



DISTRICT196

One District. Infinite Possibilities.

2020-21 Final Budget

Fiscal Year Ending June 30, 2021

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

Educating our students to reach their full potential



Table of Contents

	Page
Budget Message	i
Community Budget Guide	
Our District	1
District 196 by the Numbers	2
Our Students	3
Achievement	4
Our School Board and Employees	5
Our Strategies and Goals	6
Our Budget	7
Budget Funds	8
General Fund	9
General Fund by Program	10
General Fund by Category	11
General Fund History	12
Our Revenue Sources	13
Property Taxes	14
Budget FAQs and Contact Information	15
Financial Section	
Summary of Funds – All Funds	16
General Fund	
All Sub-Accounts	17
General Account	18
Special Education Account	19
Quality Compensation Account	20
Pupil Transportation Account	21
Capital Expenditure Account	22
Special Revenue Funds	
All Special Revenue Funds	23
Food Service	24
Community Education	25
Capital Projects - Building Construction Fund	26
Debt Service Funds	
Regular	27
Other Post-Employment Benefits (OPEB)	28
Proprietary Funds - Internal Service Funds	29
Custodial & Fiduciary Funds	30
Informational Section	
Budget Calendar	31
Student	
Enrollment by Year	32
Enrollment by Site	33
Enrollment by Grade	34
Average Daily Membership by Year	35
Staffing	
Employees by Classification	36
Site Staffing Allocations	37
Financial	
Fund Balances Governmental Funds	38
Changes in Fund Balances of Governmental Funds	39
Glossary	40

January 11, 2021

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

INTRODUCTION

To comply with Minnesota Statute 123B.77, the School Board approved the district's 2020-21 Preliminary Budget at the regular school board meeting on Monday, June 22, 2020. The 2020-21 Final Budget included in this report reflects changes in budget items due to updated student enrollment and staffing data, contract settlements and other factors unavailable or unknown at the time of approval for the preliminary budget.

REPORT FORMAT

The 2020-21 Final Budget is presented in the three sections outlined below:

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

REPORTING ENTITY AND ITS SERVICES

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

FINANCIAL AND BUDGETARY CONTROL

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

The district's budget process is based, first, on development of a budget projection model that attempts to project resources and expenses over a multiple-year period. The budget projection is used by the School Board and the administration to determine budget parameters and staffing guidelines. This budget has been prepared in accordance with the budget parameters and staffing guidelines approved by the School Board at the February 2020 meeting. Legal budgetary control is at the fund level; however, directors, principals, coordinators and other budget managers are responsible for monitoring their budget centers within each of the funds. All appropriations lapse at year-end.

BUDGET PROCESS AND ASSUMPTIONS

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

Staffing Allocation

- Staff is allocated to each site based on the staffing guidelines and ratios developed by the administration and approved by the School Board. School principals and department administrators are responsible for staffing their building or department according to their allocations.
- The finance department, based on School Board-approved contracts and verified by school principals and other budget administrators, initially calculates employee salaries used in the budget. Salaries for employee groups that do not have approved contracts are estimated based on specific budget parameters determined by the School Board.
- Employee benefits are estimated using a variety of techniques. Retirement benefits, social security and workers' compensation premium budgets are calculated as specified percentages of salaries. Budgets for health, dental, life insurance and a tax sheltered annuity match are estimated based on the projected number of employees reported by school principals and other budget administrators, premium information provided by the insurance carriers and current employee contracts. For groups that have no contract but for which there is a limit on the district's contribution, increase in the maximum district contribution is based on budget parameters reviewed by the School Board in February 2020.

Non-Salary Allocations for Schools

- Instructional Allocations – instructional allocations were increased by 2.0 percent as part of the budget increases for the 2020-21 school year
- Staff Development – In addition to the instructional allocations, schools receive \$8 per pupil for staff development activities.
- Co-curricular staffing and supplies - Secondary schools receive co-curricular staffing and supply allocations to support their co-curricular programs. Co-curricular staffing and supply allocations for 2020-21 school year increased by 2.0 percent (supplies) and between 9.6 percent (HS) and 12.2 percent (MS) for staffing fixed costs, respectively. The staffing increases include new parameters approved by the school board and an increase in statutory benefits.
- Compensatory Education Allocations – 2020-21 allocations are based on estimates prepared by the Minnesota Department of Education. These estimates are based on the district's actual enrollment and actual free-and-reduced-price lunch counts on October 1, 2020.
- Targeted assistance (basic skills) per pupil allocations for grades K-8 remain at the 2012-13 level: \$40.50 per pupil unit for non-Title I elementary and middle schools and \$20.25 for Title I elementary schools.
- Learning and Development Program – School districts are required to reserve a portion of the general education formula revenue to reduce and maintain class size in elementary grades, with first priority on kindergarten, first, second, and third-grade class sizes. The allocations for each school were based on actual October 1, 2020 enrollment counts.
- Administrative and support department non-salary budgets were determined by each department head based on parameters established by the School Board, and then reviewed and approved by the superintendent or the director of finance and operations. For 2020-21, the inflationary adjustment for non-salary budgets is 2.0 percent except for budget items, such as heating fuel and electricity, which are based on recent trends and industry direction.

Revenues

- Estimates are prepared by the Finance Department based on state statutes, using the actual October 1, 2020 enrollment. The district receives a \$6,567 per pupil allowance during the 2020-21 school year, which reflects a 2.0 percent increase over 2019-20 p.p.u. allowance (\$6,438). The amount set aside for pupil transportation for the current school year is \$299.99, or 4.57 percent of the formula allowance. The projected adjusted pupil units for the 2020-21 school year is 31,629.

DESCRIPTION OF FUNDS

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

- **Trust Funds** – The district maintains an employee benefit trust fund used to administer resources received and held by the district as the trustee for employees participating in the district's flexible benefit plan (Internal Revenue Code § 125 Cafeteria Plan). The district also will maintain an OPEB Irrevocable Trust fund as mentioned above.
- **Agency Funds** – Agency funds are established to account for cash and other assets held by the district as the agent for others. The district maintains two agency funds used to account for a Graduate Credit Program (a continuing education program organized for the benefit of district certified staff) and the Minnesota Reading Recovery Conference. These funds were moved into Community Ed for the 2020-21 school year.

FISCAL SUMMARY

The following is a summary listing of the budget for each of the fund groups contained in the 2020-21 Final Budget:

Fund	Fund Balance 06/30/20	Revenues	Expenditures	Fund Balance Transfer	Projected Fund Balance 6/30/2021
General Fund	58,364,325	419,871,107	420,139,917	(87,145)	58,095,515
Special Revenue Funds	7,527,283	15,588,296	16,177,575	87,145	6,938,004
Building Construction Fund	9,469,386	8,900,000	9,000,000	-	9,369,386
Debt Service Funds	2,669,764	17,846,867	17,064,920	-	3,451,711
Internal Service Funds	13,336,560	58,342,000	58,256,900	-	13,421,660
Fiduciary Funds	58,008,115	4,454,000	6,150,000	-	56,312,115
Totals	149,375,433	525,002,270	526,789,312	-	147,588,391

The following table is a fund balance summary of the categories within the general fund for the 2020-21 Final Budget

Fund	Fund Balance 06/30/20	Revenues	Expenditures	Fund Balance Transfer	Projected Fund Balance 6/30/2021
General Fund					
Unrestricted - UnAssigned	45,738,997	393,853,260	388,976,685	(87,145)	50,615,572
Operating Capital	5,443,273	8,439,979	12,910,758	-	972,494
Capital Projects Levy	1,742,257	6,149,635	6,149,635	-	1,742,257
LTFM	1,239,486	10,311,942	11,325,000	-	226,428
Medical Assistance	1,301,555	850,000	511,548	-	1,640,007
Student Activity Accounts	345,787	266,291	266,291	-	345,787
Site Carry-over	1,271,880	-	-	-	1,271,880
Non-Spendable	1,281,090	-	-	-	1,281,090
Total General Fund	58,364,325	419,871,107	420,139,917	(87,145)	58,095,515

ACKNOWLEDGEMENTS

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

Respectfully,



Mark Stotts
Director of Finance and Operations



Christopher Onyango-Robshaw
Coordinator of Finance



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



Community Budget Guide



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

Educating our students to reach their full potential



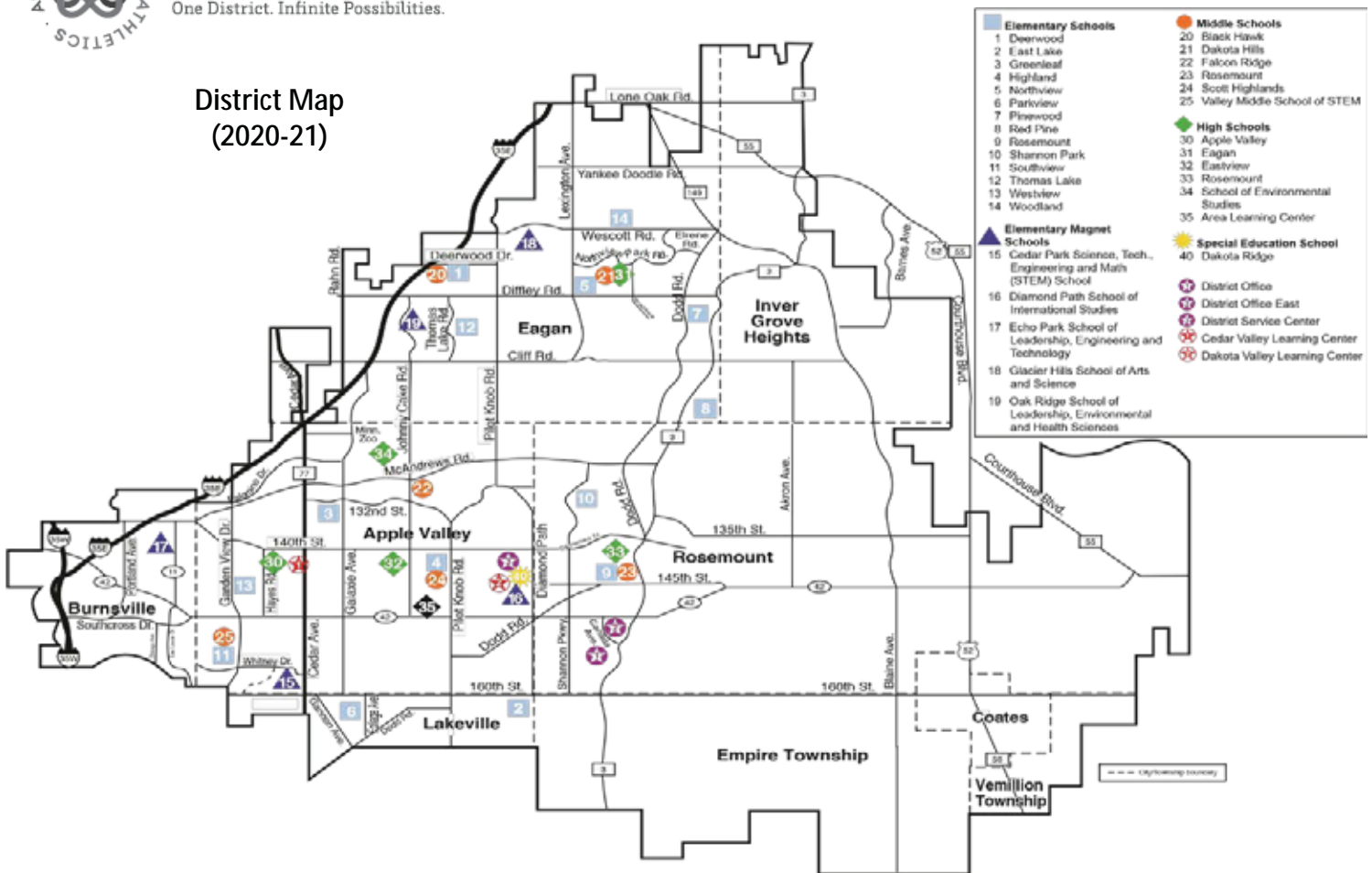
District 196 is a public school district in Dakota County, Minnesota serving approximately 29,000 students in early childhood programs through grade 12 and a Transitions Plus program serving young adults with disabilities ages 18-21. The mostly suburban district covers 110 square miles in Dakota County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

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



DISTRICT 196
One District. Infinite Possibilities.

District Map
(2020-21)



District 196 by the Numbers

91.2%

Graduation Rate
After 4 years of High School

53

Students
In the Class of 2020 enlisted in the U.S.
Armed Forces

22.7

Avg. ACT Score in 2020
1.4 points higher than the Minnesota
average, 2.1 pts higher than the national
average

220

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

56

**Students received National Merit
recognition in 2020**
Including 12 semifinalists and 44
commendations

771

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

18

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

87%

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

2

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

8

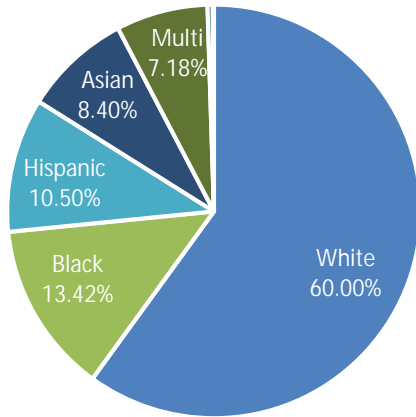
Individual State Titles
won by District 196 students in girls'
alpine, debate, speech, swim & dive, girls'
tennis

5

State Championships
For District 196 teams and performing
groups in adaptive soccer, high kick
dance, jazz dance, one act play, and
marching band

Total Students: 29,008

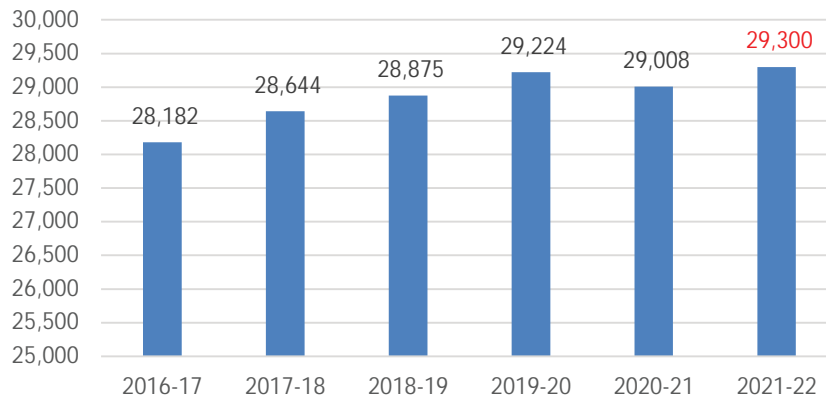
Student Ethnicity



0.09% - Pacific Islander, 0.41% - American Indian

- 4th largest public school district in Minnesota
- Early Childhood Special Education: 472 (1.6%)
- Center-based Special Education: 1,070 (3.7%)
- Grades K-5: 11,921 (41.0%)
- Grades 6-8: 6,567 (22.6%)
- Grades 9-12: 8,978 (31.0%)
- Adult Basic Education: 31 (0.1%)

Enrollment History and Projection



District 196 experienced consistent enrollment growth from 2016-17 to 2019-20. The district has experienced a slight decrease in enrollment due to the factors of the COVID-19 pandemic. The district anticipates a slight enrollment increase for the 2021-22 school year.

2,275

English Learners (EL)

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

4,628

Special Education

- 15.4% of all students qualify for special education services

21.6%

Free/Reduced Lunch

- Students who qualified for free/reduced lunch in 2019-20

1,557

Gifted & Talented

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

7

District 196 Schools

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

Achievement

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

District 196 students consistently score well above average on state and national assessments, and graduate at a high rate (*see bottom table*). The Minnesota Comprehensive Assessments (MCAs) and Minnesota Test of Academic Skills (MTAS) are given annually to all students statewide in grades 3-8 (reading and math), grade 10 (reading), grade 11 (math), and in science grades 5, 8 and once in high school. The MCAs and MTAS are designed to measure district and student progress on teaching and learning the Minnesota Academic Standards, which are required for graduation. Students who meet or exceed the standards are considered to be proficient in the subject areas. Due to the COVID-19 pandemic, summary assessment data was not available for Minnesota school districts for 2019-20. The date shown is from the year before.

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

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

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

District 196 high school students in the class of 2020 scored well above state and national composite scores on the American College Test (ACT) entrance exam. The ACT average composite score for the district's class of 2020 was 22.7. The district average was 1.4 point higher than the Minnesota average of 21.3, which was highest in the nation among states where more than half of all graduates took the test. The national average for the 2019-20 school year was 20.6.

ACT Average Composite Scores			
Year	District 196	Minnesota	National
2020	22.7	21.3	20.6
2019	23.0	21.4	20.7
2018	23.1	21.3	20.8
2017	23.1	21.5	21.0
2016	23.0	22.1	20.8
2015	24.4	22.7	21.0
2014	24.1	22.9	21.0
2013	24.0	23.0	20.9
2012	24.1	22.8	21.1

4-Year High School Graduation Rates								
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
District 196	90.7%	92.2%	91.9%	89.8%	91.8%	89.9%	90.5%	91.2%
Minnesota	77.6%	80.0%	81.2%	81.9%	82.2%	82.7%	83.2%	83.7%

Our School Board & Employees

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



Jackie Magnuson
Chairperson



Joel Albright
Vice Chairperson



Sachin Isaacs
Clerk



Art Coulson
Treasurer



Craig Angrimson
Director



Cory Johnson
Director



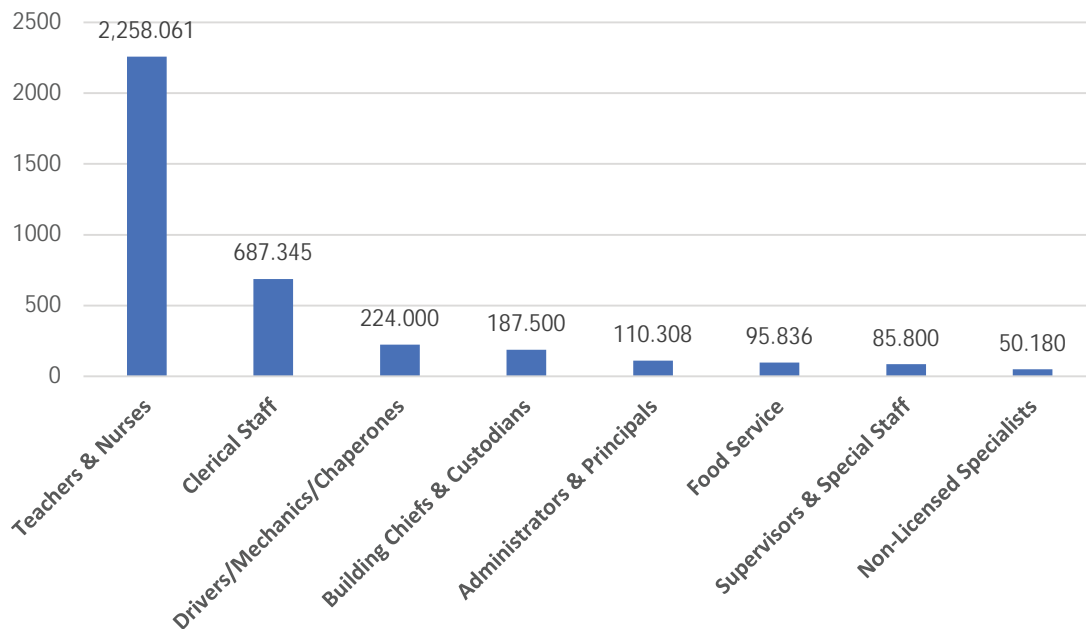
Mike Roseen
Director



Mary Kreger
Superintendent

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

2020-21 Final Budget Full-Time Equivalent (FTE) Employees



Our Beliefs and Goals

During the 2020-21 school year, the School Board directed the superintendent to focus efforts on safety, equity and achievement (SEA change) in the district's ongoing response to the COVID-19 pandemic and need for increased urgency in addressing educational inequities in the district. Below are beliefs and goals that guided the district's work prior to the onset of the pandemic in Minnesota in March 2020 and the killing of George Floyd in police custody in Minneapolis on May 25, 2020.

BELIEF STATEMENTS

We believe...

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

EDUCATIONAL EQUITY

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

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

TEACHING & LEARNING

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

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

EARLY LEARNING

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

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

PARTNERSHIPS

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

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

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

Fund	Budgeted Expenses	% of Budget
General Fund	420,139,917	79.8
Internal Service Funds	58,256,900	11.1
Debt Service Fund	17,064,920	3.2
Food Service Fund	7,600,772	1.4
Community Service Fund	8,576,803	1.6
Expendable Trust Fund	6,150,000	1.2
Building Construction Fund	9,000,000	1.7
Agency Funds	-	0.0
Totals	526,789,312	100.0%

School district budgeting is a continuous five-step process

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

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

Budget Funds

General Fund

2020-21 budgeted amount: \$420,139,971 (79.8%)

General Account

2020-21 budgeted amount: \$283,895,573 (67.6%)

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

Special Education Account

2020-21 budgeted amount: \$81,087,627 (19.3%)

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

Quality Compensation Account

2020-21 budgeted amount: \$7,667,068 (1.8%)

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

Pupil Transportation Account

2020-21 budgeted amount: \$22,987,600 (5.5%)

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

Capital Expenditure Account

2020-21 budgeted amount: \$24,235,758 (5.8%)

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

Student Activities Account

2020-21 budgeted amount: \$266,291 (0.1%)

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

Food Service Fund

2020-21 budgeted amount: \$7,600,772 (1.4%)

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

Community Service Fund

2020-21 budgeted amount: \$8,576,803 (1.6%)

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

Building Construction Fund

2020-21 budgeted amount: \$9,000,000 (1.7%)

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

Debt Service Funds

2020-21 budgeted amount: \$17,064,920 (3.2%)

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

Expendable Trust Fund

2020-21 budgeted amount: \$6,150,000 (1.2%)

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

Agency Funds

2020-21 budgeted amount: \$0 (0.00%)

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

Internal Service Funds

2020-21 budgeted amount: \$58,256,900 (11.1%)

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

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

The 2020-21 general fund budget was developed to support the district mission to *educate our students to reach their full potential*.

Student Instruction: \$297,833,581 (70.9%)

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

Student Support Services: \$64,640,728 (15.4%)

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

Sites and Buildings: \$40,422,045 (9.6%)

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

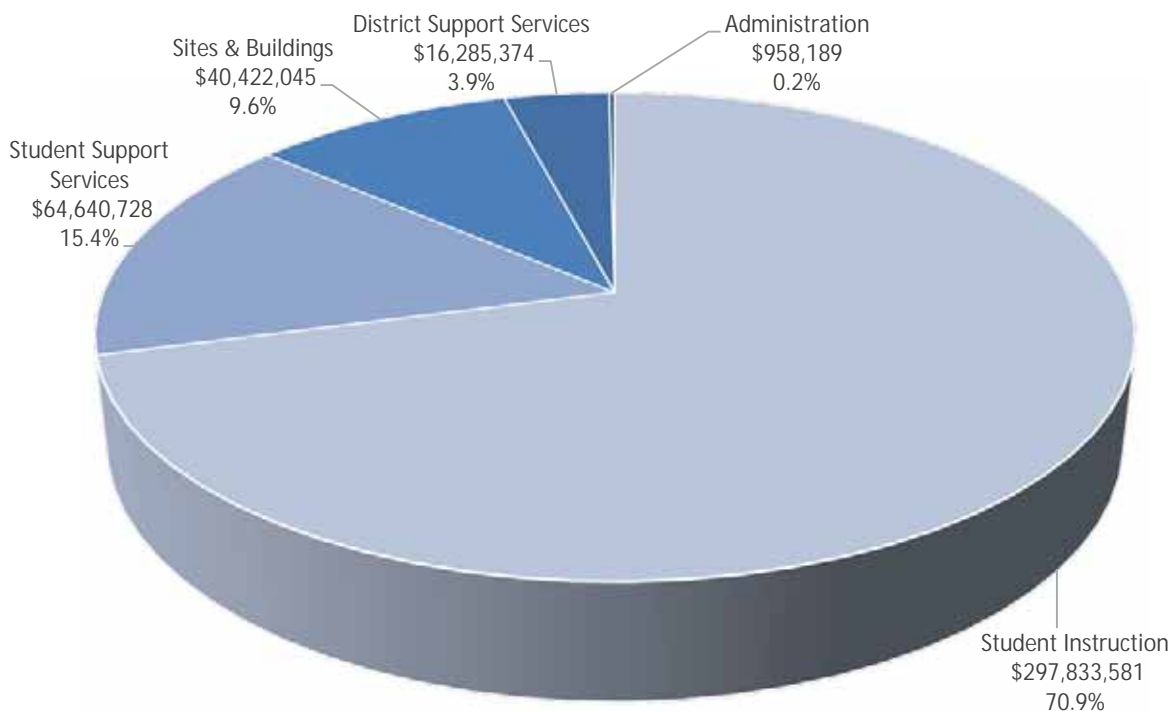
District Support Services: 16,285,374 (3.9%)

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

Administration: \$958,189 (0.2%)

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

2020-21 General Fund Expenditures Total General Fund = \$420,139,917



General Fund by Program

Student Instruction \$297,833,581 70.9%	Elementary Instruction	\$ 77,254,211
	Middle and High School Instruction	\$ 104,510,301
	Cocurricular and Extra Curricular Activities	\$ 8,206,866
	Gifted & Talented Program	\$ 1,916,812
	English Language Learners	\$ 7,771,885
	Title Programs	\$ 3,981,684
	Career and Technical Programs	\$ 5,364,660
	Special Education	\$ 81,343,861
	Library/Media Center	\$ 3,988,191
	Instruction-Related Technology	\$ 3,495,110
Student Support Services \$67,640,728 15.4%	Elementary School Administration	\$ 8,362,766
	Middle School Administration	\$ 4,470,136
	High School Administration	\$ 2,776,161
	Instructional Administration	\$ 6,607,524
	Curriculum Development	\$ 4,486,178
	Guidance and Counseling Services	\$ 4,711,510
	Health Services	\$ 2,815,553
	Other Student Support (Attendance & Social Work)	\$ 3,096,700
	Staff Development	\$ 4,173,330
	Student Transportation	\$ 23,140,870
Sites & Buildings \$40,422,045 9.6%	Capital Expenditures	\$ 4,096,341
	Long-Term Facilities Maintenance	\$ 11,325,000
	Operations and Maintenance	\$ 23,745,704
	Property and Other Insurance	\$ 1,255,000
District Support Services \$16,285,374 3.9%	Business Services – Finance	\$ 2,089,582
	Business Services - Purchasing and Receiving	\$ 1,569,318
	Human Resources	\$ 4,044,115
	Graphics & Mail Processing	\$ 381,658
	Census/Student Information	\$ 275,786
	Communication	\$ 1,117,881
	Legal Services	\$ 584,244
	Technology Support	\$ 6,222,790
Retirement of non-bonded Debt	\$ -	
Administration \$871,044 0.2%	Office of Superintendent	\$ 637,636
	School Board	\$ 320,553
Total General Fund		\$ 420,139,917

General Fund by Category

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

Salaries: \$255,787,844 (60.9%)

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

Benefits: \$93,396,148 (22.2%)

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

Purchased Services: \$24,157,005 (5.8%)

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

Supplies and Materials: \$25,979,237 (6.2%)

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

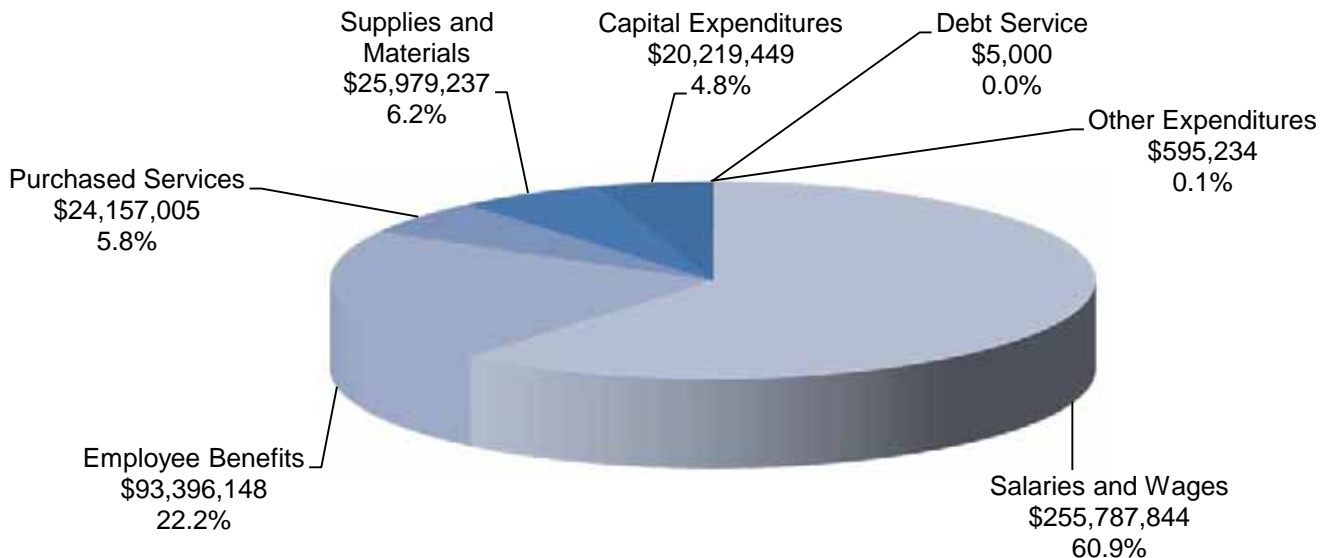
Capital Expenditures: \$20,219,449 (4.8%)

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

Other: \$600,234 (.1%)

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

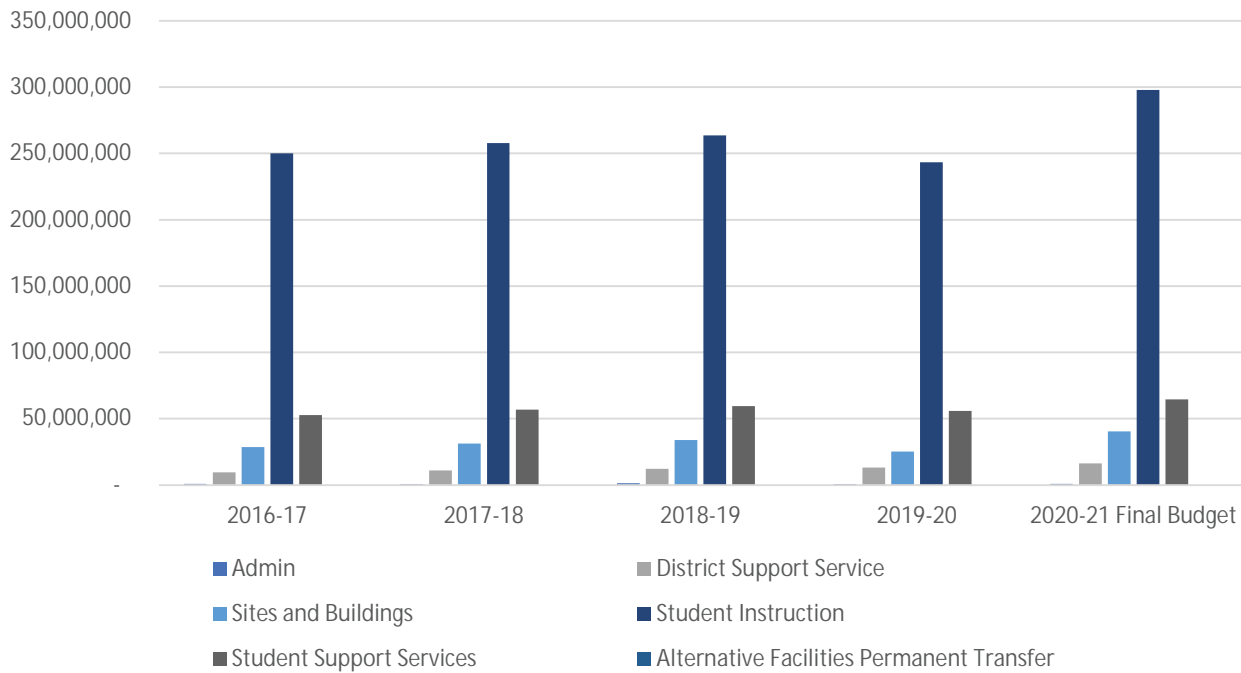
2020-21 General Fund Expenditures
Total = \$420,139,917



General Fund History

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

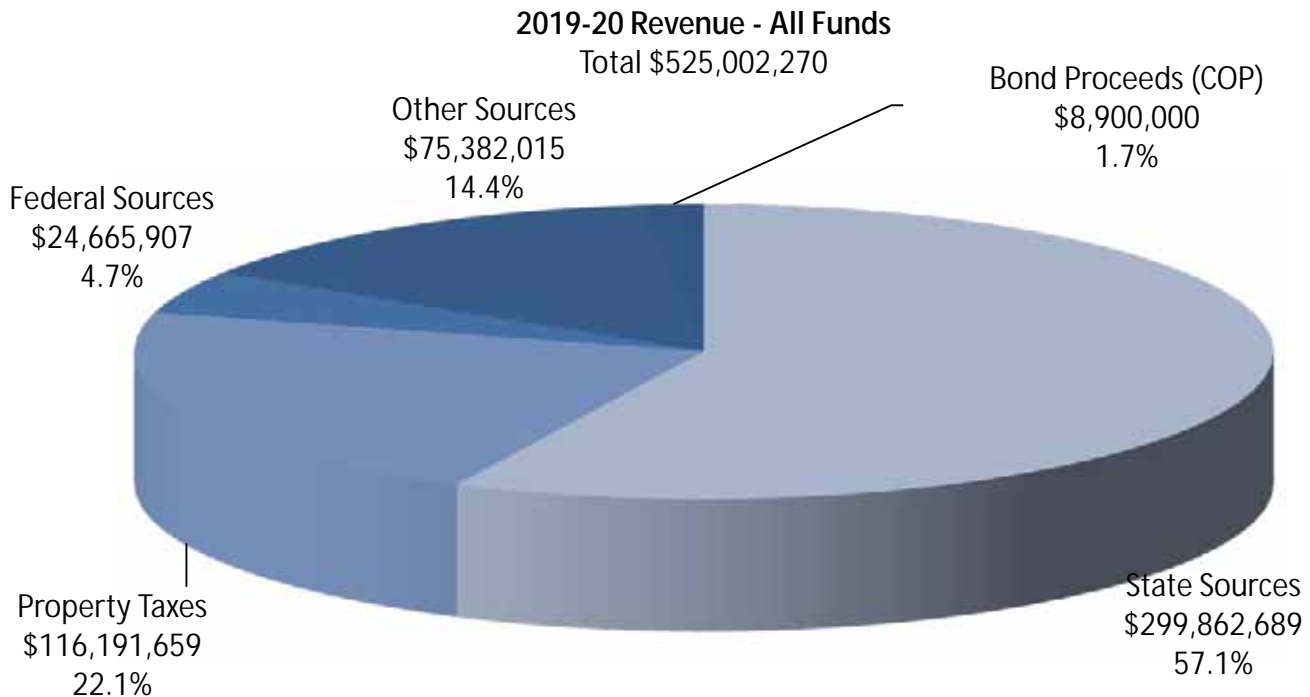
Five-Year Overview



Fiscal Year	Admin	% of General Fund	District Support Service	% of General Fund	Sites and Buildings	% of General Fund	Student Instruction	% of General Fund	Student Support Services	% of General Fund	Total
2016-17	832,120	0.24%	9,478,826	2.77%	28,677,481	8.39%	250,146,442	73.18%	52,671,268	15.41%	341,806,137
2017-18	739,764	0.21%	11,031,920	3.08%	31,399,807	8.77%	257,883,119	72.03%	56,970,562	15.91%	358,025,172
2018-19	1,368,882	0.37%	12,316,635	3.32%	34,018,669	9.18%	263,529,317	71.10%	59,404,356	16.03%	370,637,859
2019-20	650,152	0.19%	13,092,865	3.87%	25,325,436	7.49%	243,270,016	71.94%	55,808,644	16.50%	338,147,113
2020-21 Final Budget	958,189	0.21%	16,285,374	3.88%	40,422,045	9.62%	297,833,581	70.90%	64,640,728	15.39%	420,139,917

Revenue Sources

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



State Aids and Credits: \$299,862,689 (57.1%)

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

Federal Aids: \$24,665,907 (4.7%)

These include federal grants for Title programs such as Title I, which focuses on improving the achievement of educationally disadvantaged students, and aids to support special education services for students with special needs. Federal Aids for the 2020-21 school year also includes various programs targeted toward Coronavirus Relief efforts

Property Taxes: \$116,191,659 (22.1%)

These are local taxes the district collects from property owners. The Minnesota Legislature determines the maximum amount the district can levy each year. The district also has authority to seek additional property taxes (up to a maximum amount per pupil established by the Legislature) to support special programs or basic operations through a voter-approved levy referendum. In November 2019, district voters approved a single ballot question to revoke the district's current levy and replace it with a new 10-year levy for \$1,567 per pupil, an increase of \$627 per pupil. As the percentage of state aid has decreased, the percentage of revenues from local property taxes had increased from 18.49% in 2007-08 to 22.1% projected for 2020-21.

Other/Bond Proceeds (COP): \$84,282,015 (16.1%)

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

Property Taxes

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

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

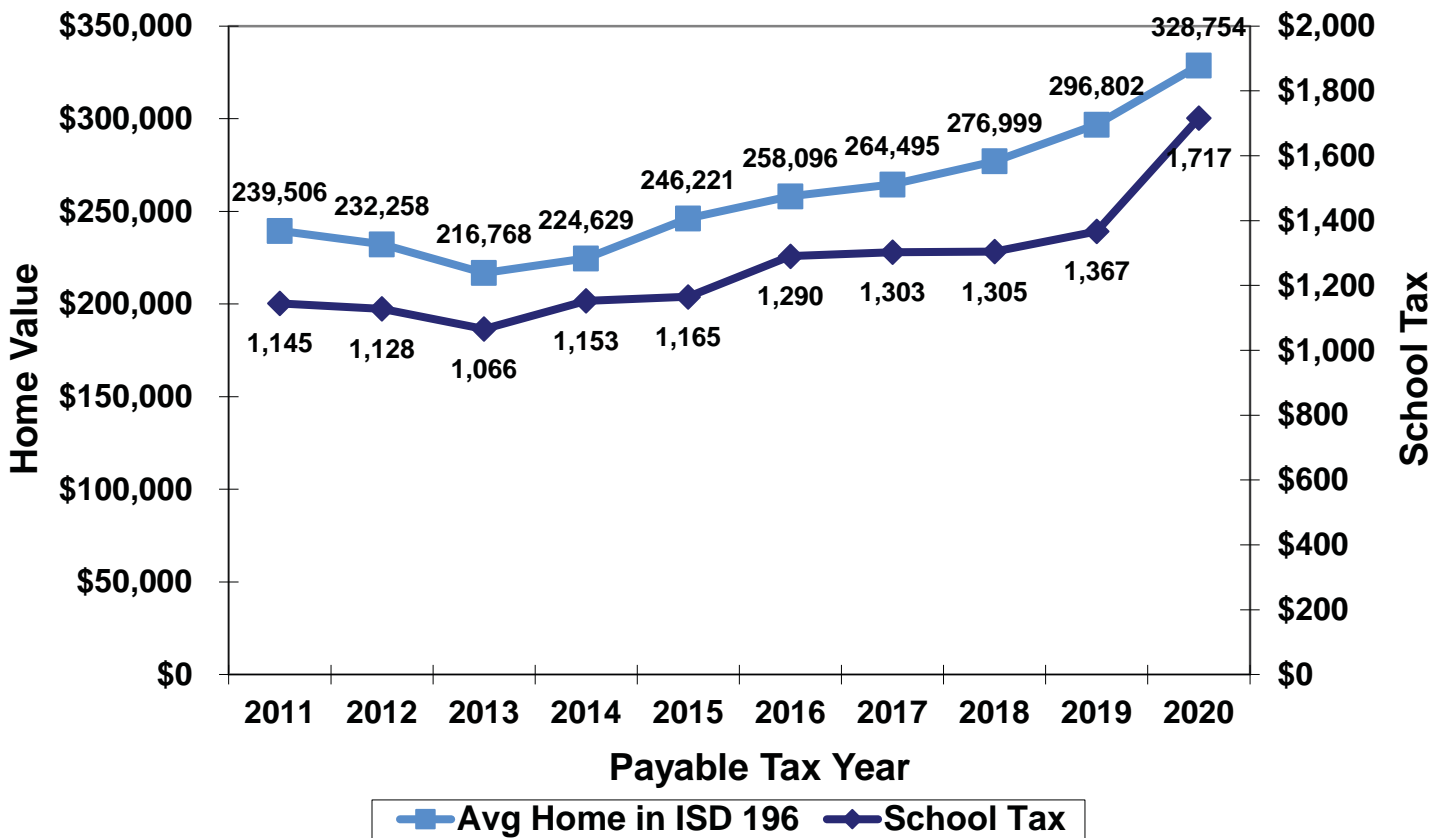
The two types of property tax levies are:

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

For 2020-21, the voter-approved levies for the district's general fund total \$58.0 million before state aids and credits; levies based on School Board decisions total \$43.9 million before state aids and credits.

The chart below shows the average home value for the district and the corresponding school tax from 2011 to 2020. Home values within the district have been increasing the last three years, consistent with statewide property value trends.

School Taxes Payable on Avg. Value Home



Budget FAQs and Contact Information

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

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

\$420,139,917	General Fund Budget
/ 28,460	Divided by Est. ADM
<hr/>	
\$14,762	Avg. spend per student

What is an ending fund balance?

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

1. Schools and departments underspend their budgets.

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

2. Aid payments from the state may be less than anticipated based on economic conditions. The majority of district revenues come from the state (69.2% in 2019-20). If the state experiences a revenue shortfall during the year, funding to school districts may be prorated, which results in a loss of revenues to the districts.

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

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

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

Does the district consider budget suggestions?

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

More Information

For questions about the school district budget, contact:

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

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

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



FINANCIAL SECTION





Summary of Funds - All Funds

	Fund Balance July 1, 2020	Revenues	Expenditures	Other Financing Sources (Uses)	Projected Fund Balance June 30, 2021
General Fund	58,364,325	419,871,107	420,052,772	(87,145)	58,095,515
Special Revenue Funds					
Food Service	4,652,190	7,218,310	7,600,772	-	4,269,728
Community Service	2,875,092	8,282,841	8,576,803	87,145	2,668,275
Total Special Revenue Funds	7,527,283	15,501,151	16,177,575	87,145	6,938,004
Building Construction Fund	9,469,386	8,900,000	9,000,000		9,369,386
Debt Service Funds					
Regular	406,132	17,846,867	17,064,920	-	1,188,079
OPEB Bonds	2,263,632	-	-	-	2,263,632
Total Debt Service Funds	2,669,764	17,846,867	17,064,920	-	3,451,711
Internal Service Funds					
GASB #16	(5,017,080)	1,670,000	2,716,900	-	(6,063,980)
Self-Insured Dental	285,741	472,000	440,000	-	317,741
Self-Insured Health	18,067,899	56,200,000	55,100,000	-	19,167,899
Total Internal Service Funds	13,336,560	58,342,000	58,256,900	-	13,421,660
Fiduciary Funds					
Agency	-	-	-	-	-
OPEB Irrevocable Trust	57,388,776	2,800,000	4,500,000	-	55,688,776
Flex Trust	619,339	1,654,000	1,650,000	-	623,339
Total Fiduciary Funds	58,008,115	4,454,000	6,150,000	-	56,312,115
Total All Funds	149,375,433	524,915,125	526,702,167	-	147,588,391

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

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

General Fund - All Sub-Accounts

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
State Sources	271,769,390	281,583,680	292,415,625	297,048,264	296,074,146
Property Taxes	71,208,374	72,874,150	76,087,495	96,348,803	96,397,724
Federal Sources	10,801,070	10,805,731	11,229,528	10,206,291	20,755,334
Other Sources	11,744,146.74	11,818,718.79	10,872,089	6,472,370	6,643,903
Total revenue	365,522,981	377,082,279	390,604,737	410,075,728	419,871,107
Expenditures					
Salaries and wages	225,046,923	233,046,496	238,237,719	255,169,559	255,787,844
Employee benefits	80,575,022	82,224,153	89,318,224	92,502,221	93,396,148
Purchased services	24,736,036	26,295,318	28,517,541	23,344,628	24,157,005
Supplies and materials	16,056,802	15,660,727	15,524,442	18,929,867	25,979,237
Capital expenditures	11,132,802	9,954,095	11,102,803	17,492,155	20,219,449
Other expenditures	1,521,088	1,983,548	948,734	380,529	508,089
Debt service	-	1,400,181	-	-	5,000
Total expenditures	359,068,673	370,564,518	383,649,462	407,818,959	420,052,772
Revenue over expenditures	6,454,308	6,517,761	6,955,276	2,256,769	(181,665)
Other financing sources (uses)					
Capital lease	1,043,209	-	-	-	-
Certificates of participation	-	-	-	-	-
Other	335,183	76,055	881,265	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	(135,509)	(399,229)	-	(87,145)
Total other financing sources(uses)	1,378,392	(59,454)	482,036	-	(87,145)
Net change in fund balances	7,833,287	6,458,307	7,437,312	2,256,769	(268,810)
Fund balances					
Beginning of year	36,635,420	44,468,707	50,927,014	58,364,325	58,364,325
End of year	44,468,707	50,927,014	58,364,325	60,621,094	58,095,515

Fund Overview – The general fund is the district's primary operating fund and accounts for the revenues and expenditures associated with providing a public education to children. The above schedule shows a summary of the general fund activity with revenues reported by the source and expenditures reported by object. The 2020-21 final general fund revenue budget, including other financing sources, is \$419.8 million. This is \$9.8 million more than the preliminary budget estimate. The primary factors for this increase are:

1. An increase of over \$10M in revenue from federal sources focused on COVID-19 Relief
2. Nearly \$1M decrease in State aids as a result of lower enrollment actuals for final budget versus projections used for the preliminary budget

For the 2020-21 school year, state aids represent 70.5 percent of the general fund revenue budget, and 22.9 percent of the general fund revenue will come from property tax. Federal aids and other revenues such as gifts, donations, fees, etc. make up the remaining 6.6 percent of the general fund revenue budget.

The 2020-21 final general fund expenditure budget, including other financing uses, is \$420.1 million. This is \$13.4 million more than the preliminary budget estimate. The primary reasons for the increase are:

1. An net increase of \$1.4M in the budgets for salaries and employee benefits, with new employment contracts taking effect for the employee groups with new contracts
2. An increase of \$7.0M in the budgets for supplies and materials;
3. An increase of \$0.8M in the budgets for purchased services, and
4. An increase of \$2.8M in the capital expenditures budgets.

For the 2020-21 school year, the budgets for salary and employee benefits represent 83.1 percent of the general fund budgets, 5.7 percent of the budget goes to purchase services, and the remaining 11.2 percent of the budget is planned for supplies and materials, capital expenditures and other expenditures not included in the above categories.

General Fund - General Operating Account

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
State Sources	205,259,089	208,996,574	219,450,650	221,377,367	220,481,415
Property Taxes	57,195,390	59,305,409	62,590,907	82,488,970	82,537,891
Federal Sources	5,441,571	4,721,287	4,495,356	3,364,870	13,835,286
Other Sources	10,849,547	10,545,398	9,586,060	5,622,370	5,793,903
Total revenue	<u>278,745,598</u>	<u>283,568,668</u>	<u>296,122,972</u>	<u>312,853,577</u>	<u>322,648,495</u>
Expenditures					
Salaries and wages	161,129,262	166,435,236	169,902,049	181,059,321	182,626,083
Employee benefits	54,912,633	56,638,981	61,070,912	62,969,845	63,399,398
Purchased services	16,946,244	16,356,999	14,641,582	16,358,952	17,127,901
Supplies and materials	10,394,456	10,247,185	10,808,672	11,874,732	18,923,147
Capital expenditures	650,394	759,111	547,550	259,896	1,505,101
Other expenditures	1,432,768	1,965,898	924,492	360,529	488,089
Debt service	-	-	-	-	5,000
Total expenditures	<u>245,465,757</u>	<u>252,403,410</u>	<u>257,895,257</u>	<u>272,883,275</u>	<u>284,074,719</u>
Revenues over Expenditures	33,279,841	31,165,258	38,227,715	39,970,302	38,573,776
Other financing sources (uses)					
Capital lease	-	-	-	-	-
Certificates of participation	-	-	-	-	-
Other	260,652	369	656,159	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	(135,509)	(399,229)	-	(87,145)
Total other financing sources(uses)	<u>260,652</u>	<u>(135,140)</u>	<u>256,930</u>	<u>-</u>	<u>(87,145)</u>
Net change in Fund Balance	33,540,493	31,030,118	38,484,645	39,970,302	38,486,631

Revenue – The projected final 2020-21 general account revenue total of \$322.6 million is an increase of nearly \$10 million more than the preliminary budget estimate. There are many factors that have contributed to the net increase. However, the primary reasons include:

- 1) An increase of more than \$10 million in federal aids for COVID-19 relief.
- 2) A decrease of \$0.9 million in state aids as a result of enrollment changes from the preliminary budget to final budget.

Expenditure – The projected final 2020-21 general account expenditure budget, including other financing uses, totaled \$284.1 million. This is \$11.8 million more than the district's preliminary budget estimate. The main reasons for the increase are:

- 1) An increase of \$2.0 million in salary and benefits
- 2) An increase of \$7.1 million in supplies and materials.
- 3) An increase of \$1.2 million in capital expenditures from the preliminary budget.

The net result of the changes described above is that the budgeted revenues in the 2020-21 general account exceed budgeted expenditures by \$38.5 million.

General Fund - Special Education Account

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
State Sources	35,443,076	39,420,891	39,699,213	42,367,580	42,367,580
Property Taxes	-	-	-	-	-
Federal Sources	5,359,499	6,084,444	6,734,172	6,841,421	6,920,048
Other Sources	811,717	1,086,652	1,142,551	850,000	850,000
Total revenue	41,614,292	46,591,987	47,575,936	50,059,001	50,137,628
Expenditures					
Salaries and wages	48,574,603	50,165,787	52,015,340	57,237,739	56,234,410
Employee benefits	19,074,641	19,115,184	21,149,686	21,923,842	22,044,744
Purchased services	1,238,274	1,404,369	1,271,437	1,288,513	1,292,438
Supplies and materials	882,364	777,027	834,230	949,598	950,553
Capital expenditures	811,909	651,091	422,308	496,500	550,482
Other expenditures	9,925	5,999	11,928	15,000	15,000
Total expenditures	70,591,716	72,119,458	75,704,928	81,911,192	81,087,627
Revenues over Expenditures	(28,977,424)	(25,527,471)	(28,128,992)	(31,852,191)	(30,949,999)
Other financing sources (uses)					
Capital lease	903,052	-	-	-	-
Certificates of participation	-	-	-	-	-
Other	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources(uses)	903,052	-	-	-	-
Net change in Fund Balance	(28,074,372)	(25,527,471)	(28,128,992)	(31,852,191)	(30,949,999)

Revenue – The projected final 2020-21 special education account revenues totaled \$50.1 million. This is slightly more than the preliminary estimate. This increase is chiefly due to an increase of \$78,627 in budgeted revenue from federal sources.

Expenditure – The updated expenditure budget estimate for the special education account is \$81.1 million, which is approximately \$0.8 million less than the preliminary budget. The primary reasons for the decrease include:

- 1) A net decrease of \$0.8 million in salaries and employee benefits from the preliminary budget.
- 2) An increase of \$58,862 increase in purchased services, supplies and capital expenditures

The net result of the changes describe above is that budgeted expenditures in the special education account exceed budgeted revenues by \$30.9 million, which is \$0.9 million less in deficit spending than originally projected in the preliminary budget.

General Fund - Quality Compensation Account

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
State Sources	4,919,681	4,857,984	4,788,978	4,963,530	4,963,530
Property Taxes	2,446,659	2,526,220	2,713,056	2,803,272	2,803,272
Federal Sources	-	-	-	-	-
Other Sources	700	-	-	-	-
Total revenue	7,367,041	7,384,204	7,502,034	7,766,802	7,766,802
Expenditures					
Salaries and wages	5,939,945	6,111,618	5,748,106	6,272,141	6,242,910
Employee benefits	1,257,248	1,294,754	1,254,210	1,369,901	1,369,598
Purchased services	58,580	83,298	39,375	49,550	49,550
Supplies and materials	14,745	10,398	18,755	4,710	4,710
Capital expenditures	-	-	-	-	-
Other expenditures	374	157	350	300	300
Total expenditures	7,270,892	7,500,224	7,060,796	7,696,602	7,667,068
Revenues over expenditures	96,148	(116,020)	441,238	70,200	99,734
Other financing sources (uses)					
Capital lease	-	-	-	-	-
Certificates of participation	-	-	-	-	-
Other	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources(uses)	-	-	-	-	-
Net change in Fund Balance	96,148	(116,020)	441,238	70,200	99,734

Fiscal year 2020-21 is the fourteenth year that the district will be participating in Minnesota's Quality Compensation (Q Comp) program. The approved Q comp funding will be used to support the following initiatives:

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

Revenue – The final Q Comp revenue estimate is \$7.7 million. This is equivalent to the preliminary estimate to the reflected Minnesota Department of Education updated Q Comp aid calculation.

Expenditure – The preliminary Q comp expenditure budget estimate was \$7.69 million; the final budget estimate is \$7.66 million. The decrease in the expenditure budget is mainly due to adjustments made to reflect updated information for actual number of participants, salaries and actual health insurance costs.

The net result of the changes described above is that the final budgeted expenditures is less than budgeted revenues by \$99,734. This is nearly \$30,000 less in deficit spending than the preliminary budget.

General Fund - Pupil Transportation Account

	2017-18	2018-19	2019-20	2020-21	2020-21
	Actual	Actual	Actual	Prelim Budget	Final Budget
Revenues					
State Sources	18,247,085	19,213,721	19,517,989	20,610,960	20,566,261
Property Taxes	-	-	-	-	-
Federal Sources	-	-	-	-	-
Other Sources	154,612	159,885	134,500	-	-
Total revenue	18,401,697	19,373,606	19,652,489	20,610,960	20,566,261
Expenditures					
Salaries and wages	8,294,622	8,710,813	8,894,630	9,009,051	9,093,134
Employee benefits	4,814,506	4,480,441	5,122,612	5,508,522	5,852,297
Purchased services	2,384,464	2,310,293	3,321,269	3,811,266	3,850,769
Supplies and materials	2,137,839	2,357,910	1,858,507	2,686,700	2,686,700
Capital expenditures	898,969	1,225,701	1,490,806	1,500,000	1,500,000
Other expenditures	66,281	7,007	6,311	4,700	4,700
Total expenditures	18,596,681	19,092,166	20,694,135	22,520,239	22,987,600
Revenue over expenditures	(194,984)	281,440	(1,041,646)	(1,909,279)	(2,421,339)
Other financing sources (uses)	74,531	56,303	18,469	-	-
Net change in Fund Balance	(120,453)	337,743	(1,023,177)	(1,909,279)	(2,421,339)

For the 2020-21 school year, the district set aside \$299.99 (4.57 percent of \$6,567) per adjusted pupil unit from the per pupil unit general education formula allowance for pupil transportation. The district also receives additional categorical funding for transporting students with disabilities and non-public students. The disabled transportation funding has been incorporated with special education funding formula since 1998-99 school year. To maintain funding integrity, the district continues to report disabled transportation aid in the pupil transportation account.

Revenue – The final pupil transportation revenue budget is \$44,699 less than the preliminary estimate. The total revenue for the 2020-21 Transportation Budget is \$20.6 million.

Expenditures – The final expenditure budget for the pupil transportation account totaled \$22.9 million, an increase of \$467,361 from the preliminary budget. This increase is mainly due to an increase in anticipated purchased services for the year as well as an increase in salaries and employee benefits.

Because of these adjustments, the final budget pupil transportation expenditures exceed final budgeted revenue by \$2.4 million.

General Fund - Capital Expenditures

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
State Sources	7,900,458	9,094,510	8,958,795	7,728,827	7,695,360
Property Taxes	11,566,325	11,042,520	10,783,532	11,056,561	11,056,561
Federal Sources	-	-	-	-	-
Other Sources	-	46,536	8,978	-	-
Total revenue	19,466,783	20,183,566	19,751,306	18,785,388	18,751,921
Expenditures					
Salaries and wages	1,108,491	1,623,043	1,677,595	1,591,307	1,591,307
Employee benefits	515,993	694,794	720,804	730,111	730,111
Purchased services	4,108,474	6,140,358	9,243,878	1,836,347	1,836,347
Supplies and materials	2,627,398	2,268,206	2,004,278	3,414,127	3,414,127
Capital expenditures	7,868,479	7,318,192	8,642,139	15,235,759	16,663,866
Other expenditures	11,740	4,487	5,267	-	-
Debt service	-	1,400,181	-	-	-
Total expenditures	16,240,575	19,449,260	22,293,959	22,807,651	24,235,758
Revenues over Expenditures	3,226,208	734,306	(2,542,654)	(4,022,263)	(5,483,837)
Other financing sources (uses)					
Capital lease	140,157	-	-	-	-
Certificates of participation	-	-	-	-	-
Other	-	19,383	206,637	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources(uses)	140,157	19,383	206,637	-	-
Net change in Fund Balance	3,366,365	753,689	(2,336,017)	(4,022,263)	(5,483,837)

The School Board approved the preliminary 2020-21 capital expenditure in April 2020. Since that time, a few adjustments have been made to reflect updated estimates. The financial information above includes information pertaining to the districts operating capital budget and the Long Term Facilities Maintenance (LTFM) budget.

Revenue – The final 2020-21 revenue budget for this fund is lower than the preliminary estimate, by \$33,467, due to changes in state sources for capital expenses as a result of the decline in district enrollment.

Expenditure – The final 2020-21 expenditure for this fund has increased by \$1.4 million from the preliminary budget, primarily due to approved budget adjustments and the allocation of capital carryover dollars to the schools.

Special Revenue Funds – All Sub-Accounts

Community Education & Food Service Funds

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
State sources	3,990,021	4,021,155	3,959,871	4,236,713	3,788,543
Property taxes	1,673,277	1,673,788	1,754,512	1,949,222	1,949,068
Federal sources	5,033,299	5,426,369	5,665,215	5,360,020	3,910,573
Other Sources	10,556,154	11,547,577	8,365,790	10,517,756	5,852,967
Total revenue	21,252,750	22,668,888	19,745,387	22,063,711	15,501,151
Expenditures					
Salaries and wages	9,445,919	9,800,880	9,053,688	10,311,800	9,517,897
Employee benefits	2,696,325	2,838,648	2,728,548	3,334,750	3,166,441
Purchased services	1,582,849	1,654,541	1,405,979	771,801	350,110
Supplies and materials	5,977,004	6,506,795	5,553,935	7,367,372	2,892,912
Capital expenditures	128,727	358,904	213,502	314,550	214,500
Other expenditures	40,961	42,678	571,609	26,585	35,715
Total expenditures	19,871,784	21,202,447	19,527,260	22,126,858	16,177,575
Revenue over expenditures	1,380,966	1,466,441	218,127	(63,147)	(676,424)
Other financing sources (uses)					
Other	-	-	262,358	-	-
Transfers in	-	135,509	136,871	87,145	87,145
Total other financing sources (uses)	-	135,509	399,229	87,145	87,145
Net change in fund balances	1,380,966	1,601,950	617,355	23,998	(589,279)
Fund balances					
Beginning of year	3,927,012	5,307,978	6,909,928	7,527,283	7,527,283
End of year	5,307,978	6,909,928	7,527,283	7,551,281	6,938,004

Funds Overview –

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

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

Food Service Fund - Special Revenue Fund

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
State sources	719,748	793,658	690,117	813,296	365,982
Federal sources	4,978,288	5,373,772	5,606,436	5,301,241	3,846,247
Other Sources	6,570,677	7,431,258	5,069,988	6,624,020	3,006,081
Total revenue	12,268,714	13,598,688	11,366,541	12,738,557	7,218,310
Expenditures					
Salaries and wages	4,019,413	4,126,381	3,701,405	3,930,369	3,271,713
Employee benefits	1,133,035	1,198,056	1,058,757	1,334,493	1,150,436
Purchased services	511,367	589,638	507,823	549,806	359,419
Supplies and materials	5,581,191	6,184,593	5,308,526	7,046,205	2,596,447
Capital expenditures	100,351	349,022	202,042	300,000	200,000
Other expenditures	13,388	15,197	313,993	22,557	22,757
Total expenditures	11,358,744	12,462,887	11,092,547	13,183,430	7,600,772
Revenue over expenditures	909,969	1,135,801	273,994	(444,873)	(382,462)
Other financing sources (uses)					
Other	-	-	262,358	-	-
Net change in fund balances	909,969	1,135,801	536,352	(444,873)	(382,462)
Fund balances					
Beginning of year	2,070,068	2,980,038	4,115,839	4,652,190	4,652,190
End of year	2,980,038	4,115,839	4,652,190	4,207,317	4,269,728

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

Revenue – The final food service revenue projection is \$5.5 million less than our preliminary estimate. The projected decrease is chiefly due to the impacts of the COVID-19 pandemic in both in-person instruction opportunities and changes to the federal nutrition program.

Expenditure – The revised food service expenditure budget is \$5.5 million than the preliminary estimate. This increase is mainly due to a combination of the following factors:

- 1) Decreases in the quantity and scope in which the district provides food services. These decreases include less hours for employees which reduces the district’s expenses for salaries and benefits and less supplies and materials needed.

Because of these adjustments, food service fund expenditures are projected to exceed revenues by \$382,462.

Community Service Fund - Special Revenue Fund

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
State Sources	3,270,273	3,227,497	3,269,753	3,423,417	3,422,561
Property Taxes	1,673,277	1,673,788	1,754,512	1,949,222	1,949,068
Federal Sources	55,010	52,596	58,779	58,779	64,326
Other Sources	3,985,477	4,116,319	3,295,802	3,893,736	2,846,886
Total revenue	8,984,036	9,070,200	8,378,846	9,325,154	8,282,841
Expenditures					
Salaries and wages	5,426,506	5,674,499	5,352,283	6,381,431	6,246,184
Employee benefits	1,563,291	1,640,592	1,669,790	2,000,257	2,016,005
Purchased services	1,071,482	1,064,903	898,156	221,995	(9,309)
Supplies and materials	395,813	322,202	245,409	321,167	296,465
Capital expenditures	28,376	9,882	11,459	14,550	14,500
Other expenditures	27,573	27,481	257,615	4,028	12,958
Total expenditures	8,513,040	8,739,559	8,434,713	8,943,428	8,576,803
Revenue over expenditures	470,996	330,640	(55,867)	381,726	(293,962)
Other financing sources (uses)					
Transfers in	-	135,509	136,871	87,145	87,145
Net change in fund balances	470,996	466,149	81,004	468,871	(206,817)
Fund balances					
Beginning of year	1,856,944	2,327,940	2,794,089	2,875,093	2,875,093
End of year	2,327,940	2,794,089	2,875,093	3,343,964	2,668,276

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

Revenue – Several adjustments were made to the revenue budget that resulted in a net decrease of \$1.1 million when compared to the preliminary estimate. This net decrease is mainly due to the COVID-19 pandemic, which forced the community education department to cancel programs and classes, thus reducing revenue significantly.

Expenditure – The revised expenditure budget is \$366,625 less than the preliminary budget. Many adjustments were made to expenditure items to reflect the district's latest estimates. The major adjustments are summarized below.

- 1) A net decrease in estimated purchased services of \$231,304 as well as a net decrease of \$119,499 in salaries and benefits.

Because of these budget adjustments, the updated 2020-21 expenditures for the community service expenditure projections are expected to exceed revenues \$206,817, leaving an estimated community education fund balance of \$2,668,276 at the end of fiscal year 2021.

Building Construction Fund

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
Other Sources	545,909	532,140	227,879	20,000	-
Expenditures					
Salaries and wages	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased services	8,361,173	2,968,875	201,501	-	-
Supplies and materials	1,503,980	680,002	211,199	-	-
Capital expenditures	49,714,207	27,556,757	5,704,535	6,000,000	9,000,000
Other expenditures	-	-	-	-	-
Debt Service	-	-	173,147	-	-
Total expenditures	59,579,360	31,205,634	6,290,382	6,000,000	9,000,000
Revenue over expenditures	(59,033,451)	(30,673,494)	(6,062,503)	(5,980,000)	(9,000,000)
Other financing sources (uses)					
Debt issuances	-	-	-	-	-
Capital lease	-	-	-	-	-
Certificates of participation	-	-	9,504,202	8,900,000	8,900,000
Other	(74,114)	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	(74,114)	-	9,504,202	8,900,000	8,900,000
Net change in fund balances	(59,107,565)	(30,673,494)	3,441,699	2,920,000	(100,000)
Fund balances					
Beginning of year	95,808,744	36,701,179	6,027,685	9,469,384	9,469,384
End of year	36,701,179	6,027,685	9,469,384	12,389,384	9,369,386

Fund Overview – During the 2020-21 school year, District 196 will complete the last punch list items in the building improvement projects from a bond referendum and capital projects levy that was approved by voters in November 2015. The \$180 million single-question referendum provided funding for safety and security improvements districtwide, additional and upgraded spaces for learning to accommodate growing enrollment and increased access to technology for all students.

In April 2020, the school board approved the financing and awarded bids for turf field construction at the district's four main high schools. The project scope includes two new turf fields, one stadium field and one practice field, at each high school. The total cost of construction for all four sites is \$17-\$19 million. The initial phase of construction included \$8.9 in debt issuance (certificates of participation).

Regular Debt Service Fund

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
State Sources	116,264	140,039	145,094	-	-
Property Taxes	6,792,415	6,989,566	17,813,185	17,844,867	17,844,867
Other Sources	46,758	54,545	105,070	2,000	2,000
Total revenue	6,955,437	7,184,149	18,063,350	17,846,867	17,846,867
Expenditures					
Principal	3,220,000	3,345,000	11,330,000	11,800,000	11,800,000
Interest	6,004,369	5,889,569	5,771,169	5,254,920	5,254,920
Fiscal charges and other	1,800	1,900	1,425	10,000	10,000
Total expenditures	9,226,169	9,236,469	17,102,594	17,064,920	17,064,920
Revenue over expenditures	(2,270,732)	(2,052,319)	960,756	781,947	781,947
Other financing sources (uses)					
Debt issuances	-	-	-	-	-
Debt refunding payments	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(2,270,732)	(2,052,319)	960,756	781,947	781,947
Fund balances					
Beginning of year	3,768,428	1,497,696	(554,623)	406,133	406,133
End of year	1,497,696	(554,623)	406,133	1,188,080	1,188,080

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

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

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

The projected June 30, 2021 fund balance for this fund is \$1.19M

OPEB Debt Service Fund

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
State Sources	2,530	1,611	-	-	-
Property Taxes	10,008,422	9,621,487	9,018	-	-
Other Sources	68,620	118,236	-	-	-
Total revenue	10,079,572	9,741,333	9,018	-	-
Expenditures					
Principal	8,665,000	9,125,000	-	-	-
Interest	889,500	456,250	-	-	-
Fiscal charges and other	450	475	-	-	-
Total expenditures	9,554,950	9,581,725	-	-	-
Net change in fund balances	524,622	159,608	9,018	-	-
Fund balances					
Beginning of year	1,570,384	2,095,006	2,254,614	2,263,632	2,263,632
End of year	2,095,006	2,254,614	2,263,632	2,263,632	2,263,632

Fund Overview – The OPEB debt service fund is used to account for the accumulation of resources for, and payment of, long-term debt principal, interest and other costs for OPEB-related debt activity. All debt obligations have been met. The final adjustment to this balance will take place within the levy process.

Revenue – Similar to the regular debt service fund, revenues for OPEB debt service fund are directly tied to the district’s OPEB bond principal and interest payments. Close to 100 percent of the revenue for this fund comes from property taxes and a very small percentage comes from the state in the form of homestead and agricultural market value credit. The district is not anticipating any revenues for the OPEB debt service fund.

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

The projected June 30, 2021 fund balance for this fund is \$2.26 million.

Internal Service Funds

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
Other					
GASB #16	802,640	1,521,703	1,578,585	870,000	1,670,000
OPEB	3,169,011	-	-	-	-
Self-Insured Dental Plan	432,743	461,449	475,007	472,000	472,000
Self-Insured Health Plan	48,514,796	51,227,305	55,676,134	54,200,000	56,200,000
Total revenue	<u>52,919,189</u>	<u>53,210,457</u>	<u>57,729,725</u>	<u>55,542,000</u>	<u>58,342,000</u>
Expenditures					
Salaries and wages					
GASB #16	2,516,393	768,318	2,367,729	3,199,999	2,716,900
Employee Benefits					
Self-Insured Dental Plan	400,949	410,243	373,203	440,000	440,000
Self-Insured Health Plan	46,647,328	51,252,183	49,922,050	56,100,000	55,100,000
Total expenditures	<u>49,564,670</u>	<u>52,430,743</u>	<u>52,662,983</u>	<u>59,739,999</u>	<u>58,256,900</u>
Revenue over expenditures	3,354,520	779,714	5,066,742	(4,197,999)	85,100
Other financing sources (uses)					
Transfers in					
Self-Insured Health Plan	-	-	-	-	-
Net change in fund balances	3,354,520	779,714	5,066,742	(4,197,999)	85,100
Other financing sources (uses)					
Transfers (Revocable Trust)					
	(30,559,635)	-	-		
Fund balances					
Beginning of year					
	<u>34,695,220</u>	<u>7,490,105</u>	<u>8,269,819</u>	<u>13,336,561</u>	<u>13,336,561</u>
End of year					
	<u><u>7,490,105</u></u>	<u><u>8,269,819</u></u>	<u><u>13,336,561</u></u>	<u><u>9,138,561</u></u>	<u><u>13,421,660</u></u>

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

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

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

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Fund balance					
GASB #16	(4,981,321)	(4,227,936)	(5,017,080)	(7,347,079)	(6,063,980)
Self-Insured Dental Plan	132,732	183,938	285,742	317,742	317,742
Self-Insured Health Plan	12,338,693	12,313,815	18,067,899	16,167,899	19,167,899
Total Fund Balance	<u>7,490,104</u>	<u>8,269,818</u>	<u>13,336,560</u>	<u>9,138,561</u>	<u>13,421,660</u>

Custodial - Fiduciary Funds

	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Prelim Budget	2020-21 Final Budget
Revenues					
Flex Trust	1,706,907	1,673,854	1,813,004	1,654,000	1,654,000
Irrevocable OPEB	-	5,311,337	6,546,997	2,800,000	2,800,000
Total Revenues	1,706,907	6,985,190	8,360,001	4,454,000	4,454,000
Expenditures					
Flex Trust	1,678,088	1,589,502	1,823,060	1,650,000	1,650,000
Irrevocable OPEB	4,405,513	4,783,071	3,643,391	4,500,000	4,500,000
Total expenditures	6,083,601	6,372,572	5,466,451	6,150,000	6,150,000
Net change in fund balances	(4,376,694)	612,618	2,893,550	(1,696,000)	(1,696,000)
Other financing sources (uses)					
Transfers	58,362,417	-	-	-	-
Fund balances					
Flex Trust - Beginning	516,223	545,042	629,394	619,338	619,338
Flex Trust - Ending	545,042	629,394	619,338	623,338	623,338
OPEB Irrevocable - Beginning	-	53,956,904	54,485,170	57,388,776	57,388,776
OPEB Irrevocable - Ending	53,956,904	54,485,170	57,388,776	55,688,776	55,688,776
End of year	54,501,946	55,114,564	58,008,114	56,312,114	56,312,114

Fund Overview – Custodial funds are used to account for assets held in trust by the district for the benefit of individuals or other entities. The district maintains three trust funds: 1) an employee benefit trust fund used to report resources received and held by the district as the trustee for employees participating in the district’s flexible benefit plan and 3) the OPEB Irrevocable Fund for the school year.

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



INFORMATIONAL SECTION





Final Budget Calendar

Completion Date	Persons Responsible	Activities
Monday, Sept 21, 2020	Mgr. of Financial Systems	Notification to district office budget administrators of final budget timelines
Wednesday, Sept 30, 2020 (End of Day)	Coordinator of Finance	Notification to schools of carryovers/deficits
Friday, Oct. 2, 2020	Principals Student Information Supr. Director of Elem. Education Director of Sec. Education	Verify schools' actual October 1 enrollment
Friday, Oct. 2 -Tuesday, Oct. 6, 2020	Coordinator of Finance Mgr.of Financial Systems	Update schools' instructional and staffing allocations in MyBudgetFile to reflect actual October 1 enrollment
Wednesday, Oct 7, 2020 (ASAP)	Coordinator of Finance Mgr. of Financial Systems	MyBudgetFile open and available for final budget revisions
Friday, Oct. 9 - Friday, Oct. 16, 2020	Elementary Principals Middle School Principals High School Principals Program Admin./Coordinators	MyBudgetFile Work Sessions (Format to be announced later)
Tuesday, Oct. 20, 2020 (End of Day)	Elementary Principals District-level Administrators Middle School Principals High School Principals	Complete and submit final budget for superintendent's and/or directors' review and approval
Wednesday, Oct. 21 - Tuesday, Oct. 27, 2020	Superintendent's Cabinet	Review and approve budgets submitted by direct reports; inform finance when ready for processing
Monday, Nov. 16, 2020	Director of Fin. & Operations Coordinator of Finance Mgr.of Fin.Sys./Reporting & Compliance Superintendent Superintendent's Cabinet	Prepare draft copy of final budget for review with superintendent and superintendent's Cabinet
Monday, Dec. 14, 2020	Director of Fin. & Operations Coordinator of Finance	First presentation of the proposed final budget to the School Board
Monday, Jan. 11, 2021	Director of Fin. & Operations Coordinator of Finance	Final presentation and approval of the proposed final budget to the School Board

Enrollment By Year

as of October 1,	Early Childhood	Kindergarten	Elementary	Secondary	Center-Based Special Education	Total	Annual Increase (Decrease)
2011	427	1,902	11,608	12,649	817	27,402	-0.19%
2012	469	1,873	11,622	12,433	771	27,168	-0.86%
2013	475	1,782	11,781	12,430	734	27,202	0.13%
2014	509	1,920	11,910	12,302	771	27,412	0.77%
2015	505	1,910	12,065	12,498	813	27,791	1.38%
2016	486	1,944	12,331	12,579	842	28,182	1.41%
2017	521	2,004	10,225	14,943	951	28,644	1.64%
2018	515	2,002	10,254	15,116	984	28,875	0.81%
2019	554	2,055	10,335	15,251	1029	29,224	1.21%
2020	472	1,764	10,157	15,545	1070	29,008	-0.74%

Enrollment By Site - October 1, 2020

		As of October 1									
School		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Elementary Schools	Cedar Park	671	689	705	708	697	731	707	683	682	686
	Deerwood	539	583	564	605	643	625	660	635	625	584
	Diamond Path	743	754	750	755	805	832	757	739	743	703
	East Lake	N/A	N/A	N/A	N/A	N/A	N/A	542	631	706	718
	Echo Park	705	666	641	683	665	641	669	713	733	705
	Glacier Hills	611	601	685	721	758	759	749	758	729	682
	Greenleaf	897	907	910	927	949	961	900	872	832	764
	Highland	622	642	717	650	676	695	705	693	697	681
	Northview	386	402	400	387	381	396	409	421	450	420
	Oak Ridge	621	619	622	616	550	537	514	512	511	506
	Parkview	796	785	737	848	890	943	803	795	786	761
	Pinewood	586	572	604	577	609	615	593	587	585	551
	Red Pine	946	945	934	873	823	797	769	720	717	668
	Rosemount	645	616	641	670	704	745	681	707	738	731
	Shannon Park	775	812	817	824	812	800	647	636	608	555
	Southview	638	660	634	626	636	640	626	639	630	602
	Thomas Lake	372	356	374	406	427	473	475	509	540	519
	Westview	442	437	419	398	385	395	421	401	413	411
Woodland	482	495	525	525	545	587	602	605	665	674	
	Total	11,477	11,541	11,679	11,799	11,955	12,172	12,229	12,256	12,390	11,921
Middle Schools	Black Hawk	853	800	798	847	868	865	868	853	787	825
	Dakota Hills	1121	1127	1151	1102	1041	1100	1100	1195	1243	1209
	Falcon Ridge	1121	1129	1089	1032	1038	1064	1097	1063	1058	1021
	Rosemount	1165	1168	1163	1199	1220	1275	1300	1288	1307	1246
	Scott Highlands	805	867	910	936	951	1010	1037	1108	1150	1203
	Valley	915	825	884	839	922	982	1016	1080	1076	1063
		Total	5,980	5,916	5,995	5,955	6,040	6,296	6,418	6,587	6,621
High Schools	Apple Valley	1728	1634	1633	1665	1594	1572	1602	1560	1620	1732
	Eagan	2184	2107	2023	2031	2001	1945	2014	1962	1954	2061
	Eastview	2072	2085	2069	2089	2175	2152	2121	2154	2187	2220
	Rosemount	2103	2042	2036	2026	2078	2124	2239	2342	2369	2463
	Environmental Studies	411	423	378	388	434	416	395	351	342	340
	Area Learning Center	156	114	116	136	134	100	99	123	120	131
		Total	8,654	8,405	8,255	8,335	8,416	8,309	8,470	8,492	8,592
Other Programs	Adult Basic Education	47	66	64	43	62	77	55	41	38	31
	CBSE	817	771	734	771	813	842	951	984	1029	1070
	ECSE	427	469	475	509	505	486	521	515	554	472
		Total	1,291	1,306	1,273	1,323	1,380	1,405	1,527	1,540	1,621
	Grand Total	27,402	27,168	27,202	27,412	27,791	28,182	28,644	28,875	29,224	29,008

Enrollment By Grade – October 1, 2020

	School	K	1	2	3	4	5	6	7	8	9	10	11	12	Totals
Elementary Schools	Cedar Park	128	127	119	109	97	106	-	-	-	-	-	-	-	686
	Deerwood	73	95	103	102	95	116	-	-	-	-	-	-	-	584
	Diamond Path	92	115	120	110	138	128	-	-	-	-	-	-	-	703
	East Lake	117	117	124	129	129	102	-	-	-	-	-	-	-	718
	Echo Park	113	118	133	125	105	111	-	-	-	-	-	-	-	705
	Glacier Hills	94	108	114	113	129	124	-	-	-	-	-	-	-	682
	Greenleaf	121	121	127	127	141	127	-	-	-	-	-	-	-	764
	Highland	91	120	106	124	122	118	-	-	-	-	-	-	-	681
	Northview	53	73	58	81	73	82	-	-	-	-	-	-	-	420
	Oak Ridge	86	97	97	79	79	68	-	-	-	-	-	-	-	506
	Parkview	121	126	106	136	127	145	-	-	-	-	-	-	-	761
	Pinewood	81	95	83	90	95	107	-	-	-	-	-	-	-	551
	Red Pine	83	118	107	120	110	130	-	-	-	-	-	-	-	668
	Rosemount	112	108	122	127	129	133	-	-	-	-	-	-	-	731
	Shannon Park	72	88	98	90	105	102	-	-	-	-	-	-	-	555
	Southview	86	97	107	101	113	98	-	-	-	-	-	-	-	602
	Thomas Lake	88	92	111	71	79	78	-	-	-	-	-	-	-	519
	Westview	52	80	78	86	51	64	-	-	-	-	-	-	-	411
	Woodland	101	116	121	112	119	105	-	-	-	-	-	-	-	674
Total	1,764	2,011	2,034	2,032	2,036	2,044	-	-	-	-	-	-	-	-	11,921
Middle Schools	Black Hawk	-	-	-	-	-	-	296	256	273	-	-	-	-	825
	Dakota Hills	-	-	-	-	-	-	373	400	436	-	-	-	-	1,209
	Falcon Ridge	-	-	-	-	-	-	331	333	357	-	-	-	-	1,021
	Rosemount	-	-	-	-	-	-	400	418	428	-	-	-	-	1,246
	Scott Highlands	-	-	-	-	-	-	398	400	405	-	-	-	-	1,203
	Valley	-	-	-	-	-	-	338	353	372	-	-	-	-	1,063
	Total	-	-	-	-	-	-	2,136	2,160	2,271	-	-	-	-	6,567
	High Schools	Apple Valley	-	-	-	-	-	-	-	-	-	490	467	399	376
Eagan		-	-	-	-	-	-	-	-	-	560	564	441	496	2,061
Eastview		-	-	-	-	-	-	-	-	-	579	620	568	453	2,220
Rosemount		-	-	-	-	-	-	-	-	-	654	647	585	577	2,463
Environmental Studies		-	-	-	-	-	-	-	-	-	-	-	176	164	340
Area Learning Center		-	-	-	-	-	-	-	-	-	-	9	35	87	131
Total		-	-	-	-	-	-	-	-	-	-	2,283	2,307	2,204	2,153
Other Programs	Adult Basic Education	-	-	-	-	-	-	-	-	-	-	-	-	31	31
	CBSE	84	84	90	87	70	80	76	52	59	58	58	56	216	1,070
	ECSE	472	-	-	-	-	-	-	-	-	-	-	-	-	472
	Total	556	84	90	87	70	80	76	52	59	58	58	56	247	1,573
Grand Total	2,320	2,095	2,124	2,119	2,106	2,124	2,212	2,212	2,330	2,341	2,365	2,260	2,400	29,008	

Average Daily Membership by Year

Year Ended 30-Jun	Early Childhood	Kindergarten	Elementary 1st-6th	Secondary 7th-12th	Total ADMs	Total Pupil Units	Annual P.U. Increase (Decrease)
2009	232.44	1,851.28	11,842.79	13,405.61	27,332.12	31,781.05	-0.88%
2010	235.58	1,495.18	11,927.94	13,304.89	26,963.59	31,686.88	-0.30%
2011	222.54	1,798.59	11,839.43	13,238.22	27,098.78	31,510.72	-0.56%
2012	159.30	1,850.24	11,948.37	13,012.52	26,970.43	31,406.83	-0.33%
2013	240.34	1,845.80	11,926.58	12,780.09	26,792.81	31,079.22	-1.04%
2014	243.55	1,757.83	12,116.23	12,800.68	26,918.29	31,261.97	0.59%
2015	263.27	1,987.77	12,235.89	12,718.96	27,205.89	29,748.93	-4.84%
2016	261.75	1,969.63	12,423.99	12,871.35	27,526.72	30,100.98	1.18%
2017	268.58	2,005.02	12,728.04	12,901.75	27,903.39	30,494.42	1.31%
2018	268.90	2,119.59	12,840.32	13,086.72	28,315.53	30,932.08	1.44%
2019	264.00	2,123.00	12,997.00	13,394.00	28,778.00	31,078.05	0.47%
2020	283.48	2,181.71	12,956.84	13,575.21	28,997.24	31,712.29	2.04%

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

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

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

Total Employee FTE By Classification

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Administrators/Principals	93.450	108.430	108.680	109.470	114.590	107.740	110.308
Supervisors/Special Staff	56.160	58.870	65.420	69.030	73.420	87.840	85.800
Teachers/nurses	2000.940	2015.860	2061.980	2094.980	2098.200	2086.670	2258.061
Clerical	652.790	641.790	647.180	682.980	673.680	655.960	687.345
Building Chiefs and Custodians	173.000	180.500	181.500	182.500	185.500	180.170	187.500
Food service	111.690	101.060	100.860	112.260	114.280	113.600	95.836
Drivers/Mechanics/Chaperones*	191.250	192.750	183.750	192.000	208.500	213.750	224.000
Non-licensed specialists	44.240	47.110	48.390	51.950	54.540	51.050	50.180
Total	3323.520	3346.370	3397.760	3495.170	3522.720	3496.780	3699.030

*FTE estimates provided by the Transportation Department

**FTE's above are budgeted estimates. Does not reflect actual FTE's

Site Staffing Allocations

	October 1, 2020 Enrollment	Admin/Principal/AP	Assistant Administrator	Counselors & Deans & Mental Health	Classroom Teachers	Specialists & Band	Gifted and Talented	Technology Assistant	Nurse	12-Month Secretary	10-Month Secretary	10-Month Clerk	Campus Security	Totals
Elementary Schools														
Cedar Park	686	1.000	0.729	0.500	29.486	5.783	0.550	-	0.938	1.000	0.951	4.121	-	45.058
Deerwood	584	1.000	0.733	0.500	24.677	4.853	0.300	-	0.938	1.000	0.900	3.509	-	38.410
Diamond Path	703	1.000	0.711	0.500	29.712	5.841	0.550	-	0.938	1.000	0.966	4.224	-	45.442
East Lake	718	1.000	0.815	0.500	30.561	5.698	0.550	-	0.938	1.000	1.009	4.314	-	46.385
Echo Park	705	1.000	0.835	0.500	30.119	5.843	0.550	-	0.938	1.000	0.983	4.236	-	46.004
Glacier Hills	682	1.000	0.616	0.500	28.814	5.714	0.550	-	0.938	1.000	0.932	4.097	-	44.161
Greenleaf	764	1.000	0.813	0.500	32.413	6.097	0.550	-	0.938	1.000	1.060	4.590	-	48.961
Highland	681	1.000	0.910	0.500	28.785	5.665	0.550	-	0.938	1.000	0.968	4.091	-	44.407
Northview	420	1.000	0.640	0.500	17.649	3.980	0.300	-	0.938	1.000	0.900	3.450	-	30.357
Oak Ridge	506	1.000	0.673	0.500	21.786	4.349	0.300	-	0.938	1.000	0.900	3.450	-	34.896
Parkview	761	1.000	0.850	0.500	32.155	6.177	0.550	-	0.938	1.000	1.060	4.572	-	48.802
Pinewood	551	1.000	0.659	0.500	23.312	4.525	0.300	-	0.938	1.000	0.900	3.450	-	36.584
Red Pine	668	1.000	0.744	0.500	28.208	5.485	0.550	-	0.938	1.000	0.936	4.013	-	43.374
Rosemount	731	1.000	0.754	0.500	30.913	5.848	0.550	-	0.938	1.000	1.009	4.392	-	46.904
Shannon Park	555	1.000	0.701	0.500	23.455	4.649	0.300	-	0.938	1.000	0.900	3.450	-	36.893
Southview	602	1.000	0.846	0.500	25.533	4.892	0.300	-	0.938	1.000	0.900	3.617	-	39.526
Thomas Lake	519	1.000	0.698	0.500	22.380	4.225	0.300	-	0.938	1.000	0.900	3.450	-	35.391
Westview	411	1.000	0.664	0.500	17.539	3.900	0.300	-	0.938	1.000	0.900	3.450	-	30.191
Woodland	674	1.000	0.798	0.500	28.706	5.407	0.550	-	0.938	1.000	0.944	4.049	-	43.892
Totals	11,921	19.000	14.189	9.500	506.203	98.931	8.450	0.000	17.822	19.000	18.018	74.525	0.000	785.638
Middle Schools														
Black Hawk	825	2.000	0.065	3.000	32.577	2.520	0.900	0.450	1.000	2.000	0.650	3.154	-	48.316
Dakota Hills	1,209	2.000	0.095	3.018	47.739	4.050	0.900	0.450	1.000	2.000	0.756	4.622	-	66.630
Falcon Ridge	1,021	2.000	0.080	3.000	40.316	3.370	0.900	0.450	1.000	2.000	0.650	3.904	-	57.670
Rosemount	1,246	2.000	0.098	3.092	49.200	4.030	0.900	0.450	1.000	2.000	0.779	4.764	-	68.313
Scott Highlands	1,203	2.000	0.095	3.006	47.502	4.510	0.900	0.450	1.000	2.000	0.752	4.599	-	66.814
Valley Middle	1,063	2.000	0.084	3.000	42.974	3.000	0.900	0.450	1.000	2.000	0.664	4.064	-	60.136
Totals	6,567	12.000	0.517	18.116	260.308	21.480	5.400	2.700	6.000	12.000	4.251	25.107	0.000	367.879
High Schools														
Apple Valley	1,732	4.000	0.095	5.392	72.694	4.409	-	0.450	1.000	4.000	2.252	4.143	2.000	100.435
Eagan	2,061	4.000	0.138	6.131	86.122	4.749	-	0.450	1.000	4.000	2.680	4.930	2.000	116.200
Eastview	2,220	4.000	0.250	6.489	92.612	4.903	-	0.450	1.000	4.000	2.887	5.311	2.000	123.902
Rosemount	2,463	4.000	0.422	7.035	102.531	5.147	-	0.450	1.000	4.000	3.203	5.892	2.000	135.680
SES	340	1.000	-	1.264	13.878	0.450	-	0.225	0.813	1.000	1.350	0.000	1.000	20.980
ALC	131	0.500	-	0.500	5.955	-	-	-	0.250	1.000	0.900	0.675	1.000	10.780
Totals	8,947	17.500	0.905	26.811	373.792	19.658	0.000	2.025	5.063	18.000	13.272	20.951	10.000	507.977

Fund Balances - Governmental Funds

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Nondspendable	967,324	1,061,586	1,050,944	1,421,379	1,282,831
Restricted	2,454,724	5,838,313	9,318,698	10,840,842	10,079,210
Assigned	10,790,390	7,472,160	8,399,254	1,311,999	1,271,880
Unassigned	16,839,773	22,263,362	25,699,224	37,352,793	45,730,406
Total General Fund	31,052,211	36,635,421	44,468,120	50,927,013	58,364,327
Other Governmental Funds					
Reserved	-	-	-	-	-
Unreserved, reported in					
Special revenue funds	-	-	-	-	-
Capital Projects – Building Construction Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Nondspendable	136,641	163,619	208,298	244,503	497,327
Restricted	138,407,574	104,910,947	43,679,934	14,947,727	19,203,920
Unassigned, reported in					
Capital Projects – Building Construction Fund	-	-	-	-	(34,817)
Debt Service Fund	-	-	-	(554,624)	-
Total all other governmental funds	138,544,215	105,074,566	43,888,232	14,637,606	19,666,430

Changes in Fund Balances - Governmental Funds

	Fiscal Year				
	2016	2107	2018	2019	2020
Revenues					
Local sources					
Taxes	78,828,084	85,651,484	89,682,487	91,158,991	95,664,211
Investment earnings	990,686	1,525,963	1,720,017	2,390,487	1,595,266
Other	20,303,840	21,655,777	21,241,570	21,450,041	17,975,172
State sources	258,200,427	264,144,986	275,878,205	285,746,486	296,520,589
Federal sources	13,700,319	14,628,580	15,834,368	16,232,102	16,894,745
Total revenues	372,023,356	387,606,790	404,356,647	416,978,107	428,649,983
Expenditures					
Current					
Administration	14,846,637	14,931,628	15,599,003	16,342,073	16,978,484
District support services	9,360,367	9,807,545	10,694,868	12,008,717	13,024,402
Elementary and secondary instruction	165,181,027	169,848,898	173,672,800	177,357,744	179,118,369
Vocational education instruction	5,198,949	5,013,173	5,137,316	5,396,017	5,104,823
Special education instruction	65,226,216	68,020,953	71,133,191	72,650,167	76,516,745
Instructional support services	19,695,766	20,664,400	21,616,857	22,489,640	23,078,098
Pupil support services	23,694,661	24,615,829	25,550,001	26,181,738	27,564,639
Sites and buildings	21,979,790	25,390,808	23,681,891	25,398,051	30,069,134
Fiscal and other fixed cost programs	650,603	613,851	582,782	1,182,069	671,312
Food service	11,757,651	11,992,184	11,258,394	12,113,867	10,890,508
Community service	8,044,250	8,822,111	8,751,046	8,933,712	8,606,173
Capital outlay	11,640,890	33,546,532	68,021,071	40,050,087	15,362,092
Debt service					
Principal	13,326,884	14,394,446	14,079,855	14,694,828	13,251,596
Interest and fiscal charges	4,384,850	7,911,158	7,595,387	6,992,089	6,333,341
Total expenditures	374,988,541	415,573,516	457,374,462	441,790,799	426,569,716
Revenues over (under) expenditures	(2,965,185)	(27,966,726)	(53,017,815)	(24,812,692)	2,080,267
Other financing sources (uses)					
Transfers in	8,554,099	20,122	-	135,509	399,229
Transfers out	(8,554,099)	(20,122)	-	(135,509)	(399,299)
Refunding debt issued	-	-	-	-	-
Debt issued	112,150,000	-	-	-	8,960,000
Premium on debt issued	20,355,238	-	-	-	544,202
Discount on debt issued	-	-	-	-	-
Bond refunding payments	(12,125,000)	-	-	-	-
Capital leases and other loans	480,000	-	1,043,209	-	-
Insurance Recovery	-	-	311,212	56,303	25,413
Judgements for the School District	-	-	-	369	-
Sale of capital assets	27,218	80,287	23,971	19,383	856,256
Total other financing sources (uses)	120,887,456	80,287	1,378,392	76,055	10,385,801
Net change in fund balances	117,922,271	(27,886,439)	(51,639,423)	(24,736,637)	12,466,068
Fund balances					
Beginning of year	51,674,154	169,596,425	141,709,986	90,070,563	65,333,926
End of year	169,596,425	141,709,986	90,070,563	65,333,926	77,799,994



GLOSSARY





Glossary of Terms

A

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B

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

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

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

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

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

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

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

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

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

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

C

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

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

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

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

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

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

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

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

D

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

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

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

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

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

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

E

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

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

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

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

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

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

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

Expenses: Costs incurred in the normal course of operations.

F

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

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

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

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

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

Federal Sources: Revenues received from federal government appropriations.

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

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

G

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

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

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

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

H

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

I

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

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

J

Noentries

K

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

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

L

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

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

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

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

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

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

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

M

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

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

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

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

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

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

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

N

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

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

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

O

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

P

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

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

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

Q

No entries

R

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

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

Reserve: An amount set aside for some specified purpose.

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

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

S

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

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

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

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

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

Statute: A written law passed by a legislative body.

T

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

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

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

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

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

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

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

U

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

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

V

No entries

W

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

X

No entries

Y

No entries

Z

No entries

