



Financial Update

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Principles of Finance

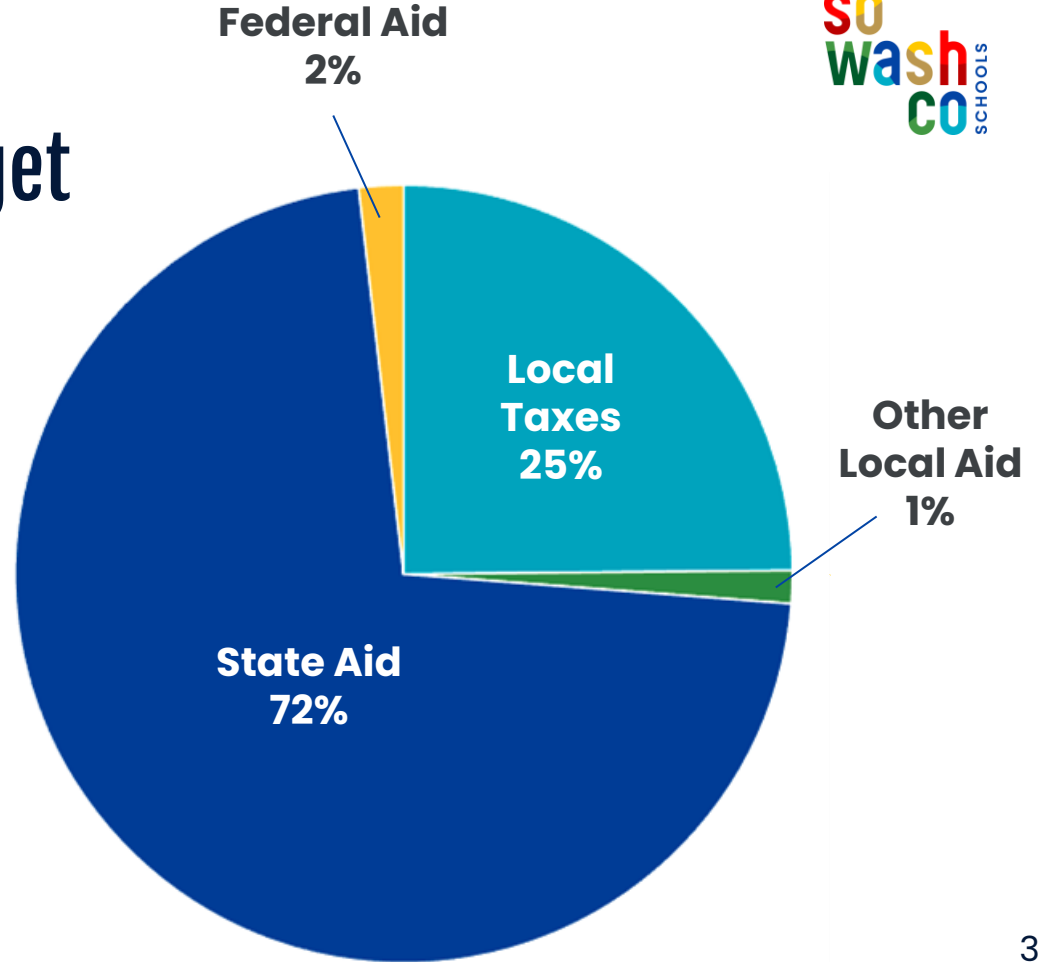
- **Integrity:** Audits, fair representation of financial standing
- **Ethical:** Follow the letter of the law
- **Conservatism:** Forecast the worst, expect the forecast
- **Security:** Safeguard all assets
- **Mission-driven Expenditures:** All public expenditures serve a public purpose

Mn Education Funding SoWashco 2021-22 Budget

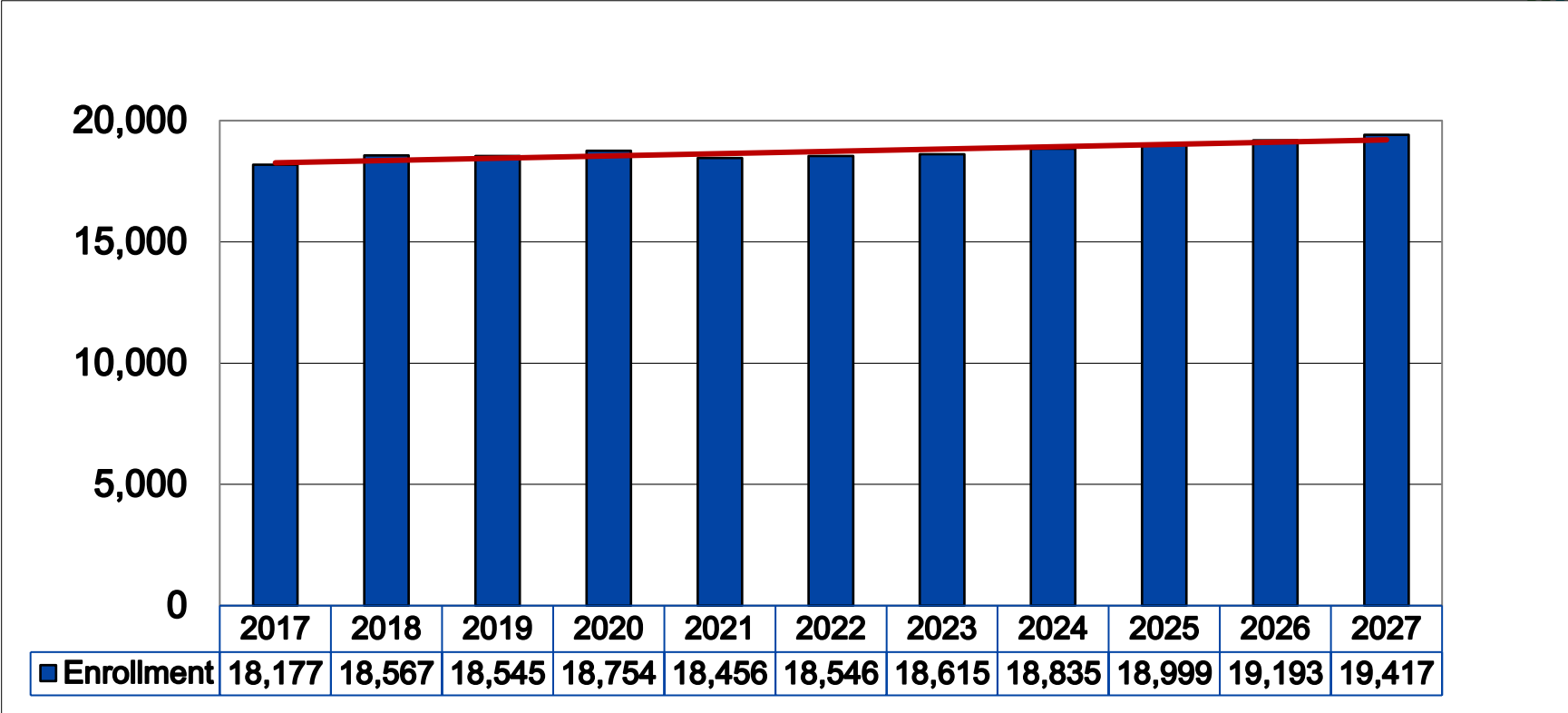


- **State Aids - \$ 188,660,808**
- **Local Levies - \$ 65,166,680**
- **Federal Aids - \$ 4,845,535**
- **Local Fees - \$ 3,578,000**

- **TOTAL \$ 262,251,061**



Budget Enrollment



Enrollment Implications



	Enrollment	Capacity	% Used
Elementary	8,144	9,916	82.13%
Middle School	4,212	4,574	92.09%
High School	6,115	5,891	103.80%
Totals	18,471	20,380	90.63%

Enrollment Implications



Grey Cloud, Pine Hill and Red Rock are over 95% utilized

6 elementary schools have over 30% open seats

Oltman and Woodbury Middle schools are at 98% utilization

East Ridge High School – 115%

Woodbury High School – 102%

Park High School – 96%

Expenditures by Object Code



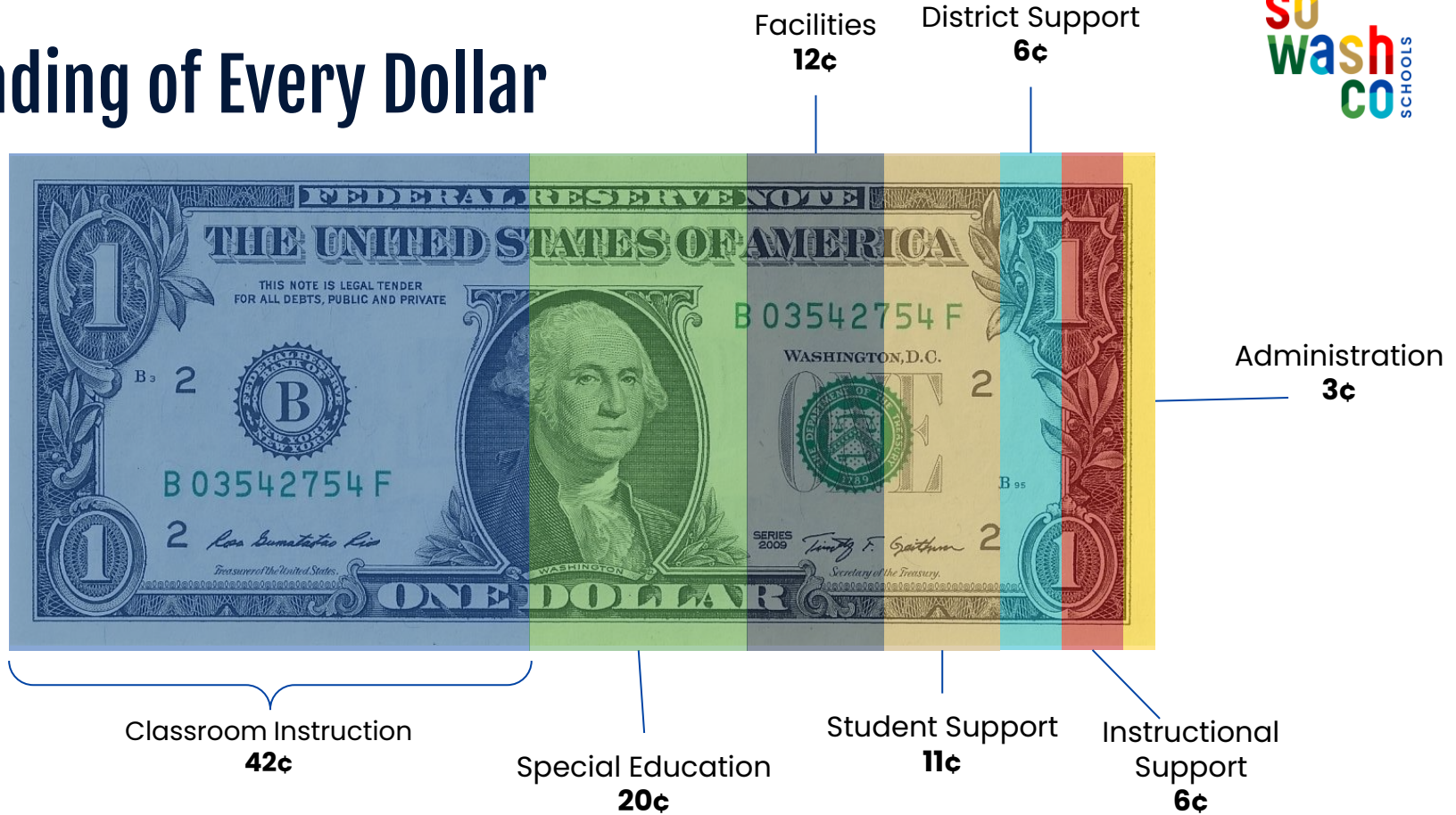
	2017-18	2018-19	2019-20	2020-21	2021-22			
	FY Activity	FY Activity	FY Activity	FY Activity	Original Budget			
						4-year Increase	4-year %	AVE %
Salaries	\$ 133,510,853	\$ 138,589,261	\$ 142,416,584	\$ 149,004,913	\$ 149,571,751	\$ 16,060,898	12.03%	3.01%
Benefits	\$ 51,683,286	\$ 53,371,285	\$ 55,886,769	\$ 58,170,965	\$ 59,908,625	\$ 8,225,339	15.91%	3.98%
Services	\$ 23,947,765	\$ 25,337,989	\$ 29,076,847	\$ 30,188,631	\$ 33,502,468	\$ 9,554,703	39.90%	9.97%
Supplies	\$ 7,340,489	\$ 8,603,785	\$ 8,082,473	\$ 10,991,524	\$ 8,167,612	\$ 827,123	11.27%	2.82%
Capital	\$ 7,279,475	\$ 8,299,913	\$ 9,977,060	\$ 9,526,550	\$ 7,805,011	\$ 525,536	7.22%	1.80%
Other	\$ 1,670,089	\$ 1,406,573	\$ 5,784,785	\$ 798,219	\$ 1,354,334	\$ (315,755)	-18.91%	-4.73%
	\$ 225,431,957	\$ 235,608,806	\$ 251,224,517	\$ 258,680,802	\$ 260,309,801	\$ 34,877,844	15.47%	3.87%

Expenditures by Program Area



	2017-18	2018-19	2019-20	2020-21	2021-22			
	FY Activity	FY Activity	FY Activity	FY Activity	Original Budget			
						4-year Increase	4-year %	AVE %
Administration	\$ 8,394,144	\$ 8,904,211	\$ 9,111,780	\$ 9,286,736	\$ 7,999,675	\$ (394,469)	-4.70%	-1.17%
District Support	\$ 15,603,754	\$ 16,456,947	\$ 10,300,656	\$ 12,078,097	\$ 15,613,412	\$ 9,658	0.06%	0.02%
Reg Instruction	\$ 102,709,950	\$ 107,033,983	\$ 117,347,875	\$ 118,135,790	\$ 110,584,260	\$ 7,874,310	7.67%	1.92%
Special Education	\$ 41,742,519	\$ 42,977,581	\$ 45,976,532	\$ 47,897,758	\$ 51,912,666	\$ 10,170,147	24.36%	6.09%
Instructional Support	\$ 10,573,054	\$ 10,871,936	\$ 11,519,455	\$ 12,199,685	\$ 15,274,320	\$ 4,701,266	44.46%	11.12%
Pupil Support	\$ 22,568,340	\$ 24,076,544	\$ 26,215,559	\$ 26,760,956	\$ 28,697,227	\$ 6,128,887	27.16%	6.79%
Facilities	\$ 23,840,196	\$ 25,287,602	\$ 30,752,658	\$ 32,321,781	\$ 30,228,241	\$ 6,388,045	26.80%	6.70%
	\$ 225,431,957	\$ 235,608,804	\$ 251,224,517	\$ 258,680,802	\$ 260,309,801	\$ 34,877,844	15.47%	3.87%

Spending of Every Dollar



Expenditures – Trends

- District expenses have risen by \$34.8 million or 15.47 % over the last four years, an average of 3.87%, last year, before budget adjustments, the increases were 21.1% for an average of 5.3%
- Special Education instruction costs have increased \$10.1 million or 24.4% over the last four years, an average of 6.1%
- SPED child count in 2016–17 was 2,910, most recent count in 2020–21 is 3,304 an increase of 13.5%
- Pupil Support has also increased 6.8% per year, mainly in the area of SPED transportation.

Fund Balance (Unassigned)

- Similar to a family emergency account
- SoWashCo has a fund balance to manage risk and respond to unforeseen emergencies
- Risk is assessed to help determine the size of a fund balance
- The more risk a school district faces, the larger the fund balance should be

Examples of current risks

- Lower bond ratings
- State aid lagging behind inflation
- Federal funding reductions
- State aid funding shifts
- Labor Contracts settlements
- Uncertain utility and service contracts
- Major building mechanical breakdowns
- Unfunded mandated services

Fund Balance (Unassigned)



	2017-18	2018-19	2019-20	2020-21	2021-22
	FY Activity	FY Activity	FY Activity	FY Activity	Original Budget
Revenues	\$ 226,468,257	\$ 243,165,172	\$ 250,680,186	\$ 261,679,751	\$ 262,251,061
Expenditures	\$ 225,431,957	\$ 235,608,804	\$ 251,224,517	\$ 258,680,802	\$ 260,309,801
Net Change	\$ 1,036,300	\$ 7,556,368	\$ (544,331)	\$ 2,998,949	\$ 1,941,260
				Projected	Projected
Unassigned Fund Balance	\$ 2,721,584	\$ 8,790,153	\$ 12,022,842	\$ 12,157,998	\$ 14,099,258
	1.39%	4.36%	5.73%	4.70%	5.45%

2022-23 Budget Projections



Wage Increases – average about 3.0%

Benefit increases – average about 3.98%

Goal is to keep these at 2.5%

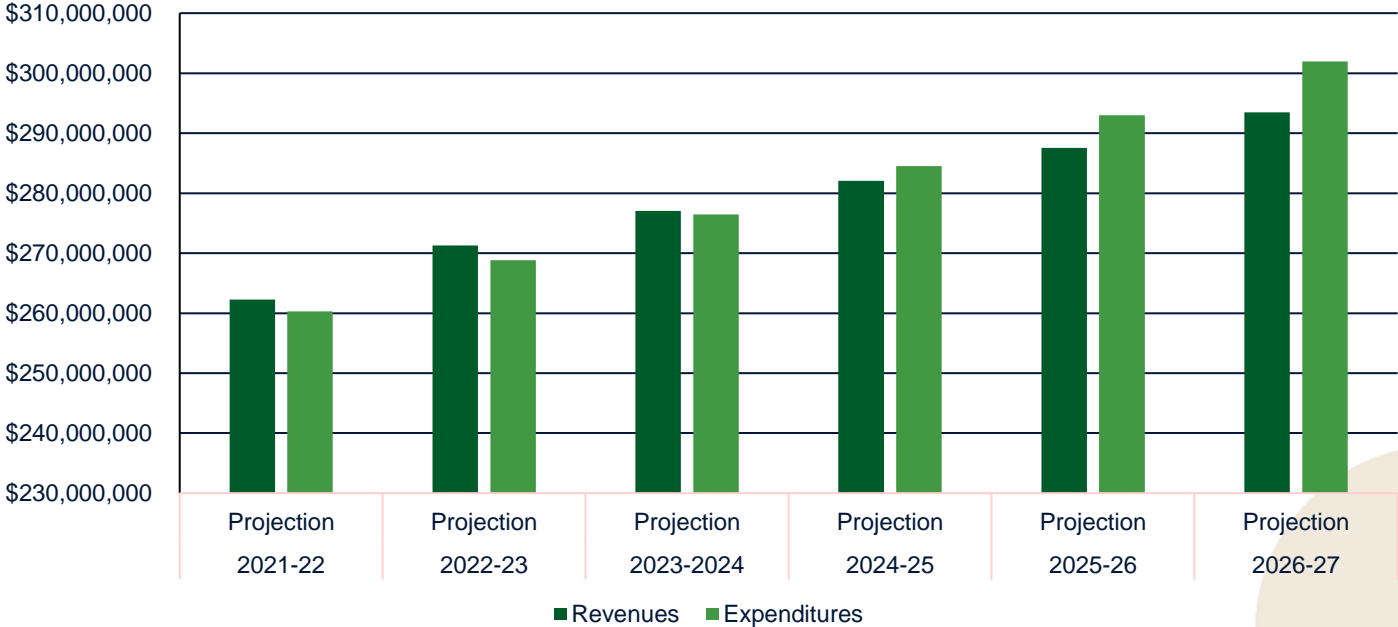
Those two increases alone costs \$5 million

Other costs at 1.5% increase cost \$ 840,000

Need revenue to increase by at least \$6,000,000

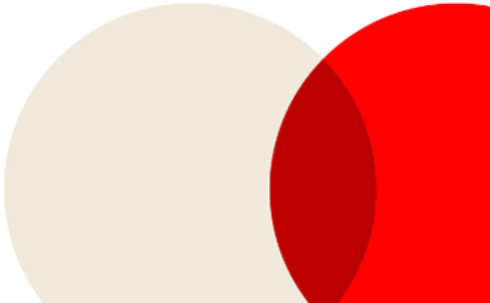
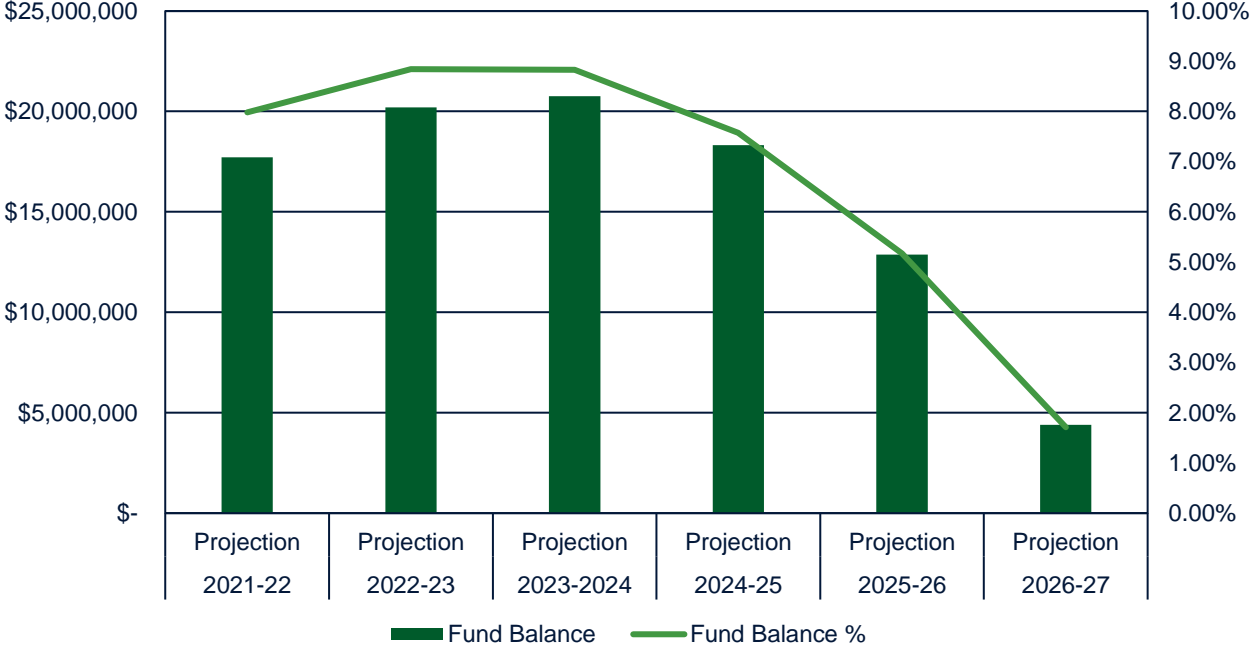
Budget Forecasts

Projected Revenues and Expenses



Budget Forecasts

Projected Fund Balances





Questions?

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