



Stillwater
AREA PUBLIC SCHOOLS

2019-20 PRELIMINARY BUDGET

**Stillwater, Minnesota
April 2019**



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AREA PUBLIC SCHOOLS

**2019-20
PRELIMINARY BUDGET**

**INDEPENDENT SCHOOL DISTRICT NO. 834
STILLWATER, MINNESOTA**

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April 2019

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SECTION I

Introduction

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SCHOOL BOARD

Dr. Michael Ptacek	Board Chair
Ms. Shelley Pearson	Vice Chair
Ms. Sarah Stivland	Clerk
Ms. Liz Weisberg	Treasurer
Mr. Mark Burns	Director
Ms. Jennifer Pelletier	Director
Ms. Tina Riehle	Director

ADMINISTRATION

Ms. Denise Pontrelli	Superintendent of Schools
Dr. Bob McDowell	Assistant Superintendent
Ms. Kristen Hoheisel	Executive Director of Finance and Operations
Ms. Cathy Moen	Executive Director of Administrative Services
Ms. Rachel Larson	Director of Learning and Student Engagement
Mr. Paul Lee	Director of Student Support Services
Dr. George Nolan	Director of Personalized Learning
Mr. John Perry	Director of Learning, Technology and Design Systems
Ms. Annette Sallman	Director of Community Education and Community Relations

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Curiosity Thrives Here

OUR STRATEGIC PLAN 2018-2021

Developed by stakeholders of the Stillwater Area Public Schools

OUR MISSION

A declaration of the unique identity to which the organization aspires; its specific purpose; and the means by which it will achieve its purpose.

The mission of Stillwater Area Public Schools, in **partnership** with students, family and **community**, is to develop **curious** individuals who are active and engaged **leaders** in an **ever-changing world** by **challenging** all students as they travel along their **personalized** learning pathways.

OUR VISION

What we commit to creating for our students.

A Stillwater Area Public Schools student will be an effective:

Communicator: Can express themselves effectively in both written and oral communications. Listens actively to others and treats them with kindness and respect. Shows cultural understanding and global awareness when engaging with others.

Collaborator: Builds strong relationships and works effectively and respectfully with diverse teams. Seeks out diverse ideas and perspectives. Values the individual contributions made by each team member.

Critical Thinker: Show empathy for others. Can solve complex problems and is able to discern accurate and relevant information. Reasons effectively to make sound judgments and decisions.

Creator: Is courageous, takes risks and learns from failure. Is open minded and responsive to new and diverse perspectives. Is flexible and can adapt to new environments and situations. Carefully considers ideas in order to improve and maximize creative efforts.

Self-Advocate: Remains curious and loves to learn new things. Understands personal strengths and weaknesses and is motivated and confident. Follows their passions and interests.

OUR GOALS: WORLD'S BEST WORKFORCE

Specific, measurable, observable or demonstrable results designed to increase student performance.

- All children are ready for school
- All third graders can read at grade level
- All racial and economic achievement gaps are closed
- All students are ready for career and college
- All students graduate from high school
- *All students will be engaged in their learning
- *All students will be supported in their social, emotional and behavioral development
- All students are seen, served and supported

OUR PARAMETERS

Boundaries within which the organization will accomplish its mission; self-imposed limitations.

In our decision-making, we will always consider what is desirable, equitable, feasible and sustainable.

We will build relationships with our shareholders and engage with our community by utilizing the board approved Decision-Making and Public Participation models.

* Goals unique to our district



Approved by the School Board - May 10, 2018

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A BRIEF HISTORY OF DISTRICT 834

Stillwater Area Public Schools – Independent School District #834 – has a long and proud tradition. Minnesota's first schoolhouse was built in Stillwater in 1848, a year before Minnesota became a territory. Stillwater became the state's first school district just two years later. The district has a tradition of high expectations, high standards and outstanding achievement. It is also a system dedicated to continuous improvement.

From the first one-room schoolhouse, Stillwater Area Public Schools has grown to serve more than 8,500 students in seven elementary schools (K-5), two middle schools (grades 6-8), one high school (grades 9-12), one transition programming center serving students ages 18 to 21, and an early childhood family center which serves families with young children, from birth to age 5.

The district stretches 30 miles along the St. Croix River from Marine on St. Croix south to Afton, and covers approximately 150 square miles. The district encompasses 18 communities, including: Afton, Bayport, Baytown Township, Grant, a portion of Hugo, Lake Elmo, Lakeland, Lakeland Shores, Lake St. Croix Beach, Marine on St. Croix, May Township, Oak Park Heights, St. Mary's Point, Stillwater, Stillwater Township, West Lakeland Township, Withrow and a portion of Woodbury. The area population is approximately 64,046.

Transportation services are provided to over 7,900 public, non-public and charter school students. Buses are scheduled to make over 3,200 stops every day as they transport students to and from over 20 sites, both within and outside the district. Beginning in 2009, transportation registration is required for Stillwater Area High School students and for all non-public and charter school students yearly. Families may also decline transportation if they will not need to be transported. Students in grades Kindergarten through 10th grade receive annual school bus safety training. On each school day, District 834 schools serve approximately 3,900 meals (lunches). Breakfast is also served in ten (10) school buildings.

Stillwater has built and maintained an exceptional reputation for excellence across the state and nation. Our schools are recognized as a leader in innovative education. Our students and our staff members are consistently recognized for their successes in academics, fine arts and athletics.

The district offers the best of both worlds. It is large enough to provide a wide variety of opportunities for students, while maintaining a personal, caring and individualized education. The district strives to develop learners who are innovative, creative, and prepared for a rapidly changing world. Expectations are high and students of all abilities are challenged, supported and motivated at every level – from early childhood through high school.

We offer learning opportunities for students of all abilities, including exceptional programs for Special Education and Gifted and Talented students. Because of our experience, our expertise, and our size, we are able to offer our learners opportunities to grow and develop at their own pace.

Welcome to a community and a school system built on a solid tradition of excellence!

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2019-20 PRELIMINARY BUDGET OVERVIEW

Introduction

The preliminary budget is adopted by the Board of Education by June 30. The preliminary budget, which gives the district expenditure authority to begin the fiscal year, is built on anticipated enrollment projections and estimates of revenues. During the middle of the fiscal year, the Board will adopt a revised budget which is updated based on the October 1 student enrollment and revised revenue estimates. Since the revised budget is based on October 1 enrollment and projected attendance of those students, the budget is still a projection. It is typically revised again during the spring, primarily to update federal program revenues and expenditures and contract settlements that have occurred during the year.

Education finance can vary greatly due to many uncontrollable variables. Budgets are developed with several assumptions and projections that are based on trend data, economic environments and cautious optimism. Historically, the actual revenues have been greater than projected revenues and actual expenditures are less than projected expenditures, leaving the district with additional funds in the fund balance beyond what was projected.

Budget Timeline

The school district's budget timeline reflects many overlapping processes. The general timeline is listed to provide an understanding of the annual budgeting process. Deviations from the general timeline may exist depending on annual circumstances and events.

Spring

- Administration completes preparation of preliminary budget for the next school year, including: compiling capital requests, completing a three year general fund forecast and developing recommendations through a Budget Development Committee.
- Board of Education takes action on capital budget for the next school year.
- Board of Education takes action on budget assumptions and timeline for the next school year.

Summer

- Board of Education reviews and approves preliminary budget by June 30 for the next school year.
- Administration submits proposed local property tax levy for next calendar year to Minnesota Department of Education.
- Administration closes district's financial books and begins audit process for the previous school year.

Fall

- Board of Education approves preliminary property tax levy in September for next calendar year and next school year.
- Administration and audit firm complete district audit and financial report for the previous school year, and report is approved by the Board of Education.
- Administration completes preparation of the revised budget for the current school year.

Winter

- Board of Education approves the revised budget for current school year.
- Board of Education holds a truth-in-taxation hearing in December for the proposed property tax levy and certifies final property tax levy for the next school year.
- Administration prepares capital budget for next school year.
- Administration begins preparation of preliminary budget for next school year.

Budget Assumptions

Many variables comprise the district's budget. The district makes committee based assumptions on those variables. Examples of the variables with additional information are listed below.

Enrollment Trends and Enrollment Projections

Enrollment in the district increased for the 2018-19 school year and is projected to remain relatively constant for 2019-20. Figure 1 shows the enrollment trends for each level over the last six years.

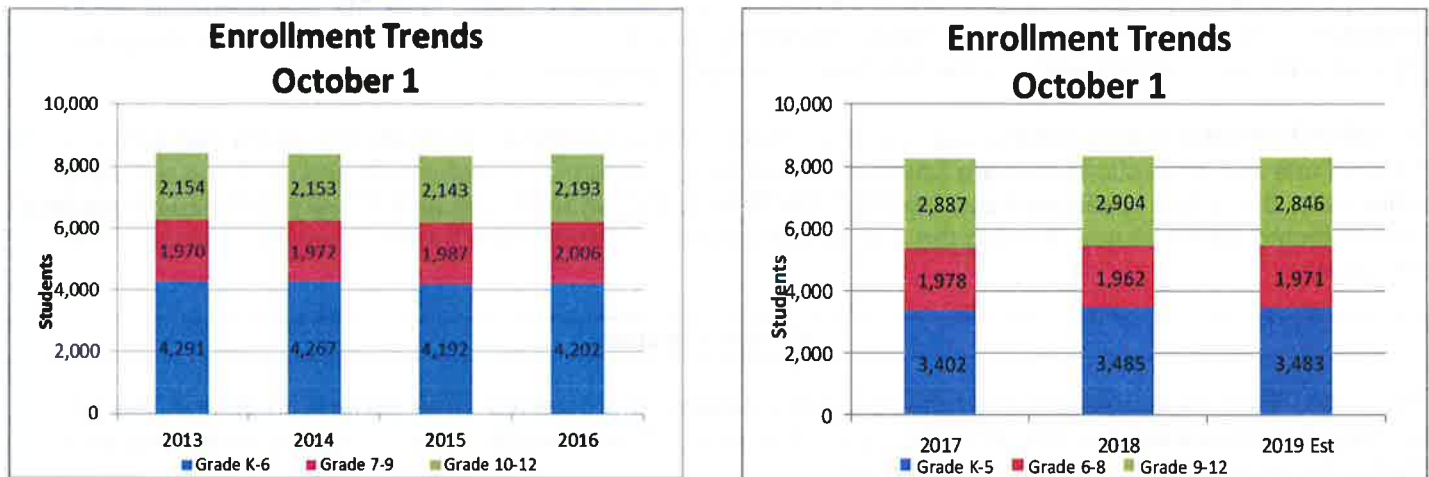


Figure 1

The district revises the enrollment projections based on new information, actual enrollment on October 1 and any other changes that affect enrollment each fall. Since enrollment drives most of the district's revenue, cautious optimism (estimating using trend data of who will attend District 834 schools) is used for enrollment projections.

Employee Contracts

The preliminary budget includes renewed contracts for 2019-20 and steps and lanes for expired contracts (open contracts), but does not include parameters for contracts that have expired. Steps and lanes are based on years of experience and level of education. For 2019-20, the district will continue with a self-funded health insurance plan. Insurance rates will increase for both single and family insurance. However, the budget is only reflective of the increase to single insurance as this has a financial impact to the district.

General Education Revenue

This is the largest component of state aids. It is developed by actual number of students and formula allowances set by the legislature. The revenue projections are based on the projected October 1 enrollment with assumptions for "in-out" migration.

School Allocations

The district builds the preliminary budget on enrollment projections. For staffing purposes, elementary school staffing allocations are provided through the allocation of sections, based on projected enrollments. Enrollments are periodically reviewed and revised to ensure consistency with Board approved staffing ratios. Secondary school staffing allocations are distributed based on projected enrollments. Allocations are adjusted as needed to address changes in enrollment throughout the school year.

Special Education Revenue

Some special education revenue calculations, such as special education excess cost aid, are based on the general education revenue estimate. Also, the district is conservative when developing the special education expenditure budget. Due to the unknown number of students that will be identified as special education students, the district tries to estimate liberally, potentially generating a larger than expected expenditure budget for the preliminary budget. In 2006-07 the state mandated a change as to how school districts serving non-resident special education students received revenue. This is known as special education tuition billing. Data is not finalized until well into the next fiscal year, leaving some variability in revenue estimates.

Payment Delays, Tax Shifts and Legislative Changes

The 2011 Legislature enacted legislation that increased the payment delay to school districts. Included in the legislation are payment delays and two accounting shifts that had an impact on the cash flow of the school district but not a significant impact on the overall budget. As required by Minnesota Laws 2013, Chapter 116, Article 7, Section 20, on September 30, 2013, Minnesota Management and Budget certified a positive unrestricted state general fund balance significant enough to return districts to a 90/10 payment schedule.

Additionally, beginning in 2010-11, a very large property tax revenue shift occurred. School districts receive property tax revenue in May and October of each calendar year. This revenue is used for the following school year. Per this legislation, school districts were required to recognize 48.6% of the revenue received in May for the current fiscal year. This allowed the state to postpone state aid payments until the following fiscal year. Based on the aforementioned law, the property tax recognition shift returned to 23.1%.

Finally, the 2019-20 Preliminary Budget includes an anticipated two percent increase in the general education revenue formula from the 2019 Legislative process. When the 2019 Legislative process is finalized, any changes will be reflected in the 2019-20 Revised Budget.

Summary – 2019-20 Preliminary Budgets

The 2019-20 Preliminary Budget reflects an increase in the unassigned fund balance for the general fund compared to the 2018-19 Revised Budget. This increase indicates that projected revenue is above projected expenditures.

Revenues

Legislative changes over the years have changed the portion of revenue that is received from the state. Currently, the state is responsible for a large percentage (58%) of the total district revenues (see Figure 2). This loss of aid was replaced with an increase in property taxes as property taxpayers made up for the waning state support for public education.

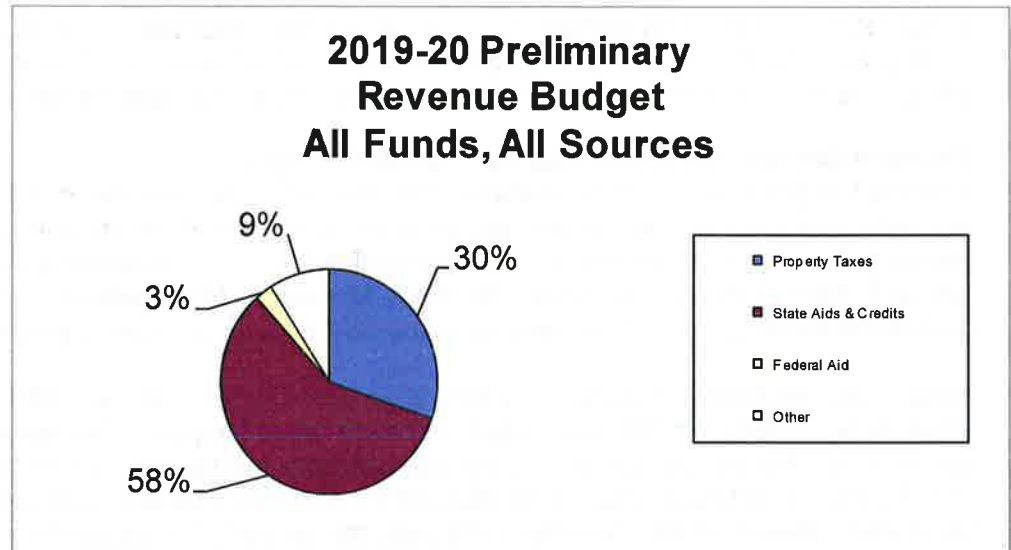


Figure 2

Expenditures

In a service organization, like a public school district, most expenditures consist of salaries and benefits for employees who provide direct or indirect services to students, i.e., teachers, principals, administrators, support staff (custodians, food service workers, paraprofessionals, technical support, and coordinators/supervisors/specialists). For 2019-20, salaries and benefits make up 73% of the district's general fund budget and 66% of the district's total budget as shown in Figure 3. Purchased services (such as heating, electricity, insurance and telecommunication costs) comprise 15% of the budget. Supplies, materials, capital and other expenditures total 19% of the total budget. Historically, the district's budget managers monitor expenditures closely and typically come in under budget.

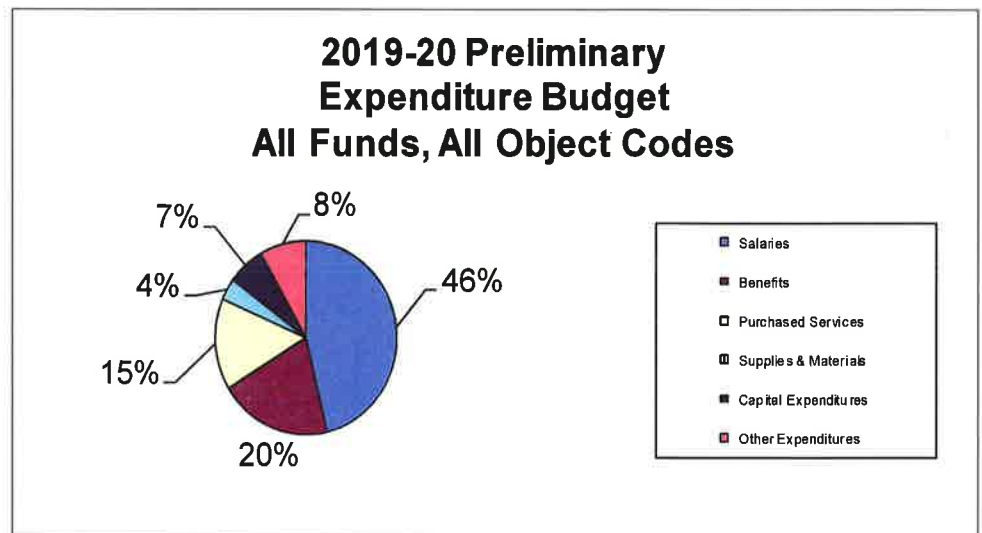


Figure 3

SECTION II

2019-20

Preliminary Budget

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2019-20 PRELIMINARY BUDGET

Budget Process and Assumptions

School district budgets are comprised of revenues and expenditures. Revenues are primarily received based on student enrollment and actual expenditures. The largest percentage of the school district's revenue comes from the state through formulas based on student enrollment. The formula allowance in 2019-20 for the general education aid from the state is estimated to be \$6,438 per pupil unit (weighted student counts depending on grade level of enrollment).

Of all the district's general fund expenditures, 73% are salaries and benefits for district employees. As an educational service organization serving students, it is expected that employee costs would be the largest portion of the budget. The budget reflects steps and lanes for all qualifying employees, however does not include any percentage increase on open contracts.

Below are some of the processes and assumptions that are included in the budgeting cycle.

Enrollment

The preliminary budget is based on a projected enrollment for October 1. The revised budget is based on the actual October 1 enrollment and is estimated to follow historical trends for actual year-end ADM (average daily membership) in which the district receives revenue.

Staffing allocations

Staff are allocated to buildings on a student to staff ratio determined by the Board of Education. The staffing ratios for 2019-20 are listed in Table 1. Staffing ratios do not equate to average class sizes and are only used to determine the number of FTE (full time equivalent) assigned to each building.

Staffing Allocations*		
	2018-19	2019-20
Kindergarten – Gr. 1	21.42	21.42
Grades 2-3	25.42	25.42
Grades 4-5	29.42	29.42
Grade 6	29.42	29.42
Grades 7-12	33.08	33.08

Table 1

*This does not represent average class size.

Non-salary budgets

School budgets for purposes other than employee salary and benefits are based on a system of allocation formulas. These formulas are adjusted as determined by the Board of Education during the budgeting process. Table 2 shows the supply and material per-pupil allocations for 2018-19 and 2019-20. The supply/material and library/media allocations have been decreased from the 2018-19 levels as part of the Board approved budget reductions, with a hold-back of 2.5%. An adjustment will be made on October 1, based on the enrollment at that time.

Supply and Material Allocations Per Student		
Elementary	2018-19	2019-20
Supply and Material	\$27.93	\$27.37
Library/Media	9.78	9.58
Capital	17.45	0.00
Secondary	2018-19	2019-20
Supply and Material	\$53.57	\$52.50
Library/Media	14.23	13.95
Capital	26.15	0.00

Table 2

Staff development

Funds to be used for staff development are allocated based on two percent (2%) of the district's general education aid. Two percent (2%) is projected to be approximately \$1,190,463. The Learning and Innovation Department uses the allocation for professional development support and professional development days. Professional development support (i.e. instructional coaches) accounts for approximately \$348,000 of the allocation. The vast majority of the remaining allocation goes to professional development days.

2019-20 Preliminary Budget – Fund Detail

General Fund

The general fund is the primary operating budget for the district. It accounts for the revenues and expenditures of the district operations. The general fund includes accounts for capital expenditures and transportation. By statute, the district is obligated to account for capital expenditures separately from the general fund. Although all three accounts comprise the general fund and are reported to the state as such, the preliminary budget information is broken apart and is located in the tables below.

General Fund	2017-18 Actual	2018-19 Revised Budget	2019-20 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	21,291,257	20,038,644	15,685,758	(4,352,886)	-21.72%
Revenues	106,030,919	107,742,343	111,535,775	3,793,432	3.52%
Expenditures	107,283,532	112,095,229	112,964,436	869,207	0.78%
Revenues less Expenditures	(1,252,613)	(4,352,886)	(1,428,661)	2,924,225	
Ending Fund Balance	20,038,644	15,685,758	14,257,097	(1,428,661)	-9.11%

Comparison of 2019-20 Preliminary Budget to 2018-19 Revised Budget

Revenue

Preliminary 2019-20 revenue estimates are \$3,793,432 more than the 2018-19 Revised Budget primarily due to an increase in state aids (anticipated formula increase and special education) and tax levy revenue net a decrease for the absence of non-federal grants as they are not predictable.

Expenditures

Preliminary 2019-20 expenditures increased by \$869,207 from the 2018-19 Revised Budget primarily due to an increase in long term facility maintenance, steps and lanes, a contract settlement for FY19-20 and transportation net a decrease for the school board-approved budget adjustments and operating capital building lease. The detailed changes in the expenditures are listed on the following pages in the descriptions of program expenditure categories.

The total revenues and total expenditures for the general fund include reserved categories for LTFM (Long Term Facility Maintenance), operating capital and staff development. The net revenue budget without these categorical revenues is \$102,912,318. The net expenditure budget without these categorical expenditures is \$102,150,064. As a result, the projected unassigned fund balance increases to 4.64% of expenditures for 2019-20, up from the projected unassigned fund balance of 4.00% for 2018-19. The Board's goal of a 5% unassigned fund balance has not yet been met.

The total fund balance for the general fund includes the categorical revenues and expenditures listed above. Due to LTFM project schedules, 2019-20 LTFM categorical expenditures will exceed LTFM categorical revenues. Consequently, the total fund balance for the general fund is projected to decrease from \$15.7 million to \$14.3 million in the preliminary 2019-20 budget. Nevertheless, the unassigned fund balance (the amount of unallocated funds) is projected to increase from \$4.5 million to \$5.2 million.

Capital Expenditure Account

Included within the general fund is the capital expenditure account. Listed below are the reserved revenues and expenditures projected in the capital expenditure account. The revenue is increasing slightly. The expenditures are decreasing for building leases and building equipment. The projected fund balance will decrease from \$3.7 million to \$3.6 million compared to the 2018-19 Revised Budget.

General Fund Capital Expenditure Account	2017-18	2018-19	2019-20	Rev. / Prel.	Rev. / Prel.
	Actual	Revised Budget	Preliminary Budget	Change	% Change
Beginning Fund Balance	3,918,195	4,100,341	3,668,255	(432,086)	-10.54%
Revenues	2,805,607	3,080,086	3,096,163	16,077	0.52%
Expenditures	2,623,460	3,512,172	3,171,872	(340,300)	-9.69%
Revenues less Expenditures	182,146	(432,086)	(75,709)	356,377	
Ending Fund Balance	4,100,341	3,668,255	3,592,546	(75,709)	-2.06%

Expenditures by Program

The district tracks expenditures by program series defined in UFARS (Uniform Financial Accounting and Reporting Standards) which is mandated by the State of Minnesota. The table below shows the total general fund sorted by program series and compares the 2018-19 Revised Budget to the 2019-20 Preliminary Budget.

General Fund	2017-18	2018-19	2019-20	Rev. / Prel.	Rev. / Prel.
	Actual	Revised Budget	Preliminary Budget	Change	% Change
Administration	3,544,838	3,682,792	3,705,652	22,860	0.62%
District Support Services	4,580,746	4,110,418	3,826,320	(284,098)	-6.91%
Regular & Vocational Instruction	47,745,017	48,051,888	47,742,291	(309,597)	-0.64%
Special Education Instruction	18,706,782	19,578,679	19,869,729	291,050	1.49%
Instructional Support Services	7,170,917	7,781,632	6,989,607	(792,025)	-10.18%
Pupil Support Services	4,113,522	4,448,807	4,491,781	42,974	0.97%
Transportation (Pupil Support)	7,741,414	8,065,478	8,242,381	176,903	2.19%
Operations and Maintenance	13,398,146	16,077,435	17,782,935	1,705,500	10.61%
Fiscal and Other Fixed Costs	282,149	298,100	313,740	15,640	5.25%
Total	107,283,532	112,095,229	112,964,436	869,207	0.78%

Administration

This program accounts for the expenditures related to the Board of Education, Superintendent, learning and innovation administrators, school principals, support staff and related supply and materials for these departments.

The increase of \$22,860 from the 2018-19 Revised Budget is primarily due to steps and lanes.

District Support Services

This program accounts for expenditures related to the Executive Director of Finance and Operations, finance support staff, Executive Director of Administrative Services, human resources staff, Director of Learning, Technology and Design Systems and related supply and materials for these departments.

The decrease of \$284,098 from the 2018-19 Revised Budget is primarily due to budget adjustments.

Regular and Vocational Instruction

This program accounts for elementary, secondary and vocational teachers, instructional paraprofessionals, extra and co-curricular staff, and related supply and materials for these departments.

The decrease of \$309,597 from the 2018-19 Revised Budget is primarily due to budget adjustments net an increase for steps and lanes and a contract settlement.

Special Education Instruction

This program accounts for all student support services administrators, special education teachers, special education paraprofessionals, special education support staff, psychologists, and related supply and materials for these departments.

The increase of \$291,050 from the 2018-19 Revised Budget is primarily due to a contract settlement and steps and lanes.

Instructional Support Services

This program accounts for the expenditures related to assistant principals, assistant principals' support staff, instructional support services staff, and librarians. This program also accounts for curriculum expenditures and related staff development as well as related supply and materials for these departments.

The decrease of \$792,025 from the 2018-19 Revised Budget is primarily due to budget adjustments and the absence of grant budgets as they are not predictable net an increase for integration.

Pupil Support Services (Including Transportation)

This program accounts for expenditures related to counselors, lunchroom supervision, related support staff and related supply and materials for these departments.

The increase of \$219,877 from the 2018-19 Revised Budget is primarily due to an increase for transportation, steps and lanes and a contract settlement.

Operations and Maintenance

This program tracks expenditures related to Long Term Facility Maintenance (LTFM), custodial staff, grounds staff, related support staff, utilities, and related supply and materials for these departments.

The increase of \$1,705,500 from the 2018-19 Revised Budget is primarily due to an increase for Long Term Facility Maintenance (LTFM) net a decrease for building leases and budget adjustments.

Fiscal and Other Fixed Costs

This program accounts for expenditures related to the premiums for the district's property and liability and errors and omissions insurance as well as payments of principal and interest for the retirement of long-term and non-bonded obligations.

The increase of \$15,640 from the 2018-19 Revised Budget is due to an expected increase in property and liability insurance.

Food Service Fund

The food service fund accounts for revenues and expenditures for providing food services in schools. Since 2004-05, Stillwater Area Public Schools has provided food services to Mahtomedi Schools on a fee basis. The additional revenue from this partnership allows the district to employ a nutritionist to plan menus and work on healthy lunch options as well as support the District 834 food service program.

Food Service Fund	2017-18 Actual	2018-19 Revised Budget	2019-20 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	236,956	518,705	568,493	49,788	9.60%
Revenues	4,308,180	4,221,330	4,300,525	79,195	1.88%
Expenditures	4,026,431	4,171,542	4,118,531	(53,011)	-1.27%
Revenues less Expenditures	281,749	49,788	181,994	132,206	
Ending Fund Balance	518,705	568,493	750,487	181,994	32.01%

Revenues are increasing to better reflect projected sales and a possible price increase. Expenditures are decreasing primarily due to no planned large purchases for equipment and software.

Community Service Fund

The community service fund is used to track all revenues and expenditures related to providing a community education program.

Community Service Fund	2017-18 Actual	2018-19 Revised Budget	2019-20 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	1,020,808	1,340,492	1,357,649	17,157	1.28%
Revenues	6,484,882	7,093,805	7,089,316	(4,489)	-0.06%
Expenditures	6,165,196	7,076,648	7,109,802	33,154	0.47%
Revenues less Expenditures	319,685	17,157	(20,486)	(37,643)	
Ending Fund Balance	1,340,492	1,357,649	1,337,163	(20,486)	-1.51%

Revenues are projected to decrease slightly, primarily due to a reduction in School Age Care tuition net an increase in adult athletics and enrichment. Expenditures are projected to increase primarily due to increased staffing including the PAC (Pony Athletic Center) and in adult athletic and enrichment net a decrease in School Age Care and preschool staff.

Building Construction Fund

The building construction fund is used to track the revenues and expenditures for building bond construction projects.

Building Construction Fund	2017-18 Actual	2018-19 Revised Budget	2019-20 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	23,717,471	9,623,516	1,278,516	(8,345,000)	-86.71%
Revenues	243,934	50,000	0	(50,000)	-100.00%
Expenditures	14,337,889	8,395,000	1,278,516	(7,116,484)	-84.77%
Revenues less Expenditures	(14,093,955)	(8,345,000)	(1,278,516)	7,066,484	
Ending Fund Balance	9,623,516	1,278,516	0	(1,278,516)	-100.00%

Revenues and expenditures are decreasing due to near completion of bond projects.

Debt Service Fund

The debt service fund is used to account for the district's principal and interest payments as well as the revenue received for such payments. The principal and interest payments are for the district's long-term debt or approved bond issues.

Debt Service Fund	2017-18	2018-19	2019-20	Rev. / Prel. Change	Rev. / Prel. % Change
	Actual	Revised Budget	Preliminary Budget		
Beginning Fund Balance	1,577,334	1,508,511	1,815,703	307,192	20.36%
Revenues	4,834,929	5,203,550	10,042,887	4,839,337	93.00%
Expenditures	4,903,753	4,896,358	10,113,258	5,216,900	106.55%
Revenues less Expenditures	(68,824)	307,192	(70,371)	(377,563)	
Ending Fund Balance	1,508,511	1,815,703	1,745,332	(70,371)	-3.88%

Revenues and expenditures are increasing to reflect actual bond and interest payments.

OPEB Debt Service Fund

The OPEB debt service fund is used to record the levy proceeds and the repayment of the Other Post-Employment Benefits (OPEB) bonds. Listed below are the reserved revenues and expenditures projected in the OPEB debt service fund.

OPEB Debt Service Fund	2017-18	2018-19	2019-20	Rev. / Prel. Change	Rev. / Prel. % Change
	Actual	Revised Budget	Preliminary Budget		
Beginning Fund Balance	574,226	870,541	1,117,094	246,553	28.32%
Revenues	5,270,061	5,206,116	0	(5,206,116)	0.00%
Expenditures	4,973,746	4,959,563	0	(4,959,563)	0.00%
Revenues less Expenditures	296,315	246,553	0	(246,553)	
Ending Fund Balance	870,541	1,117,094	1,117,094	0	0.00%

The combination of the two debt service categories make up the total Debt Service Fund.

Trust Fund

Previously, the trust fund primarily accounted for the revenues and expenditures of the Partnership Plan. Since the 2005-06 school year the trust fund has primarily been used for scholarships.

Trust Fund	2017-18 Actual	2018-19 Revised Budget	2019-20 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	153,273	165,695	165,695	0	0.00%
Revenues	33,088	25,000	25,000	0	0.00%
Expenditures	20,666	25,000	25,000	0	0.00%
Revenues less Expenditures	12,422	0	0	0	
Ending Fund Balance	165,695	165,695	165,695	0	0.00%

OPEB Trust

In February 2009, \$19.2 million of general obligation taxable OPEB (Other Post Employment Benefits) bonds were sold to be used to help offset future retirement expenditures. The funds were placed in an irrevocable trust meaning these funds can only be used for this purpose. As of June 30, 2018 the net position balance in the OPEB trust account was \$8,336,123.

Internal Service Fund

On July 1, 2012 the district went to self-funded insurance for health insurance. The activity for both health and dental insurance are now in an internal service fund. As of June 30, 2018 the net position balance in the internal service fund for health and dental insurance was \$2,595,443.

2019-20 PRELIMINARY BUDGET SUMMARY

PROJECTED REVENUES, EXPENDITURES AND FUND BALANCE BY FUND 2019-20

Fund	Proj. Fund Balance 6/30/19	2019-20 Revenue Budget	2019-20 Expenditure Budget	Proj. Fund Balance 6/30/20
General Fund	15,685,758	111,535,775	112,964,436	14,257,097
Food Service Fund	568,493	4,300,525	4,118,531	750,487
Community Service Fund	<u>1,357,649</u>	<u>7,089,316</u>	<u>7,109,802</u>	<u>1,337,163</u>
Sub-Total Operating Funds	17,611,900	122,925,616	124,192,769	16,344,747
Building Construction Fund	1,278,516	0	1,278,516	0
Debt Service Fund	<u>2,932,798</u>	<u>10,042,887</u>	<u>10,113,258</u>	<u>2,862,427</u>
Sub-Total Non-Operating Funds	4,211,314	10,042,887	11,391,774	2,862,427
Trust Fund	<u>165,695</u>	<u>25,000</u>	<u>25,000</u>	<u>165,695</u>
Total All Funds	21,988,909	132,993,503	135,609,543	19,372,869

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SECTION III

Summary

SUMMARY OF REVENUES BY SOURCE CATEGORY AND FUND

Fund	Source Category	2017-18 Actual	Pct. of Total	2018-19 Rev. Bud.	2019-20 Prelim. Budget	Pct. of Total	Revised - Preliminary Percent Change	Amount Change
01	General Fund							
	Property Taxes	26,718,148	25.20%	26,995,461	29,144,542	26.13%	7.96%	2,149,081
	State Aids & Credits	73,123,309	68.96%	74,589,599	76,260,228	68.37%	2.24%	1,670,629
	Federal Aid	1,861,343	1.76%	2,354,954	2,330,691	2.09%	-1.03%	(24,263)
	Other	4,328,119	4.08%	3,802,329	3,800,314	3.41%	-0.05%	(2,015)
	Total General Fund	106,030,919	100.00%	107,742,343	111,535,775	100.00%	3.52%	3,793,432
02	Food Service							
	Property Taxes	0	0.00%	0	0	0.00%	0.00%	0
	State Aids & Credits	168,498	3.91%	168,450	171,050	3.98%	1.54%	2,600
	Federal Aid	1,177,539	27.33%	1,151,250	1,166,000	27.11%	1.28%	14,750
	Other	2,962,143	68.76%	2,901,630	2,963,475	68.91%	2.13%	61,845
	Total Food Service	4,308,180	100.00%	4,221,330	4,300,525	100.00%	1.88%	79,195
04	Community Service							
	Property Taxes	1,064,944	16.42%	1,112,219	1,129,376	15.93%	1.54%	17,157
	State Aids & Credits	812,793	12.53%	799,446	798,779	11.27%	-0.08%	(667)
	Federal Aid	2,583	0.04%	2,600	2,600	0.04%	0.00%	0
	Other	4,604,561	71.00%	5,179,540	5,158,561	72.77%	-0.41%	(20,979)
	Total Comm. Service	6,484,882	100.00%	7,093,805	7,089,316	100.00%	-0.06%	(4,489)
06	Building Construction							
	Other	243,934	100.00%	50,000	0	0.00%	-100.00%	(50,000)
	Total Bldg Construction	243,934	100.00%	50,000	0	0.00%	-100.00%	(50,000)
07&47	Debt Service							
	Property Taxes	10,016,081	99.12%	10,304,666	9,940,887	98.98%	-3.53%	(363,779)
	State Aids & Credits	14,902	0.15%	35,000	42,000	0.42%	20.00%	7,000
	Other	74,008	0.73%	70,000	60,000	0.60%	-14.29%	(10,000)
	Total Debt Service	10,104,991	100.00%	10,409,666	10,042,887	100.00%	-3.52%	(366,779)
08	Trust							
	Other	33,088	100.00%	25,000	25,000	100.00%	0.00%	0
	All Funds							
	Property Taxes	37,799,173	29.71%	38,412,346	40,214,805	30.24%	4.69%	1,802,459
	State Aids & Credits	74,119,503	58.27%	75,592,495	77,272,057	58.10%	2.22%	1,679,562
	Federal Aid	3,041,466	2.39%	3,508,804	3,499,291	2.63%	-0.27%	(9,513)
	Other	12,245,852	9.63%	12,028,499	12,007,350	9.03%	-0.18%	(21,149)
	Total All Funds	127,205,994	100.00%	129,542,144	132,993,503	100.00%	2.66%	3,451,359

SUMMARY OF EXPENDITURES BY OBJECT CATEGORY AND FUND

Fund	Object Category	2017-18 Actual	Pct. of Total	2018-19 Rev. Bud.	2019-20 Prelim. Budget	Pct. of Total	Revised - Preliminary Percent Change	Amount Change
01	General Fund							
	Salaries	54,439,355	50.74%	56,646,232	57,058,930	50.51%	0.73%	412,698
	Benefits	24,264,558	22.62%	24,824,100	25,173,954	22.28%	1.41%	349,854
	Purchased Services	19,358,402	18.04%	19,938,035	19,218,496	17.01%	-3.61%	(719,539)
	Supplies & Materials	5,478,842	5.11%	3,521,884	3,004,383	2.66%	-14.69%	(517,501)
	Capital Expenditures	2,458,817	2.29%	6,164,528	7,492,490	6.63%	21.54%	1,327,962
	Debt Service	825,413	0.77%	813,800	825,188	0.73%	1.40%	11,388
	Other Expenditures	458,146	0.43%	186,650	190,995	0.17%	2.33%	4,345
	Total General Fund	107,283,532	100.00%	112,095,229	112,964,436	100.00%	0.78%	869,207
02	Food Service							
	Salaries	1,362,647	33.84%	1,345,889	1,382,157	33.56%	2.69%	36,268
	Benefits	642,005	15.94%	639,967	664,114	16.13%	3.77%	24,147
	Purchased Services	242,870	6.03%	260,100	271,675	6.60%	4.45%	11,575
	Supplies & Materials	1,705,379	42.35%	1,706,165	1,706,885	41.44%	0.04%	720
	Capital Expenditures	67,990	1.69%	213,520	91,000	2.21%	-57.38%	(122,520)
	Other Expenditures	5,540	0.14%	5,901	2,700	0.07%	-54.25%	(3,201)
	Total Food Service	4,026,431	100.00%	4,171,542	4,118,531	100.00%	-1.27%	(53,011)
04	Community Service							
	Salaries	3,676,021	59.63%	4,275,384	4,298,015	60.45%	0.53%	22,631
	Benefits	1,111,426	18.03%	1,154,879	1,216,402	17.11%	5.33%	61,523
	Purchased Services	989,504	16.05%	1,190,437	1,207,491	16.98%	1.43%	17,054
	Supplies & Materials	317,683	5.15%	387,861	317,886	4.47%	-18.04%	(69,975)
	Capital Expenditures	37,389	0.61%	42,000	44,500	0.63%	5.95%	2,500
	Other Expenditures	33,174	0.54%	26,087	25,508	0.36%	-2.22%	(579)
	Total Comm. Service	6,165,196	100.00%	7,076,648	7,109,802	100.00%	0.47%	33,154
06	Building Construction							
	Purchased Services	1,374,964	9.59%	205,000	0	0.00%	-100.00%	(205,000)
	Capital Expenditures	12,962,925	90.41%	8,190,000	1,278,516	100.00%	-84.39%	(6,911,484)
	Total Bldg. Const.	14,337,889	100.00%	8,395,000	1,278,516	100.00%	-84.77%	(7,116,484)
07&47	Debt Service							
	Other	9,877,498	100.00%	9,855,921	10,113,258	100.00%	2.61%	257,337
08	Trust							
	Other	20,666	100.00%	25,000	25,000	100.00%	0.00%	0
	All Funds							
	Salaries	59,478,023	41.97%	62,267,505	62,739,102	46.26%	0.76%	471,597
	Benefits	26,017,989	18.36%	26,618,946	27,054,470	19.95%	1.64%	435,524
	Purchased Services	21,965,739	15.50%	21,593,572	20,697,662	15.26%	-4.15%	(895,910)
	Supplies & Materials	7,501,904	5.29%	5,615,910	5,029,154	3.71%	-10.45%	(586,756)
	Capital Expenditures	15,527,121	10.96%	14,610,048	8,906,506	6.57%	-39.04%	(5,703,542)
	Other Expenditures	11,220,437	7.92%	10,913,359	11,182,649	8.25%	2.47%	269,290
	Total All Funds	141,711,213	100.00%	141,619,340	135,609,543	100.00%	-4.24%	(6,009,797)

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BUDGET DETAIL SUMMARY

REVENUE BY SOURCE

SRC DESCRIPTION	2017-18 ACTUAL	2018-19 REVISED	2019-20 PRELIM.	NOTES
GENERAL FUND				
001 Property Tax Levy-General	26,613,850	26,891,162	29,128,900	Increased to reflect levy amount.
005 Reemployment Compensation Levy	104,299	104,299	15,642	Decreased to reflect levy amount.
021 Tuition from MN School Dist.	1,140	0	0	
022 SPED Purch Serv from Oth MN	83,707	43,000	43,000	
041 Tuition-Out of State	10,600	0	0	
050 Fees from Patrons	1,173,084	1,091,500	1,119,500	
051 Parking Fees	193,362	162,500	165,000	
052 Criminal Background Checks	505	400	400	
053 Transcript Fees	9,613	10,000	10,000	
060 Admission/Student Act Revenue	240,406	155,000	155,000	
071 Medical Assistance Revenue	262,293	300,000	300,000	
088 E-Rate Revenue	367,593	200,000	200,000	
092 Interest Earnings	344,842	242,500	242,500	
093 Rent for School Facilities	194,531	165,672	433,614	Increased primarily to include the addition of transportation terminal rental, increased facility rental and cell tower revenue.
096 Gifts & Bequests	730,462	850,072	550,000	Decreased due to the absence of grant budgets as they are not predictable.
099 Miscellaneous Local Revenue	403,094	339,685	339,300	
201 Endowment Fund Apportionment	389,921	332,091	332,000	
211 General Education Aid	59,992,546	61,434,370	62,594,033	Increase primarily due to anticipated funding formula change of 2%.
212 Literacy Incentive Aid	424,728	445,095	445,000	
213 Shared Time Aid	23,237	20,606	20,600	
227 Abatement Aid	3,485	318	300	
234 Homestd/Agr Mrkt Value Credit	12,711	11,935	11,900	
300 State Aids Rec'd from DOE	2,207,007	2,275,184	2,386,395	
360 Special Education Aid	9,686,099	10,000,000	10,400,000	
370 Other Aid from DOE	79,795	70,000	70,000	
397 TRA/PERA Special Funding Revenue	303,780	0	0	
400 Federal Aids rec'd thru DOE	1,834,972	2,324,729	2,324,729	
405 Federal Aid rec'd thru Other	21,377	24,263	0	
500 Federal Aids rec'd from Fed	4,995	5,962	5,962	
619 Cost of Materials for Profit	-93,982	-100,000	-100,000	
620 Sales of Materials for Profit	262,098	270,000	270,000	
621 Sale of Materials Purch-Resale	62,439	60,000	60,000	
623 Sale of Real Property	29,529	0	0	

REVENUE BY SOURCE

SRC DESCRIPTION	2017-18 ACTUAL	2018-19 REVISED	2019-20 PRELIM.	NOTES
624 Sale of Equipment	31,117	12,000	12,000	
625 Insurance Recovery	21,686	0	0	
Total	106,030,919	107,742,343	111,535,775	
FOOD SERVICE FUND				
021 Sales to Mahtomedi	654,540	648,000	660,000	
050 Fees from Patrons	4,103	4,100	4,300	
092 Interest Earnings	4,446	4,400	4,600	
096 Gifts & Bequests	484	0	500	
099 Miscellaneous Local Revenue	3,000	3,000	0	
300 State Aids Rec'd from DOE	167,253	167,250	169,750	
397 TRA/PERA Special Funding Revenue	1,245	1,200	1,300	
471 School Lunch Program	253,264	253,000	258,000	
472 Free and Reduced Lunch Program	482,197	482,000	485,000	
473 Commodity Cash Rebate Program	7,950	0	0	
474 Commodity Distribution Program	255,067	240,750	240,000	
476 School Breakfast Program	137,394	137,500	138,000	
479 Summer Food Service Program	41,667	38,000	45,000	
601 Food Service Sales to Pupils	2,139,477	2,126,614	2,178,100	Anticipated increase in sales and possible price increase.
602 Food Service Sale of Milk	25,941	25,450	19,500	
606 Food Service Sales to Adults	25,683	25,386	20,975	
608 Special Function Food Sales	98,296	64,000	75,000	
624 Sale of Equipment	6,174	680	500	
Total	4,308,180	4,221,330	4,300,525	
COMMUNITY SERVICE FUND				
001 Property Tax Levy-General	938,569	942,219	938,576	
021 Tuition from MN School Dists	126,375	170,000	190,800	Increase in special needs for preschool.
040 Tuition	807,137	984,821	985,500	
050 Fees from Patrons	147,413	223,158	238,918	
092 Interest Earnings	22,834	3,000	3,000	
096 Gifts & Bequests	34,170	65,500	45,500	Reduced request for Whitson Foundation funding.
099 Miscellaneous Local Revenue	196,091	131,500	131,500	
227 Abatement Aid	322	0	0	
234 Homestd/Agr Mrkt Value Credit	1,396	0	0	

REVENUE BY SOURCE

SRC DESCRIPTION	2017-18 ACTUAL	2018-19 REVISED	2019-20 PRELIM.	NOTES
300 State Aids Rec'd from DOE	540,606	522,510	540,288	
301 Nonpublic Aid	79,522	99,472	81,027	
370 Other Aid from DOE	182,487	177,464	177,464	
397 TRA/PERA Special Funding Revenue	8,459	0	0	
405 Federal Aid Rec'd thru Other	2,583	2,600	2,600	
510 Adults with Disabilities	639	496	0	
548 Gymnastics	-10,957	65,267	67,291	
549 Aquatics	56,058	58,937	59,208	
551 Adult Athletics	88,177	93,500	168,693	Increase in programming.
552 Adult Enrichment	89,245	71,797	90,553	Increase in programming.
553 Youth Athletics	75,257	76,000	80,000	
554 Camps and Clinics	148,021	114,000	125,000	
562 Instructional Music	25,812	32,500	30,000	
564 Special Events	48,412	100,660	100,660	
570 School Age Care Tuition	2,094,604	2,348,152	2,202,930	Inability to serve families due to insufficient staff.
571 School Age Care Preschool	156,902	186,868	194,550	
585 Youth Development/Youth Serv	373,316	365,000	372,000	
591 Facilities Use	249,663	252,294	258,234	
592 Turf Fields Use	1,767	6,090	5,024	
Total	6,484,882	7,093,805	7,089,316	
BUILDING CONSTRUCTION FUND				
092 Interest Earnings	243,934	50,000	0	
Total	243,934	50,000	0	
DEBT SERVICE FUND				
001 Property Tax Levy-General	10,016,081	10,304,666	9,940,887	
092 Interest Earnings	74,008	70,000	60,000	
234 Homestd/Agr Mrkt Value Credit	14,902	15,000	7,000	
258 Other State Credits	0	20,000	35,000	
Total	10,104,991	10,409,666	10,042,887	
TRUST FUND				
All Gift Directed Revenues	33,088	25,000	25,000	
Total	33,088	25,000	25,000	

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EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2017-18 ACTUAL	2018-19 REVISED	2019-20 PRELIM.	NOTES
GENERAL FUND				
100 Administrators	1,649,090	1,697,884	1,719,638	Potential budget reductions to this code reflected in object code 196.
101 School Board	33,673	33,750	33,750	
110 Principals	2,110,541	2,192,922	2,213,314	Potential budget reductions to this code reflected in object code 196.
120 Supervisors	448,079	614,980	624,437	Potential budget reductions to this code reflected in object code 196.
121 Confidential/Specialists	1,105,502	982,506	996,535	Potential budget reductions to this code reflected in object code 196.
122 Subs-Health Specialists	28,558	25,000	25,000	
140 Teachers	32,443,598	33,793,083	34,351,203	
141 Paraprofessionals	682,773	853,213	924,803	Increased to reflect contract settlement costs.
142 Subs-Paraprofessionals	119,301	21,250	21,150	
143 Coordinators	1,348,928	1,375,026	1,407,656	Potential budget reductions to this code reflected in object code 196.
144 Librarians	188,596	200,565	203,412	
145 Subs-Teacher	472,122	100,000	100,000	
150 Subs-Teacher School Business	198,672	46,263	37,878	
151 Occupational Therapists	247,187	266,439	270,222	
152 Speech Language Pathologists	1,317,894	1,454,070	1,474,718	
154 School Nurse	352,522	406,193	411,935	
155 Health Care Specialists	258,705	318,708	323,558	
156 School Social Worker	383,831	473,028	479,745	
157 Psychologists	778,551	854,578	863,991	
161 Paraprofessionals - Certified	2,436,411	2,456,717	2,609,040	Increased to reflect contract settlement costs.
162 Paraprofessionals - One-to-One	74,187	166,635	177,051	Increased to reflect contract settlement costs.
165 School Counselors	1,011,748	1,084,683	1,099,417	
170 Tech Support	2,185,666	2,222,452	2,239,409	Potential budget reductions to this code reflected in object code 196.
171 Subs-Tech Support	17,831	9,200	9,477	
172 Custodians	2,249,286	2,497,382	2,503,624	Potential budget reductions to this code reflected in object code 196.
173 Overtime	120,126	103,034	102,998	
174 DAPE Specialists	170,607	176,075	178,575	
176 Subs-Custodian	94,616	95,000	95,000	
177 Crossing Guards	12,888	9,888	10,506	
178 Lunchroom Supervisors-Licensed	10,466	10,000	10,000	
179 Lunchroom Supervisors-Non-Licensed	4,991	1,655	1,758	
180 Coaches	665,070	693,081	693,081	
185 Advisors	184,748	192,965	192,965	
186 Other Salary Payments-Non-Licensed	295,921	260,111	333,783	Increased to better reflect planned expenditures.
189 Other Salary Payments-Licensed	736,672	957,896	876,301	Decreased primarily in staff development due to budget adjustments.

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2017-18 ACTUAL	2018-19 REVISED	2019-20 PRELIM.	NOTES
196 School Board Reductions	0	0	-557,000	Decreased due to budget adjustments.
210 FICA	4,024,784	4,253,593	4,320,333	
214 PERA	829,180	822,808	843,325	
218 TRA	3,177,517	3,399,820	3,535,531	
220 Health Insurance	11,483,986	11,259,619	11,347,249	
225 Dental Insurance	746,935	781,181	783,107	
230 Life Insurance	167,865	183,656	187,277	
235 LTD Insurance	265,343	282,871	287,719	
236 Short Term Disability	114,294	7,054	7,054	
240 Legal Insurance	-172	0	0	
250 TSA	981,563	1,020,388	1,037,533	
251 Severance TSA	169,637	200,000	180,000	
252 Severance Health	65,799	100,000	100,000	
253 Health Care Savings Plan	592,571	589,763	619,426	
254 VEBA Contribution	922,023	1,103,780	1,104,987	
270 Workers Compensation	361,284	314,795	319,253	
280 Reemployment Comp Insurance	29,978	50,000	46,388	
291 OPEB (pay as you go)	302,349	403,612	403,612	
297 Tuition/Classes	9,057	14,400	14,400	
298 Contract Dues	14,584	22,560	22,560	
299 Other Employee Benefits	5,981	14,200	14,200	
300 Contracted Services Not Subs	0	192,500	58,500	
301 Contracted Service Subs	200,697	600,000	600,000	
302 Background Check	12,159	22,789	22,789	
303 Federal Contracts < \$25,000	54,548	117,300	115,300	
304 Federal Contracts > \$25,000	8,815	81,703	81,703	
305 Consulting/Service Fees	1,687,648	2,005,512	1,737,365	Decreased primarily in staff development due to budget adjustments.
306 Audit Services	70,275	85,000	75,000	
307 Legal Services	153,983	132,244	132,244	
308 Printing Services	96,829	119,050	119,050	
309 Credit Card Fees	58,245	61,000	0	Eliminate credit card fees due to budget adjustments.
310 Snow Removal/Lawn Services	276,981	200,200	200,400	
312 Officials/Judges	62,517	64,650	63,100	
313 Laundry Services	19,088	20,525	20,525	
314 On-Line Courses	23,492	30,000	30,000	
315 Computer/Tech Repair and Maint	49,725	55,150	150	Decreased primarily in technology due to budget adjustments.
317 Contracted Subs for SPED Program	165,143	425,000	425,000	

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2017-18 ACTUAL	2018-19 REVISED	2019-20 PRELIM.	NOTES
318 Data Processing & Entry Services	765	1,000	1,000	
319 Computer/Tech Services	394,163	25,000	25,000	
320 Communication Services	285,810	340,447	286,487	Decreased primarily in technology due to budget adjustments.
327 Contracted Subs SPED Prog Sch Bus	9,680	5,000	5,582	
329 Postage	54,636	60,109	58,103	
330 Electricity	1,274,983	1,190,400	1,175,400	
331 Natural Gas	354,721	386,400	382,900	
332 Water and Sewer	146,531	151,300	147,300	
333 Garbage Collection	70,268	72,900	71,400	
340 Insurance	282,149	298,100	313,740	
350 Repair/Maintenance Services	1,622,084	1,257,825	1,378,718	
357 Interpreter for Deaf Services	1,891	200	0	
358 Foreign Language Interpreter	9,145	7,000	7,000	
360 Transportation Contracts	7,824,731	8,071,790	8,242,104	
362 Mental Health Practitioner Services	15,000	0	0	
365 Transportation Chargebacks	-560	-7,850	-8,140	
366 Travel and Conferences	326,496	412,296	243,215	Decreased primarily in staff development due to budget adjustments.
368 Out Of State Travel - Federal	1,799	4,006	1,200	
369 Entry Fees/Student Travel Exp	689,235	665,308	658,530	
370 Rentals and Leases	1,010,754	910,150	743,072	Decrease due to the elimination of the TIES building lease.
371 Equipment Leases	1,790	2,000	2,000	
372 Graduation Expense	50,542	40,000	40,000	
376 Licensed Nursing Services	6,874	6,500	0	
380 Computer/Tech Hardware Rental	4,336	2,000	2,000	
390 Tuition To Oth MN Sch District	172,253	200,000	200,000	
391 Pmt To MN Sch-Cost Share Agmt	741,989	751,524	735,576	
393 Sped Cont Serv - Non Sch Dist	125,820	125,000	125,000	
394 Payments to Oth Agencies	681,547	568,500	566,500	
396 Sped Sal Purchase fr Oth Dist	418,731	319,200	331,800	
397 Sped Bens Purchase fr Oth Dist	210,823	209,307	201,883	
398 Administrative Chargebacks	-370,728	-350,000	-400,000	Increased as part of the budget adjustments for operations and maintenance.
401 Non-Instructional Supplies	702,651	712,362	709,224	
404 ID Badges	3,060	2,800	2,800	
405 Non-Instructional Annual Software License	386,367	505,575	398,575	Decreased primarily in technology due to budget adjustments.
406 Instructional Software License	298,208	228,686	235,836	
409 Uniforms	7,576	8,000	8,000	
410 Custodial/Repair Supplies	665,986	545,500	519,500	

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2017-18 ACTUAL	2018-19 REVISED	2019-20 PRELIM.	NOTES
430 Instructional Supplies	798,929	681,283	412,962	Decreased as part of the budget adjustments for district literacy.
433 Individualized Instructional Supplies	81,826	84,139	81,445	
440 Fuel For Buildings	7,544	41,000	45,000	
442 Gasoline	24,685	33,300	32,000	
455 Non-Instructional Technology Supplies	315,484	11,650	12,300	
456 Instructional Technology Supplies	362,304	17,545	10,300	
460 Textbooks and Workbooks	653,106	209,882	207,820	
461 Standardized Tests	297,236	314,187	234,187	Decreased as part of the budget adjustments for testing.
465 Non-Instructional Technology Devices	58,059	3,000	500	
466 Instructional Technology Devices	763,292	79,469	52,678	Decreased primarily in supply and material and technology budgets.
470 Library Books	14,214	23,526	22,526	
490 Food	38,317	19,980	18,730	
505 Non-Instructional Technology Software	166,238	5,500	5,500	
520 Bldg Acquisition/Construction	1,440,711	4,376,000	6,183,014	Increased for planned long term facility maintenance projects.
522 Vandalism	25,851	25,000	25,000	
530 Other Equipment Purchased	777,255	999,794	534,742	Decreased due to the absence of grant budgets as they are not predictable, the elimination of operating capital building equipment, and a decrease in long term facility maintenance.
533 Sped Equipment	200	8,000	6,000	
550 Other Vehicles Purchased	0	12,000	0	
555 Technology Equipment	48,382	323,100	323,100	
556 SPED Tech Equipment	180	415,134	415,134	
730 Loan Principal	520,000	530,000	550,000	
740 Loan Interest	305,413	283,800	275,188	
820 Dues and Memberships	87,104	115,650	119,995	
891 TRA/PERA Special Funding Expenditures	303,780	0	0	
895 Federal Indirect Costs	-3,787	-4,000	-4,000	
896 Taxes, Special Assessments and Interest	71,048	75,000	75,000	

Total	107,283,532	112,095,229	112,964,436
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FOOD SERVICE FUND

120 Supervisors	159,740	169,307	174,100
160 Cooks	1,112,373	1,108,685	1,145,182
162 Subs-Cook	32,023	20,505	19,000
170 Tech Support	40,690	40,000	41,450
172 Custodians	2,257	2,361	2,425

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2017-18 ACTUAL	2018-19 REVISED	2019-20 PRELIM.	NOTES
173 Overtime	1,401	31	0	
189 Other Salary Payments	14,163	5,000	0	
210 FICA	97,761	98,434	102,851	
214 PERA	100,577	95,872	88,991	
220 Health Insurance	329,737	346,055	357,639	
225 Dental Insurance	21,884	23,006	23,856	
230 Life Insurance	1,215	1,271	1,327	
235 LTD Insurance	3,338	3,453	3,548	
250 TSA	19,038	17,747	18,952	
251 Severance TSA	4,579	0	0	
253 Health Care Savings Plan	3,025	3,025	2,025	
254 VEBA Contribution	19,688	11,250	21,125	FY 18-19 not budgeted, has been corrected for FY 19-20.
270 Workers Compensation	41,164	39,854	43,800	
305 Consulting/Service Fees	1,080	200	200	
309 Credit Card Fees	83,793	86,000	90,000	
320 Communication Services	960	1,000	1,100	
329 Postage	671	650	725	
333 Garbage Collection	18,447	18,600	19,000	
350 Repair/Maintenance Services	18,757	30,000	35,000	
366 Travel and Conferences	5,243	5,650	5,650	
398 Administrative Chargebacks	113,918	118,000	120,000	
401 Non-Instructional Supplies	62,115	64,725	65,650	
402 Promotions	3,696	3,750	3,750	
403 Small Equipment	25,788	28,500	23,700	
405 Non-Instructional Annual License/Software	42,477	17,165	17,165	
442 Gasoline	892	1,325	1,450	
490 Food	1,188,883	1,214,500	1,222,270	
491 Commodities	255,067	245,000	240,000	
495 Milk	126,462	131,200	132,900	
505 Non-Instructional Technology Software	32,170	30,520	11,000	No planned large purchases in FY 19-20.
530 Other Equipment Purchased	35,820	183,000	80,000	No planned large purchases in FY 19-20.
820 Dues and Memberships	4,295	4,601	1,300	
891 TRA/PERA Special Funding Expenditures	1,245	1,300	1,400	
Total	4,026,431	4,171,542	4,118,531	

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2017-18 ACTUAL	2018-19 REVISED	2019-20 PRELIM.	NOTES
COMMUNITY SERVICE FUND				
100 Administrators	140,289	145,683	138,399	
120 Supervisors	387,907	421,934	440,144	
121 Confidential/Specialists	38,953	54,107	55,081	
123 SAC Site Leaders	310,772	325,220	331,107	
125 Schl Readiness/ABE Supervisor	133,509	162,581	171,434	
140 Teachers	811,617	1,026,262	984,781	Reduction in preschool supports.
141 Community Ed Assistants	1,083,915	1,220,378	1,141,560	School Age Care adjusting anticipated expenses based on inability to fill open positions.
142 Subs-Paraprofessionals	1,317	0	0	
143 Coordinators	9,105	0	0	
145 Subs-Teacher	20,466	0	0	
150 Subs-Teacher School Business	903	2,000	1,250	
154 School Nurse	15,112	11,924	12,798	
156 School Social Worker	656	0	0	
165 School Counselors	16,103	15,000	11,000	
170 Tech Support	333,393	335,014	374,801	Added district receptionist.
171 Subs-Tech Support	9,822	4,000	1,000	
172 Custodians	25,004	32,647	34,380	
173 Overtime	43,378	47,000	61,000	Changes in payroll practices due to True Time.
186 Casual/Other Pmts Non-Licensed	156,643	308,068	347,016	Increased PAC staffing.
189 Casual and Other Payments-Licensed	137,155	163,566	192,264	Increased programming.
210 FICA	273,439	260,843	266,868	
214 PERA	151,531	201,845	217,149	
218 TRA	87,608	103,855	106,667	
220 Health Insurance	388,910	380,867	414,636	
225 Dental Insurance	28,523	30,938	35,152	
230 Life Insurance	7,752	8,660	8,173	
235 LTD Insurance	7,882	13,517	10,939	
236 Short Term Disability	1,131	1,200	1,200	
250 TSA	31,297	30,666	33,321	
251 Severance TSA	15,596	0	0	
252 Severance Health	5,757	0	0	
253 Health Care Savings Plan	36,455	47,138	48,366	
254 VEBA Contribution	50,743	50,775	50,710	

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2017-18 ACTUAL	2018-19 REVISED	2019-20 PRELIM.	NOTES
270 Workers Compensation	19,984	21,190	20,721	
297 Tuition/Classes	4,417	2,985	2,100	
299 Other Employee Benefits	400	400	400	
301 Contracted Service Subs	13,417	26,800	28,000	
304 Advertising Services	78	100	100	
305 Consulting/Service Fees	362,526	407,325	437,701	Increased programming in Adult Athletics and Enrichment.
308 Printing Services	33,793	41,750	41,750	
309 Credit Card Fees	139,059	178,867	177,925	
310 Snow Removal/Lawn Services	2,894	1,500	1,500	
320 Communication Services	4,246	5,340	5,140	
329 Postage	11,836	15,350	15,350	
330 Electricity	16,321	21,200	23,200	
331 Natural Gas	4,652	5,000	5,000	
332 Water and Sewer	6,979	8,500	8,200	
333 Garbage Collection	803	900	1,000	
350 Repair/Maintenance Services	3,508	6,100	6,100	
360 Transportation Contracts	46,730	53,411	53,000	
365 Transportation Chargebacks	560	540	640	
366 Travel and Conferences	23,347	45,228	30,300	No out of state travel scheduled.
369 Entry Fees/Student Travel Exp	37,551	43,975	44,190	
370 Rentals and Leases	24,393	31,375	31,675	
398 Administrative Chargebacks	256,810	297,176	296,720	
401 Non-Instructional Supplies	139,034	138,334	150,078	
405 Non-Instructional Annual License Software	0	3,500	3,800	
410 Custodial/Repair Supplies	2,151	4,000	4,000	
430 Instructional Supplies	27,024	40,525	7,050	Curriculum needs met in FY 18-19.
460 Textbooks and Workbooks	25,294	45,510	36,646	
461 Standardized Tests	5,358	2,330	200	
465 Non-Instructional Devices	20,616	42,900	5,500	School Age Care walkie talkies purchased in FY 18-19.
490 Food	98,206	110,762	110,612	
530 Other Equipment Purchased	37,389	42,000	44,500	
820 Dues and Memberships	20,928	21,350	21,650	
891 TRA/PERA Special Funding Expenditures	8,459	0	0	
895 Federal Indirect Costs	3,787	4,737	3,858	
Total	6,165,196	7,076,648	7,109,802	

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2017-18 ACTUAL	2018-19 REVISED	2019-20 PRELIM.	NOTES
BUILDING CONSTRUCTION FUND				
305 Consulting/Service Fees	1,295,689	205,000	0	
350 Repair/Maintenance Services	79,275	0	0	
510 Site or Grounds Acquisition	25,071	5,000,000	0	No planned property purchases.
520 Bldg Acquisition/Construction	11,587,144	3,190,000	1,278,516	Decreased to reflect planned bond projects.
530 Other Equipment Purchased	1,350,710	0	0	
Total	14,337,889	8,395,000	1,278,516	
DEBT SERVICE FUND				
710 Bond-Principal	5,735,000	5,795,000	6,165,000	
720 Bond-Interest	4,132,923	4,049,921	3,946,258	
790 Oth Debt Service Expenditures	9,576	11,000	2,000	
Total	9,877,498	9,855,921	10,113,258	
TRUST				
All Gift Directed Expenditures	20,666	25,000	25,000	
Total	20,666	25,000	25,000	

SECTION IV

Glossary

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GLOSSARY

Revenue Codes

Local Revenue (Source 001-199, 510-591)

001	<u>Property Tax Levy - General</u> This levy represents the local property tax effort in each fund. The property tax levy is reduced by the amount of state tax credits, fiscal disparities and county apportionment revenue.
005	<u>Reemployment Compensation Levy</u> The reemployment compensation levy is based on the estimated expenditure during the year in which the levy will be received. The levy is reduced (increased) by any appropriated balance (deficit) projected.
021	<u>Tuition from Other Minnesota School Districts</u> Tuition receipts received from other Minnesota school districts for services provided by ISD 834 during regular and summer sessions.
022	<u>SPED Purchased Services from Other Minnesota School Districts</u> Record reimbursement and revenue from a Minnesota school district for all special education costs that have been sold to another district.
040	<u>Tuition</u> Revenue from students, parents or guardians for tuition.
050	<u>Fees from Patrons</u> Fees consist of various charges made to students, parents or guardians for the rental or use of school equipment, and all other charges permitted by law.
051	<u>Parking Fees</u> Fees charged to students for the use of the student parking lots.
052	<u>Criminal Background Checks</u> Revenue for the collection of criminal background check fees.
053	<u>Transcript Fees</u> Fees charged for copies of transcripts.
060	<u>Admissions and Student Activity Revenue</u> This revenue source is from district admission charges for athletic and fine arts events.
071	<u>Medical Assistance Revenue</u> Revenue received from billing medical assistance for the provisions of IEP.
088	<u>E-Rate</u> Federal reimbursement for telecommunications services.
092	<u>Interest Earnings</u> This is income from temporary investments in government bonds, treasury certificates, or other investments authorized by statute.
093	<u>Rent for School Facilities</u> This revenue is from rental of district facilities. Examples include gyms and pools.
096	<u>Gifts & Bequests</u> This revenue reflects contributions from local philanthropic foundations, local private individuals, or local private organizations for which no repayment or special service to the contributor is expected.

099	<u>Miscellaneous Local Revenue</u> This revenue source includes other miscellaneous revenue from local sources not classified elsewhere.
510-592	<u>Miscellaneous Community Service Program Revenue</u> This is revenue received from patrons for community service programs and services.

State Revenue (Source 200-399)

201	<u>Endowment Fund Apportionment</u> Revenue received from the permanent school fund. The amount of the revenue is determined by dividing the earnings by the number of pupil units in average daily attendance in the State of Minnesota. General education aid is reduced by the amount of revenue from this source.
211	<u>General Education Aid</u> This aid represents the state share of the basic general education revenue. It is based on the difference between the local tax effort and the total revenue allowed in the general education formula. This includes the sum of basic, basic skills (compensatory, assurance of mastery and limited English proficiency), training and experience, transportation sparsity, operating capital, equity and supplemental aids.
212	<u>Literacy Incentive Aid</u> This state aid is based on schools enrolling third and fourth grade students and with MCA test results from the prior year.
213	<u>Shared Time Aid</u> Shared time aid represents state revenue received for a student that attends both public and nonpublic school. State revenue is based on the percentage of the student time attending the public school.
227	<u>Abatement Aid</u> This state aid is received from the state for a calculated percentage of the net revenue loss in prior years due to county abatements of property tax levies.
234	<u>Agricultural Market Value Credit</u> This is revenue received for agricultural market value credit.
258	<u>Other State Credits</u> Various other reimbursements which are received from the state, to replace property taxes on specific types of property which receive tax credits through state formulas.
300	<u>State Aids Received from MN Department of Education</u> This revenue code is used to record state aids and grants for projects specifically defined by the MN Department of Education.
301	<u>Nonpublic School Aid</u> Revenues received from the state for services and materials provided to nonpublic school students. Textbooks, instructional materials, guidance services and nursing services are examples of items that may be provided.
360	<u>State Aid for Special Education</u> Partial reimbursement for expenditures in special education is received from this state aid. This aid represents a percentage of both salary and equipment costs of the district.
370	<u>Miscellaneous Revenue from MN Department of Education</u> This represents miscellaneous revenue received from the MN Department of Education.
397	<u>TRA AND PERA Special Funding Situations Revenue</u> Record the support received from the State of Minnesota per GASB Statement No. 68.

Federal Revenues (Source 400-499, 599)

400	<u>Federal Aids Received through the MN Department of Education</u> This revenue code is used to record revenue from federal aids and grants received through the MN Department of Education for specifically defined projects.
405	<u>Federal Aids Received through Other Agencies</u> This is federal aid received from agencies other than the MN Department of Education.
471	<u>School Lunch Program</u> This is federal aid received as part of the federal school lunch program.
472	<u>Free and Reduced Lunch Program</u> This federal aid provides for free or reduced-price lunches for qualifying students.
473	<u>Commodity Cash Rebate Program</u> This is used to record the cash rebate payment received from the Food and Nutrition Service of the MN Department of Education for the value of the USDA Commodities contained in approved commercial products purchased by the district.
474	<u>Commodity Distribution Program</u> This represents federal surplus food commodities provided to the school district. The quantities are based on average daily participation in the food service program from the prior year.
476	<u>School Breakfast Program</u> This federal aid provides for free, reduced-price and paid breakfasts for students.
479	<u>Summer Food Service Program</u> Record federal revenue earned from the summer food service program.
500	<u>Miscellaneous Federal Direct Aid</u> This represents miscellaneous federal revenue received directly from the federal government.

Other Revenue (Source 600-699)

601	<u>Food Service Sales to Pupils</u> This revenue represents sales of lunches to students less any federal aid for free and reduced-price lunches.
602	<u>Food Service Sale of Milk</u> This revenue represents sales of milk.
606	<u>Food Service Sales to Adults</u> This revenue source represents sales of adult lunches.
608	<u>Special Function Food Sales</u> Record revenue generated from food services provided for school-related meetings and lunch functions not related to the National School Lunch Program.
619	<u>Cost of Materials for Revenue Producing Activities (Contra Revenue)</u> Record the cost of the materials that were purchased for the purpose of producing an object for sale or for reselling of the material at a profit.
620	<u>Sales of Materials from Revenue Producing Activities</u> Record the revenue generated from the sale of goods and services under the control of the Board of Education.

621	<u>Sale of Materials Purchased for Resale</u> Record revenue from sales of materials and supplies to pupils.
623	<u>Sale of Real Property</u> Record proceeds from the sale or exchange of school buildings or real property of a school.
624	<u>Sale of Equipment</u> Record proceeds from the sale of equipment.
625	<u>Insurance Recovery</u> Record revenue from insurance recoveries for losses of school property.

Expenditure Object Codes

100-199	<u>Salaries and Wages</u> These are expenditures that are related to all full and part-time employees of the district. They do not include self-employed personnel or independent contractors.
200-299	<u>Employee Benefits</u> These are all the non-salary costs of benefits paid on behalf of district employees. These include FICA, PERA, TRA, workers' compensation, dental insurance, health insurance, life insurance, long-term disability insurance and reemployment insurance.
300-399	<u>Purchased Services</u> These accounts are used for budgeted expenditures related to contracted personnel and other purchased services. The account includes expenditures for legal services, telecommunication services, transportation contracts, tuition paid to other Minnesota school districts, insurance and utility costs.
400-499	<u>Supplies and Materials</u> These expenditures relate to tangible items of an expendable nature. The majority of these expenses are budgeted at the building level from per pupil allocations. These expenses include textbooks, instructional, general office supplies, lunchroom supplies and food for preparing student meals. Other costs relate to the facilities department for building upkeep and maintenance.
500-599	<u>Capital Expenditures</u> The cost of purchasing instructional and non-instructional equipment, refurbishing and remodeling buildings, construction of portable buildings, and other major maintenance projects are budgeted in the 500 series accounts. Installment payments for the principal and interest amounts of purchased equipment are also charged to this area.
700-799	<u>Debt Service</u> These expenditures cover debt service principal, interest and other associated costs for debt.
800-899	<u>Other Expenditures</u> Other expenses are other miscellaneous expenses not elsewhere categorized, including indirect cost allocations, dues and memberships.

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SECTION V

Resources

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Approved Budget Adjustment for 2019-2020

Area of Adjustment	Description of Reduction	Estimated Savings
Budget Adjustments Round 2 - Approved Feb. 21, 2019		
Administration	Further reduce administrative costs: <ul style="list-style-type: none"> • Reduce building admin support • Reduce district-level admin support • Partially shift district-level admin support to Community Ed budget 	\$147,000
	Further reduce administrative costs <ul style="list-style-type: none"> • Eliminate one coordinator 	\$110,000
Technology	Reduce budget for district technology	\$240,000
Professional Development	Reduce additional professional development	\$348,000
Staffing	Reduce custodial staff by attrition up to 4 FTE	\$100,000
Fees	Increase high school athletic fees by 10%	\$28,000
	Eliminate paying for ACT	\$41,000
	Budget Adjustment Total for Round 2	\$1,014,000

Budget Adjustments Round 1 - Approved Dec. 20, 2018		
Professional Development/ Curriculum	Reduce PD and Curriculum budgets each by \$250,000 and move building PD back to district for distribution	\$500,000
Administration/ Support Staff	Reduce staff and restructure department responsibilities: <ul style="list-style-type: none"> • Eliminate one director • Partially shift district-level admin support to Community Ed budget 	\$200,000
Capital	Remove building level allocation	\$125,000
Operations and Facilities	Reduce cleaning, maintenance, grounds, supplies	\$100,000
District Wide	User of FeePay picks up fees for use of credit card	\$52,000
Operations and Facilities	Increase fees for Facility Rental	\$40,000
Memberships/ Contracts	Restructure assessment configurations	\$35,000
Supply and Materials	Reduce building supply budgets	\$24,000
School board	Reduce school board budget	\$5,000
	Budget Adjustment Total for Round 1	\$1,081,000
	TOTAL BUDGET ADJUSTMENTS FOR 2019-2020	\$2,095,000

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