Governmental Funds

	Fiscal Year					
	2014	2015	2016	2107	2018	2019
Revenues						
Local sources						
Taxes	50,312,679	79,262,313	78,828,084	85,651,484	89,682,487	91,158,991
Investment earnings	254,245	197,264	990,686	1,525,963	1,720,017	2,390,487
Other	24,827,075	21,183,365	20,303,840	21,655,777	21,241,570	21,450,041
State sources	251,943,911	247,270,824	258,200,427	264,144,986	275,878,205	285,746,486
Federal sources	12,123,310	12,820,914	13,700,319	14,628,580	15,834,368	16,232,102
Total revenues	339,461,220	360,734,680	372,023,356	387,606,790	404,356,647	416,978,107
Expenditures						
Current						
Administration	12,662,675	13,188,527	14,846,637	14,931,628	15,599,003	16,342,073
District support services	8,245,964	8,802,535	9,360,367	9,807,545	10,694,868	12,008,717
Elementary and secondary instruction	151,453,547	160,442,599	165,181,027	169,848,898	173,672,800	177,357,744
Vocational education instruction	3,899,432	4,161,539	5,198,949	5,013,173	5,137,316	5,396,017
Special education instruction	60,749,987	62,011,436	65,226,216	68,020,953	71,133,191	72,650,167
Instructional support services	16,734,739	18,361,748	19,695,766	20,664,400	21,616,857	22,489,640
Pupil support services	23,318,080	22,991,342	23,694,661	24,615,829	25,550,001	26,181,738
Sites and buildings	22,906,580	21,468,077	21,979,790	25,390,808	23,681,891	25,398,051
Fiscal and other fixed cost programs	697,917	651,864	650,603	613,851	582,782	1,182,069
Food service	11,253,357	11,509,963	11,757,651	11,992,184	11,258,394	12,113,867
Community service	9,784,435	7,739,627	8,044,250	8,822,111	8,751,046	8,933,712
Capital outlay	13,388,239	19,028,484	11,640,890	33,546,532	68,021,071	40,050,087
Debt service						
Principal	16,460,404	17,880,544	13,326,884	14,394,446	14,079,855	14,694,828
Interest and fiscal charges	4,897,774	4,586,660	4,384,850	7,911,158	7,595,387	6,992,089
Total expenditures	356,453,130	372,824,945	374,988,541	415,573,516	457,374,462	441,790,799
Revenues over (under) expenditures	(16,991,910)	(12,090,265)	(2,965,185)	(27,966,726)	(53,017,815)	(24,812,692)
Other financing sources (uses)						
Transfers in	6,128,424	6,225,838	8,554,099	20,122	-	135,509
Transfers out	(6,128,424)	(6,225,838)	(8,554,099)	(20,122)	-	(135,509)
Refunding debt issued	2,230,000	-	-	-	-	-
Debt issued	13,710,000	-	112,150,000	-	-	-
Premium on debt issued	325,933	-	20,355,238	-	-	-
Discount on debt issued	-	-	-	-	-	-
Bond refunding payments	(26,850,000)	(2,325,000)	(12,125,000)	-	-	-
Capital leases and other loans	96,569	4,200,000	480,000	-	1,043,209	-
Insurance Recovery	-	-	-	-	311,212	56,303
Judgements for the School District						369
Sale of capital assets	8,143	10,180	27,218	80,287	23,971	19,383
Total other financing sources (uses)	(10,479,355)	1,885,180	120,887,456	80,287	1,378,392	76,055
Net change in fund balances	(27,471,265)	(10,205,085)	117,922,271	(27,886,439)	(51,639,423)	(24,736,637)
Fund balances						
Beginning of year	89,350,504	61,879,239	51,674,154	169,596,425	141,709,986	90,070,563
End of year	61,879,239	51,674,154	169,596,425	141,709,986	90,070,563	65,333,926



GLOSSARY





Glossary of Terms

A

Accounting Procedure: The policy and systematic arrangement of methods and operations for recording accounting information to provide internal control and produce accurate and complete records and reports.

Accounting System: The total set of records and procedures which are used to record, classify and report information on the financial status and operations of an entity.

Accrual Basis of Accounting: The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

Adjusted Marginal Cost Pupil Units: The current pupil units or sum of 77 percent of the adjusted pupil units computed using current year data, plus 23 percent of the adjusted pupil units computed using prior year data, whichever is greater.

Adjusted Net Tax Capacity (ANTC): The net tax capacity of a school district as adjusted by the sales ratio (Net Tax Capacity divided by the sales ratio). The purpose of the adjustment is to neutralize the effect of different assessment practices among the taxing jurisdiction of the state.

Adjusted Pupil Units: The sum of pupil units served plus pupil units whom the district pays tuition under an agreement with another district, minus pupil units for whom the district receives tuition under an agreement with another district.

Apportionment: (1) The act of apportioning; (2) An item of receipts resulting from the act of apportioning, such as state apportionment (see *allotment*).

Assessed Valuation: A valuation set upon real estate or other property by a government as a basis for levying taxes.

Assessment: (1) The process of making the official valuation of property for the purpose of taxation, and (2) The valuation placed upon property as a result of this process. **Note:** *Assessment* is sometimes used to denote the amount of taxes levied but such usage is not recommended since it fails to distinguish between the valuing process and the tax levying process. The term is also used erroneously as a synonym for *special assessment*.

Assets: Economic resources that are owned or controlled by an entity.

Audit: The result of an independent accountant's review of the statements and footnotes to ensure compliance with generally accepted accounting principles and to render an opinion on the fairness of the financial statements.

Audit Report: A report issued by an independent certified public accountant that expresses an opinion about whether the financial statements fairly present an organization's financial position, operating results and cash flows in accordance with generally accepted accounting principles.

Average Daily Attendance (ADA): The aggregate attendance of students in a school during a reporting period (normally a school year) divided by the number of days that school is in session during this period.

Average Daily Membership (ADM): The aggregate membership of students in a school during a reporting period (normally a school year) divided by the number of days that school is in session during this period.

B

Balance Sheet: A formal statement of assets, liabilities and equity as of a specific date.

Bond: A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date in the future (the maturity date), together with periodic interest at a specified rate.

Bond Discount: The difference between the face value and the sales price when bonds are sold below their face value.

Bond Maturity Date: The date at which a bond principal or face amount becomes payable.

Bond Premium: The difference between the face value and the sales price when bonds are sold above their face value.

Bond Rating: Ratings for bonds to be issued that primarily reflect the ability of the issuer to repay the bonds. Better bond ratings result in lower interest rates for the bonds issued.

Bond Referendum: Funding for a proposed public building or major remodeling project submitted for local voter approval.

Budget: A plan of financial operation expressing the estimates of proposed expenditures for a fiscal year and the proposed means of financing them (revenue estimates).

Budgeting: Pertains to budget planning, formulation, administration, analysis and evaluation.

Budget Calendar: Schedule of key dates, which the School Board and administrators follow in preparation, adoption and administration of the budget.

C

Capital Lease: A leasing transaction that is recorded as a purchase by the lessee; ownership is transferred to the lessee at the conclusion of the leasing agreement.

Capital Outlay: An expenditure that is generally greater than \$5,000 and results in ownership, control or possession of assets intended for continued use over relatively long periods of time.

Cash Basis: Gross income is recognized when cash is received.

Cash Basis Accounting: A system of accounting in which transactions are recorded and in which revenues and expenses are recognized only when cash is received or paid.

Chart of Accounts: A list of all accounts generally used in an individual accounting system. In addition to account title, the chart includes an account number that has been assigned to each account. Accounts in the chart are arranged with accounts of a similar nature, for example, assets and liabilities.

Compensatory Revenue: A portion of general education revenue based on the number of students in a school district that qualify for free or reduced-price school meals.

Contracted Services: Service rendered by personnel who are not on the payroll of the school district, including all related expenses covered by the contract.

Credit: An entry on the right side of the account.

D

Debt: Money owed by one party (the debtor) to a second party (creditor), generally subject to contractual terms regarding the amount and timing of repayments of principal and interest.

Debt Service: Expenditures for the retirement of principal and payment of interest on debt.

Debt Limit: The maximum amount of bonded debt for which a governmental unit (school district) may legally obligate itself.

Debit: An entry on the left side of an account.

Delinquent Taxes: Taxes remaining unpaid on and after the date on which they become delinquent by statute.

Double Entry Accounting: A system of recording transactions in a way that maintains the equality of the accounting equation. Every entry made to the debit side of an account or accounts will have a corresponding amount or amounts made to the credit side.

E

Elementary School: A school classified as elementary by state and local practice and composed of any span of grades not above grade eight. Preschool or kindergarten is included under this heading only if it is an integral part of an elementary school or a regularly established school system.

Employee Benefits: Compensation, in addition to regular salary, provided to an employee. This may include such benefits as health insurance, life insurance, annual leave, sick leave, retirement and Social Security.

Enrollment: The total number of students registered in a given school unit at a given time, generally in the fall. (October 1 in Minnesota)

Entry: The record of a financial transaction in its appropriate book of accounts. Also, the act of recording a transaction in the books of accounts.

Equalization: The process of (1) reducing the tax rate or tax base disparities among different taxing jurisdictions, or (2) reducing net tax disparities among different properties within the same class in a given taxing jurisdiction.

Expenditures: Charges incurred, whether paid or unpaid, which are presumed to benefit the current fiscal year. For elementary/secondary schools, these include all charges for current outlays plus capital outlays and interest on school debt.

Expenditures Per Pupil: Charges incurred for a particular period of time divided by a student unit of measure, such as enrollment, average daily attendance, or average daily membership.

Expenses: Costs incurred in the normal course of operations.

F

Fiscal Year: The twelve-month period of time to which the annual budget applies. All Minnesota school districts, by law, must observe a fiscal year that runs July 1 through June 30.

Free School Meals: In order to qualify for free school meals, a household must submit an application. The federal government, comparing the household's size to its income, sets guidelines.

Full-Time Equivalency (FTE): The result of a computation that divides the amount of time for a less than full-time activity by the amount of time normally required in a corresponding full-time activity.

Fund: A sum of money or other resources segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations, and constituting an independent fiscal and accounting entity.

Fund Balance (equity): Mathematical excess of assets over liabilities.

Federal Sources: Revenues received from federal government appropriations.

Fiduciary Funds: Account for assets held in a trustee capacity or as an agent for individuals, organizations or other governmental units and/or funds.

Formula Allowance: Minnesota's basic general education formula allowance provided school districts with a majority of their revenue.

G

General Fund: Typically the largest fund in the budget. It is comprised of money not in other funds. Most of this fund is not earmarked for specific purposes.

Generally Accepted Accounting Principles (GAAP): Standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as accounting standards or standard accounting practice. These include the standards, conventions and rules that accountants follow in recording and summarizing financial transactions and in the preparation of financial statements.

General Obligation Bonds (GO Bonds): Bonds that the state stands behind with its taxing powers.

Grant: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments (school districts) from state and federal governments and are usually made for specified purposes.

H

High School: A secondary school offering the final years of high school work necessary for graduation, usually including grades 9-12.

I

Interest: The payment (cost) for the use of money.

Internal Service Funds: Funds internal to the operation of a unit that provide a variety of services to that unit, such as a printing activity. The funds must recover the full costs of services provided through billing back.

J

No entries

K

Kindergarten: This category of students includes transitional kindergarten, kindergarten and pre-first-grade students, and is traditionally found in elementary schools.

Kindergarten Handicapped (or disabled): This is a special category within kindergarten that provides for increased weighting of these kindergarten students that provides more revenue to a district.

L

Lease: A contract that specifies the terms under which the owner of an asset (the lessor) agrees to transfer the right to use the asset to another party (the lessee).

Lessee: The party that is granted the right to use property under the terms of a lease.

Lessor: The owner of property that is rented (leased) to another party.

Levy: A tax imposed on property, which a school board may levy, and is limited by statute.

Liabilities: Obligations measurable in monetary terms that represent amounts owed to creditors, governments, employees and other parties.

Local Education Agency (LEA): See *school district*.

Long-Term Liabilities: Debts or other obligations that will not be paid within one year.

M

Mandates: Requirements imposed by one level of government on another.

Marginal Cost Pupil Unit: Used to indicate pupil count. It is a calculation whereby 77 percent of the current year pupil count is added to 23 percent of the prior year pupil count.

Market Value: The value assigned to property by an assessor. The market value is intended to reflect the sales value of the property.

Middle School: A secondary school following elementary school and preceding high school, usually including grades 6-8.

Minnesota Automated Reporting Student System (MARSS): A system of pupil accounting that maintains essential data elements for each public school student attending school in Minnesota and reported by school districts to the state.

Minnesota Department of Education (MDE): The formal agency within the executive branch of government in Minnesota that oversees the operations of education, K-12 education in particular.

Modified Accrual Basis of Accounting: The basis of accounting under which expenditures, other than accrued interest on general long-term debt, are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues, which should be accrued to reflect property taxes levied and revenue earned.

N

Net Tax Capacity (NTC): This value is derived by multiplying the estimated market value of each parcel by the appropriate class (use) rate for that parcel.

Net Tax Liability: The amount of tax computed by subtracting tax credits from the gross tax liability.

Non-Resident Student: A student whose legal residence is outside the geographical area served by the district.

O

Operating Lease: A simple rental agreement where the lessor, at the conclusion of the leasing agreement, retains ownership.

P

Principal (face value or maturity value): The amount that will be paid on a bond at its maturity date.

Public Employees Retirement Association (PERA): This group administers pension plans that cover local, county and school district non-teaching employees.

Pupil Units: A count of resident students in average daily membership. See *weighted pupil units*.

Q

No entries

R

Review and Comment: A process by which the commissioner of Minnesota Department of Education reviews and comments on the feasibility and practicality of proposed school district building projects.

Refunding Bonds: Bonds issued to pay off bonds already outstanding.

Reserve: An amount set aside for some specified purpose.

Resident Student: A student whose legal residence is within the geographic area served by the district.

Revenues: Money received by a unit from external sources net of refunds and other correcting transactions, other than from the issuance of debt, liquidation of investments, and as agency and probate trust transactions.

S

School Board: Elected or appointed body that has been created according to state law and vested with responsibilities for educational activities in the school district.

School District: A unit for administration of a public-school system often comprising several cities within a state.

Social Security (FICA) Taxes: Federal Insurance Contributions Act taxes imposed on employees and employers; used mainly to provide retirement benefits.

Staff Automated Reporting System (STAR): The system by which staff data elements are recorded and transmitted to the Minnesota Department of Education.

Stated Rate of Interest: The rate of interest printed on the bond.

Statute: A written law passed by a legislative body.

T

Tax Base: The value of commercial, industrial, residential, agricultural and other properties in a school district, city, municipality and county.

Tax Capacity: The value of property that school districts and other units' tax.

Tax Credit: A state-allowed reduction on local property taxes.

Teachers Retirement Association (TRA): A statewide public pension fund for public school teachers throughout Minnesota, except for teachers in the first class cities, and some teachers in community colleges, state universities and technical colleges.

Transfer: The movement of money between funds; transfer must be consistent with legislative intent.

Trial Balance: A listing of all account balances; provides a means of testing whether total debits equal total credits for all accounts.

Trust Fund: A fund consisting of resources received and held by the district as trustee to be expended or invested in accordance with the conditions of the trust.

U

Uniform Financial Accounting and Reporting Standards (UFARS): Minnesota’s legally prescribed set of accounting standards for all school districts.

Useful Life: The term used to describe the life over which an asset is expected to be useful to the company; cost is assigned to the periods benefited from using the asset.

V

No entries

W

Weighted Pupil Units: A varied weighting of pupils by grade. For example, a student in grades 1-6 may be counted as a 1.06 pupil unit, whereas a student in grades 7-12 may be counted as a 1.3 pupil unit. This methodology was sunset in 2014. Students in grades 1-6 may be counted as a 1.00 pupil unit and students in grades 7-12 may be counted as a 1.2 pupil unit.

X

No entries

Y

No entries

Z

No entries

