



**Stillwater**  
AREA PUBLIC SCHOOLS

# **2018-19 PRELIMINARY BUDGET**

**Stillwater, Minnesota  
June 2018**



**Stillwater**  
AREA PUBLIC SCHOOLS

**2018-19  
PRELIMINARY BUDGET**

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

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**June 2018**

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# **SECTION I**

## **Introduction**

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## **SCHOOL BOARD**

Mr. Tom Lehmann	Board Chair
Ms. Jennifer Pelletier	Vice Chair
Ms. Paula O'Loughlin	Clerk
Ms. Shelley Pearson	Treasurer
Mr. George Hoeppner	Director
Dr. Michael Ptacek	Director
Ms. Sarah Stivland	Director

## **ADMINISTRATION**

Ms. Denise Pontrelli	Superintendent of Schools
Ms. Kristen Hoheisel	Executive Director of Finance and Operations
Dr. Bob McDowell	Executive Director of Learning and Innovation
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 8,200 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 8,100 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 4,000 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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## 2018-19 PRELIMINARY BUDGET OVERVIEW

### Introduction

The preliminary budget is adopted by the Board of Education each June. 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. 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. This was due to using an intentionally conservative planning and budgeting process. The philosophical approach to budgeting conservatively has changed. Budgeting assumptions and projections are being adjusted to reflect trend data, economic environments and cautious optimism.

### Budget Timeline

The school district's budget timeline reflects many overlapping processes. The general timeline is listed below.

#### 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 decreased for the 2017-18 school year and is projected to increase slightly for 2018-19. Figure 1 shows the enrollment trends for each level over the last six years.

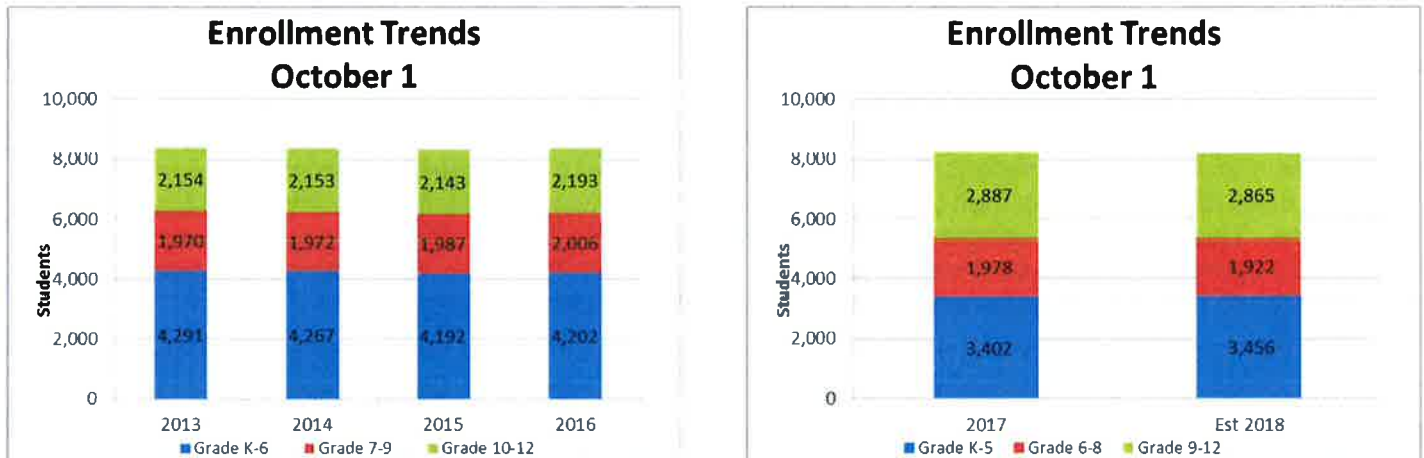


Figure 1

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 does include renewed contracts for 2018-19, but does not include parameters for contracts that have expired (open contracts). For 2018-19 the district will continue with a self-funded health insurance plan. Insurance rates will increase for both single and family insurance.

### 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 will return to 23.1%.

Finally, the 2018-19 Preliminary Budget includes an anticipated two percent increase in the general education revenue formula from the 2018 Legislative process. When the 2018 Legislative process is finalized, any changes will be reflected in the 2018-19 Revised Budget.



## Summary – 2018-19 Preliminary Budgets

The 2018-19 Preliminary Budget reflects a decrease in the unassigned fund balance for the general fund compared to the 2017-18 Revised Budget. This decrease indicates that projected revenue is below 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.

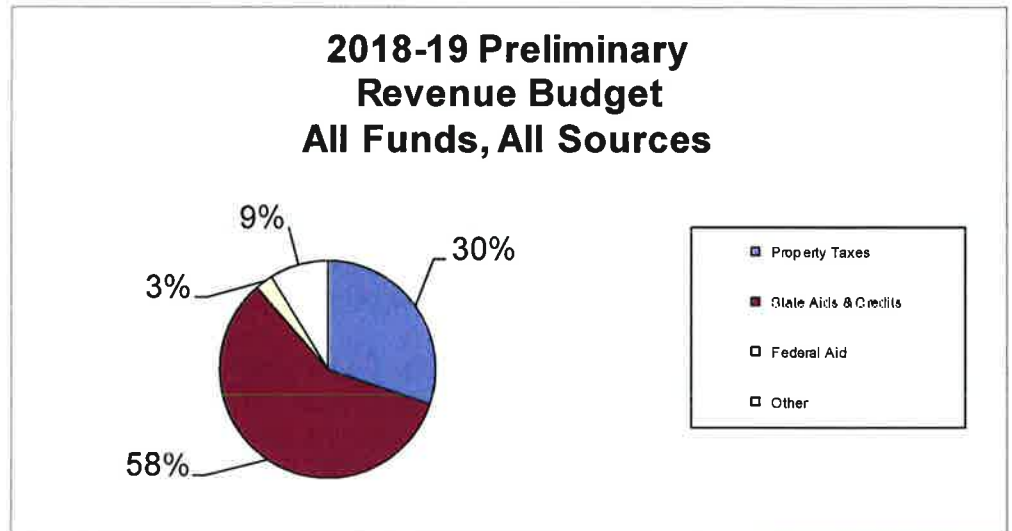


Figure 2

### 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 2018-19, salaries and benefits make up 73% of the district's general fund budget and 63% 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 22% of the total budget. Historically, the district's budget managers monitor expenditures closely and typically come in under budget.

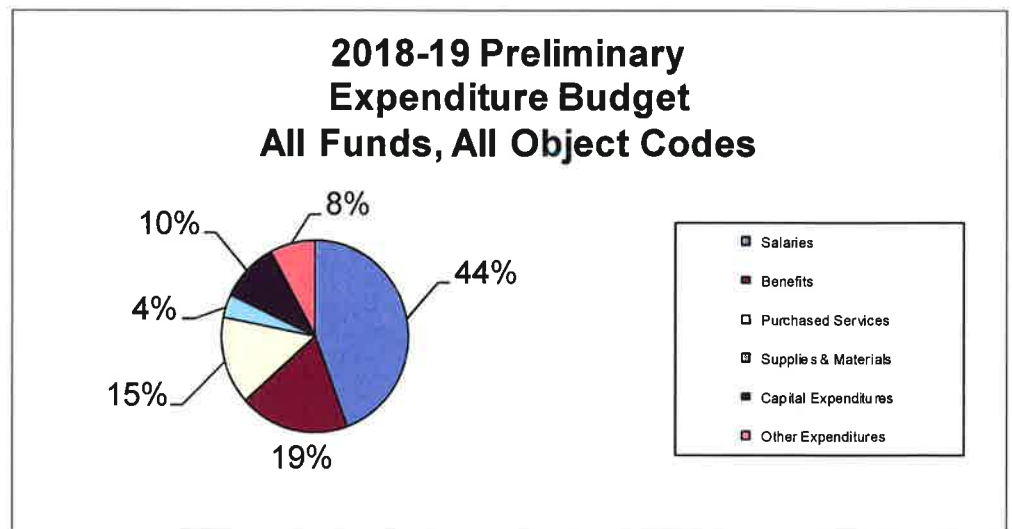


Figure 3

# **SECTION II**

**2018-19**

**Preliminary Budget**

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# 2018-19 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 2018-19 for the general education aid from the state is estimated to be \$6,312 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 2018-19 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*		
	2017-18	2018-19
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 2017-18 and 2018-19. The supply/material and library/media allocations have been increased from the 2017-18 levels as part of the Board approved budget parameters, 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	2017-18	2018-19
Supply and Material	\$27.38	\$27.93
Library/Media	9.59	9.78
Capital	17.11	17.45
Secondary	2017-18	2018-19
Supply and Material	\$52.52	\$53.57
Library/Media	13.95	14.23
Capital	25.64	26.15

**Table 2**

### Staff development

Funds to be used for staff development are allocated based on 2% of the district's general education aid. The Learning and Innovation Department uses the allocation for professional development activities and professional development support. Professional development activities receive approximately \$550,000 of the allocation. The remaining allocation goes to professional development support (i.e. instructional coaches).

## 2018-19 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	2016-17 Actual	2017-18 Revised Budget	2018-19 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	16,160,123	21,291,257	18,775,465	(2,515,792)	-11.82%
Revenues	105,778,285	104,995,602	106,299,801	1,304,199	1.24%
Expenditures	100,647,152	107,511,394	110,521,084	3,009,690	2.80%
Revenues less Expenditures	5,131,133	(2,515,792)	(4,221,283)	(1,705,491)	
Ending Fund Balance	21,291,257	18,775,465	14,554,182	(4,221,283)	-22.48%

#### Comparison of 2018-19 Preliminary Budget to 2017-18 Revised Budget

##### **Revenue**

Preliminary 2018-19 revenue estimates are \$1,304,199 more than the 2017-18 Revised Budget primarily due to an increase in state aids (formula increase and special education) and operating referendum revenue net a decrease for the absence of non-federal grants as they are not predictable.

##### **Expenditures**

Preliminary 2018-19 expenditures increased by \$3,009,690 from the 2017-18 Revised Budget primarily due to contract settlements for FY 18-19, technology, building lease and transportation net a decrease for the absence of non-federal grants as they are not predictable. 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 after subtracting these categorical revenues is \$97,735,358. The net expenditure budget after subtracting these categorical expenditures is \$100,602,152. The unassigned fund balance decreases to 3.73% of expenditures. The Board's goal of reaching a 5% unassigned fund balance has not been met.

The total fund balance for the general fund is projected to decrease from \$18.8 million to \$14.6 million in the preliminary 2018-19 budget. The unassigned fund balance (the amount of unallocated funds) is projected to decrease from \$7.0 million to \$4.1 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 decreasing slightly. The expenditures are increasing for building leases. The projected fund balance will decrease from \$3.5 million to \$3.0 million compared to the 2017-18 Revised Budget.

General Fund	2016-17	2017-18	2018-19	Rev. / Prel.	Rev. / Prel.
Capital Expenditure Account	Actual	Revised Budget	Preliminary Budget	Change	% Change
Beginning Fund Balance	1,781,237	3,590,970	3,533,749	(57,221)	-1.59%
Revenues	4,761,428	3,048,708	2,914,639	(134,069)	-4.40%
Expenditures	2,951,695	3,105,929	3,495,432	389,503	12.54%
Revenues less Expenditures	1,809,733	(57,221)	(580,793)	(523,572)	
Ending Fund Balance	3,590,970	3,533,749	2,952,956	(580,793)	-16.44%

### 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 2017-18 Revised Budget to the 2018-19 Preliminary Budget.

General Fund	2016-17	2017-18	2018-19	Rev. / Prel.	Rev. / Prel.
	Actual	Revised Budget	Preliminary Budget	Change	% Change
Administration	3,687,102	3,575,221	3,710,486	135,265	3.78%
District Support Services	4,273,631	3,297,519	3,809,207	511,688	15.52%
Regular & Vocational Instruction	46,996,945	46,836,218	48,152,073	1,315,855	2.81%
Special Education Instruction	17,660,774	18,073,377	18,533,434	460,057	2.55%
Instructional Support Services	7,055,599	8,079,463	7,727,550	(351,913)	-4.36%
Pupil Support Services	3,747,145	4,048,175	4,173,774	125,599	3.10%
Transportation (Pupil Support)	7,350,908	7,941,445	8,132,816	191,371	2.41%
Operations and Maintenance	9,636,324	15,389,976	15,992,744	602,768	3.92%
Fiscal and Other Fixed Costs	238,724	270,000	289,000	19,000	7.04%
<b>Total</b>	<b>100,647,152</b>	<b>107,511,394</b>	<b>110,521,084</b>	<b>3,009,690</b>	<b>2.80%</b>

### 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 \$135,265 from the 2017-18 Revised Budget is primarily due to staff budgeting.

**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 increase of \$511,688 from the 2017-18 Revised Budget is primarily due to technology needs and staff budgeting.

**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 increase of \$1,315,855 from the 2017-18 Revised Budget is primarily due to staff budgeting.

**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 \$460,057 from the 2017-18 Revised Budget is primarily due to staff budgeting.

**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 \$351,913 from the 2017-18 Revised Budget is primarily due to the absence of grant budgets as they are not predictable net an increase for staff budgeting.

**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 \$316,970 from the 2017-18 Revised Budget is primarily due to an increase for transportation and staff budgeting.

### 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 \$602,768 from the 2017-18 Revised Budget is primarily due to an increase for building leases, technology and staff budgeting net a decrease in Long Term Facility Maintenance (LTFM).

### 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 \$19,000 from the 2017-18 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	2016-17 Actual	2017-18 Revised Budget	2018-19 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	166,528	236,956	236,976	20	0.01%
Revenues	4,042,221	4,222,625	4,187,255	(35,370)	-0.84%
Expenditures	3,971,793	4,222,605	4,144,470	(78,135)	-1.85%
Revenues less Expenditures	70,428	20	42,785	42,765	
Ending Fund Balance	236,956	236,976	279,761	42,785	18.05%

Revenues are decreasing to better reflect projected sales for special events and to adults. Expenditures are decreasing primarily due to less equipment needs, projected milk purchases 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	2016-17 Actual	2017-18 Revised Budget	2018-19 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	884,703	1,020,808	1,068,276	47,468	4.65%
Revenues	5,495,186	6,226,488	6,665,202	438,714	7.05%
Expenditures	5,359,081	6,179,020	6,670,519	491,499	7.95%
Revenues less Expenditures	136,105	47,468	(5,317)	(52,785)	
Ending Fund Balance	1,020,808	1,068,276	1,062,959	(5,317)	-0.50%

Revenues are projected to increase primarily due to tuition and fees for preschool expansion, additional membership revenue for the new Pony Activity Center and expanded programming to include middle and elementary schools. Expenditures are projected to increase primarily due to the expansion of preschool and other programming.

### Building Construction Fund

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

Building Construction Fund	2016-17 Actual	2017-18 Revised Budget	2018-19 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	82,458,600	23,717,471	3,298,958	(20,418,513)	-86.09%
Revenues	415,294	152,803	50,000	(102,803)	-67.28%
Expenditures	59,156,423	20,571,316	7,928,000	(12,643,316)	-61.46%
Revenues less Expenditures	(58,741,130)	(20,418,513)	(7,878,000)	12,540,513	
Ending Fund Balance	23,717,471	3,298,958	(4,579,042)	(7,878,000)	-238.80%

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	2016-17 Actual	2017-18	2018-19	Rev. / Prel. Change	Rev. / Prel. % Change
		Revised Budget	Preliminary Budget		
Beginning Fund Balance	7,040,358	1,577,334	1,490,301	(87,033)	-5.52%
Revenues	4,549,383	4,816,725	5,183,550	366,825	7.62%
Expenditures	10,012,407	4,903,758	4,894,858	(8,900)	-0.18%
Revenues less Expenditures	(5,463,024)	(87,033)	288,692	375,725	
Ending Fund Balance	1,577,334	1,490,301	1,778,993	288,692	19.37%

Revenues are increasing. Expenditures are decreasing 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	2016-17 Actual	2017-18	2018-19	Rev. / Prel. Change	Rev. / Prel. % Change
		Revised Budget	Preliminary Budget		
Beginning Fund Balance	300,996	574,226	841,421	267,195	46.53%
Revenues	5,424,291	5,233,360	5,176,116	(57,244)	0.00%
Expenditures	5,151,060	4,966,165	4,959,563	(6,602)	0.00%
Revenues less Expenditures	273,231	267,195	216,553	(50,642)	
Ending Fund Balance	574,226	841,421	1,057,974	216,553	25.74%

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	2016-17	2017-18	2018-19	Rev. / Prel. Change	Rev. / Prel. % Change
	Actual	Revised Budget	Preliminary Budget		
Beginning Fund Balance	168,825	153,273	153,273	0	0.00%
Revenues	14,489	25,000	25,000	0	0.00%
Expenditures	30,040	25,000	25,000	0	0.00%
Revenues less Expenditures	(15,551)	0	0	0	
Ending Fund Balance	153,273	153,273	153,273	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, 2017 the net position balance in the OPEB trust account was \$9,073,735.

### 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, 2017 the net position balance in the internal service fund for health and dental insurance was \$2,490,759.

# 2018-19 PRELIMINARY BUDGET SUMMARY

## PROJECTED REVENUES, EXPENDITURES AND FUND BALANCE BY FUND 2018-19

<b>Fund</b>	<b>Proj. Fund Balance 6/30/18</b>	<b>2018-19 Revenue Budget</b>	<b>2018-19 Expenditure Budget</b>	<b>Proj. Fund Balance 6/30/19</b>
<b>General Fund</b>	18,775,465	106,299,801	110,521,084	14,554,182
<b>Food Service Fund</b>	236,976	4,187,255	4,144,470	279,761
<b>Community Service Fund</b>	<u>1,068,276</u>	<u>6,665,202</u>	<u>6,670,519</u>	<u>1,062,959</u>
<b>Sub-Total Operating Funds</b>	<b>20,080,717</b>	<b>117,152,258</b>	<b>121,336,073</b>	<b>15,896,902</b>
<b>Building Construction Fund</b>	3,298,958	50,000	7,928,000	(4,579,042)
<b>Debt Service Fund</b>	<u>2,331,722</u>	<u>10,359,666</u>	<u>9,854,421</u>	<u>2,836,967</u>
<b>Sub-Total Non-Operating Funds</b>	<b>5,630,680</b>	<b>10,409,666</b>	<b>17,782,421</b>	<b>(1,742,075)</b>
<b>Trust Fund</b>	<u>153,273</u>	<u>25,000</u>	<u>25,000</u>	<u>153,273</u>
<b>Total All Funds</b>	<b>25,864,670</b>	<b>127,586,924</b>	<b>139,143,494</b>	<b>14,308,100</b>

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# **SECTION III**

## **Summary**

## SUMMARY OF REVENUES BY SOURCE CATEGORY AND FUND

Fund	Source Category	2016-17 Actual	Pct. of Total	2017-18 Rev. Bud.	2018-19 Prelim. Budget	Pct. of Total	Revised - Preliminary Percent Change Amount Change	
01	<b>General Fund</b>							
	Property Taxes	26,092,174	24.67%	26,498,775	27,009,118	25.41%	1.93%	510,343
	State Aids & Credits	71,627,596	67.71%	72,395,468	73,565,476	69.21%	1.62%	1,170,008
	Federal Aid	2,475,674	2.34%	2,250,566	2,239,950	2.11%	-0.47%	(10,616)
	Other	5,582,842	5.28%	3,850,793	3,485,257	3.28%	-9.49%	(365,536)
	<b>Total General Fund</b>	105,778,285	100.00%	104,995,602	106,299,801	100.00%	1.24%	1,304,199
02	<b>Food Service</b>							
	Property Taxes	0	0.00%	0	0	0.00%	0.00%	0
	State Aids & Credits	172,769	4.27%	187,300	173,250	4.14%	-7.50%	(14,050)
	Federal Aid	1,211,871	29.98%	1,160,250	1,161,750	27.74%	0.13%	1,500
	Other	2,657,581	65.75%	2,875,075	2,852,255	68.12%	-0.79%	(22,820)
	<b>Total Food Service</b>	4,042,221	100.00%	4,222,625	4,187,255	100.00%	-0.84%	(35,370)
04	<b>Community Service</b>							
	Property Taxes	1,037,928	18.89%	1,090,737	1,118,217	16.78%	2.52%	27,480
	State Aids & Credits	827,905	15.07%	817,840	799,695	12.00%	-2.22%	(18,145)
	Federal Aid	2,221	0.04%	2,583	2,583	0.04%	0.00%	0
	Other	3,627,131	66.01%	4,315,328	4,744,707	71.19%	9.95%	429,379
	<b>Total Comm. Service</b>	5,495,186	100.00%	6,226,488	6,665,202	100.00%	7.05%	438,714
06	<b>Building Construction</b>							
	Other	415,294	100.00%	152,803	50,000	100.00%	-67.28%	(102,803)
	<b>Total Bldg Construction</b>	415,294	100.00%	152,803	50,000	100.00%	-67.28%	(102,803)
07&47	<b>Debt Service</b>							
	Property Taxes	9,865,167	98.91%	9,995,085	10,304,666	99.47%	3.10%	309,581
	State Aids & Credits	15,419	0.15%	15,000	15,000	0.14%	0.00%	0
	Other	93,089	0.93%	40,000	40,000	0.39%	0.00%	0
	<b>Total Debt Service</b>	9,973,674	100.00%	10,050,085	10,359,666	100.00%	3.08%	309,581
08	<b>Trust</b>							
	Other	14,489	100.00%	25,000	25,000	100.00%	0.00%	0
	<b>All Funds</b>							
	Property Taxes	36,995,268	29.43%	37,584,597	38,432,001	30.12%	2.25%	847,404
	State Aids & Credits	72,643,688	57.78%	73,415,608	74,553,421	58.43%	1.55%	1,137,813
	Federal Aid	3,689,766	2.93%	3,413,399	3,404,283	2.67%	-0.27%	(9,116)
	Other	12,390,425	9.86%	11,258,999	11,197,219	8.78%	-0.55%	(61,780)
	<b>Total All Funds</b>	125,719,148	100.00%	125,672,603	127,586,924	100.00%	1.52%	1,914,321

**SUMMARY OF EXPENDITURES BY OBJECT CATEGORY AND FUND**

<b>Fund</b>	<b>Object Category</b>	<b>2016-17 Actual</b>	<b>Pct. of Total</b>	<b>2017-18 Rev. Bud.</b>	<b>2018-19 Prelim. Budget</b>	<b>Pct. of Total</b>	<b>Revised - Preliminary Percent Change</b>	<b>Amount Change</b>
<b>01</b>	<b>General Fund</b>							
	Salaries	53,004,863	52.66%	55,623,893	56,330,671	50.97%	1.27%	706,778
	Benefits	23,600,541	23.45%	23,865,977	24,560,999	22.22%	2.91%	695,022
	Purchased Services	18,059,817	17.94%	17,425,519	19,116,522	17.30%	9.70%	1,691,003
	Supplies & Materials	3,154,107	3.13%	3,164,719	3,410,704	3.09%	7.77%	245,985
	Capital Expenditures	1,461,545	1.45%	6,419,863	6,105,527	5.52%	-4.90%	(314,336)
	Debt Service	823,038	0.82%	818,912	813,800	0.74%	-0.62%	(5,112)
	Other Expenditures	543,240	0.54%	192,511	182,861	0.17%	-5.01%	(9,650)
	<b>Total General Fund</b>	<b>100,647,152</b>	<b>100.00%</b>	<b>107,511,394</b>	<b>110,521,084</b>	<b>100.00%</b>	<b>2.80%</b>	<b>3,009,690</b>
<b>02</b>	<b>Food Service</b>							
	Salaries	1,345,324	33.87%	1,381,561	1,398,523	33.74%	1.23%	16,962
	Benefits	632,400	15.92%	648,866	664,387	16.03%	2.39%	15,521
	Purchased Services	288,093	7.25%	293,066	273,463	6.60%	-6.69%	(19,603)
	Supplies & Materials	1,580,133	39.78%	1,717,187	1,686,761	40.70%	-1.77%	(30,426)
	Capital Expenditures	120,461	3.03%	175,675	115,435	2.79%	-34.29%	(60,240)
	Other Expenditures	5,382	0.14%	6,250	5,901	0.14%	-5.58%	(349)
	<b>Total Food Service</b>	<b>3,971,793</b>	<b>100.00%</b>	<b>4,222,605</b>	<b>4,144,470</b>	<b>100.00%</b>	<b>-1.85%</b>	<b>(78,135)</b>
<b>04</b>	<b>Community Service</b>							
	Salaries	3,133,896	58.48%	3,662,326	4,011,855	60.14%	9.54%	349,529
	Benefits	1,038,156	19.37%	1,075,271	1,157,519	17.35%	7.65%	82,248
	Purchased Services	840,409	15.68%	971,978	1,073,961	16.10%	10.49%	101,983
	Supplies & Materials	272,830	5.09%	356,561	349,567	5.24%	-1.96%	(6,994)
	Capital Expenditures	45,728	0.85%	87,192	53,700	0.81%	-38.41%	(33,492)
	Other Expenditures	28,062	0.52%	25,692	23,917	0.36%	-6.91%	(1,775)
	<b>Total Comm. Service</b>	<b>5,359,081</b>	<b>100.00%</b>	<b>6,179,020</b>	<b>6,670,519</b>	<b>100.00%</b>	<b>7.95%</b>	<b>491,499</b>
<b>06</b>	<b>Building Construction</b>							
	Salaries	200,040	0.34%	0	0	0.00%	#DIV/0!	0
	Benefits	81,467	0.14%	0	0	0.00%	#DIV/0!	0
	Purchased Services	5,358,062	9.06%	1,628,399	188,000	2.37%	-88.45%	(1,440,399)
	Supplies & Materials	26,433	0.04%	0	0	0.00%	#DIV/0!	0
	Capital Expenditures	53,490,421	90.42%	18,942,917	7,740,000	97.63%	-59.14%	(11,202,917)
	<b>Total Bldg. Const.</b>	<b>59,156,423</b>	<b>100.00%</b>	<b>20,571,316</b>	<b>7,928,000</b>	<b>100.00%</b>	<b>-61.46%</b>	<b>(12,643,316)</b>
<b>07&amp;47</b>	<b>Debt Service</b>							
	Other	15,163,467	100.00%	9,869,923	9,854,421	100.00%	-0.16%	(15,502)
<b>08</b>	<b>Trust</b>							
	Other	30,040	100.00%	25,000	25,000	100.00%	0.00%	0
	<b>All Funds</b>							
	Salaries	57,684,124	31.29%	60,667,780	61,741,049	44.37%	1.77%	1,073,269
	Benefits	25,352,565	13.75%	25,590,114	26,382,905	18.96%	3.10%	792,791
	Purchased Services	24,546,381	13.32%	20,318,962	20,651,946	14.84%	1.64%	332,984
	Supplies & Materials	5,033,502	2.73%	5,238,467	5,447,032	3.91%	3.98%	208,565
	Capital Expenditures	55,118,155	29.90%	25,625,647	14,014,662	10.07%	-45.31%	(11,610,985)
	Other Expenditures	16,593,228	9.00%	10,938,288	10,905,900	7.84%	-0.30%	(32,388)
	<b>Total All Funds</b>	<b>184,327,956</b>	<b>100.00%</b>	<b>148,379,258</b>	<b>139,143,494</b>	<b>100.00%</b>	<b>-6.22%</b>	<b>(9,235,764)</b>



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## BUDGET DETAIL SUMMARY

### REVENUE BY SOURCE

SRC DESCRIPTION	2016-17 ACTUAL	2017-18 REVISED	2018-19 PRELIM.	NOTES
<b>GENERAL FUND</b>				
001 Property Tax Levy-General	26,035,418	26,442,019	26,904,819	Increased to reflect levy amount.
005 Reemployment Compensation Levy	56,756	56,756	104,299	Increased to reflect levy amount.
021 Tuition from MN School Dist.	386,611	0	0	
022 SPED Purch Serv from Oth MN	42,123	43,000	43,000	
041 Tuition-Out of State	10,190	0	0	
050 Fees from Patrons	1,084,949	1,043,500	1,045,500	
051 Parking Fees	173,464	186,422	165,000	
052 Criminal Background Checks	390	400	400	
053 Transcript Fees	9,977	10,000	10,000	
060 Admission/Student Act Revenue	202,965	160,000	152,000	
071 Medical Assistance Revenue	226,469	450,000	450,000	
088 E-Rate Revenue	90,695	90,000	150,000	Increased to better reflect projected.
092 Interest Earnings	121,710	132,500	147,500	
093 Rent for School Facilities	309,994	163,455	163,172	
096 Gifts & Bequests	752,655	942,831	650,000	Decreased primarily due to the absence of grant budgets as they are not predictable.
099 Miscellaneous Local Revenue	426,099	404,685	324,685	
201 Endowment Fund Apportionment	276,057	323,567	325,643	
211 General Education Aid	58,923,690	59,730,413	60,715,579	Increased primarily for increase in formula and change in projected enrollment.
212 Literacy Incentive Aid	427,633	427,633	424,727	
213 Shared Time Aid	26,588	23,237	23,237	
227 Abatement Aid	3,792	3,486	3,486	
234 Homestd/Agr Mrkt Value Credit	11,940	12,711	12,711	
300 State Aids Rec'd from DOE	2,149,421	2,304,421	2,240,093	
360 Special Education Aid	9,403,306	9,500,000	9,750,000	Increased to better reflect projected.
370 Other Aid from DOE	109,489	70,000	70,000	
397 TRA/PERA Special Funding Revenue	295,681	0	0	
400 Federal Aids rec'd thru DOE	2,314,093	2,234,952	2,234,952	
405 Federal Aid rec'd thru Other	9,303	10,616	0	
500 Federal Aids rec'd from Fed	152,277	4,998	4,998	
619 Cost of Materials for Profit	-77,598	-100,000	-100,000	
620 Sales of Materials for Profit	231,649	250,000	250,000	

## REVENUE BY SOURCE

SRC DESCRIPTION	2016-17 ACTUAL	2017-18 REVISED	2018-19 PRELIM.	NOTES
621 Sale of Materials Purch-Resale	60,021	70,000	30,000	
623 Sale of Real Property	1,528,647	0	0	
624 Sale of Equipment	1,101	4,000	4,000	
625 Insurance Recovery	732	0	0	
<b>Total</b>	<b>105,778,285</b>	<b>104,995,602</b>	<b>106,299,801</b>	

## FOOD SERVICE FUND

021 Sales to Mahtomedi	555,638	651,030	634,670	
050 Fees from Patrons	1,144	2,000	2,100	
092 Interest Earnings	1,399	1,400	1,450	
096 Gifts & Bequests	400	0	500	
099 Miscellaneous Local Revenue	4,289	4,500	3,000	
300 State Aids Rec'd from DOE	171,527	186,000	172,000	
397 TRA/PERA Special Funding Revenue	1,242	1,300	1,250	
471 School Lunch Program	258,516	260,000	257,000	
472 Free and Reduced Lunch Program	474,914	475,000	490,000	
473 Commodity Cash Rebate Program	38,774	750	0	
474 Commodity Distribution Program	260,867	256,500	240,750	
476 School Breakfast Program	120,685	130,000	136,000	
479 Summer Food Service Program	58,116	38,000	38,000	
601 Food Service Sales to Pupils	1,906,646	2,034,850	2,096,840	
602 Food Service Sale of Milk	29,056	28,000	25,650	
606 Food Service Sales to Adults	33,827	33,295	23,545	Decreased to better reflect projected sales.
608 Special Function Food Sales	116,891	118,000	64,000	Decreased to better reflect projected.
624 Sale of Equipment	8,291	2,000	500	
<b>Total</b>	<b>4,042,221</b>	<b>4,222,625</b>	<b>4,187,255</b>	

## COMMUNITY SERVICE FUND

001 Property Tax Levy-General	925,078	936,687	942,217	
021 Tuition from MN School Dist	112,850	154,050	176,000	Increase in available preschool slots for ECSE.
040 Tuition	483,858	757,526	1,030,480	Added more preschool sections.
050 Fees from Patrons	2,426	101,500	207,407	Increase in and full year of PAC memberships.
092 Interest Earnings	8,546	3,000	3,000	

## REVENUE BY SOURCE

SRC DESCRIPTION	2016-17 ACTUAL	2017-18 REVISED	2018-19 PRELIM.	NOTES
096 Gifts & Bequests	3,775	84,500	45,500	Decrease in Whitson requests to match funds available.
099 Miscellaneous Local Revenue	147,374	140,300	131,100	
227 Abatement Aid	603	0	0	
234 Homestd/Agr Mrkt Value Credit	1,447	0	0	
300 State Aids Rec'd from DOE	524,708	543,863	521,318	
301 Nonpublic Aid	78,755	91,490	99,472	
370 Other Aid from DOE	215,434	182,487	178,905	
397 TRA/PERA Special Funding Revenue	6,959	0	0	
405 Federal Aid Rec'd thru Other	2,221	2,583	2,583	
510 Adults with Disabilities	1,568	2,200	180	
548 Gymnastics	0	0	29,070	New budget code, separated out of Camps & Clinics (see source 554).
549 Aquatics	59,900	55,770	58,937	
551 Adult Athletics	78,194	78,000	99,775	New additional adult leagues and programs-kickball and pickleball.
552 Adult Enrichment	63,362	55,760	60,845	
553 Youth Athletics	67,107	71,000	75,000	
554 Camps and Clinics	139,664	140,000	114,000	Moved gymnastics program to it's own code (see source 548).
562 Instructional Music	30,099	26,624	25,000	
564 Special Events	25,923	41,000	101,000	Expanded programming to include middle school and elementary programs.
570 School Age Care Tuition	1,883,270	2,067,632	2,025,735	
571 School Age Care Preschool	104,491	133,560	166,327	Additional preschool enrollments projected.
585 Youth Development/Youth Serv	319,608	320,000	325,000	
591 Facilities Use	207,175	229,517	239,348	
592 Turf Fields Use	792	7,439	7,003	
<b>Total</b>	<b>5,495,186</b>	<b>6,226,488</b>	<b>6,665,202</b>	

## BUILDING CONSTRUCTION FUND

092 Interest Earnings	324,474	152,803	50,000	Funds are decreasing as projects are completed.
625 Insurance Recovery	90,819	0	0	
<b>Total</b>	<b>415,294</b>	<b>152,803</b>	<b>50,000</b>	

## REVENUE BY SOURCE

SRC DESCRIPTION	2016-17 ACTUAL	2017-18 REVISED	2018-19 PRELIM.	NOTES
<b>DEBT SERVICE FUND</b>				
001 Property Tax Levy-General	9,865,167	9,995,085	10,304,666	
021 Tuition from MN School Dist.	49,491	0	0	
092 Interest Earnings	43,598	40,000	40,000	
234 Homestd/Agr Mrkt Value Credit	15,419	15,000	15,000	
<b>Total</b>	<b>9,973,674</b>	<b>10,050,085</b>	<b>10,359,666</b>	
<b>TRUST FUND</b>				
All Gift Directed Revenues	14,489	25,000	25,000	
<b>Total</b>	<b>14,489</b>	<b>25,000</b>	<b>25,000</b>	

## EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2016-17 ACTUAL	2017-18 REVISED	2018-19 PRELIM.	NOTES
<b>GENERAL FUND</b>				
100 Administrators	1,458,572	1,654,129	1,692,109	
101 School Board	33,829	33,750	33,750	
110 Principals	2,163,091	2,088,021	2,202,235	
120 Supervisors	472,953	490,769	504,161	
121 Confidential/Specialists	915,534	1,097,670	1,129,512	
122 Subs-Health Specialists	13,434	13,500	15,000	
140 Teachers	31,238,932	32,785,226	33,963,544	
141 Paraprofessionals	701,406	787,602	958,137	Added behavior paras at the elementary level.
142 Subs-Paraprofessionals	168,553	160,150	250	Shift expense to objects 301 & 317 due to new sub contracting vendor.
143 Coordinators	1,579,262	1,361,863	1,366,576	
144 Librarians	196,999	212,118	224,654	
145 Subs-Teacher	641,722	643,500	6,500	Shift expense to objects 301 & 317 due to new sub contracting vendor.
150 Subs-Teacher School Business	278,574	327,057	112,499	Shift expense to objects 305 & 327 due to new sub contracting vendor.
151 Occupational Therapists	237,017	244,979	259,457	
152 Speech Language Pathologists	1,263,269	1,287,702	1,363,805	
154 School Nurse	291,955	351,760	372,548	
155 Health Care Specialists	258,826	268,784	277,030	
156 School Social Worker	320,788	338,607	358,619	
157 Psychologists	763,612	799,502	833,517	
161 Paraprofessionals - Certified	2,322,737	2,470,548	2,367,321	Reduced para hours primarily at secondary level.
162 Paraprofessionals - One-to-One	230,801	123,298	127,171	
165 School Counselors	886,847	1,027,634	1,062,241	
170 Tech Support	2,110,096	2,235,165	2,259,890	
171 Subs-Tech Support	16,737	23,300	29,625	
172 Custodians	2,147,797	2,400,816	2,514,373	
173 Overtime	90,710	88,100	94,700	
174 DAPE Specialists	168,474	167,542	177,444	
176 Subs-Custodian	61,219	60,000	63,000	
177 Crossing Guards	10,914	11,142	11,800	
178 Lunchroom Supervisors-Licensed	17,881	24,000	10,000	
179 Lunchroom Supervisors-Non-Licensed	24,859	5,025	5,025	
180 Coaches	650,030	666,516	693,081	
185 Advisors	165,368	185,319	192,965	
186 Other Salary Payments-Non-Licensed	184,100	209,215	184,510	
189 Other Salary Payments-Licensed	917,966	979,584	863,622	Decreased to better reflect projected expenditures.

## EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2016-17 ACTUAL	2017-18 REVISED	2018-19 PRELIM.	NOTES
210 FICA	3,930,203	4,135,808	4,278,443	
214 PERA	802,334	822,958	845,134	
218 TRA	3,097,016	3,165,810	3,277,928	
220 Health Insurance	10,683,478	10,877,083	11,234,743	
225 Dental Insurance	633,726	677,359	689,489	
230 Life Insurance	163,910	174,160	181,967	
235 LTD Insurance	251,468	268,164	279,083	
236 Short Term Disability	70,827	0	0	
240 Legal Insurance	-340	0	0	
250 TSA	997,145	972,244	1,023,793	
251 Severance TSA	266,750	245,000	220,000	
252 Severance Health	120,720	110,000	110,000	
253 Health Care Savings Plan	531,877	538,697	554,300	
254 VEBA Contribution	924,655	1,027,068	1,030,921	
270 Workers Compensation	413,256	310,106	321,576	
280 Reemployment Comp Insurance	37,954	60,000	60,000	
291 OPEB (pay as you go)	640,554	432,160	403,612	
297 Tuition/Classes	13,085	13,400	14,400	
298 Contract Dues	16,146	21,560	22,410	
299 Other Employee Benefits	5,777	14,400	13,200	
301 Contracted Service Subs	0	0	520,000	Shift expense from objects 142 & 145 due to new sub contracting vendor.
302 Background Check	11,518	22,789	22,789	
303 Federal Contracts < \$25,000	46,680	81,700	81,700	
304 Federal Contracts > \$25,000	0	38,177	38,177	
305 Consulting/Service Fees	1,234,675	1,701,292	2,133,898	Increased primarily due to shift in expense from object 150 due to new sub contracting vendor.
306 Audit Services	81,521	76,000	85,000	
307 Legal Services	134,501	143,244	149,499	
308 Printing Services	104,674	109,943	117,243	
309 Credit Card Fees	49,555	52,000	52,000	
310 Snow Removal/Lawn Services	163,593	192,955	194,300	
312 Officials/Judges	70,317	65,153	67,508	
313 Laundry Services	17,867	18,125	19,625	
314 On-Line Courses	258,612	20,000	25,000	
315 Computer/Tech Repair and Maint	117,447	0	101,150	Added new code for technology repair and maintenance.
317 Contracted Subs for SPED Program	0	0	120,000	Shift expense from objects 142 & 145 due to new sub contracting vendor.
319 Computer/Tech Services	76,032	0	25,000	Added new code for computer/technology services.
320 Communication Services	309,896	266,531	361,491	Increased to better reflect projected expenditures.

## EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2016-17 ACTUAL	2017-18 REVISED	2018-19 PRELIM.	NOTES
327 Contracted Subs SPED Prog Sch Bus	0	0	735	
329 Postage	53,909	59,850	58,410	
330 Electricity	1,150,569	1,148,350	1,143,200	
331 Natural Gas	309,248	409,550	403,400	
332 Water and Sewer	126,069	137,350	147,400	
333 Garbage Collection	54,131	67,700	72,900	
340 Insurance	238,724	270,000	289,000	
350 Repair/Maintenance Services	573,026	1,026,278	961,614	
357 Interpreter for Deaf Services	5,130	200	200	
358 Foreign Language Interpreter	3,718	11,097	11,550	
360 Transportation Contracts	7,504,231	8,026,694	8,213,542	
362 Mental Health Practitioner Services	10,000	0	0	
365 Transportation Chargebacks	-570	-9,725	-4,850	
366 Travel and Conferences	430,402	479,733	414,711	Decreased to better reflect projected expenditures.
368 Out Of State Travel - Federal	1,231	1,200	200	
369 Entry Fees/Student Travel Exp	636,969	629,325	611,250	
370 Rentals and Leases	924,735	573,392	912,902	Increased for NE 916 lease levy.
371 Equipment Leases	2,237	2,000	2,000	
372 Graduation Expense	41,169	40,000	40,000	
376 Licensed Nursing Services	0	0	6,900	
380 Computer/Tech Hardware Rental	4,350	0	0	
390 Tuition To Oth MN Sch District	280,148	280,200	280,196	
391 Pmt To MN Sch-Cost Share Agmt	2,354,039	732,610	704,069	
392 Tuition Out-of State School District	169	0	0	
393 Sped Cont Serv - Non Sch Dist	114,628	96,000	48,402	Decreased to better reflect projected need.
394 Payments to Oth Agencies	300,249	540,056	439,104	Decreased to better reflect projected need.
396 Sped Sal Purchase fr Oth Dist	407,080	277,500	394,500	Increased to better reflect projected need.
397 Sped Bens Purchase fr Oth Dist	187,712	188,250	200,807	
398 Administrative Chargebacks	-330,373	-350,000	-350,000	
401 Non-Instructional Supplies	706,392	719,269	723,136	
404 ID Badges	2,634	2,800	2,800	
405 Non-Instructional Annual Software License	356,469	223,731	378,675	Increased to reflect planned software purchases.
406 Instructional Software License	100,332	84,051	263,500	Increased to reflect planned software purchases.
409 Uniforms	5,774	9,000	8,000	
410 Custodial/Repair Supplies	413,535	504,000	544,900	
430 Instructional Supplies	252,562	530,011	494,420	
433 Individualized Instructional Supplies	43,632	100,703	114,485	
440 Fuel For Buildings	6,683	46,000	49,000	
442 Gasoline	23,349	33,100	33,100	



## EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2016-17 ACTUAL	2017-18 REVISED	2018-19 PRELIM.	NOTES
455 Non-Instructional Technology Supplies	122,348	8,600	11,750	
456 Instructional Technology Supplies	162,166	300	400	
460 Textbooks and Workbooks	197,879	528,226	422,500	Decreased to reflect planned textbook purchases.
461 Standardized Tests	253,409	265,000	260,000	
465 Non-Instructional Technology Devices	20,123	800	500	
466 Instructional Technology Devices	445,309	61,044	60,809	
470 Library Books	20,675	25,900	23,100	
490 Food	20,836	22,184	19,629	
505 Non-Instructional Technology Software	53,524	5,500	31,100	
506 Instructional Technology Software	0	15,000	15,000	
520 Bldg Acquisition/Construction	591,111	4,692,000	4,476,000	
522 Vandalism	7,017	15,000	25,000	
530 Other Equipment Purchased	491,835	897,957	819,541	
550 Other Vehicles Purchased	0	12,000	12,000	
555 Technology Equipment	282,914	779,406	723,706	
556 SPED Tech Equipment	33,427	3,000	3,180	
590 Other Capital Expenditures	1,718	0	0	
730 Loan Principal	505,000	520,000	530,000	
740 Loan Interest	318,038	298,912	283,800	
820 Dues and Memberships	106,463	124,511	111,861	
891 TRA/PERA Special Funding Expenditures	295,681	0	0	
895 Federal Indirect Costs	-3,750	-4,000	-4,000	
896 Taxes, Special Assessments and Interest	144,846	72,000	75,000	
<b>Total</b>	<b>100,647,152</b>	<b>107,511,394</b>	<b>110,521,084</b>	

### FOOD SERVICE FUND

120 Supervisors	152,303	159,740	164,000	
160 Cooks	1,079,174	1,121,903	1,167,677	Shift from object code 189.
161 Cashiers	3,511	0	0	
162 Subs-Cook	20,731	23,550	25,021	
170 Tech Support	38,266	39,859	39,500	
172 Custodians	18,169	2,258	2,325	
173 Overtime	0	1,401	0	
189 Other Salary Payments	33,169	32,850	0	Shift to object code 160.
210 FICA	96,872	103,261	105,259	
214 PERA	99,099	101,236	99,996	
220 Health Insurance	326,297	333,015	339,241	

## EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2016-17 ACTUAL	2017-18 REVISED	2018-19 PRELIM.	NOTES
225 Dental Insurance	19,980	22,411	24,898	
230 Life Insurance	1,198	1,231	1,286	
235 LTD Insurance	3,158	3,346	3,438	
236 Short Term Disability	1,785	1,800	1,835	
250 TSA	18,448	18,926	21,252	
253 Health Care Savings Plan	2,621	3,000	3,000	
254 VEBA Contribution	21,875	19,938	20,667	
270 Workers Compensation	41,068	40,702	43,515	
305 Consulting/Service Fees	3,500	1,200	200	
309 Credit Card Fees	72,815	75,000	74,000	
320 Communication Services	938	1,000	1,000	
329 Postage	568	650	1,000	
333 Garbage Collection	17,610	17,000	18,000	
350 Repair/Maintenance Services	53,430	55,000	34,000	Decreased to better reflect projected.
366 Travel and Conferences	5,935	6,216	5,513	
398 Administrative Chargebacks	133,295	137,000	139,750	
401 Non-Instructional Supplies	59,726	64,010	63,571	
402 Promotions	0	2,500	1,000	
403 Small Equipment	5,386	17,000	21,000	
405 Non-Instructional Annual License/Software	0	42,477	20,990	Mealviewer software purchased in FY 17-18, expense expected to be less going forward.
442 Gasoline	389	400	1,500	
490 Food	1,109,532	1,184,500	1,211,500	
491 Commodities	260,867	256,500	245,000	
495 Milk	144,234	149,800	122,200	Decreased to better reflect projected.
505 Non-Instructional Technology Software	3,810	25,675	15,435	
530 Other Equipment Purchased	116,227	150,000	100,000	Decreased to better reflect projected.
555 Technology Equipment	424	0	0	
820 Dues and Memberships	4,140	5,000	4,601	
891 TRA/PERA Special Funding Expenditures	1,242	1,250	1,300	
<b>Total</b>	<b>3,971,793</b>	<b>4,222,605</b>	<b>4,144,470</b>	
<b>COMMUNITY SERVICE FUND</b>				
100 Administrators	132,822	140,289	145,683	
120 Supervisors	402,013	383,718	421,934	
121 Confidential/Specialists	14,531	37,790	54,107	Increase contract for theatre coordinator due to increased programming.

## EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2016-17 ACTUAL	2017-18 REVISED	2018-19 PRELIM.	NOTES
123 SAC Site Leaders	317,483	307,214	318,655	
125 Schl Readiness/ABE Supervisor	106,766	134,677	157,581	Increased contract for early childhood coordinator due to increased programming.
140 Teachers	580,652	773,970	861,306	Additional teacher time for added preschool sections.
141 Community Ed Assistants	870,448	1,129,221	1,248,069	Additional classroom assistants in preschool and school age care.
142 Subs-Paraprofessionals	709	3,000	4,000	
143 Coordinators	0	9,105	0	
145 Subs-Teacher	9,458	17,100	22,300	
150 Subs-Teacher School Business	3,391	2,000	2,500	
154 School Nurse	8,155	13,102	11,924	
156 School Social Worker	16,884	0	0	
165 School Counselors	14,812	14,758	15,000	
170 Tech Support	298,890	318,605	338,868	
171 Subs-Tech Support	4,006	3,800	3,000	
172 Custodians	31,310	32,647	32,647	
173 Overtime	47,663	39,500	43,000	
186 Casual/Other Pmts Non-Licensed	115,469	132,524	171,526	Increase in casual employees for larger theatre, gymnastics and adult programs.
189 Casual and Other Payments-Licensed	158,435	169,306	159,755	
210 FICA	234,313	229,136	251,064	
214 PERA	135,362	173,460	192,824	
218 TRA	71,370	91,059	100,373	
220 Health Insurance	396,029	391,299	405,243	
225 Dental Insurance	25,901	29,719	31,848	
230 Life Insurance	6,862	7,586	8,465	
235 LTD Insurance	7,560	11,828	13,123	
236 Short Term Disability	5,831	0	0	
250 TSA	23,949	32,648	30,803	
251 Severance TSA	20,329	0	0	
252 Severance Health	8,712	0	0	
253 Health Care Savings Plan	24,890	35,326	46,238	
254 VEBA Contribution	51,031	52,037	52,100	
270 Workers Compensation	16,765	18,773	20,538	
297 Tuition/Classes	9,080	2,000	4,500	
299 Other Employee Benefits	175	400	400	
304 Advertising Services	235	79	100	
305 Consulting/Service Fees	310,844	334,513	365,907	Increased costs associated with new theatre programming and professional development in school readiness.
308 Printing Services	33,199	36,950	36,750	

## EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2016-17 ACTUAL	2017-18 REVISED	2018-19 PRELIM.	NOTES
309 Credit Card Fees	108,778	140,212	163,404	Increased credit card fees due to expanding programming.
310 Snow Removal/Lawn Services	1,834	1,300	1,500	
320 Communication Services	3,849	4,670	4,700	
329 Postage	13,356	19,700	15,350	
330 Electricity	18,083	21,300	21,300	
331 Natural Gas	4,563	4,500	5,000	
332 Water and Sewer	5,798	6,600	8,000	
333 Garbage Collection	673	900	900	
350 Repair/Maintenance Services	6,362	5,300	6,100	
360 Transportation Contracts	59,169	45,617	62,750	Increase in transportation services to ABE clients.
365 Transportation Chargebacks	570	700	570	
366 Travel and Conferences	22,412	32,385	36,310	
369 Entry Fees/Student Travel Exp	35,526	41,000	39,300	
370 Rentals and Leases	18,078	23,043	32,875	Increase costs for new theatre programming.
398 Administrative Chargebacks	197,078	253,209	273,145	
401 Non-Instructional Supplies	90,580	120,866	129,082	
405 Non-Instructional Annual License Software	0	3,500	3,500	
410 Custodial/Repair Supplies	3,543	4,000	4,000	
430 Instructional Supplies	25,330	58,570	38,125	Less expenditures projected in school readiness due to decrease of grant funding.
460 Textbooks and Workbooks	30,471	42,285	46,010	
461 Standardized Tests	4,930	0	5,000	
465 Non-Instructional Devices	1,197	12,100	13,900	
490 Food	116,779	115,240	109,950	
530 Other Equipment Purchased	45,651	87,192	53,700	Less start up equipment for PAC and less grant funding for equipment in school readiness.
555 Technology Equipment	77	0	0	
820 Dues and Memberships	17,353	21,335	19,180	
891 TRA/PERA Special Funding Expenditures	6,959	0	0	
895 Federal Indirect Costs	3,750	4,357	4,737	

<b>Total</b>	<b>5,359,081</b>	<b>6,179,020</b>	<b>6,670,519</b>
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### BUILDING CONSTRUCTION FUND

100 Administrators	39,437	0	0
110 Principals	126,744	0	0
120 Supervisors	21,305	0	0
170 Tech Support	12,555	0	0

## EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2016-17 ACTUAL	2017-18 REVISED	2018-19 PRELIM.	NOTES
210 FICA	14,634	0	0	
214 PERA	5,497	0	0	
218 TRA	9,506	0	0	
220 Health Insurance	32,958	0	0	
225 Dental Insurance	1,953	0	0	
230 Life Insurance	728	0	0	
235 LTD Insurance	1,064	0	0	
250 TSA	4,974	0	0	
253 Health Care Savings Plan	1,078	0	0	
254 VEBA Contribution	6,093	0	0	
270 Workers Compensation	2,078	0	0	
298 Contract Dues	903	0	0	
305 Consulting/Service Fees	5,013,194	1,388,899	188,000	Decreased to reflect planned bond projects.
340 Insurance	11,199	2,000	0	
350 Repair/Maintenance Services	333,670	237,500	0	No planned repair/maintenance expenditures.
401 Non-Instructional Supplies	24,245	0	0	
410 Custodial Repair Supplies	2,187	0	0	
510 Site or Grounds Acquisition	8,004	3,500,000	5,000,000	Increased to reflect planned property purchase for transportation term nal.
520 Bldg Acquisition/Construction	53,114,301	14,392,917	2,740,000	Decreased to reflect planned bond projects.
530 Other Equipment Purchased	368,117	1,050,000	0	No planned equipment purchases.
<b>Total</b>	<b>59,156,423</b>	<b>20,571,316</b>	<b>7,928,000</b>	
<b>DEBT SERVICE FUND</b>				
710 Bond-Principal	9,090,000	5,735,000	5,795,000	
720 Bond-Interest	6,071,472	4,132,923	4,049,921	
790 Oth Debt Service Expenditures	1,995	2,000	9,500	
<b>Total</b>	<b>15,163,467</b>	<b>9,869,923</b>	<b>9,854,421</b>	
<b>TRUST</b>				
All Gift Directed Expenditures	30,040	25,000	25,000	
<b>Total</b>	<b>30,040</b>	<b>25,000</b>	<b>25,000</b>	

# **SECTION IV**

## **Glossary**

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## GLOSSARY

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

001	<b><u>Property Tax Levy - General</u></b> 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	<b><u>Reemployment Compensation Levy</u></b> 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	<b><u>Tuition from Other Minnesota School Districts</u></b> Tuition receipts received from other Minnesota school districts for services provided by ISD 834 during regular and summer sessions.
022	<b><u>SPED Purchased Services from Other Minnesota School Districts</u></b> Record reimbursement and revenue from a Minnesota school district for all special education costs that have been sold to another district.
040	<b><u>Tuition</u></b> Revenue from students, parents or guardians for tuition.
050	<b><u>Fees from Patrons</u></b> 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	<b><u>Parking Fees</u></b> Fees charged to students for the use of the student parking lots.
052	<b><u>Criminal Background Checks</u></b> Revenue for the collection of criminal background check fees.
053	<b><u>Transcript Fees</u></b> Fees charged for copies of transcripts.
060	<b><u>Admissions and Student Activity Revenue</u></b> This revenue source is from district admission charges for athletic and fine arts events.
071	<b><u>Medical Assistance Revenue</u></b> Revenue received from billing medical assistance for the provisions of IEP.
088	<b><u>E-Rate</u></b> Federal reimbursement for telecommunications services.
092	<b><u>Interest Earnings</u></b> This is income from temporary investments in government bonds, treasury certificates, or other investments authorized by statute.
093	<b><u>Rent for School Facilities</u></b> This revenue is from rental of district facilities. Examples include gyms and pools.
096	<b><u>Gifts &amp; Bequests</u></b> 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.



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

#### **State Revenue (Source 200-399)**

<b>201</b>	<b><u>Endowment Fund Apportionment</u></b> 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.
<b>211</b>	<b><u>General Education Aid</u></b> 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.
<b>212</b>	<b><u>Literacy Incentive Aid</u></b> This state aid is based on schools enrolling third and fourth grade students and with MCA test results from the prior year.
<b>213</b>	<b><u>Shared Time Aid</u></b> 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.
<b>227</b>	<b><u>Abatement Aid</u></b> 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.
<b>234</b>	<b><u>Agricultural Market Value Credit</u></b> This is revenue received for agricultural market value credit.
<b>300</b>	<b><u>State Aids Received from MN Department of Education</u></b> This revenue code is used to record state aids and grants for projects specifically defined by the MN Department of Education.
<b>301</b>	<b><u>Nonpublic School Aid</u></b> 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.
<b>360</b>	<b><u>State Aid for Special Education</u></b> 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.
<b>370</b>	<b><u>Miscellaneous Revenue from MN Department of Education</u></b> This represents miscellaneous revenue received from the MN Department of Education.
<b>397</b>	<b><u>TRA AND PERA Special Funding Situations Revenue</u></b> Record the support received from the State of Minnesota per GASB Statement No. 68.

### Federal Revenues (Source 400-499, 599)

<b>400</b>	<b><u>Federal Aids Received through the MN Department of Education</u></b> This revenue code is used to record revenue from federal aids and grants received through the MN Department of Education for specifically defined projects.
<b>405</b>	<b><u>Federal Aids Received through Other Agencies</u></b> This is federal aid received from agencies other than the MN Department of Education.
<b>471</b>	<b><u>School Lunch Program</u></b> This is federal aid received as part of the federal school lunch program.
<b>472</b>	<b><u>Free and Reduced Lunch Program</u></b> This federal aid provides for free or reduced-price lunches for qualifying students.
<b>473</b>	<b><u>Commodity Cash Rebate Program</u></b> 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.
<b>474</b>	<b><u>Commodity Distribution Program</u></b> 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.
<b>476</b>	<b><u>School Breakfast Program</u></b> This federal aid provides for free, reduced-price and paid breakfasts for students.
<b>479</b>	<b><u>Summer Food Service Program</u></b> Record federal revenue earned from the summer food service program.
<b>500</b>	<b><u>Miscellaneous Federal Direct Aid</u></b> This represents miscellaneous federal revenue received directly from the federal government.

### Other Revenue (Source 600-699)

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

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

### Expenditure Object Codes

<b>100-199</b>	<b><u>Salaries and Wages</u></b> 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.
<b>200-299</b>	<b><u>Employee Benefits</u></b> 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.
<b>300-399</b>	<b><u>Purchased Services</u></b> 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.
<b>400-499</b>	<b><u>Supplies and Materials</u></b> 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.
<b>500-599</b>	<b><u>Capital Expenditures</u></b> 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.
<b>700-799</b>	<b><u>Debt Service</u></b> These expenditures cover debt service principal, interest and other associated costs for debt.
<b>800-899</b>	<b><u>Other Expenditures</u></b> Other expenses are other miscellaneous expenses not elsewhere categorized, including indirect cost allocations, dues and memberships.

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