



DISTRICT196[®]
One District. Infinite Possibilities.

2021-22 FINAL BUDGET

Fiscal Year Ending June 30, 2022

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

Educating our students to reach their full potential



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January 10, 2022

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 2021-22 Preliminary Budget at the regular school board meeting on Monday, June 28, 2021. The 2021-22 Final Budget included in this report reflects changes in budget items due to updated student enrollment and staffing data, approximate contract settlements and other factors unavailable or unknown at the time of approval for the preliminary budget.

REPORT FORMAT

The 2021-22 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 transitional and adult programs.

FINANCIAL AND BUDGETARY CONTROL

District leadership is responsible for establishing and maintaining internal controls designed to ensure 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 March 2021 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 March 2021.

Non-Salary Allocations for Schools

- Instructional Allocations – instructional allocations were increased by 2 percent as part of the budget increases for the 2021-22 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 2021-22 school year increased by 2 percent (supplies) and 2 percent for staffing fixed costs, respectively. The staffing increases include new parameters approved by the School Board and an increase in statutory benefits, such as TRA and PERA contributions.
- Compensatory Education Allocations – 2021-22 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, 2021. Due to the COVID-19 pandemic, educational benefit applications were drastically reduced for the 2021-22 school year, reducing the compensatory allocation for all schools. The compensatory allocation was supplemented by federal COVID-19 funding to bring schools back to the 2020-21 allocation.
- 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-, and second-grade class sizes. The allocations for each school were based on actual October 1, 2021 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 2021-22, the inflationary adjustment for non-salary budgets is 2 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, 2021 enrollment. The district receives a \$6,727 per pupil allowance during the 2021-22 school year, which reflects a 2.45-percent increase over 2020-21 p.p.u. allowance (\$6,567). The amount set aside for pupil transportation for the current school year is \$299.99, or 4.46 percent of the formula allowance.

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** – Used to account for the district's child nutrition program.
- **Community Service Special Revenue Fund** – 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.

FISCAL SUMMARY

The following is a summary listing of the budget for each of the fund groups contained in the 2021-22 Final Budget:

	Fund Balance July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Projected Fund Balance June 30, 2022
General Fund	84,858,576	437,267,871	447,553,640	(93,663)	74,479,144
Special Revenue Funds	7,258,204	22,230,958	23,393,840	93,663	6,188,985
Building Construction Fund	8,639,338	10,644,000	19,279,154	-	4,184
Debt Service Funds	3,636,775	17,814,790	16,930,000	-	4,521,565
Internal Service Funds	17,647,285	60,962,000	58,471,900	-	20,137,384
Fiduciary Funds	63,351,360	8,500,000	4,500,000	-	67,351,360
	185,391,538	557,419,619	570,128,534	-	172,682,622

The following table is a fund balance summary of the categories within the general fund for the 2021-22 Final Budget:

Fund	Projected Fund Balance 7/1/2021	Revenues	Expenditures	Fund Balance Transfer	Projected Fund Balance 6/30/2022
General Fund					
Unrestricted - Unassigned	63,988,692	409,106,038	415,509,514	(93,663)	57,491,553
Operating Capital	3,908,082	10,584,514	11,897,724	-	2,594,872
Capital Projects Levy	4,964,616	6,589,708	6,589,707	-	4,964,617
LTFM	1,851,995	10,442,011	11,972,099	-	321,907
Medical Assistance	2,019,014	500,000	1,538,996	-	980,018
Student Activity Accounts	349,773	45,600	45,600	-	349,773
Site Carry-over	7,128,748	-	-	-	7,128,748
Non-Spendable	647,657	-	-	-	647,657
Total General Fund	84,858,576	437,267,871	447,553,640	(93,663)	74,479,144

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



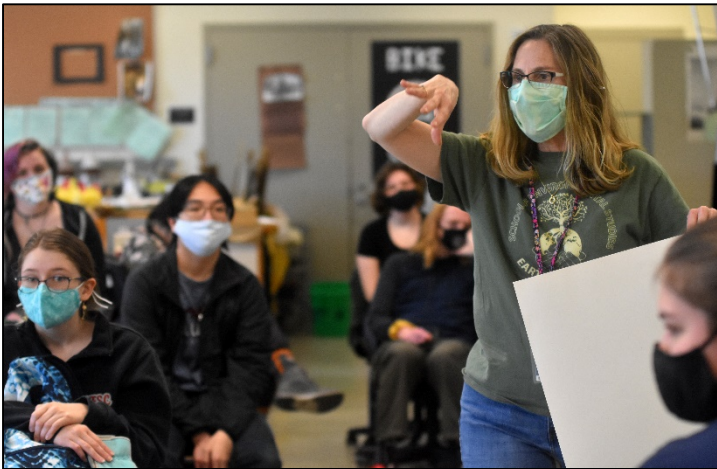
Danny DuChene
Manager of Financial Systems, Reporting,
Compliance, & Student Information Systems

Community Budget Guide



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

Educating our students to reach their full potential



The District

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.

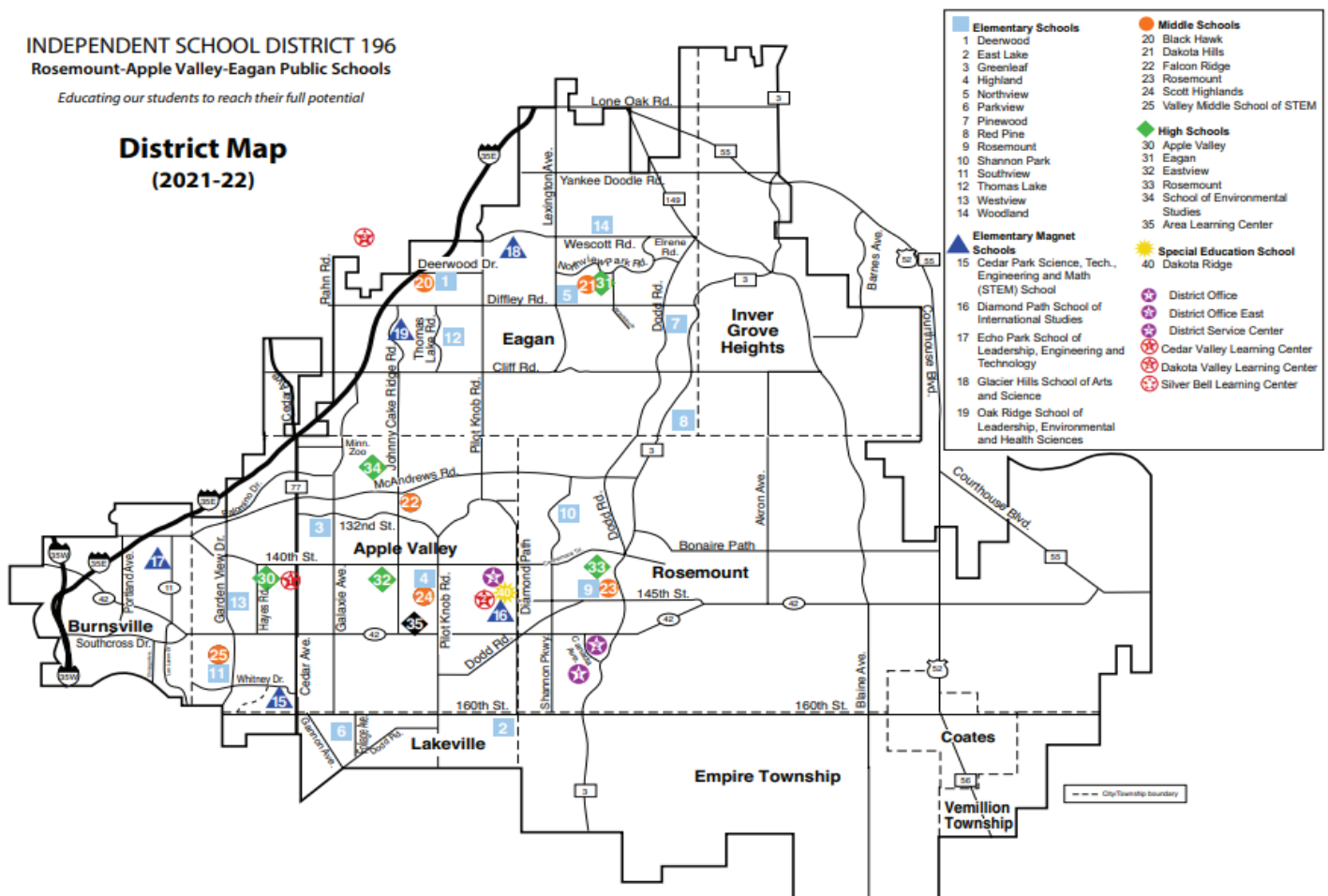
District 196 operates its programs in 38 facilities, including 19 elementary schools, six middle schools, four comprehensive high schools, an optional magnet high school for grades 11-12, an area learning center, a school for students with special needs and three learning centers. The district also has three facilities for support staff.



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

Educating our students to reach their full potential

District Map (2021-22)



District 196 by the Numbers

88.8%

Graduation Rate
After 4 years of High School

52

Students
In the Class of 2021 enlisted in the U.S.
Armed Forces

22.9

Avg. ACT Score in 2021
1.3 points higher than the Minnesota
average, 2.6 points 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

49

**Students received National Merit
recognition in 2021**
Including 17 semifinalists and 32
commendations

646

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

19

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

52

Students
Named All-State Musicians for the 2021-
22 school year

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 in 2020

12

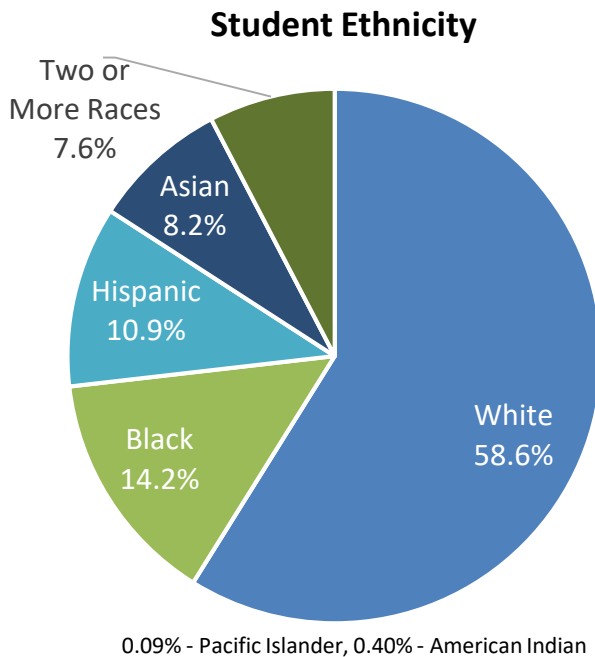
Individual State Titles
Won by District 196 students track and
field, speech and debate in 2020-21

5

State Championships
Won by District 196 teams and
performing groups in high kick dance,
jazz dance, track and field, and softball in
20-21

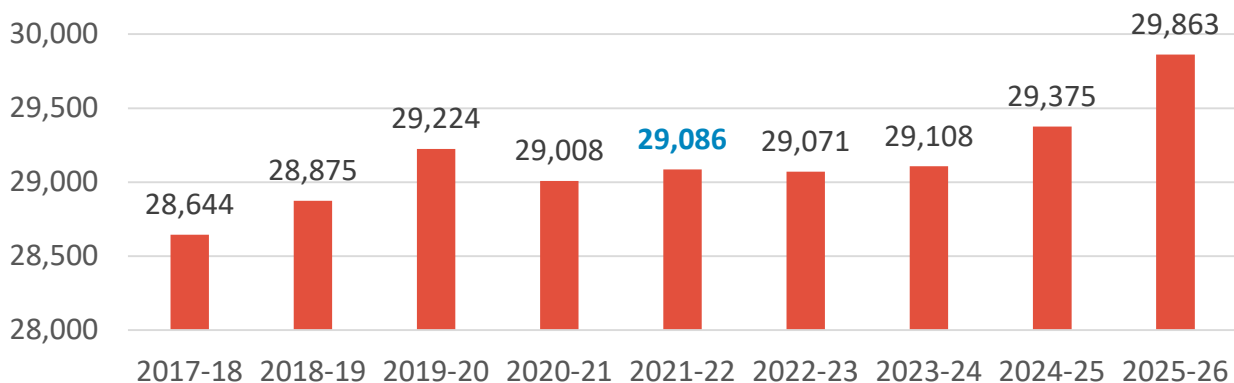
Student Enrollment & Demographics

Total Students: **29,086**



- 4th largest public school district in Minnesota
- Grades K-5: 11,968 (41.1%)
- Grades 6-8: 6,437 (22.1%)
- Grades 9-12: 9,100 (31.4%)
- Center-based Special Education: 1,085 (3.7%)
- Early Childhood Special Education: 446 (1.5%)
- Adult Basic Education: 50 (0.2%)

Enrollment History & Projections



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 relatively flat enrollment trend over the next couple of years with accelerated growth beginning in 2024-25.

2,220

English Learners (EL)

- 7.9% of all students
- Nearly 90 languages spoken by District 196 families

4,552

Special Education

- 15.6% of all students qualified for special education services in 2020-21

16.7%

Free/Reduced Lunch

- Students who qualified for free/reduced lunch in 2020-21

1,427

Gifted & Talented

- Students who are participating in the Gifted & Talented Program as of October 1, 2021

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.

2020-21 Math - Percentage of Students Proficient (MCA-III)							
Grade	3	4	5	6	7	8	11
District 196	64.7%	56.3%	47.2%	41.7%	43.1%	42.3%	59.5%
Statewide	57.0%	53.6%	40.9%	36.8%	37.2%	39.4%	41.2%
Difference	7.7%	2.7%	6.3%	4.9%	5.9%	2.9%	18.3%

2020-21 Reading - Percentage of Students Proficient (MCA-III)							
Grade	3	4	5	6	7	8	10
District 196	53.9%	52.4%	62.7%	59.7%	56.0%	56.9%	73.2%
Statewide	48.2%	49.2%	59.3%	54.9%	48.1%	49.4%	58.1%
Difference	5.7%	3.2%	3.4%	4.8%	7.9%	7.5%	15.1%

2020-21 Science - Percentage of Students Proficient (MCA-III)			
Grade	5	8	HS
District 196	53.7%	38.0%	58.8%
Statewide	47.7%	33.2%	47.9%
Difference	6.0%	4.8%	10.9%

District 196 high school students scored well above state and national composite scores on the American College Test (ACT) entrance exam during the 2020-21 school year. The ACT average composite score for the 2020-21 school year was 22.9. The district average was 1.3 points higher than the Minnesota average of 21.6, which was highest in the nation among states where more than 60% of all students took the test. The national average for the 2020-21 school year was 20.3.

ACT Average Composite Scores			
Year	District 196	Minnesota	National
2021	22.9	21.6	20.3
2020	22.7	21.3	20.6
2019	23	21.4	20.7
2018	23.1	21.3	20.8
2017	23.1	21.5	21
2016	23	22.1	20.8
2015	24.4	22.7	21
2014	24.1	22.9	21
2013	24	23	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	2019-20
District 196	90.7%	92.2%	91.9%	89.8%	91.8%	89.9%	90.5%	91.2%	88.8%
Minnesota	77.6%	80.0%	81.2%	81.9%	82.2%	82.7%	83.2%	83.7%	83.8%

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. The seven School Board members are elected to at-large positions 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 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.



Jackie Magnuson
Chairperson



Joel Albright
Vice Chairperson



Sachin Isaacs
Clerk



Art Coulson
Treasurer



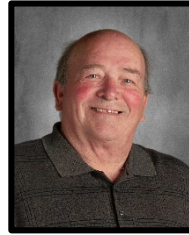
Craig Angrimson
Director (Term ends Jan 2022)



Cory Johnson
Director



Sakawdin Mohamed
Director (Term begins Jan 2022)



Mike Roseen
Director (Term ends Jan 2022)

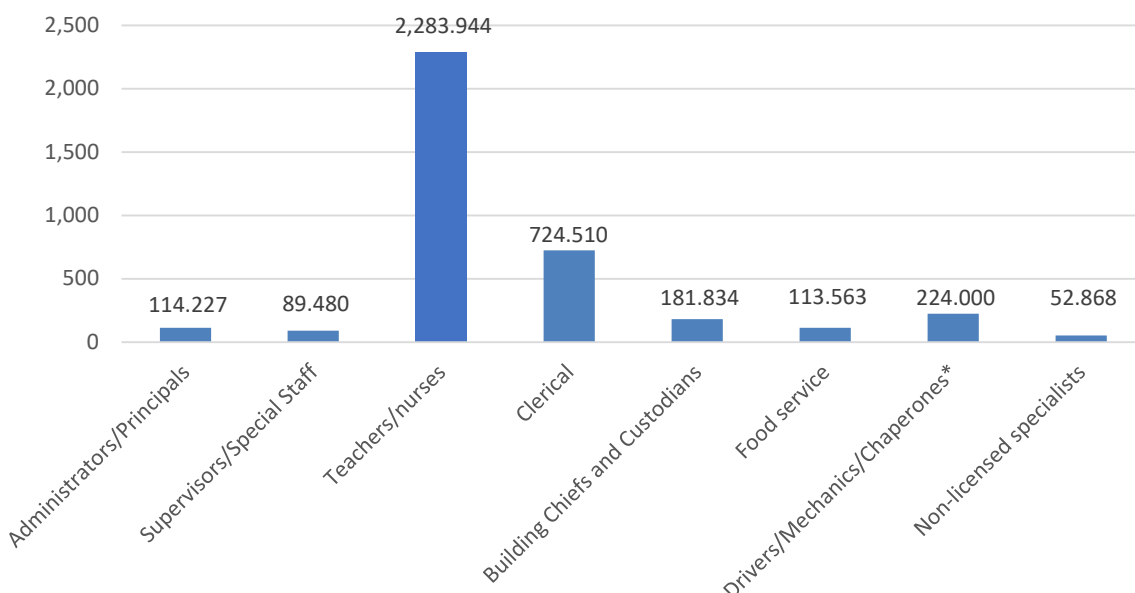


Bianca Virnig
Director (Term begins Jan 2022)



Mary Kreger
Superintendent

2021-22 Final Budget Full-Time Equivalent (FTE) Employees



* Bus Driver FTE's estimated

District Strategies & Goals

The district's beliefs and strategies were developed by a 60-member task force of parents, staff, School Board members and leaders from the local business, civic and faith communities. Task force members first attended informational meetings to establish a shared base of knowledge about the district, then facilitator-led planning meetings to develop the belief statements and strategies and goals that were approved by the School Board.

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 and 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 and beyond (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 that 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 develop 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. 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.

2021-22 Final Budget Expenses by Fund

Fund	Budgeted Expenses	% of Budget
General Fund	447,647,303	78.5%
Internal Service Funds	58,471,900	10.3%
Debt Service Fund	16,930,000	3.0%
Food Service Fund	14,152,246	2.5%
Community Service Fund	9,241,594	1.6%
Expendable Trust Fund	4,500,000	0.8%
Building Construction Fund	19,279,154	3.4%
Agency Funds	-	0.0%
Totals	570,222,197	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. 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 preliminary 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

2021-22 budgeted amount: \$447,647,303 (78.5%)

General Account

2021-22 budgeted amount: \$303,661,225

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

2021-22 budgeted amount: \$87,810,129

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

Quality Compensation Account

2021-22 budgeted amount: \$7,698,009

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

2021-22 budgeted amount: \$24,562,517

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

2021-22 budgeted amount: \$23,869,823

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

2021-22 budgeted amount: \$45,600

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 required student activity accounts operate under school board control.

Food Service Fund

2021-22 budgeted amount: \$14,152,246 (2.5%)

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

2021-22 budgeted amount: \$9,241,594 (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

2021-22 budgeted amount: \$19,279,154 (3.4%)

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

2021-22 budgeted amount: \$16,930,000 (3.0%)

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

2021-22 budgeted amount: \$4,500,000 (0.8%)

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.

Internal Service Funds

2021-22 budgeted amount: \$58,471,900 (10.3%)

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 2021-22 general fund budget was developed to support the district mission to *educate our students to reach their full potential*.

Student Instruction: \$316,106,902 (70.6%)

Includes costs associated with the teaching of students, the interaction between teachers and students in the classroom and co-curricular 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: \$71,096,614 (15.9%)

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: \$41,501,913 (9.3%)

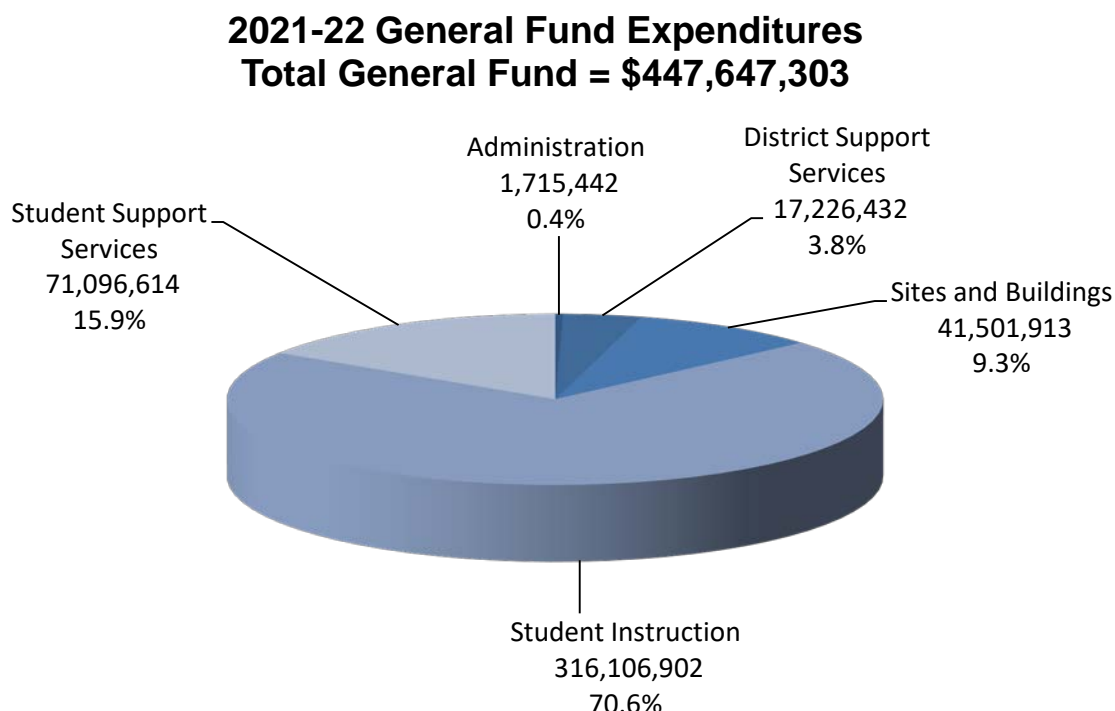
Includes all costs for the acquisition, operation, maintenance, repair and remodeling of all facilities and grounds of the school district. It also includes salary and benefits of the district's building chiefs, custodial staff, groundskeepers, maintenance specialists and utilities.

District Support Services: \$17,226,432 (3.8%)

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: \$1,422,596 (0.4%)

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



General Fund Expenditures by Program

Student Instruction 316,106,902 70.6%	Elementary Instruction	\$ 81,623,627
	Middle and High School Instruction	\$ 109,867,049
	Co-curricular and Extra Curricular Activities	\$ 8,604,429
	Gifted and Talented Program	\$ 2,321,006
	English Language Learners	\$ 8,682,036
	Title Programs	\$ 4,358,805
	Career and Technical Programs	\$ 5,566,507
	Special Education	\$ 88,068,296
	Library/Media Center	\$ 4,113,921
	Instruction-Related Technology	\$ 2,901,226
Student Support Services 71,096,614 15.9%	Elementary School Administration	\$ 8,767,627
	Middle School Administration	\$ 4,716,890
	High School Administration	\$ 2,982,199
	Instructional Administration	\$ 8,126,729
	Curriculum Development	\$ 4,539,958
	Guidance and Counseling Services	\$ 5,422,814
	Health Services	\$ 4,561,924
	Other Student Support (Attendance & Social Work Services)	\$ 3,041,568
	Staff Development	\$ 4,320,677
	Student Transportation	\$ 24,616,228
Sites & Buildings 41,501,913 9.3%	Capital Expenditures	\$ 4,277,590
	Long-Term Facilities Maintenance	\$ 11,972,099
	Operations and Maintenance	\$ 23,871,724
	Property and Other Insurance	\$ 1,380,500
District Support Services 17,226,432 3.8%	Business Services – Finance	\$ 1,853,961
	Business Services - Purchasing and Receiving	\$ 3,007,425
	Human Resources	\$ 4,329,101
	Graphics and Mail Processing	\$ 362,151
	Census/Student Information	\$ 285,429
	Communication	\$ 1,029,728
	Legal Services	\$ 583,276
	Technology Support	\$ 5,775,361
	Retirement of Non-bonded Debt	\$ -
Administration 1,715,442 0.4%	Office of Superintendent (includes remaining discretionary FTE)	\$ 1,422,596
	School Board	\$ 292,846
Total General Fund		\$ 447,647,303

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, 83.4% 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: \$272,586,522 (60.9%)

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

Benefits: \$100,724,491 (22.5%)

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: \$27,167,789 (6.1%)

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

Supplies and Materials: \$25,471,906 (5.7%)

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

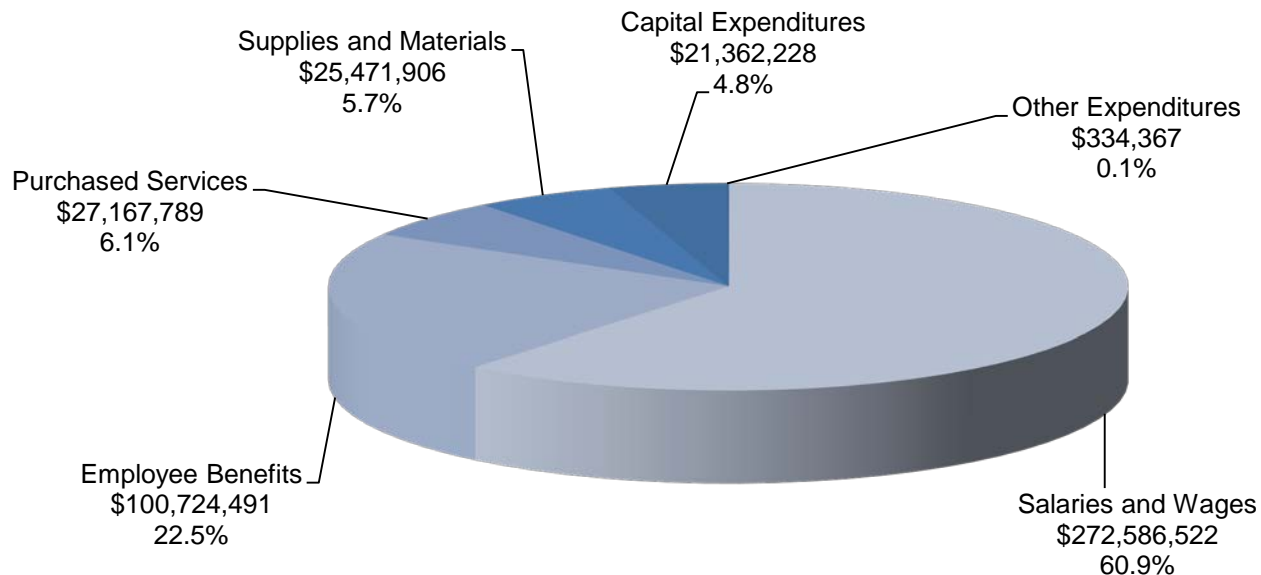
Capital Expenditures: \$21,362,228 (4.8%)

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

Other: \$334,367 (0.1%)

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.

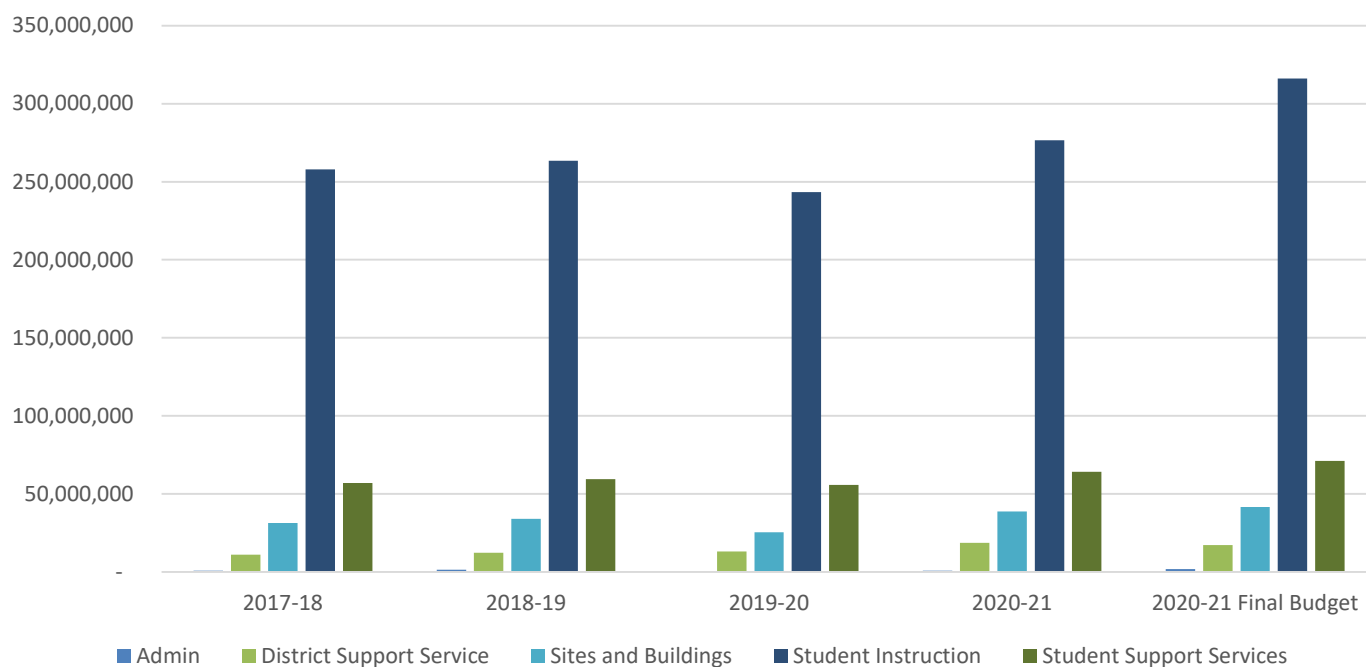
2021-22 General Fund Expenditures
Total = \$447,647,303



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.

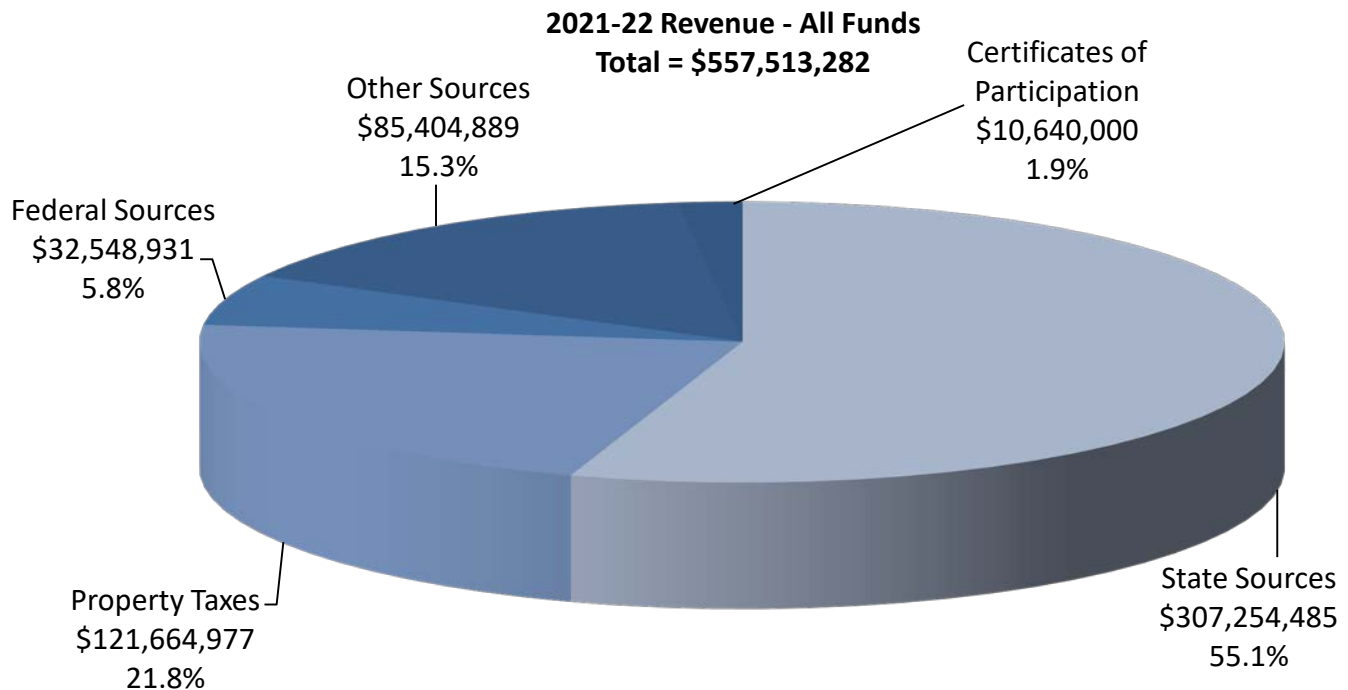
General Fund Five-Year Overview



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	Alternative Facilities Permanent Transfer	% of General Fund	Total
2013-14	824,584	0.27%	8,245,963	2.67%	25,327,993	8.21%	220,733,192	71.55%	47,247,279	15.31%	6,128,529	1.99%	308,507,540
2014-15	755,173	0.23%	8,803,178	2.74%	25,162,631	7.83%	231,336,502	71.95%	49,268,129	15.32%	6,220,053	1.93%	321,545,666
2015-16	875,623	0.26%	9,360,366	2.77%	25,460,515	7.54%	240,428,662	71.25%	52,783,277	15.64%	8,554,099	2.53%	337,462,542
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%	N/A	N/A	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%	N/A	N/A	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%	N/A	N/A	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%	N/A	N/A	338,147,113
2020-21	683,088	0.17%	18,614,147	4.67%	38,718,384	9.71%	276,577,150	0.69	64,112,504	16.08%	N/A	N/A	398,705,273
2021-22 Final Budget	1,715,442	0.38%	17,226,432	3.85%	41,501,913	9.27%	316,106,902	70.62%	71,096,614	15.88%	N/A	N/A	447,647,303

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: \$307,254,485 (55.1%)

These funds 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: \$32,548,931 (5.8%)

These funds 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 2021-22 school year also includes various programs targeted toward Coronavirus relief efforts.

Property Taxes: \$121,664,977 (21.8%)

These funds 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 21.8% projected for 2021-22.

Other/Bond Proceeds (COP): \$96,044,899 (17.2%)

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 funds also include the district's debt service for renovation and construction of turf fields at the four comprehensive 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, and 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 propertyowners.

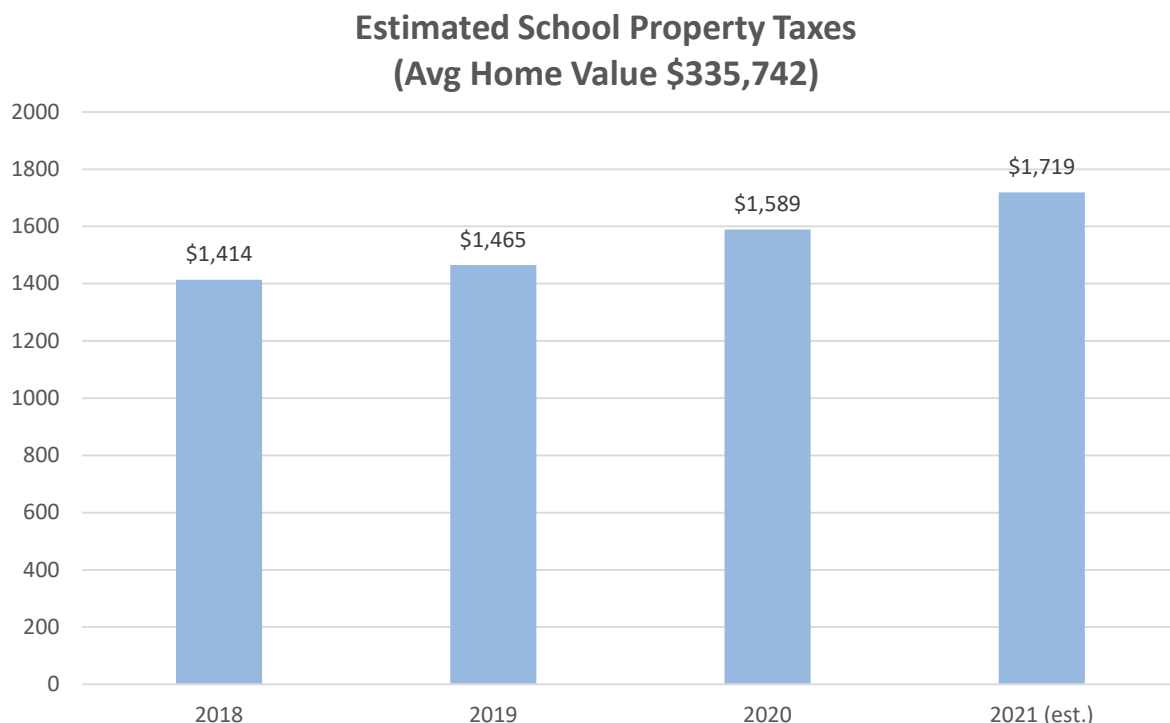
The two types of property tax levies are:

- 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 2021-22, the voter-approved levies for the district’s general fund total \$58.1 million before state aids and credits; levies based on School Board decisions total \$44.0 million before state aids and credits.

The chart below shows the average home value for the district and the corresponding school tax from 2018 to 2021 based on the average home value within the district. Home values within the district have been increasing the last three years, consistent with statewide property value trends.

School Taxes Payable on Average 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.

\$447,647,303	General Fund Expense Budget
/ 28,704	Divided by Est. ADM
<hr/>	
\$15,595	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 (55.5% in 2020-21). 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% 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/services/finance-and-operations. 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/services/finance-and-operations. The page includes information on the entire budget process and timelines, an introduction to school finance, and printable budgets for the last nine years.



FINANCIAL SECTION





Summary of Funds - All Funds

	Fund Balance July 1, 2021	Revenues	Expenditures	Other Financing Sources (Uses)	Projected Fund Balance June 30, 2022
General Fund	84,858,576	437,267,871	447,553,640	(93,663)	74,479,144
Special Revenue Funds					
Food Service	4,014,133	12,992,372	14,152,246	-	2,854,259
Community Service	3,244,071	9,238,586	9,241,594	93,663	3,334,726
Total Special Revenue Funds	7,258,204	22,230,958	23,393,840	93,663	6,188,985
Building Construction Fund	8,639,338	10,644,000	19,279,154		4,184
Debt Service Funds					
Regular	1,373,143	17,814,790	16,930,000	-	2,257,933
OPEB Bonds	2,263,632	-	-	-	2,263,632
Total Debt Service Funds	3,636,775	17,814,790	16,930,000	-	4,521,565
Internal Service Funds					
GASB #16	(3,726,951)	60,962,000	2,716,900	-	54,518,149
Self-Insured Dental	302,060	-	475,000	-	(172,940)
Self-Insured Health	21,072,175	-	55,280,000	-	(34,207,825)
Total Internal Service Funds	17,647,285	60,962,000	58,471,900	-	20,137,384
Fiduciary Funds					
Agency	-	-	-	-	-
OPEB Irrevocable Trust	63,351,360	8,500,000	4,500,000	-	67,351,360
Flex Trust	-	-	-	-	-
Total Fiduciary Funds	63,351,360	8,500,000	4,500,000	-	67,351,360
Total All Funds	<u>185,391,538</u>	<u>557,419,619</u>	<u>570,128,534</u>	<u>-</u>	<u>172,682,622</u>

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

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
State Sources	281,583,680	292,415,625	297,108,483	297,862,725	302,906,080
Property Taxes	72,874,150	76,087,495	96,675,912	101,944,695	102,158,284
Federal Sources	10,805,731	11,229,528	24,595,310	21,107,434	26,865,308
Other Sources	11,818,718.79	10,872,089.20	6,581,693	6,012,443	5,338,199
Total revenue	377,082,279	390,604,737	424,961,397	426,927,297	437,267,871
Expenditures					
Salaries and wages	233,046,496	238,237,719	249,928,256	262,157,688	272,586,522
Employee benefits	82,224,153	89,318,224	89,646,403	97,570,609	100,724,491
Purchased services	26,295,318	28,517,541	25,240,777	23,527,483	27,167,789
Supplies and materials	15,660,727	15,524,442	19,545,121	24,389,082	25,471,906
Capital expenditures	9,954,095	11,102,803	13,994,820	18,210,197	21,362,228
Other expenditures	1,983,548	948,734	900,132	597,311	240,704
Debt service	1,400,181	-	-	5,000	-
Total expenditures	370,564,518	383,649,462	399,255,509	426,457,370	447,553,640
Revenue over expenditures	6,517,761	6,955,276	25,705,887	469,927	(10,285,769)
Other financing sources (uses)					
Capital lease	-	-	585,000	-	-
Certificates of participation	-	-	-	-	-
Other	76,055	881,265	238,127	-	-
Transfers in	-	-	-	-	-
Transfers (out)	(135,509)	(399,229)	(34,763)	(93,663)	(93,663)
Total other financing sources (uses)	(59,454)	482,036	788,364	(93,663)	(93,663)
Net change in fund balances	6,458,307	7,437,312	26,494,251	376,264	(10,379,432)
Fund balances					
Beginning of year	44,468,707	50,927,014	58,364,325	84,858,576	84,858,576
End of year	50,927,014	58,364,325	84,858,576	85,234,840	74,479,144

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 2021-22 final general fund revenue budget, including other financing sources, is \$437.3 million. This is \$10.3 million more than the preliminary budget estimate. The primary factors for this increase are:

- 1) An increase of over \$5.5 million in revenue from federal sources focused on COVID-19 relief
- 2) Nearly \$5 million increase in state aids as a result of aid calculations using actual enrollment as opposed to enrollment estimates used in the preliminary budget process.

For the 2021-22 school year, state aids represent 69.3% of the general fund revenue budget, and 23.3% 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 7.4 percent of the general fund revenue budget.

The 2021-22 final general fund expenditure budget, including other financing uses, is \$447.6 million. This is \$21.1 million more than the preliminary budget estimate. The primary reasons for the increase are:

- 1) An net increase of \$13.6 million 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 \$1.1 million in the budgets for supplies and materials;
- 3) An increase of \$3.5 million in the budgets for purchased services, and
- 4) An increase of \$3.2 million in the capital expenditures budgets.

For the 2021-22 school year, the budgets for salary and employee benefits represent 83.4% of the general fund budgets, 6.0% of the budget goes to purchase services, and the remaining 10.6% 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

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
State Sources	208,996,574	219,450,650	218,776,241	219,785,773	224,376,380
Property Taxes	59,305,409	62,590,907	82,644,040	85,588,926	85,802,515
Federal Sources	4,721,287	4,495,356	18,599,952	13,926,512	17,998,592
Other Sources	10,545,398	9,586,060	5,141,992	5,012,443	4,838,199
Total revenue	283,568,668	296,122,972	325,162,226	324,313,654	333,015,686
Expenditures					
Salaries and wages	166,435,236	169,902,049	180,099,308	187,914,703	196,508,543
Employee benefits	56,638,981	61,070,912	61,912,475	66,770,860	69,572,792
Purchased services	16,356,999	14,641,582	13,786,049	16,541,913	19,895,041
Supplies and materials	10,247,185	10,808,672	13,550,921	16,162,437	16,855,068
Capital expenditures	759,111	547,550	3,652,650	95,580	585,014
Other expenditures	1,965,898	924,492	847,545	483,648	196,704
Debt service	-	-	-	5,000	-
Total expenditures	252,403,410	257,895,257	273,848,948	287,974,141	303,613,162
Revenues over Expenditures	31,165,258	38,227,715	51,313,279	36,339,513	29,402,524
Other financing sources (uses)					
Capital lease	-	-	-	-	-
Certificates of participation	-	-	-	-	-
Other	369	656,159	191,868	-	-
Transfers in	-	-	-	-	-
Transfers (out)	(135,509)	(399,229)	(34,763)	(93,663)	(93,663)
Total other financing sources(uses)	(135,140)	256,930	157,105	(93,663)	(93,663)
Net change in Fund Balance	31,030,118	38,484,645	51,470,384	36,245,850	29,308,861

Revenue – The projected final 2021-22 general operating account revenue total of \$333.0 million is an increase of nearly \$9 from 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 \$4 million in federal aids for COVID-19 relief.
- 2) An increase of \$4.6 million in state aids as a result of state aid calculations using actual October 1 enrollment count.

Expenditure – The projected final 2021-22 general operating account expenditure budget, including other financing uses, totals \$303.7 million. This is \$15.7 million more than the district's preliminary budget estimate. The main reasons for the increase are:

- 1) An increase of \$11.4 million in salary and benefits due to standard annual increases and new contract estimates
- 2) An increase of \$3.3 million in purchases services

The net result of the changes described above is that the budgeted revenues in the 2021-22 general account exceed budgeted expenditures by \$29.3 million.

General Fund - Special Education Account

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
State Sources	39,420,891	39,699,213	43,895,066	44,602,006	44,345,591
Property Taxes	-	-	-	-	-
Federal Sources	6,084,444	6,734,172	5,995,357	7,180,922	8,866,716
Other Sources	1,086,652	1,142,551	1,338,846	1,000,000	500,000
Total revenue	46,591,987	47,575,936	51,229,269	52,782,928	53,712,307
Expenditures					
Salaries and wages	50,165,787	52,015,340	53,404,643	57,914,973	59,958,319
Employee benefits	19,115,184	21,149,686	20,773,872	22,997,452	23,474,554
Purchased services	1,404,369	1,271,437	883,145	1,188,168	1,317,212
Supplies and materials	777,027	834,230	936,984	1,162,725	1,553,681
Capital expenditures	651,091	422,308	430,573	428,500	1,467,363
Other expenditures	5,999	11,928	7,336	15,000	39,000
Total expenditures	72,119,458	75,704,928	76,436,554	83,706,818	87,810,129
Revenues over Expenditures	(25,527,471)	(28,128,992)	(25,207,284)	(30,923,890)	(34,097,822)
Other financing sources (uses)					
Capital lease	-	-	-	-	-
Certificates of participation	-	-	-	-	-
Other	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources(uses)	-	-	-	-	-
Net change in Fund Balance	(25,527,471)	(28,128,992)	(25,207,284)	(30,923,890)	(34,097,822)

Revenue – The projected final 2021-22 special education account revenues totaled \$53.7 million. This is slightly more than the preliminary estimate. This increase is chiefly due to an increase of \$1.7 million in budgeted revenue from federal sources.

Expenditure – The updated expenditure budget estimate for the special education account is \$87.8 million, which is approximately \$4.1 million more than the preliminary budget. The primary reasons for the decrease include:

- 1) A net decrease of \$2.5 million in salaries and employee benefits from the preliminary budget
- 2) An increase of \$1.0 million 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 \$34.1 million, which is \$3.1 million more in deficit spending than originally projected in the preliminary budget.

General Fund - Quality Compensation Account

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
State Sources	4,857,984	4,788,978	4,857,555	4,963,530	4,927,364
Property Taxes	2,526,220	2,713,056	2,740,138	2,855,843	2,855,843
Federal Sources	-	-	-	-	-
Other Sources	-	-	-	-	-
Total revenue	7,384,204	7,502,034	7,597,693	7,819,373	7,783,207
Expenditures					
Salaries and wages	6,111,618	5,748,106	6,146,910	6,477,816	6,255,512
Employee benefits	1,294,754	1,254,210	1,353,648	1,475,506	1,387,937
Purchased services	83,298	39,375	56,209	49,550	49,550
Supplies and materials	10,398	18,755	21,474	4,710	4,710
Capital expenditures	-	-	-	-	-
Other expenditures	157	350	-	300	300
Total expenditures	7,500,224	7,060,796	7,578,241	8,007,882	7,698,009
Revenues over expenditures	(116,020)	441,238	19,453	(188,509)	85,198
Other financing sources (uses)					
Capital lease	-	-	-	-	-
Certificates of participation	-	-	-	-	-
Other	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources(uses)	-	-	-	-	-
Net change in Fund Balance	(116,020)	441,238	19,453	(188,509)	85,198

Fiscal year 2021-22 is the 15th 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 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 \$7.8 million. This is comparable 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 \$8.0 million; the final budget estimate is \$7.7 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 \$85,198. This is nearly \$250,000 less in deficit spending than the preliminary budget.

General Fund - Pupil Transportation Account

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
State Sources	19,213,721	19,517,989	20,645,871	20,940,513	21,730,146
Property Taxes	-	-	-	-	-
Federal Sources	-	-	-	-	-
Other Sources	159,885	134,500	76,672	-	-
Total revenue	19,373,606	19,652,489	20,722,543	20,940,513	21,730,146
Expenditures					
Salaries and wages	8,710,813	8,894,630	8,720,794	9,305,366	9,555,819
Employee benefits	4,480,441	5,122,612	4,850,309	6,066,369	6,136,700
Purchased services	2,310,293	3,321,269	2,752,538	4,499,451	4,662,598
Supplies and materials	2,357,910	1,858,507	1,847,144	2,702,700	2,702,700
Capital expenditures	1,225,701	1,490,806	1,334,254	1,500,000	1,500,000
Other expenditures	7,007	6,311	557	4,700	4,700
Total expenditures	19,092,166	20,694,135	19,505,597	24,078,586	24,562,517
Revenue over expenditures	281,440	(1,041,646)	1,216,946	(3,138,073)	(2,832,371)
Other financing sources (uses)	56,303	18,469	46,259	-	-
Net change in Fund Balance	337,743	(1,023,177)	1,263,205	(3,138,073)	(2,832,371)

For the 2021-22 school year, the district set aside \$299.99 (4.45% of \$6,727) 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 \$0.8 million more than the preliminary estimate. The total revenue for the 2021-22 Transportation Budget is \$21.7 million.

Expenditures – The final expenditure budget for the pupil transportation account totaled \$24.5 million, an increase of nearly \$500,000 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 \$2.8 million.

General Fund - Capital Expenditures

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
State Sources	9,094,510	8,958,795	8,933,750	7,570,903	7,526,599
Property Taxes	11,042,520	10,783,532	11,291,733	13,499,926	13,499,926
Federal Sources	-	-	-	-	-
Other Sources	46,536	8,978	24,183	-	-
Total revenue	20,183,566	19,751,306	20,249,665	21,070,829	21,026,525
Expenditures					
Salaries and wages	1,623,043	1,677,595	1,556,601	544,830	308,329
Employee benefits	694,794	720,804	756,098	260,422	152,508
Purchased services	6,140,358	9,243,878	7,762,836	1,248,401	1,243,388
Supplies and materials	2,268,206	2,004,278	3,188,598	4,356,510	4,355,747
Capital expenditures	7,318,192	8,642,139	8,577,343	16,186,117	17,809,851
Other expenditures	4,487	5,267	9,931	-	-
Debt service	1,400,181	-	-	-	-
Total expenditures	19,449,260	22,293,959	21,851,407	22,596,280	23,869,823
Revenues over Expenditures	734,306	(2,542,654)	(1,601,742)	(1,525,451)	(2,843,298)
Other financing sources (uses)					
Capital lease	-	-	585,000	-	-
Certificates of participation	-	-	-	-	-
Other	19,383	206,637	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources(uses)	19,383	206,637	585,000	-	-
Net change in Fund Balance	753,689	(2,336,017)	(1,016,742)	(1,525,451)	(2,843,298)

The School Board approved the preliminary 2021-22 capital expenditure in April 2021. Since that time, 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 2021-22 revenue budget for this fund is slightly lower than the preliminary estimate, due to changes in state sources for capital expenses as a result of the decline in district enrollment.

Expenditure – The final 2021-22 expenditure for this fund has increased by \$1.3 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

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
State sources	4,021,155	3,959,871	3,507,924	4,225,392	4,266,005
Property taxes	1,673,788	1,754,512	1,784,271	1,958,612	1,781,303
Federal sources	5,426,369	5,665,215	10,924,893	5,365,567	5,683,623
Other Sources	11,547,577	8,365,790	2,453,624	10,036,110	10,500,027
Total revenue	22,668,888	19,745,387	18,670,712	21,585,681	22,230,958
Expenditures					
Salaries and wages	9,800,880	9,053,688	9,335,343	10,164,327	10,585,183
Employee benefits	2,838,648	2,728,548	2,985,628	3,484,550	3,507,747
Purchased services	1,654,541	1,405,979	672,692	(97,220)	(91,494)
Supplies and materials	6,506,795	5,553,935	4,946,960	7,768,958	8,981,587
Capital expenditures	358,904	213,502	271,687	7,750	25,750
Other expenditures	42,678	571,609	762,243	41,918	385,067
Total expenditures	21,202,447	19,527,260	18,974,554	21,370,283	23,393,840
Revenue over expenditures	1,466,441	218,127	(303,842)	215,398	(1,162,882)
Other financing sources (uses)					
Other	-	262,358	-	-	-
Transfers in	135,509	136,871	34,763	93,663	93,663
Total other financing sources (uses)	135,509	399,229	34,763	93,663	93,663
Net change in fund balances	1,601,950	617,355	(269,079)	309,061	(1,069,219)
Fund balances					
Beginning of year	5,307,978	6,909,928	7,527,283	7,258,204	7,258,204
End of year	6,909,928	7,527,283	7,258,204	7,567,265	6,188,985

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

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
State sources	793,658	690,117	-	813,296	833,903
Federal sources	5,373,772	5,606,436	10,054,372	5,301,241	5,424,524
Other Sources	7,431,258	5,069,988	116,208	6,574,020	6,733,945
Total revenue	13,598,688	11,366,541	10,170,580	12,688,557	12,992,372
Expenditures					
Salaries and wages	4,126,381	3,701,405	3,671,049	3,868,168	4,135,828
Employee benefits	1,198,056	1,058,757	1,071,509	1,312,928	1,361,932
Purchased services	589,638	507,823	569,466	11,000	11,000
Supplies and materials	6,184,593	5,308,526	4,734,648	7,477,687	8,634,626
Capital expenditures	349,022	202,042	270,478	-	-
Other expenditures	15,197	313,993	491,488	8,860	8,860
Total expenditures	12,462,887	11,092,547	10,808,638	12,678,643	14,152,246
Revenue over expenditures	1,135,801	273,994	(638,058)	9,914	(1,159,874)
Other financing sources (uses)					
Other	-	262,358	-	-	-
Net change in fund balances	1,135,801	536,352	(638,058)	9,914	(1,159,874)
Fund balances					
Beginning of year	2,980,038	4,115,839	4,652,191	4,014,131	4,014,131
End of year	4,115,839	4,652,191	4,014,133	4,024,045	2,854,259

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 \$.3 million more than the preliminary budget estimate. The projected increase 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 \$1.5 million more than the preliminary estimate. This increase is mainly due to the district planning to operate for in-person learning for the entirety of the 2021-22 school year, returning staffing and expenses closer to pre-pandemic levels.

Because of these adjustments, food service fund expenditures are projected to exceed revenues by \$1.2 million.

Community Service Fund - Special Revenue Fund

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
State Sources	3,227,497	3,269,753	3,507,924	3,412,096	3,432,102
Property Taxes	1,673,788	1,754,512	1,784,271	1,958,612	1,781,303
Federal Sources	52,596	58,779	870,521	64,326	259,099
Other Sources	4,116,319	3,295,802	2,337,416	3,462,090	3,766,082
Total revenue	9,070,200	8,378,846	8,500,132	8,897,124	9,238,586
Expenditures					
Salaries and wages	5,674,499	5,352,283	5,664,294	6,296,159	6,449,355
Employee benefits	1,640,592	1,669,790	1,914,119	2,171,622	2,145,815
Purchased services	1,064,903	898,156	103,226	(108,220)	(102,494)
Supplies and materials	322,202	245,409	212,312	291,271	346,961
Capital expenditures	9,882	11,459	1,209	7,750	25,750
Other expenditures	27,481	257,615	270,756	33,058	376,207
Total expenditures	8,739,559	8,434,713	8,165,916	8,691,640	9,241,594
Revenue over expenditures	330,640	(55,867)	334,215	205,484	(3,008)
Other financing sources (uses)					
Transfers in	135,509	136,871	34,763	93,663	93,663
Net change in fund balances	466,149	81,004	368,979	299,147	90,655
Fund balances					
Beginning of year	2,327,940	2,794,089	2,875,090	3,244,069	3,244,069
End of year	2,794,089	2,875,090	3,244,071	3,543,216	3,334,726

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 increase of approximately \$.25 million when compared to the preliminary estimate. This net increase is mainly due to the programming returning to near normal levels from the COVID-19 pandemic.

Expenditure – The revised expenditure budget is \$549,954 more than the preliminary budget. Many adjustments were made to expenditure items to reflect the district's latest estimates. As programming returns to near pre-pandemic levels, expenditures have been updated to reflect the increase in staffing and other expenditures.

Because of these budget adjustments, the updated 2021-22 expenditures for the community service revenue projections are expected to exceed expenditures by \$90,655, leaving an estimated community education fund balance of \$3,334,724 at the end of fiscal year 2022.

Building Construction Fund

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
Other Sources	532,140	227,879	251,928	20,000	4,000
Expenditures					
Salaries and wages	-	-	-	-	-
Employee benefits	-	-	-	-	-
Purchased services	2,968,875	201,501	343,042	-	140,000
Supplies and materials	680,002	211,199	62,018	-	-
Capital expenditures	27,556,757	5,704,535	10,218,473	5,500,000	19,139,154
Other expenditures	-	-	-	-	-
Debt Service	-	173,147	-	-	-
Total expenditures	31,205,634	6,290,382	10,623,533	5,500,000	19,279,154
Revenue over expenditures	(30,673,494)	(6,062,503)	(10,371,605)	(5,480,000)	(19,275,154)
Other financing sources (uses)					
Debt issuances	-	-	-	-	-
Capital lease	-	-	-	-	-
Certificates of participation	-	9,504,202	9,541,557	-	10,640,000
Other	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Total other financing sources (uses)	-	9,504,202	9,541,557	-	10,640,000
Net change in fund balances	(30,673,494)	3,441,699	(830,048)	(5,480,000)	(8,635,154)
Fund balances					
Beginning of year	36,701,179	6,027,685	9,469,384	8,639,338	8,639,338
End of year	6,027,685	9,469,384	8,639,338	3,159,338	4,184

Fund Overview – During the 2021-22 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. The district has also added some building improvement projects with remaining fund balance from the bond referendum, as some projects were completed under budget.

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). These projects are slated to be completed in their entirety during the 2021-22 school year.

Regular Debt Service Fund

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
State Sources	140,039	145,094	81,581	25,500	82,400
Property Taxes	6,989,566	17,813,185	17,935,108	17,725,390	17,725,390
Other Sources	54,545	105,070	7,091	50,000	7,000
Total revenue	7,184,149	18,063,350	18,023,780	17,800,890	17,814,790
Expenditures					
Principal	3,345,000	11,330,000	11,800,000	12,205,000	12,205,000
Interest	5,889,569	5,771,169	5,254,919	4,715,000	4,715,000
Fiscal charges and other	1,900	1,425	1,850	10,000	10,000
Total expenditures	9,236,469	17,102,594	17,056,769	16,930,000	16,930,000
Revenue over expenditures	(2,052,319)	960,756	967,011	870,890	884,790
Other financing sources (uses)					
Debt issuances	-	-	-	-	-
Debt refunding payments	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(2,052,319)	960,756	967,011	870,890	884,790
Fund balances					
Beginning of year	1,497,696	(554,623)	406,133	1,373,143	1,373,143
End of year	(554,623)	406,133	1,373,143	2,244,033	2,257,933

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. The final budget has been slightly revised from 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, 2022 fund balance for this fund is \$2.26 million

OPEB Debt Service Fund

	2018-19	2019-20	2020-21	2021-22	2021-22
	Actual	Actual	Actual	Prelim Budget	Final Budget
Revenues					
State Sources	1,611	-	-	-	-
Property Taxes	9,621,487	9,018	-	-	-
Other Sources	118,236	-	-	-	-
Total revenue	9,741,333	9,018	-	-	-
Expenditures					
Principal	9,125,000	-	-	-	-
Interest	456,250	-	-	-	-
Fiscal charges and other	475	-	-	-	-
Total expenditures	9,581,725	-	-	-	-
Net change in fund balances	159,608	9,018	-	-	-
Fund balances					
Beginning of year	2,095,006	2,254,614	2,263,632	2,263,632	2,263,632
End of year	2,254,614	2,263,632	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, 2022 fund balance for this fund is \$2.26 million.

Internal Service Funds

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
Other					
GASB #16	1,521,703	1,578,585	1,140,455	1,670,000	1,420,000
Revocable OPEB	-	-	-	-	-
Self-Insured Dental Plan	461,449	475,007	459,431	477,000	477,000
Self-Insured Health Plan	51,227,305	55,676,134	58,333,734	58,085,000	59,065,000
Total revenue	53,210,457	57,729,725	59,933,620	60,232,000	60,962,000
Expenditures					
Salaries and wages					
GASB #16	768,318	2,367,729	(149,674)	2,716,900	2,716,900
Employee Benefits					
Revocable OPEB	-	-	-	-	-
Self-Insured Dental Plan	410,243	373,203	443,112	475,000	475,000
Self-Insured Health Plan	51,252,183	49,922,050	55,329,457	52,080,000	55,280,000
Total expenditures	52,430,743	52,662,983	55,622,895	55,271,900	58,471,900
Revenue over expenditures	779,714	5,066,742	4,310,725	4,960,100	2,490,100
Other financing sources (uses)					
Transfers in					
Self-Insured Health Plan	-	-	-	-	-
Net change in fund balances	779,714	5,066,742	4,310,725	4,960,100	2,490,100
Other financing sources (uses)					
Transfers (Revocable Trust)	-	-	-	-	-
Fund balances					
Beginning of year	7,490,105	8,269,819	13,336,561	17,647,285	17,647,285
End of year	8,269,819	13,336,561	17,647,285	22,607,384	20,137,384

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.

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Fund balance					
GASB #16	(4,227,936)	(5,017,081)	(3,726,951)	(4,773,851)	(5,023,851)
Self-Insured Dental Plan	183,938	285,741	302,060	304,060	304,060
Self-Insured Health Plan	12,313,815	18,067,899	21,072,175	27,077,175	24,857,175
Total Fund Balance	8,269,819	13,336,561	17,647,285	22,607,384	20,137,384

Custodial - Fiduciary Funds

	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Prelim Budget	2021-22 Final Budget
Revenues					
Flex Trust	1,673,854	1,813,004	(125)	1,700,200	-
Irrevocable OPEB	5,311,337	6,546,997	9,663,992	7,000,000	8,500,000
Total Revenues	6,985,190	8,360,001	9,663,867	8,700,200	8,500,000
Expenditures					
Flex Trust	1,589,502	1,823,060	619,214	1,700,000	-
Irrevocable OPEB	4,783,071	3,643,391	3,701,408	4,500,000	4,500,000
Total expenditures	6,372,572	5,466,451	4,320,622	6,200,000	4,500,000
Net change in fund balances	612,618	2,893,550	5,343,245	2,500,200	4,000,000
Other financing sources (uses)					
Transfers	-	-	-	-	-
Fund balances					
Flex Trust - Beginning	545,042	629,394	619,338	(0)	(0)
Flex Trust - Ending	629,394	619,338	(0)	200	(0)
OPEB Irrevocable - Beginning	53,956,904	54,485,170	57,388,776	63,351,360	63,351,360
OPEB Irrevocable - Ending	54,485,170	57,388,776	63,351,360	65,851,360	67,351,360
End of year	55,114,564	58,008,114	63,351,360	65,851,560	67,351,360

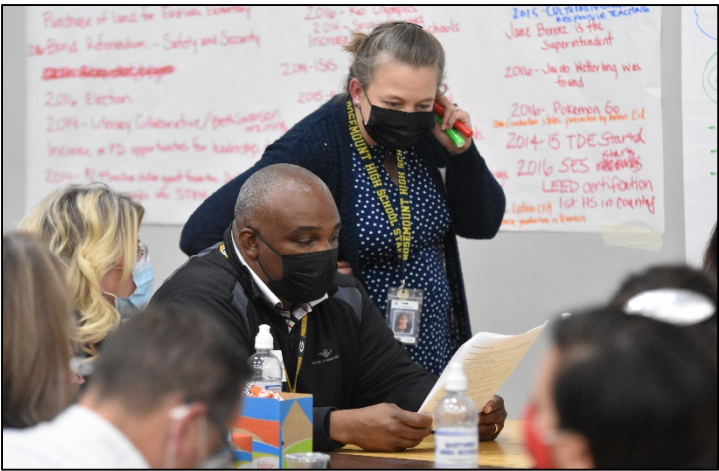
Fund Overview – Custodial funds are used to account for assets held in trust by the district for the benefit of individuals or other entities. The district maintains three trust funds: 1) an employee benefit trust fund used to report resources received and held by the district as the trustee for employees 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	Person(s) Responsible	Activities
Friday, September 17, 2021	Mgr. of Financial Systems	Notification to budget administrators of final budget timelines
Wednesday, September 29, 2021 (End of Day)	Coordinator of Finance	Notification to schools of carryovers/deficits, information posted on the Budget Hub
Friday, October 1- Monday, October 4, 2021	Principals Student Information Supr. Director of Elem. Education Director of Sec. Education	Verify schools' actual October 1 enrollment
Tuesday, October 5- Thursday, October 7, 2021	Coordinator of Finance Mgr. of Financial Systems	Update schools' instructional and staffing allocations in MyBudgetFile to reflect actual October 1 enrollment
Friday, October 8, 2021 (ASAP)	Coordinator of Finance Mgr. of Financial Systems	MyBudgetFile open and available for final budget revisions
Monday, October 11- Monday, October 18, 2021	Elementary Principals Middle School Principals High School Principals Program Admin./Coordinators	MyBudgetFile Work Sessions - District Office Vermilion Room
Friday, October 22, 2021 (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
Monday, October 25- Friday, October 29, 2021	Superintendent's Cabinet	Review and approve budgets submitted by direct reports; inform finance when ready for processing
Monday, November 15, 2021	Director of Fin. & Operations Coordinator of Finance Mgr. of Financial Systems Superintendent Superintendent's Cabinet	Prepare draft copy of final budget for review with superintendent and superintendent's Cabinet
Monday, December 13, 2021	Director of Fin. & Operations Coordinator of Finance	First presentation of the proposed final budget to the School Board
Monday, January 10, 2022	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)
2008	445	1,879	11,484	13,035	840	27,683	-0.68%
2009	440	1,818	11,555	12,792	842	27,447	-0.85%
2010	406	1,891	11,531	12,786	840	27,454	0.03%
2011	427	1,902	11,608	12,649	817	27,403	-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%
2021	446	1,978	9,990	15,587	1085	29,086	0.27%

Enrollment By Site - October 1, 2021

Enrollment on October 1

	School	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Elementary Schools	Cedar Park	689	705	708	697	731	707	683	682	686	657
	Deerwood	583	564	605	643	625	660	635	625	584	537
	Diamond Path	754	750	755	805	832	757	739	743	703	649
	East Lake						542	631	706	718	757
	Echo Park	666	641	683	665	641	669	713	733	705	706
	Glacier Hills	601	685	721	758	759	749	758	729	682	655
	Greenleaf	907	910	927	949	961	900	872	832	764	750
	Highland	642	717	650	676	695	705	693	697	681	677
	Northview	402	400	387	381	396	409	421	450	420	385
	196Online										273
	Oak Ridge	619	622	616	550	537	514	512	511	506	517
	Parkview	785	737	848	890	943	803	795	786	761	700
	Pinewood	572	604	577	609	615	593	587	585	551	515
	Red Pine	945	934	873	823	797	769	720	717	668	650
	Rosemount	616	641	670	704	745	681	707	738	731	770
	Shannon Park	812	817	824	812	800	647	636	608	555	508
	Southview	660	634	626	636	640	626	639	630	602	584
	Thomas Lake	356	374	406	427	473	475	509	540	519	547
	Westview	437	419	398	385	395	421	401	413	411	426
	Woodland	495	525	525	545	587	602	605	665	674	705
	Total	11,541	11,679	11,799	11,955	12,172	12,229	12,256	12,390	11,921	11,968
Middle Schools	Black Hawk	800	798	847	868	865	868	853	787	825	833
	Dakota Hills	1127	1151	1102	1041	1100	1100	1195	1243	1209	1122
	Falcon Ridge	1129	1089	1032	1038	1064	1097	1063	1058	1021	934
	196Online										123
	Rosemount	1168	1163	1199	1220	1275	1300	1288	1307	1246	1220
	Scott Highlands	867	910	936	951	1010	1037	1108	1150	1203	1158
	Valley	825	884	839	922	982	1016	1080	1076	1063	1047
	Total	5,916	5,995	5,955	6,040	6,296	6,418	6,587	6,621	6,567	6,437
High Schools	Apple Valley	1634	1633	1665	1594	1572	1602	1560	1620	1732	1778
	Eagan	2107	2023	2031	2001	1945	2014	1962	1954	2061	2038
	Eastview	2085	2069	2089	2175	2152	2121	2154	2187	2220	2218
	Rosemount	2042	2036	2026	2078	2124	2239	2342	2369	2463	2446
	196Online										134
	SES	423	378	388	434	416	395	351	342	340	358
	ALC	114	116	136	134	100	99	123	120	131	128
	Total	8,405	8,255	8,335	8,416	8,309	8,470	8,492	8,592	8,947	9,100
Other Programs	ABE	66	64	43	62	77	55	41	38	31	50
	CBSE	771	734	771	813	842	951	984	1029	1070	1085
	ECSE	469	475	509	505	486	521	515	554	472	446
	Total	1,306	1,273	1,323	1,380	1,405	1,527	1,540	1,621	1,573	1,581
Grand Total		27,168	27,202	27,412	27,791	28,182	28,644	28,875	29,224	29,008	29,086

Enrollment By Grade – October 1, 2021

	School	K	1	2	3	4	5	6	7	8	9	10	11	12	Totals
Elementary Schools	Cedar Park	111	118	117	112	108	91	-	-	-	-	-	-	-	657
	Deerwood	75	87	89	96	100	90	-	-	-	-	-	-	-	537
	Diamond Path	102	101	115	108	94	129	-	-	-	-	-	-	-	649
	East Lake	142	116	121	126	127	125	-	-	-	-	-	-	-	757
	Echo Park	116	115	123	130	117	105	-	-	-	-	-	-	-	706
	Glacier Hills	110	110	110	103	114	108	-	-	-	-	-	-	-	655
	Greenleaf	116	128	113	132	123	138	-	-	-	-	-	-	-	750
	Highland	112	96	114	103	130	122	-	-	-	-	-	-	-	677
	Northview	67	51	66	55	77	69	-	-	-	-	-	-	-	385
	196Online	28	53	43	53	53	43	-	-	-	-	-	-	-	273
	Oak Ridge	93	78	99	95	77	75	-	-	-	-	-	-	-	517
	Parkview	92	124	128	97	131	128	-	-	-	-	-	-	-	700
	Pinewood	80	80	93	79	90	93	-	-	-	-	-	-	-	515
	Red Pine	101	90	115	104	120	120	-	-	-	-	-	-	-	650
	Rosemount	144	116	123	128	129	130	-	-	-	-	-	-	-	770
	Shannon Park	76	76	82	93	84	97	-	-	-	-	-	-	-	508
	Southview	109	86	87	102	96	104	-	-	-	-	-	-	-	584
	Thomas Lake	92	98	95	112	69	81	-	-	-	-	-	-	-	547
	Westview	80	55	71	81	88	51	-	-	-	-	-	-	-	426
	Woodland	132	102	117	125	112	117	-	-	-	-	-	-	-	705
	Total	1,978	1,880	2,021	2,034	2,039	2,016	-	-	-	-	-	-	-	11,968
Middle Schools	Black Hawk	-	-	-	-	-	-	291	287	255	-	-	-	-	833
	Dakota Hills	-	-	-	-	-	-	369	363	390	-	-	-	-	1,122
	Falcon Ridge	-	-	-	-	-	-	271	335	328	-	-	-	-	934
	196Online	-	-	-	-	-	-	43	47	33	-	-	-	-	123
	Rosemount	-	-	-	-	-	-	407	397	416	-	-	-	-	1,220
	Scott Highlands	-	-	-	-	-	-	397	377	384	-	-	-	-	1,158
	Valley	-	-	-	-	-	-	344	342	361	-	-	-	-	1,047
	Total	-	-	-	-	-	-	2,122	2,148	2,167	-	-	-	-	6,437
High Schools	Apple Valley	-	-	-	-	-	-	-	-	-	512	484	410	372	1,778
	Eagan	-	-	-	-	-	-	-	-	-	578	543	507	410	2,038
	Eastview	-	-	-	-	-	-	-	-	-	571	569	551	527	2,218
	Rosemount	-	-	-	-	-	-	-	-	-	677	654	569	546	2,446
	196Online	-	-	-	-	-	-	-	-	-	27	21	50	36	134
	SES	-	-	-	-	-	-	-	-	-	-	-	187	171	358
	ALC	-	-	-	-	-	-	-	-	-	2	6	20	100	128
	Total	-	-	-	-	-	-	-	-	-	2,367	2,277	2,294	2,162	9,100
Other Programs	ABE	-	-	-	-	-	-	-	-	-	-	-	-	50	50
	CBSE	97	84	85	87	82	71	64	80	49	68	60	55	203	1,085
	ECSE	446	-	-	-	-	-	-	-	-	-	-	-	-	446
	Total	543	84	85	87	82	71	64	80	49	68	60	55	253	1,581
Grand Total		2,521	1,964	2,106	2,121	2,121	2,087	2,186	2,228	2,216	2,435	2,337	2,349	2,415	29,086

Average Daily Membership by Year

Year Ended 30-Jun	Early Childhood	Kindergarten	Elementary 1st-6th	Secondary 7th-12th	Total Adj. 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%
2021	230.84	1,884.85	12,760.12	13,833.42	28,709.23	31,475.92	-0.75%

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 Part-Time	Kindergarten Day	Elementary 1-3	Elementary 4-6	Secondary
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- 2022	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	2021-22
Administrators/Principals	93.450	108.430	108.680	109.470	114.590	107.740	110.308	114.227
Supervisors/Special Staff	56.160	58.870	65.420	69.030	73.420	87.840	85.800	89.480
Teachers/nurses	2,000.940	2,015.860	2,061.980	2,094.980	2,098.200	2,086.670	2,258.061	2,283.944
Clerical	652.790	641.790	647.180	682.980	673.680	655.960	687.345	724.510
Building Chiefs and Custodians	173.000	180.500	181.500	182.500	185.500	180.170	187.500	181.834
Food service	111.690	101.060	100.860	112.260	114.280	113.600	95.836	113.563
Drivers/Mechanics/Chaperones*	191.250	192.750	183.750	192.000	208.500	213.750	224.000	224.000
Non-licensed specialists	44.240	47.110	48.390	51.950	54.540	51.050	50.180	52.868
Total	3,323.520	3,346.370	3,397.760	3,495.170	3,522.720	3,496.780	3,699.030	3,784.426

*FTE estimates provided by the Transportation Department

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

Site Staffing Allocations

	October 1, 2021 Enrollment	October 1, 2021 Allocation Enrollment (1)	Admin/Principal/ AP	Assistant Administrator	Counselors & Mental Health	Classroom Teachers	Specialists & Band & Magnet Support	Gifted and Talented	Technology Assistant	Nurse	12-Month Secretary	10-Month Secretary	10-Month Clerk	Campus Security	Totals
Elementary Schools															
Cedar Park	657	669	1.000	0.744	0.500	28.641	5.675	0.550	-	0.938	1.000	0.936	4.019	-	44.003
Deerwood	537	540	1.000	0.674	0.500	22.830	4.443	0.300	-	0.938	1.000	0.900	3.450	-	36.035
Diamond Path	649	657	1.000	0.654	0.500	27.897	5.539	0.550	-	0.938	1.000	0.906	3.947	-	42.931
East Lake	757	759	1.000	0.849	0.500	32.329	6.212	0.550	-	0.938	1.000	1.076	4.560	-	49.014
Echo Park	706	712	1.000	0.794	0.500	30.342	5.846	0.550	-	0.938	1.000	0.991	4.278	-	46.239
Glacier Hills	655	663	1.000	0.586	0.500	28.251	6.005	0.550	-	0.938	1.000	0.904	3.983	-	43.717
Greenleaf	750	750	1.000	0.822	0.500	31.771	5.989	0.550	-	0.938	1.000	1.045	4.506	-	48.121
Highland	677	677	1.000	0.854	0.500	28.677	5.697	0.550	-	0.938	1.000	0.963	4.067	-	44.246
Northview	385	392	1.000	0.551	0.500	16.627	3.890	0.300	-	0.938	1.000	0.900	3.450	-	29.156
Oak Ridge	517	520	1.000	0.639	0.500	22.239	4.428	0.300	-	0.938	1.000	0.900	3.450	-	35.394
Parkview	700	708	1.000	0.830	0.500	30.109	5.713	0.550	-	0.938	1.000	0.993	4.254	-	45.887
Pinewood	515	517	1.000	0.575	0.500	21.972	4.187	0.300	-	0.938	1.000	0.900	3.450	-	34.822
Red Pine	650	661	1.000	0.767	0.500	27.995	5.245	0.550	-	0.938	1.000	0.926	3.971	-	42.892
Rosemount	770	782	1.000	0.729	0.500	33.260	6.201	0.550	-	0.938	1.000	1.082	4.698	-	49.958
Shannon Park	508	510	1.000	0.685	0.500	21.535	4.330	0.300	-	0.938	1.000	0.900	3.450	-	34.638
Southview	584	590	1.000	0.830	0.500	25.031	4.891	0.300	-	0.938	1.000	0.900	3.545	-	38.935
Thomas Lake	547	548	1.000	0.651	0.500	23.431	4.384	0.300	-	0.938	1.000	0.900	3.450	-	36.554
Westview	426	426	1.000	0.579	0.500	18.075	3.820	0.300	-	0.938	1.000	0.900	3.450	-	30.562
Woodland	705	714	1.000	0.764	0.500	30.373	5.740	0.550	-	0.938	1.000	1.003	4.290	-	46.158
196Online (2)	273	273	0.000	0.000	0.000	11.511	3.600	0.000	-	-	0.000	0.000	0.000	-	15.111
Totals	11,968	12,068	19.000	13.577	9.500	512.896	101.835	8.450	0.000	17.822	19.000	18.025	74.268	0.000	794.373
Middle Schools															
Black Hawk	833	839	2.000	0.066	3.000	33.129	2.403	0.900	0.450	1.000	2.000	0.650	3.208	-	48.806
Dakota Hills	1,122	1,123	2.000	0.088	3.000	44.344	3.755	0.900	0.450	1.000	2.000	0.702	4.294	-	62.533
Falcon Ridge	934	934	2.000	0.074	3.000	36.881	2.803	0.900	0.450	1.000	2.000	0.650	3.571	-	53.329
Rosemount	1,220	1,230	2.000	0.097	3.060	48.569	3.542	0.900	0.450	1.000	2.000	0.769	4.703	-	67.090
Scott Highlands	1158	1160	2.000	0.091	3.000	45.805	3.845	0.900	0.450	1.000	2.000	0.725	4.435	-	64.251
Valley Middle	1,047	1,048	2.000	0.083	3.000	42.382	2.882	0.900	0.450	1.000	2.000	0.655	4.007	-	59.359
196Online (2)	123	123	0.000	0.000	0.000	4.857	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-	4.857
Totals	6,437	6,457	12.000	0.499	18.060	255.967	19.230	5.400	2.700	6.000	12.000	4.151	24.218	0.000	360.225
High Schools															
Apple Valley	1,778	1,778	4.000	0.095	5.496	74.435	3.000	-	0.450	1.000	4.000	2.312	4.253	2.000	101.041
Eagan	2,038	2,049	4.000	0.130	6.104	85.772	3.000	-	0.450	1.000	4.000	2.664	4.902	2.000	114.022
Eastview	2,218	2,218	4.000	0.249	6.484	92.837	3.000	-	0.450	1.000	4.000	2.884	5.306	2.000	122.210
Rosemount	2,446	2,446	4.000	0.410	6.997	102.377	3.000	-	0.450	1.000	4.000	3.181	5.851	2.000	133.266
SES	358	358	1.000	-	1.304	14.612	0.450	-	0.225	0.813	1.000	1.350	0.000	1.000	21.754
ALC	128	128	0.500	-	0.500	5.818	-	-	-	0.250	1.000	0.900	0.675	1.000	10.643
196Online (2)	134	134	0.000	0.000	0.000	5.469	-	-	-	-	-	-	-	-	5.469
Totals	9,100	9,111	17.500	0.884	26.885	381.320	12.450	0.000	2.025	5.063	18.000	13.291	20.987	10.000	502.936

(1) Students who switched to 196Online after a determined date were included in the schools staffing allocation enrollment

(2) 196Online allocations for support staff and administrators is on a district-wide basis and is not separated by level. The figures above For 196Online are meant to show instructional allocations based on standard staffing formulas. Actual FTE's for 196Online may differ for 21-22 based on federal grants and other funding sources used for this program.

Fund Balances - Governmental Funds

	Fiscal Year				
	2017	2018	2019	2020	2021
General Fund					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Nondspendable	1,061,586	1,050,944	1,421,379	1,282,831	647,657
Restricted	5,838,313	9,318,698	10,840,842	10,072,358	13,093,480
Assigned	7,472,160	8,399,254	1,311,999	1,271,880	7,128,748
Unassigned	22,263,362	25,699,224	37,352,793	45,737,258	63,988,692
Total General Fund	36,635,421	44,468,120	50,927,013	58,364,327	84,858,576
All other governmental funds					
Reserved	-	-	-	-	-
Unreserved, reported in	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital Projects – Building Construction Fund	-	-	-	-	-
Debt Service Fund	-	-	-	-	-
Nondspendable	163,619	208,298	244,503	497,327	473,170
Restricted	104,910,947	43,679,934	14,947,727	16,169,103	19,061,145
Unassigned, reported in	-	-	-	-	-
Capital Projects – Building Construction Fund	-	-	-	-	-
Debt Service Fund	-	-	(554,624)	-	-
Total all other governmental funds	105,074,566	43,888,232	14,637,606	16,666,430	19,534,315

Changes in Fund Balances - Governmental Funds

	Fiscal Year					
	2016	2017	2018	2019	2020	2021
Revenues						
Local sources						
Taxes	78,828,084	85,651,484	89,682,487	91,158,991	95,664,211	116,395,290
Investment earnings	990,686	1,525,963	1,720,017	2,390,487	1,595,266	106,618
Other	20,303,840	21,655,777	21,241,570	21,450,041	17,975,172	9,187,718
State sources	258,200,427	264,144,986	275,878,205	285,746,486	296,520,589	300,697,987
Federal sources	13,700,319	14,628,580	15,834,368	16,232,102	16,894,745	35,520,203
Total revenues	372,023,356	387,606,790	404,356,647	416,978,107	428,649,983	461,907,816
Expenditures						
Current						
Administration	14,846,637	14,931,628	15,599,003	16,342,073	16,978,484	17,240,096
District support services	9,360,367	9,807,545	10,694,868	12,008,717	13,024,402	12,338,544
Elementary and secondary instruction	165,181,027	169,848,898	173,672,800	177,357,744	179,118,369	189,442,516
Vocational education instruction	5,198,949	5,013,173	5,137,316	5,396,017	5,104,823	5,052,494
Special education instruction	65,226,216	68,020,953	71,133,191	72,650,167	76,516,745	77,148,300
Instructional support services	19,695,766	20,664,400	21,616,857	22,489,640	23,078,098	21,506,153
Pupil support services	23,694,661	24,615,829	25,550,001	26,181,738	27,564,639	29,228,298
Sites and buildings	21,979,790	25,390,808	23,681,891	25,398,051	30,069,134	30,408,462
Fiscal and other fixed cost programs	650,603	613,851	582,782	1,182,069	671,312	1,237,889
Food service	11,757,651	11,992,184	11,258,394	12,113,867	10,890,508	10,538,159
Community service	8,044,250	8,822,111	8,751,046	8,933,712	8,606,173	8,164,705
Capital outlay	11,640,890	33,546,532	68,021,071	40,050,087	15,362,092	22,311,175
Debt service						
Principal	13,326,884	14,394,446	14,079,855	14,694,828	13,251,596	14,703,513
Interest and fiscal charges	4,384,850	7,911,158	7,595,387	6,992,089	6,333,341	6,005,061
Total expenditures	374,988,541	415,573,516	457,374,462	441,790,799	426,569,716	445,325,365
Revenues over (under) expenditures	(2,965,185)	(27,966,726)	(53,017,815)	(24,812,692)	2,080,267	16,582,451
Other financing sources (uses)						
Transfers in	8,554,099	20,122	-	135,509	399,229	34,763
Transfers out	(8,554,099)	(20,122)	-	(135,509)	(399,299)	(34,763)
Refunding debt issued	-	-	-	-	-	-
Debt issued	112,150,000	-	-	-	8,960,000	9,005,000
Premium on debt issued	20,355,238	-	-	-	544,202	536,557
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	46,259
Judgements for the School District				369	-	-
Sale of capital assets	27,218	80,287	23,971	19,383	856,256	191,868
Total other financing sources (uses)	120,887,456	80,287	1,378,392	76,055	10,385,801	9,779,684
Net change in fund balances	117,922,271	(27,886,439)	(51,639,423)	(24,736,637)	12,466,068	26,362,135
Fund balances						
Beginning of year	51,674,154	169,827,188	141,940,749	90,301,326	65,564,689	78,030,757
End of year	169,827,188	141,940,749	90,301,326	65,564,689	78,030,757	104,392,892



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

No entries

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

