



Stillwater

AREA PUBLIC SCHOOLS

2017-18 PRELIMINARY BUDGET

INDEPENDENT SCHOOL DISTRICT NO. 834 STILLWATER, MINNESOTA

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June 2017

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SECTION I

Introduction

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SCHOOL BOARD

Mr. George Hoepfner	Board Chair
Ms. Paula O'Loughlin	Vice Chair
Ms. Jennifer Pelletier	Clerk
Mr. Tom Lehmann	Treasurer
Ms. Shelley Pearson	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 Personalized Learning Systems
Mr. Paul Lee	Director of Student Support Services
Mr. John Perry	Director of Learning, Technology and Design Systems
Ms. Annette Sallman	Director of Community Education and Community Relations

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Your Dreams, Your Future



STRATEGIC PLAN (2013-2018)

Developed by Community and Staff of the Stillwater Area Public Schools

BELIEFS

An expression of fundamental values; ethical code, overriding convictions, inviolable principles.

We believe that...

- all people have inherent value.
- helping others leads to a greater sense of self-worth.
- a community thrives when everybody's contributions are respected.
- curiosity is essential for lifelong learning.
- our future is dependent on outstanding leadership.
- encouraging diverse perspectives promotes innovation.
- success requires perseverance and learning from failure.
- all people deserve the environment and opportunity to discover and maximize their potential.
- relationships based on caring, honesty, and respect strengthen our community.



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.

OBJECTIVES

An uncompromising commitment to achieve specific, measurable, observable, or demonstrable results that exceed its present capability.

- Each student will have the skills and abilities to compete in an ever-changing world.
- Each student will be an active participant in his or her community.
- Each student will contribute to a safe, caring and healthy environment.
- Each student will have a sense of belonging.
- Each student will be personally engaged in service to others.
- Each student will have a passion for learning.
- Each student will identify and pursue his or her passions.

PARAMETERS

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

- We will always provide timely communication with our stakeholders.
- Excellence will always be our expectation.
- We will always encourage and support courageous leadership.

Approved by School Board – February 21, 2013

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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 8,300 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 63,865.

Transportation services are provided to over 7,900 public, non-public and charter school students. Buses are scheduled to make over 3,000 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 4,500 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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2017-18 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 conservative assumptions on those variables in order to avoid deficits. Examples of the variables with additional information are listed below.

Enrollment Trends and Enrollment Projections

Enrollment in the district increased slightly for the 2016-17 school year and is projected to decline for 2017-18. Figure 1 shows the enrollment trends for each level over the last five years.

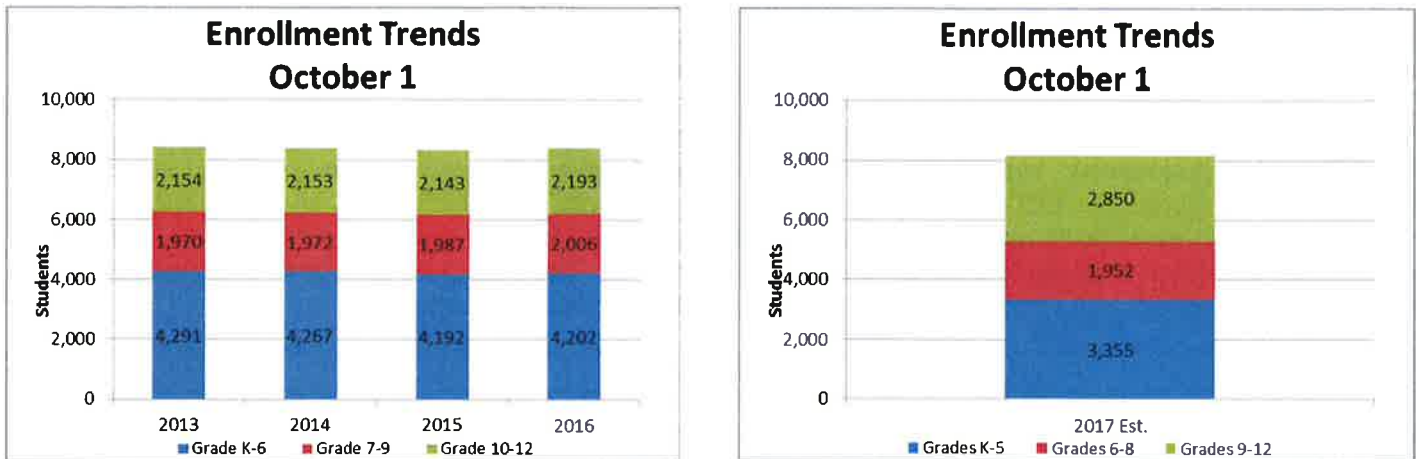


Figure 1

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 2017-18, but does not include parameters for contracts that have expired (open contracts). For 2017-18 the district will continue with a self-funded health insurance plan. Insurance rates will increase for single 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 2017-18 Preliminary Budget includes an anticipated one and a half percent increase in the general education revenue formula from the 2017 Legislative process. When the 2017 Legislative process is finalized, those changes will be reflected in the 2017-18 Revised Budget.

Summary – 2017-18 Preliminary Budgets

The 2017-18 Preliminary Budget reflects a decrease in the unassigned fund balance for the general fund compared to the 2016-17 Updated 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 percentage has changed dramatically from prior years due to the sale of voter approved bonds.

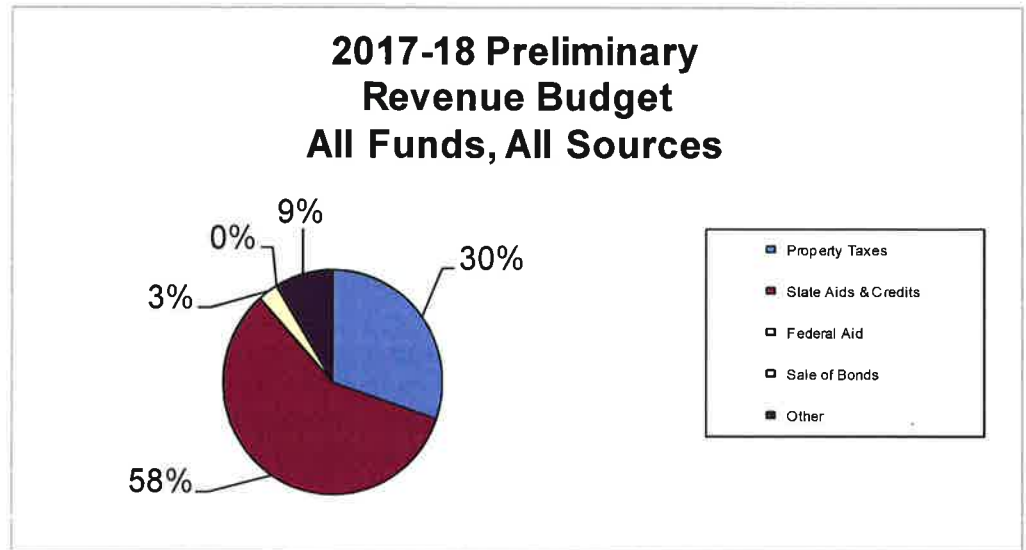


Figure 2

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 2017-18, salaries and benefits make up 74% of the district's general fund budget and 56% of the district's total budget as shown in Figure 3. Purchased services (such as heating, electricity, insurance and telecommunication costs) comprise 13% of the budget. Supplies, materials, capital and other expenditures total 31% of the total budget. Historically, the district's budget managers monitor expenditures closely and typically come in under budget.

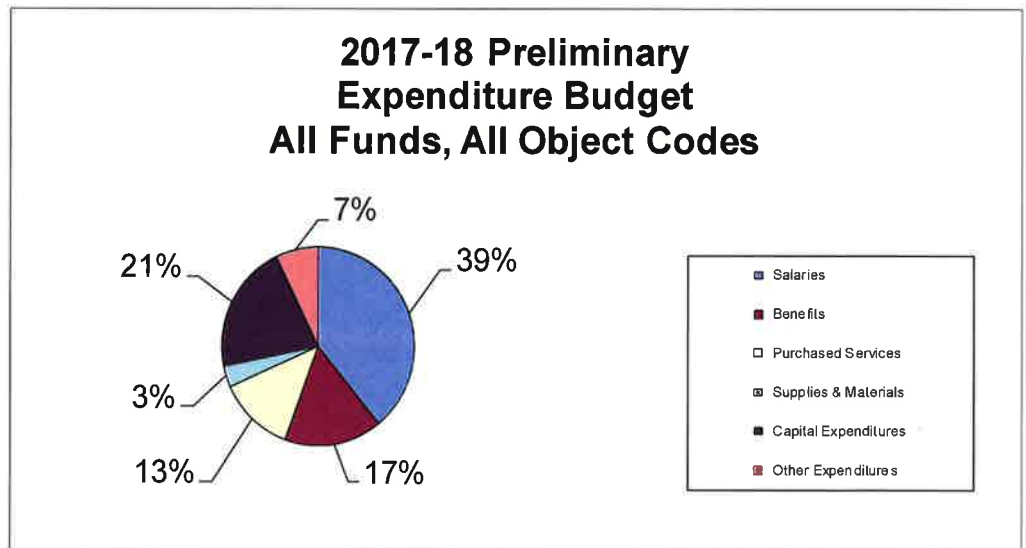


Figure 3

SECTION II

2017-18

Preliminary Budget

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2017-18 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 2017-18 for the general education aid from the state is estimated to be \$6,158 per pupil unit (weighted student counts depending on grade level of enrollment).

Of all the district's general fund expenditures, 74% 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 2017-18 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*		
	2016-17	2017-18
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 2016-17 and 2017-18. The supply/material and library/media allocations have been increased from the 2016-17 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		
	2016-17	2017-18
<u>Elementary</u>		
Supply and Material	\$26.84	\$27.38
Library/Media	9.40	9.59
Capital	16.77	17.11
<u>Secondary</u>		
Supply and Material	\$51.49	\$52.52
Library/Media	13.68	13.95
Capital	25.14	25.64

Table 2

Staff development

Funds to be used for staff development are allocated to the district's Learning and Innovation Department for use and approval of staff development activities. The total allocated directly to the Learning and Innovation Department is approximately \$550,000. The remaining dollars will be used for instructional coaches to support teacher's professional development.

2017-18 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	2015-16 Actual	2016-17 Revised Budget	2017-18 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	14,001,714	16,160,123	14,809,940	(1,350,183)	-8.36%
Revenues	106,457,689	102,779,929	103,750,672	970,743	0.94%
Expenditures	104,299,279	104,130,112	104,641,501	511,389	0.49%
Revenues less Expenditures	2,158,409	(1,350,183)	(890,829)	459,354	
Ending Fund Balance	16,160,123	14,809,940	13,919,111	(890,829)	-6.02%

Comparison of 2017-18 Preliminary Budget to 2016-17 Revised Budget

Revenue

Preliminary 2017-18 revenue estimates are \$970,743 more than the 2016-17 Revised Budget primarily due to an increase in special education, tuition (Century College) and medical assistance revenue net a decrease for the completion of the federal PEP grant and the absence of non-federal grants as they are not predictable.

Expenditures

Preliminary 2017-18 expenditures increased by \$511,389 from the 2016-17 Revised Budget primarily due to an increase in long term facility maintenance, transportation, and projected staffing levels for FY 17-18 net a decrease in tuition (Valley Crossing agreement net increase for Century College), operating capital, the completion of the federal PEP grant, and 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 \$95,021,493. The net expenditure budget after subtracting these categorical expenditures is \$95,710,139. The unassigned fund balance decreases to 6.93% of expenditures. The Board's goal of reaching a 5% unassigned fund balance has been met.

The total fund balance for the general fund is projected to decrease from \$14.8 million to \$13.9 million in the preliminary 2017-18 budget. The unassigned fund balance (the amount of unallocated funds) is projected to decrease from \$7.9 million to \$7.2 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 decreasing slightly. The expenditures are decreasing due to less projected projects. The projected fund balance will remain relatively unchanged at \$1.2 million.

General Fund Capital Expenditure Account	2015-16	2016-17	2017-18	Rev. / Prel. Change	Rev. / Prel. % Change
	Actual	Revised Budget	Preliminary Budget		
Beginning Fund Balance	2,079,092	1,781,237	1,226,130	(555,107)	-31.16%
Revenues	12,069,244	3,490,616	3,188,260	(302,356)	-8.66%
Expenditures	12,367,099	4,045,723	3,211,362	(834,361)	-20.62%
Revenues less Expenditures	(297,855)	(555,107)	(23,102)	532,005	
Ending Fund Balance	1,781,237	1,226,130	1,203,028	(23,102)	-1.88%

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 2016-17 Revised Budget to the 2017-18 Preliminary Budget.

General Fund	2015-16	2016-17	2017-18	Rev. / Prel. Change	Rev. / Prel. % Change
	Actual	Revised Budget	Preliminary Budget		
Administration	3,730,272	3,583,959	3,528,195	(55,764)	-1.56%
District Support Services	4,988,021	3,576,180	3,257,875	(318,305)	-8.90%
Regular & Vocational Instruction	45,660,266	47,426,083	46,863,619	(562,464)	-1.19%
Special Education Instruction	16,718,522	17,353,548	16,640,835	(712,713)	-4.11%
Instructional Support Services	5,579,198	7,519,856	7,205,469	(314,387)	-4.18%
Pupil Support Services	3,265,604	3,482,328	3,568,637	86,309	2.48%
Transportation (Pupil Support)	6,561,705	7,142,798	7,836,958	694,160	9.72%
Operations and Maintenance	17,532,363	13,775,294	15,442,413	1,667,119	12.10%
Fiscal and Other Fixed Costs	263,329	270,066	297,500	27,434	10.16%
Total	104,299,279	104,130,112	104,641,501	511,389	0.49%

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 decrease of \$55,764 from the 2016-17 Revised Budget is primarily due to staff budgeting net an increase for legal expenses.

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 \$318,305 from the 2016-17 Revised Budget is primarily due to staff budgeting and an increase in administrative chargebacks.

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 \$562,464 from the 2016-17 Revised Budget is primarily due to tuition (Valley Crossing net an increase for Century College) and the completion of the federal PEP grant net an increase for 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 decrease of \$712,713 from the 2016-17 Revised Budget is primarily due to staff budgeting, which includes but is not limited to paraprofessionals, benefits and the implicit rate subsidy.

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 \$314,387 from the 2016-17 Revised Budget is primarily due to the absence of grant budgets as they are not predictable and in staff development (FY 16-17 included a carryover) 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 \$780,469 from the 2016-17 Revised Budget is primarily due to an increase for transportation.

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 \$1,667,119 from the 2016-17 Revised Budget is primarily due to an increase in LTFM and staff budgeting net a decrease in operating capital for planned projects.

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 \$27,434 from the 2016-17 Revised Budget is due 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	2015-16 Actual	2016-17 Revised Budget	2017-18 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	123,578	166,528	118,223	(48,305)	-29.01%
Revenues	3,853,954	3,845,675	4,144,865	299,190	7.78%
Expenditures	3,811,004	3,893,980	4,128,658	234,678	6.03%
Revenues less Expenditures	42,950	(48,305)	16,207	64,512	
Ending Fund Balance	166,528	118,223	134,430	16,207	13.71%

Revenues are increasing due to a projected increase in participation along with an increase in lunch prices. Expenditures are increasing primarily in commodities and for equipment needs.

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	2015-16 Actual	2016-17 Revised Budget	2017-18 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	665,948	884,703	826,923	(57,780)	-6.53%
Revenues	4,886,379	5,278,542	5,851,627	573,085	10.86%
Expenditures	4,667,624	5,336,322	5,838,996	502,674	9.42%
Revenues less Expenditures	218,755	(57,780)	12,631	70,411	
Ending Fund Balance	884,703	826,923	839,554	12,631	1.53%

Revenues are projected to increase primarily due to additional tuition for preschool expansion, a projected increase in school age care enrollment, increased fees for both preschool and school age care and membership revenue for the new Pony Activity Center. Expenditures are projected to increase primarily due to the expansion of preschool and for the new Pony Activity Center.

Building Construction Fund

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

Building Construction Fund	2015-16 Actual	2016-17 Revised Budget	2017-18 Preliminary Budget	Rev. / Prel. Change	Rev. / Prel. % Change
Beginning Fund Balance	481,202	82,458,600	12,605,982	(69,852,618)	-84.71%
Revenues	97,981,325	245,000	25,000	(220,000)	-89.80%
Expenditures	16,003,926	70,097,618	26,118,936	(43,978,682)	-62.74%
Revenues less Expenditures	81,977,398	(69,852,618)	(26,093,936)	43,758,682	
Ending Fund Balance	82,458,600	12,605,982	(13,487,954)	(26,093,936)	-207.00%

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	2015-16	2016-17	2017-18	Rev. / Prel. Change	Rev. / Prel. % Change
	Actual	Revised Budget	Preliminary Budget		
Beginning Fund Balance	1,772,888	7,341,354	2,065,691	(5,275,663)	-71.86%
Revenues	30,973,465	9,888,309	10,033,085	144,776	1.46%
Expenditures	25,404,998	15,163,972	9,869,923	(5,294,049)	-34.91%
Revenues less Expenditures	5,568,466	(5,275,663)	163,162	5,438,825	
Ending Fund Balance	7,341,354	2,065,691	2,228,853	163,162	7.90%

Revenues are slightly increasing. Expenditures are decreasing to reflect actual bond and interest payments.

OPEB Debt Service Fund

Included within the debt service fund is the OPEB debt service fund. Listed below are the reserved revenues and expenditures projected in the OPEB debt service fund. This fund is used to account for all revenues and expenditures related to the OPEB bonds.

OPEB Debt Service Fund	2015-16	2016-17	2017-18	Rev. / Prel. Change	Rev. / Prel. % Change
	Actual	Revised Budget	Preliminary Budget		
Beginning Fund Balance	266,575	300,996	565,377	264,381	87.84%
Revenues	16,145,638	5,415,441	5,218,360	(197,081)	0.00%
Expenditures	16,111,217	5,151,060	4,966,165	(184,895)	0.00%
Revenues less Expenditures	34,421	264,381	252,195	(12,186)	
Ending Fund Balance	300,996	565,377	817,572	252,195	44.61%

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	2015-16	2016-17	2017-18	Rev. / Prel. Change	Rev. / Prel. % Change
	Actual	Revised Budget	Preliminary Budget		
Beginning Fund Balance	179,508	168,825	168,825	0	0.00%
Revenues	18,779	25,000	25,000	0	0.00%
Expenditures	29,462	25,000	25,000	0	0.00%
Revenues less Expenditures	(10,683)	0	0	0	
Ending Fund Balance	168,825	168,825	168,825	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, 2016 the net position balance in the OPEB trust account was \$9,888,282.

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, 2016 the net position balance in the internal service fund for health and dental insurance was \$3,940,420.

2017-18 PRELIMINARY BUDGET SUMMARY

PROJECTED REVENUES, EXPENDITURES AND FUND BALANCE BY FUND 2017-18

Fund	Proj. Fund Balance 6/30/17	2017-18 Revenue Budget	2017-18 Expenditure Budget	Proj. Fund Balance 6/30/18
General Fund	14,809,940	103,750,672	104,641,501	13,919,111
Food Service Fund	118,223	4,144,865	4,128,658	134,430
Community Service Fund	826,923	5,851,627	5,838,996	839,554
Sub-Total Operating Funds	15,755,086	113,747,164	114,609,155	14,893,095
Building Construction Fund	12,605,982	25,000	26,118,936	(13,487,954)
Debt Service Fund	2,065,691	10,033,085	9,869,923	2,228,853
Sub-Total Non-Operating Funds	14,671,673	10,058,085	35,988,859	(11,259,101)
Trust Fund	168,825	25,000	25,000	168,825
Total All Funds	30,595,584	123,830,249	150,623,014	3,802,819

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SECTION III

Summary

SUMMARY OF REVENUES BY SOURCE CATEGORY AND FUND

Fund	Source Category	2015-16 Actual	Pct. of Total	2016-17 Rev. Bud.	2017-18 Prelim. Budget	Pct. of Total	Revised - Preliminary Percent Change	Amount Change
01	General Fund							
	Property Taxes	21,894,121	20.57%	25,927,199	26,442,456	25.49%	1.99%	515,257
	State Aids & Credits	68,914,062	64.73%	69,969,208	71,009,530	68.44%	1.49%	1,040,322
	Federal Aid	2,687,118	2.52%	2,629,256	2,463,990	2.37%	-6.29%	(165,266)
	Other	12,962,388	12.18%	4,254,266	3,834,696	3.70%	-9.86%	(419,570)
	Total General Fund	106,457,689	100.00%	102,779,929	103,750,672	100.00%	0.94%	970,743
02	Food Service							
	Property Taxes	0	0.00%	0	0	0.00%	0.00%	0
	State Aids & Credits	164,546	4.27%	174,125	193,000	4.66%	10.84%	18,875
	Federal Aid	1,097,021	28.46%	1,109,167	1,136,500	27.42%	2.46%	27,333
	Other	2,592,387	67.27%	2,562,383	2,815,365	67.92%	9.87%	252,982
	Total Food Service	3,853,954	100.00%	3,845,675	4,144,865	100.00%	7.78%	299,190
04	Community Service							
	Property Taxes	960,819	19.66%	1,022,569	1,031,024	17.62%	0.83%	8,455
	State Aids & Credits	658,332	13.47%	836,832	796,663	13.61%	-4.80%	(40,169)
	Federal Aid	2,608	0.05%	2,221	2,221	0.04%	0.00%	0
	Other	3,264,619	66.81%	3,416,920	4,021,719	68.73%	17.70%	604,799
	Total Comm. Service	4,886,379	100.00%	5,278,542	5,851,627	100.00%	10.86%	573,085
06	Building Construction							
	Property Taxes	3,504,044	3.58%	0	0	0.00%	0.00%	0
	Sale of Bonds	94,152,819	96.09%	0	0	0.00%	0.00%	0
	Other	324,462	0.33%	245,000	25,000	100.00%	-89.80%	(220,000)
	Total Bldg Construction	97,981,325	100.00%	245,000	25,000	100.00%	-89.80%	(220,000)
07&47	Debt Service							
	Property Taxes	10,437,895	33.70%	9,871,309	9,995,085	99.62%	1.25%	123,776
	State Aids & Credits	16,846	0.05%	11,500	17,500	0.17%	52.17%	6,000
	Other	20,518,724	66.25%	5,500	20,500	0.20%	272.73%	15,000
	Total Debt Service	30,973,465	100.00%	9,888,309	10,033,085	100.00%	1.46%	144,776
08	Trust							
	Other	18,779	100.00%	25,000	25,000	100.00%	0.00%	0
	All Funds							
	Property Taxes	36,796,879	15.07%	36,821,077	37,468,565	30.26%	1.76%	647,488
	State Aids & Credits	69,753,786	28.57%	70,991,665	72,016,693	58.16%	1.44%	1,025,028
	Federal Aid	3,786,747	1.55%	3,740,644	3,602,711	2.91%	-3.69%	(137,933)
	Sale of Bonds	94,152,819	38.56%	0	0	0.00%	0.00%	0
	Other	39,681,359	16.25%	10,509,069	10,742,280	8.68%	2.22%	233,211
	Total All Funds	244,171,590	100.00%	122,062,455	123,830,249	100.00%	1.45%	1,767,794

SUMMARY OF EXPENDITURES BY OBJECT CATEGORY AND FUND

Fund	Object Category	2015-16 Actual	Pct. of Total	2016-17 Rev. Bud.	2017-18 Prelim. Budget	Pct. of Total	Revised - Preliminary Percent Change	Amount Change
01	General Fund							
	Salaries	48,777,450	46.77%	53,361,023	54,108,611	51.71%	1.40%	747,588
	Benefits	23,318,769	22.36%	23,124,247	23,120,632	22.10%	-0.02%	(3,615)
	Purchased Services	16,266,575	15.60%	17,721,964	17,044,547	16.29%	-3.82%	(677,417)
	Supplies & Materials	2,870,905	2.75%	3,207,368	3,213,229	3.07%	0.18%	5,861
	Capital Expenditures	12,108,066	11.61%	4,901,691	6,212,785	5.94%	26.75%	1,311,094
	Debt Service	822,938	0.79%	823,038	818,912	0.78%	-0.50%	(4,126)
	Other Expenditures	134,578	0.13%	990,781	122,785	0.12%	-87.61%	(867,996)
	Total General Fund	104,299,279	100.00%	104,130,112	104,641,501	100.00%	0.49%	511,389
02	Food Service							
	Salaries	1,285,584	33.73%	1,356,468	1,348,931	32.67%	-0.56%	(7,537)
	Benefits	646,794	16.97%	634,052	642,617	15.56%	1.35%	8,565
	Purchased Services	288,301	7.56%	269,960	281,970	6.83%	4.45%	12,010
	Supplies & Materials	1,498,886	39.33%	1,513,050	1,662,340	40.26%	9.87%	149,290
	Capital Expenditures	82,042	2.15%	111,000	183,000	4.43%	64.86%	72,000
	Other Expenditures	9,397	0.25%	9,450	9,800	0.24%	3.70%	350
	Total Food Service	3,811,004	100.00%	3,893,980	4,128,658	100.00%	6.03%	234,678
04	Community Service							
	Salaries	2,626,066	56.26%	2,950,643	3,410,913	58.42%	15.60%	460,270
	Benefits	904,132	19.37%	1,003,587	1,034,337	17.71%	3.06%	30,750
	Purchased Services	833,624	17.86%	867,499	961,214	16.46%	10.80%	93,715
	Supplies & Materials	265,591	5.69%	312,551	333,090	5.70%	6.57%	20,539
	Capital Expenditures	17,469	0.37%	179,810	73,992	1.27%	-58.85%	(105,818)
	Other Expenditures	20,742	0.44%	22,232	25,450	0.44%	14.47%	3,218
	Total Comm. Service	4,667,624	100.00%	5,336,322	5,838,996	100.00%	9.42%	502,674
06	Building Construction							
	Salaries	197,931	1.24%	126,744	0	0.00%	-100.00%	(126,744)
	Benefits	82,040	0.51%	44,788	0	0.00%	-100.00%	(44,788)
	Purchased Services	6,696,945	41.85%	6,615,000	971,727	3.72%	-85.31%	(5,643,273)
	Supplies & Materials	1,963	0.01%	15,000	0	0.00%	-100.00%	(15,000)
	Capital Expenditures	9,025,048	56.39%	63,296,086	25,147,209	96.28%	-60.27%	(38,148,877)
	Total Bldg. Const.	16,003,926	100.00%	70,097,618	26,118,936	100.00%	-62.74%	(43,978,682)
07&47	Debt Service							
	Other	25,404,998	100.00%	15,163,972	9,869,923	100.00%	-34.91%	(5,294,049)
08	Trust							
	Other	29,462	100.00%	25,000	25,000	100.00%	0.00%	0
	All Funds							
	Salaries	52,887,030	34.29%	57,794,878	58,868,455	39.08%	1.86%	1,073,577
	Benefits	24,951,734	16.18%	24,806,674	24,797,586	16.46%	-0.04%	(9,088)
	Purchased Services	24,085,446	15.62%	25,474,423	19,259,458	12.79%	-24.40%	(6,214,965)
	Supplies & Materials	4,637,344	3.01%	5,047,969	5,208,659	3.46%	3.18%	160,690
	Capital Expenditures	21,232,625	13.77%	68,488,587	31,616,986	20.99%	-53.84%	(36,871,601)
	Other Expenditures	26,422,114	17.13%	17,034,473	10,871,870	7.22%	-36.18%	(6,162,603)
	Total All Funds	154,216,294	100.00%	198,647,004	150,623,014	100.00%	-24.18%	(48,023,990)

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BUDGET DETAIL SUMMARY

REVENUE BY SOURCE

SRC DESCRIPTION	2015-16	2016-17	2017-18	NOTES
	ACTUAL	REVISED	PRELIM.	
GENERAL FUND				
001 Property Tax Levy-General	21,872,980	25,906,058	26,385,700	
005 Reemployment Compensation Levy	21,141	21,141	56,756	Increase in levy amount.
022 SPED Purch Serv from Oth MN	127,729	43,000	43,000	
050 Fees from Patrons	1,142,506	1,099,100	1,091,100	
051 Parking Fees	148,345	160,000	160,000	
052 Criminal Background Checks	635	2,000	1,000	
053 Transcript Fees	11,379	10,000	10,000	
060 Admission/Student Act Revenue	172,738	132,000	132,000	
071 Medical Assistance Revenue	576,348	500,000	700,000	Increased to better reflect projected.
088 E-Rate Revenue	46,678	50,000	135,000	Increased to better reflect projected.
092 Interest Earnings	41,689	34,500	34,500	
093 Rent for School Facilities	309,365	450,556	395,411	Decreased as FY 16-17 includes carryover.
096 Gifts & Bequests	676,204	848,925	460,000	Decreased due to the absence of grant budgets as they are not predictable.
099 Miscellaneous Local Revenue	502,766	423,185	406,685	
201 Endowment Fund Apportionment	259,748	292,371	295,892	
211 General Education Aid	57,665,071	58,444,359	58,662,722	
212 Literacy Incentive Aid	461,602	461,602	427,633	
213 Shared Time Aid	13,353	26,588	26,588	
227 Abatement Aid	18,646	528	1,436	
234 Homestd/Agr Mkt Value Credit	12,600	11,945	11,945	
300 State Aids Rec'd from DOE	841,604	2,161,815	2,163,314	
360 Special Education Aid	8,584,727	8,500,000	9,100,000	Increased to better reflect projected.
370 Other Aid from DOE	1,056,710	70,000	320,000	Increased to account for change in tuition billing (see object 394).
400 Federal Aids rec'd thru DOE	1,953,128	2,459,506	2,459,506	
404 Federal Aids SPED Tuition	367	0	0	
405 Federal Aid rec'd thru Other	18,224	18,225	0	
500 Federal Aids rec'd from Fed	715,398	151,525	4,484	
619 Cost of Materials for Profit	-111,414	-115,000	-115,000	
620 Sales of Materials for Profit	312,223	300,000	300,000	

REVENUE BY SOURCE

SRC DESCRIPTION	2015-16	2016-17	2017-18	NOTES
	ACTUAL	REVISED	PRELIM.	
621 Sale of Materials Purch-Resale	81,092	75,000	75,000	
623 Sale of Real Property	8,918,771	235,000	0	No projected land sale for FY 17-18.
624 Sale of Equipment	5,333	6,000	6,000	
Total	106,457,689	102,779,929	103,750,672	
FOOD SERVICE FUND				
021 Sales to Mahtomedi	561,616	536,553	568,500	
092 Interest Earnings	0	150	750	
096 Gifts & Bequests	565	350	350	
099 Miscellaneous Local Revenue	3,697	2,500	7,500	
300 State Aids Rec'd from DOE	164,546	174,125	193,000	Participation increase projected.
471 School Lunch Program	262,715	276,780	265,000	
472 Free and Reduced Lunch Program	463,985	483,240	475,000	
473 Commodity Cash Rebate Program	61,919	63,000	1,000	Commodity \$ put into Dept. of Defense/Brown Box instead of rebates.
474 Commodity Distribution Program	159,772	130,000	256,500	Commodity \$ put into Dept. of Defense/Brown Box instead of rebates.
476 School Breakfast Program	116,096	120,000	98,000	Decreased to better reflect projected.
479 Summer Food Service Program	32,534	36,147	41,000	
601 Food Service Sales to Pupils	1,883,635	1,891,850	2,099,750	Participation increase projected and an increase in lunch prices.
602 Food Service Sale of Milk	25,710	19,950	24,100	
606 Food Service Sales to Adults	30,968	30,780	27,915	
608 Special Function Food Sales	86,196	80,000	85,000	
624 Sale of Equipment	0	250	1,500	
Total	3,853,954	3,845,675	4,144,865	
COMMUNITY SERVICE FUND				
001 Property Tax Levy-General	881,484	927,569	941,024	
021 Tuition from MN School Dist	79,335	95,000	90,000	
040 Tuition	255,997	333,000	514,000	Increase in preschool sections.
050 Fees from Patrons	3,926	1,000	101,500	New Pony Activity Center membership revenue.
092 Interest Earnings	3,140	3,000	3,000	
096 Gifts & Bequests	14,980	2,775	2,250	

REVENUE BY SOURCE

SRC DESCRIPTION	2015-16	2016-17	2017-18	NOTES
	ACTUAL	REVISED	PRELIM.	
099 Miscellaneous Local Revenue	61,493	155,889	156,200	
227 Abatement Aid	3,681	0	0	
234 Homestd/Agr Mkt Value Credit	1,420	0	0	
300 State Aids Rec'd from DOE	423,196	524,711	528,668	
301 Nonpublic Aid	81,021	96,534	91,490	
370 Other Aid from DOE	149,015	215,587	176,505	Booked receivable in FY 16-17 that is removed for FY 17-18.
405 Federal Aid Rec'd thru Other	2,608	2,221	2,221	
510 Adults with Disabilities	1,445	2,200	2,200	
549 Aquatics	63,833	64,260	61,850	
551 Adult Athletics	96,268	85,349	74,850	
552 Adult Enrichment	46,609	43,650	55,760	
553 Youth Athletics	66,064	69,200	73,000	
554 Camps and Clinics	126,087	135,000	140,000	
562 Instructional Music	25,054	25,000	35,000	
564 Special Events	24,307	10,829	41,000	
570 School Age Care Tuition	1,872,279	1,878,572	2,041,216	Fee increase and higher projected enrollment.
571 School Age Care Preschool	107,430	123,581	175,993	Fee increase and higher projected enrollment.
585 Youth Development/Youth Serv	295,367	295,000	315,000	
591 Facilities Use	200,292	179,459	216,663	Increased fees to include charge for an auditorium technician.
592 Turf Fields Use	0	9,156	12,237	
620 Sales of Materials for Profit	50	0	0	
Total	4,886,379	5,278,542	5,851,627	

BUILDING CONSTRUCTION FUND

001 Property Tax Levy-General	3,504,044	0	0	
092 Interest Earnings	324,462	175,000	25,000	Decreased as we near completion of bond projects.
625 Insurance Recovery	0	70,000	0	
631 Sale of Bonds	94,152,819	0	0	
Total	97,981,325	245,000	25,000	

REVENUE BY SOURCE

SRC DESCRIPTION	2015-16 ACTUAL	2016-17 REVISED	2017-18 PRELIM.	NOTES
DEBT SERVICE FUND				
001 Property Tax Levy-General	10,437,895	9,871,309	9,995,085	
092 Interest Earnings	30,446	5,500	20,500	
234 Homestd/Agr Mkt Value Credit	16,846	11,500	17,500	
631 Sale of Bonds	20,488,277	0	0	
Total	30,973,465	9,888,309	10,033,085	
TRUST FUND				
All Gift Directed Revenues	18,779	25,000	25,000	
Total	18,779	25,000	25,000	

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2015-16 ACTUAL	2016-17 REVISED	2017-18 PRELIM.	NOTES
GENERAL FUND				
100 Administrators	1,367,562	1,498,009	1,523,830	
101 School Board	33,750	33,750	33,750	
110 Principals	2,000,915	2,137,905	1,979,710	Reduction of 2 FTE.
120 Supervisors	405,242	495,517	524,931	
121 Confidential/Specialists	840,957	885,130	1,001,511	Increased to reflect current staffing levels.
122 Subs-Health Specialists	11,614	12,000	12,000	
140 Teachers	28,966,892	31,317,742	32,137,986	
141 Paraprofessionals	739,588	746,665	754,934	
142 Subs-Paraprofessionals	128,946	150,350	150,350	
143 Coordinators	1,359,659	1,521,649	1,588,810	
144 Librarians	149,922	197,133	197,697	
145 Subs-Teacher	732,502	646,500	646,500	
150 Subs-Teacher School Business	226,191	316,678	207,381	Decreased in staff development.
151 Occupational Therapists	274,908	255,966	228,816	
152 Speech Language Pathologists	1,148,149	1,270,334	1,264,486	
154 School Nurse	301,704	289,103	289,303	
155 Health Care Specialists	221,896	260,749	261,695	
156 School Social Worker	282,141	320,786	320,786	
157 Psychologists	764,127	760,655	763,611	
161 Paraprofessionals - Certified	2,040,853	2,348,435	2,128,435	
162 Paraprofessionals - One-to-One	147,708	161,884	88,944	Reduction in Special Ed paraprofessional hours.
165 School Counselors	821,087	865,400	895,912	
170 Tech Support	1,956,985	2,115,946	2,104,252	
171 Subs-Tech Support	21,001	21,400	21,600	
172 Custodians	2,098,978	2,105,224	2,415,329	Additional custodians due to increased square footage.
173 Overtime	130,500	83,250	83,500	
174 DAPE Specialists	146,123	168,799	168,799	
176 Subs-Custodian	41,107	40,000	40,000	
177 Crossing Guards	9,170	9,586	9,586	
178 Lunchroom Supervisors-Licensed	10,495	19,000	24,000	
179 Lunchroom Supervisors-Non-Licensed	18,722	23,956	13,641	
180 Coaches	636,761	661,516	661,516	
185 Advisors	162,643	180,319	180,319	
186 Other Salary Payments-Non-Licensed	200,347	139,112	128,236	
189 Other Salary Payments-Licensed	378,301	1,300,575	1,256,455	

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2015-16 ACTUAL	2016-17 REVISED	2017-18 PRELIM.	NOTES
210 FICA	3,666,935	3,905,849	3,949,125	
214 PERA	742,010	775,985	789,437	
218 TRA	3,823,851	3,009,332	3,118,400	
220 Health Insurance	10,406,476	10,536,575	10,522,576	
225 Dental Insurance	589,297	633,712	649,821	
230 Life Insurance	156,181	168,073	171,718	
235 LTD Insurance	230,723	258,268	264,231	
236 Short Term Disability	165,840	17,043	0	
240 Legal Insurance	-210	0	0	
250 TSA	947,697	996,274	1,015,724	
251 Severance TSA	122,204	214,000	214,000	
252 Severance Health	65,838	86,000	86,000	
253 Health Care Savings Plan	457,755	475,625	489,578	
254 VEBA Contribution	795,757	904,700	940,290	
270 Workers Compensation	345,987	288,728	305,167	
280 Reemployment Comp Insurance	90,449	94,000	70,000	Decreased to reflect planned expenditures.
291 OPEB (pay as you go)	673,251	708,123	487,605	Decreased to reflect reduction in retiree benefit costs.
297 Tuition/Classes	14,575	17,400	13,400	
298 Contract Dues	16,621	22,560	21,560	
299 Other Employee Benefits	7,532	12,000	12,000	
302 Background Check	12,684	22,789	22,789	
303 Federal Contracts < \$25,000	107,024	57,662	45,832	
304 Federal Contracts > \$25,000	19,608	0	0	
305 Consulting/Service Fees	1,152,443	1,493,306	1,633,160	Increased primarily in Long Term Facility Maintenance.
306 Audit Services	60,825	90,000	76,000	
307 Legal Services	149,117	102,046	133,178	Increased to better reflect planned expenditures.
308 Printing Services	161,760	164,643	166,943	
309 Credit Card Fees	50,883	52,000	52,000	
310 Snow Removal/Lawn Services	119,921	188,900	189,955	
312 Officials/Judges	63,506	64,600	65,200	
313 Laundry Services	15,510	21,975	22,825	
314 On-Line Courses	9,335	16,000	10,000	
320 Communication Services	255,781	266,295	266,331	
329 Postage	37,716	60,600	51,650	
330 Electricity	1,015,686	981,200	1,108,300	Increased to better reflect planned expenditures.

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2015-16	2016-17	2017-18	NOTES
	ACTUAL	REVISED	PRELIM.	
331 Natural Gas	277,909	449,100	417,600	
332 Water and Sewer	134,797	126,650	140,100	
333 Garbage Collection	67,941	72,900	73,700	
340 Insurance	263,329	270,066	297,500	
350 Repair/Maintenance Services	510,542	738,308	864,748	Increased primarily in Long Term Facility Maintenance.
357 Interpreter for Deaf Services	2,129	0	200	
358 Foreign Language Interpreter	7,173	13,000	23,300	
360 Transportation Contracts	6,723,601	7,214,794	7,865,863	Increased transportation costs.
362 Mental Health Practitioner Services	30,000	30,000	30,000	
365 Transportation Chargebacks	-410	-8,890	-9,500	
366 Travel and Conferences	302,857	529,017	499,209	
368 Out Of State Travel - Federal	7,343	5,825	5,000	
369 Entry Fees/Student Travel Exp	709,455	699,566	677,125	
370 Rentals and Leases	781,683	781,466	671,705	Decreased due to planned reduction for ALC lease.
371 Equipment Leases	1,747	2,000	2,000	
372 Graduation Expense	40,298	40,000	40,000	
390 Tuition To Oth MN Sch District	121,777	132,825	151,425	
391 Pmt To MN Sch-Cost Share Agmt	2,449,735	2,489,510	752,972	Decreased due to the elimination of Valley Crossing agreement.
393 Sped Cont Serv - Non Sch Dist	87,968	95,121	76,300	
394 Payments to Oth Agencies	272,983	261,800	527,802	Increased due the change in tuition billing (see source 370).
396 Sped Sal Purchase fr Oth Dist	414,034	298,000	298,400	
397 Sped Bens Purchase fr Oth Dist	199,151	198,090	194,935	
398 Administrative Chargebacks	-372,070	-300,000	-400,000	Increased to reflect better projected.
399 Purchased SPED Cont Serv from Other	807	800	0	
401 Non-Instructional Supplies	675,336	708,963	758,866	
404 ID Badges	3,351	2,800	2,800	
405 Non-Instructional Annual Software License	364,806	142,126	247,961	Increased to reflect change in UFARS coding of technology expenses.
406 Instructional Software License	0	35,480	99,751	Increased to reflect change in UFARS coding of technology expenses.
409 Uniforms	7,032	8,000	9,000	
410 Custodial/Repair Supplies	457,905	491,200	653,000	Increased primarily in Long Term Facility Maintenance.
430 Instructional Supplies	292,927	296,041	241,181	Decreased primarily due to the absence of grant budgets as they are not predictable.
433 Individualized Instructional Supplies	149,966	74,781	81,732	
440 Fuel For Buildings	8,664	57,000	52,000	
442 Gasoline	26,708	32,405	33,750	
455 Non-Instructional Technology Supplies	0	5,000	8,000	
456 Instructional Technology Supplies	0	66,143	0	Decreased primarily due to the absence of grant budgets as they are not predictable.

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2015-16 ACTUAL	2016-17 REVISED	2017-18 PRELIM.	NOTES
460 Textbooks and Workbooks	626,881	932,606	676,629	Decreased primarily in Learning and Innovation.
461 Standardized Tests	219,443	298,000	265,000	
466 Instructional Technology Devices	0	35,356	44,975	
470 Library Books	20,813	11,261	25,900	
490 Food	17,073	10,206	12,684	
505 Non-Instructional Technology Software	0	5,500	5,500	
520 Bldg Acquisition/Construction	9,084,509	3,191,200	4,775,000	Increased primarily in Long Term Facility Maintenance.
522 Vandallism	20,180	12,000	15,000	
530 Other Equipment Purchased	586,291	922,825	637,385	Decreased primarily due to the absence of grant budgets as they are not predictable.
550 Other Vehicles Purchased	0	12,000	12,000	
555 Technology Equipment	2,410,992	745,166	754,900	
566 SPED Tech Equipment	4,807	13,000	13,000	
590 Other Capital Expenditures	1,287	0	0	
730 Loan Principal	485,000	505,000	520,000	
740 Loan Interest	327,938	318,038	298,912	
820 Dues and Memberships	96,418	86,735	75,385	
895 Federal Indirect Costs	-3,858	-12,600	-12,600	
896 Taxes, Special Assessments and Interest	42,018	916,646	60,000	Decreased due to projected projects.
Total	104,299,279	104,130,112	104,641,501	
FOOD SERVICE FUND				
120 Supervisors	136,475	155,924	155,273	
160 Cooks	1,017,246	1,082,695	1,110,674	
162 Subs-Cook	20,772	16,550	14,600	
170 Tech Support	36,787	38,266	38,266	
172 Custodians	33,641	33,883	2,268	Changed delivery method and custodial time allocated.
189 Other Salary Payments	40,662	29,150	27,850	
210 FICA	92,436	100,275	107,301	
214 PERA	95,317	98,306	101,201	
218 TRA	0	0	250	
220 Health Insurance	349,227	329,167	325,915	
225 Dental Insurance	18,632	20,251	19,569	
230 Life Insurance	1,271	1,270	1,139	

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2015-16	2016-17	2017-18	NOTES
	ACTUAL	REVISED	PRELIM.	
235 LTD Insurance	3,322	3,358	2,982	
236 Short Term Disability	2,586	0	1,500	
250 TSA	17,077	18,824	19,527	
251 Severance TSA	3,139	2,000	0	
253 Health Care Savings Plan	2,704	2,000	3,000	
254 VEBA Contribution	21,375	18,813	20,313	
270 Workers Compensation	39,708	39,788	39,920	
305 Consulting/Service Fees	3,500	2,500	3,500	
309 Credit Card Fees	70,372	75,000	75,000	
320 Communication Services	920	960	920	
329 Postage	503	750	750	
333 Garbage Collection	0	25,000	21,000	
350 Repair/Maintenance Services	24,038	35,000	50,000	Increased need for equipment repair.
366 Travel and Conferences	6,303	5,750	5,800	
398 Administrative Chargebacks	182,665	125,000	125,000	
401 Non-Instructional Supplies	54,370	50,500	46,190	
402 Promotions	502	1,000	1,000	
403 Small Equipment	5,518	7,500	6,450	
405 Non-Instructional Annual License/Software	2,952	3,000	3,000	
442 Gasoline	657	750	500	
490 Food	1,137,227	1,174,000	1,210,700	
491 Commodities	159,772	130,000	256,500	Commodity \$ put into Dept. of Defense/Brown Box instead of rebates.
495 Milk	137,888	146,300	138,000	
505 Non-Instructional Technology Software	0	6,000	6,000	
530 Other Equipment Purchased	4,980	100,000	175,000	Increased due to aging equipment.
555 Technology Equipment	77,062	5,000	2,000	
820 Dues and Memberships	9,397	9,450	9,800	
Total	3,811,004	3,893,980	4,128,658	
COMMUNITY SERVICE FUND				
100 Administrators	125,761	132,822	142,400	
120 Supervisors	367,329	403,619	447,660	
121 Confidential/Specialists	13,385	14,531	15,941	
123 SAC Site Leaders	312,683	322,274	315,520	

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2015-16	2016-17	2017-18	NOTES
	ACTUAL	REVISED	PRELIM.	
125 Schl Readiness/ABE Supervisor	101,116	106,766	98,715	
140 Teachers	384,373	540,440	680,472	Added 6 preschool sections.
141 Community Ed Assistants	658,223	753,480	848,828	Increased assistants for more preschool sections.
142 Subs-Paraprofessionals	0	0	1,000	
145 Subs-Teacher	7,976	8,400	7,100	
150 Subs-Teacher School Business	128	250	2,000	
154 School Nurse	9,401	13,157	13,102	
156 School Social Worker	12,635	16,872	17,378	
165 School Counselors	13,821	13,821	14,758	
170 Tech Support	277,258	286,725	316,912	Added .5 tech support position for Pony Activity Center.
171 Subs-Tech Support	1,462	3,500	1,500	
172 Custodians	31,906	32,774	33,757	
173 Overtime	50,530	52,000	44,000	Changed custodial overtime schedule at the high school.
186 Casual/Other Pmts Non-Licensed	125,876	111,715	241,700	Increased staffing for new Pony Activity Center.
189 Casual and Other Payments-Licensed	132,204	137,497	168,170	Increased to reflect additional time needed for preschool teachers and for Pony Power and Performance
210 FICA	198,315	223,780	211,755	
214 PERA	113,596	149,464	163,232	
218 TRA	73,626	64,962	82,829	Increased for more preschool teachers and Pony Power and Performance staff.
220 Health Insurance	373,767	402,279	415,518	
225 Dental Insurance	19,944	27,138	28,934	
230 Life Insurance	5,773	6,694	7,277	
235 LTD Insurance	7,199	9,993	11,226	
236 Short Term Disability	12,493	2,800	3,000	
250 TSA	20,473	21,551	25,620	
253 Health Care Savings Plan	16,149	17,941	15,781	
254 VEBA Contribution	41,505	52,030	49,325	
270 Workers Compensation	14,982	15,966	17,630	
297 Tuition/Classes	6,210	8,774	2,000	
298 Contract Dues	0	35	35	
299 Other Employee Benefits	100	180	175	
304 Advertising Services	0	195	100	
305 Consulting/Service Fees	297,910	290,089	342,773	New contract for theater production, additional drivers ed classes and instructional music lessons.
308 Printing Services	32,358	35,175	37,445	
309 Credit Card Fees	97,693	117,651	131,971	
310 Snow Removal/Lawn Services	1,265	1,500	1,300	
320 Communication Services	4,125	4,080	4,190	

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2015-16	2016-17	2017-18	NOTES
	ACTUAL	REVISED	PRELIM.	
329 Postage	11,540	13,310	16,275	
330 Electricity	16,146	21,300	21,300	
331 Natural Gas	4,003	4,500	4,500	
332 Water and Sewer	5,192	6,820	6,600	
333 Garbage Collection	667	900	900	
350 Repair/Maintenance Services	12,724	3,600	12,785	
360 Transportation Contracts	78,235	62,000	59,800	
365 Transportation Chargebacks	410	400	500	
366 Travel and Conferences	20,290	34,243	24,585	
369 Entry Fees/Student Travel Exp	34,426	39,570	40,500	
370 Rentals and Leases	27,233	20,108	22,975	
398 Administrative Chargebacks	189,405	212,058	232,715	
401 Non-Instructional Supplies	114,836	106,080	114,650	
405 Non-Instructional Annual License Software	0	2,000	4,000	
410 Custodial/Repair Supplies	3,788	4,200	4,000	
430 Instructional Supplies	20,824	29,496	17,275	FY 16-17 included start up materials for additional preschools.
460 Textbooks and Workbooks	35,331	48,245	42,285	
461 Standardized Tests	4,785	0	0	
465 Non-Instructional Devices	0	0	13,300	
490 Food	86,028	122,530	137,580	
530 Other Equipment Purchased	17,136	179,810	73,992	FY 16-17 included start up expenditures for additional preschools and for the Pony Activity Center.
555 Technology Equipment	334	0	0	
820 Dues and Memberships	16,884	17,635	21,093	
895 Federal Indirect Costs	3,858	4,597	4,357	
Total	4,667,624	5,336,322	5,838,996	
BUILDING CONSTRUCTION FUND				
100 Administrators	43,369	0	0	
110 Principals	121,744	126,744	0	Decreased due to end of Principal on special assignment.
120 Supervisors	19,840	0	0	
170 Tech Support	12,977	0	0	
210 FICA	14,937	9,185	0	
214 PERA	5,539	0	0	
218 TRA	9,131	9,506	0	
220 Health Insurance	33,899	16,466	0	
225 Dental Insurance	1,612	976	0	

EXPENDITURE BY OBJECT

OBJ DESCRIPTION	2015-16 ACTUAL	2016-17 REVISED	2017-18 PRELIM.	NOTES
230 Life Insurance	788	426	0	
235 LTD Insurance	1,165	684	0	
250 TSA	5,241	3,000	0	
253 Health Care Savings Plan	640	0	0	
254 VEBA Contribution	6,176	3,000	0	
270 Workers Compensation	2,018	545	0	
298 Contract Dues	896	1,000	0	
305 Consulting/Service Fees	6,372,367	6,545,000	951,982	Decreased as we near completion of bond project.
340 Insurance	45,913	60,000	6,245	Decreased as we near completion of bond project.
350 Repair/Maintenance Services	278,665	10,000	13,500	
401 Non-Instructional Supplies	259	15,000	0	
410 Custodial Repair Supplies	1,704	0	0	
510 Site or Grounds Acquisition	1,606,380	750,000	0	Decreased as we near completion of bond project.
520 Bldg Acquisition/Construction	7,372,605	60,896,086	24,178,609	Decreased as we near completion of bond project.
530 Other Equipment Purchased	46,062	1,950,000	968,600	Decreased as we near completion of bond project.
Total	16,003,926	70,097,618	26,118,936	
DEBT SERVICE FUND				
590 Other Capital Expenditures	645,109	0	0	
710 Bond-Principal	8,330,000	9,090,000	5,735,000	Decreased to reflect principal payments for bonds.
720 Bond-Interest	1,314,773	6,071,472	4,132,923	Decreased to reflect interest payments for bonds.
790 Oth Debt Service Expenditures	570,116	2,500	2,000	
920 Bond Refunding Payments	14,545,000	0	0	
Total	25,404,998	15,163,972	9,869,923	
TRUST				
All Gift Directed Expenditures	29,462	25,000	25,000	
Total	29,462	25,000	25,000	

SECTION IV

Glossary

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GLOSSARY

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

001	<p><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.</p>
005	<p><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.</p>
021	<p><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.</p>
022	<p><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.</p>
040	<p><u>Tuition</u> Revenue from students, parents or guardians for tuition.</p>
050	<p><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.</p>
051	<p><u>Parking Fees</u> Fees charged to students for the use of the student parking lots.</p>
052	<p><u>Criminal Background Checks</u> Revenue for the collection of criminal background check fees.</p>
053	<p><u>Transcript Fees</u> Fees charged for copies of transcripts.</p>
060	<p><u>Admissions and Student Activity Revenue</u> This revenue source is from district admission charges for athletic and fine arts events.</p>
071	<p><u>Medical Assistance Revenue</u> Revenue received from billing medical assistance for the provisions of IEP.</p>
088	<p><u>E-Rate</u> Federal reimbursement for telecommunications services.</p>
092	<p><u>Interest Earnings</u> This is income from temporary investments in government bonds, treasury certificates, or other investments authorized by statute.</p>
093	<p><u>Rent for School Facilities</u> This revenue is from rental of district facilities. Examples include gyms and pools.</p>
096	<p><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.</p>

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.
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.

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	<p><u>Sale of Materials Purchased for Resale</u> Record revenue from sales of materials and supplies to pupils.</p>
623	<p><u>Sale of Real Property</u> Record proceeds from the sale or exchange of school buildings or real property of a school.</p>
624	<p><u>Sale of Equipment</u> Record proceeds from the sale of equipment.</p>
625	<p><u>Insurance Recovery</u> Record revenue from insurance recoveries for losses of school property.</p>
631	<p><u>Sale of Bonds</u> This revenue source is to track the proceeds from the sale of general obligation bonds.</p>

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.