



Future Ready. Community Strong.

**Agenda IV. B.3.
January 28, 2021**

TO: Members, Board of Education
Dr. Theresa Battle, Superintendent

FROM: Lisa K. Rider, executive director of business services

DATE: January 21, 2021

RE: Approve 2020-21 Revised Budget

RECOMMENDATION: That the Board of Education approves the 2020-21 Revised Budget providing revenues and expenditures in all funds as follows, waiving the 8% unassigned fund balance:

**ISD 191 BURNSVILLE - EAGAN - SAVAGE
2020-2021 REVISED BUDGET
CHANGES IN FUND BALANCE**

| <u>FUND</u> | <u>REVENUE BUDGET</u> | <u>EXPENDITURE BUDGET</u> | <u>INCR (DECR) TO FUND BALANCE</u> |
|-----------------------|---------------------------|-------------------------------|--|
| GENERAL | \$ 133,743,861 | \$ 134,280,355 | \$ (536,494) |
| FOOD SERVICE | 5,549,155 | 5,458,936 | 90,218 |
| COMMUNITY SERVICE | 5,949,005 | 5,680,596 | 268,409 |
| CAPITAL PROJECTS | 30,000 | 350,000 | (320,000) |
| DEBT SERVICE | 24,764,645 | 23,340,380 | 1,424,265 |
| CUSTODIAL FUNDS | 2,000 | 66,072 | (64,072) |
| INTERNAL SERVICE FUND | 23,537,000 | 22,889,853 | 647,147 |
| TOTAL ALL FUNDS | <u>\$ 193,575,666</u> | <u>\$ 192,066,192</u> | <u>\$ 1,509,474</u> |

Each fiscal year the budget is revised to reflect the most current information available with respect to revenues and expenditures. This recommendation formally recognizes these revisions by incorporating them into the budget document. Revisions have been made in all governmental funds.

Following is a brief explanation of the more substantive revisions:

General Fund

- Enrollment assumptions declined from the original assumption of 7,887 Average Daily Membership (ADMs) used in the Adopted Budget to 7,890 ADMs used in the Revised Budget. The Revised Budget ADM assumption is essentially unchanged from the adopted assumption; however, the Revised Budget ADM does reflect a decline of 465 ADMs from the final audited 2019-2020 ADMs.
- Budget carryovers from the prior year as committed by the Board of Education.
- Revenue and expenditure budget changes related to final federal funding allocations for fiscal year 2021, including amounts carried forward from fiscal year 2020. Coronavirus Relief Funds (CRF), ESSER I, and GEER I funds are included in the revenue and expenditure budget with the assumption the budget is available to use fully by June 30, 2021.
- Overall decrease in General Fund FTE's of 3.1 from Adopted.
- Adjustments for more accurate expenditure estimates.

The impact of these revisions results in a projected decrease in ending total general fund balance by (\$536,494). The projected unassigned fund balance as a percent of general fund total expenditures for June 30, 2021 is approximately 7.61%.

Food Service Fund

The food service revenues and expenditures have been revised for more accurate assumptions based on updated personnel costs. These adjustments show a projected increase in fund balance. It is anticipated an update to the Revised Budget for Food Service will be necessary in the spring to reflect the impact of the changing learning models from hybrid to distance learning and then in-person on the food service revenues and expenditures. This impact is not known at this time.

Community Service Fund

The community service revenues and expenditures have been revised for more accurate assumptions based on prior year trends, experiences, and changes in programming. It is anticipated an update to the Revised Budget for Community Service will be necessary in the spring to reflect the impact of the changing learning models from hybrid to distance learning and then in-person on the community service child care revenues and expenditures. This impact is not known at this time.

Debt Service Fund

The debt service revenues and expenditures have been reviewed and accurately reflect principal and interest payments, including the necessary refunding payments as a result of the 2020A Refunding Bonds which will pay off the 2011A Bonds when callable in February.

I recommend approval of the 2020-21 Revised Budget.