



FY 2023

CITIZEN'S GUIDE

TO SCHOOL DISTRICT FINANCES

2022-2023 School Year

This document describes revenues and expenditures in the General Fund, which comprises 74.7% of all funds managed by the school district. In addition to the General Fund of \$320 million, the district manages approximately \$108.5 million among seven other fund categories: Food Service, Community Service, Capital Projects, Debt Service, Capital, Internal Services, and Custodial.

\$320 million general fund

\$108.5 million other funds

\$428.5 million all funds combined

20,450 Scholars

This Citizen's Guide provides a summary of Osseo Area Schools finances for fiscal year (FY) 2023 (2022-2023 school year). Its purpose is to help members of the public understand where the school district's revenues come from and how funds are used to educate the **20,450 scholars** in our PreK-12 schools.

The Financial Involvement School-Community Accountability Liaisons (FISCAL) advisory team provides community-based input and feedback on school financial issues, reviews financial data, and advises the school district on economic issues.

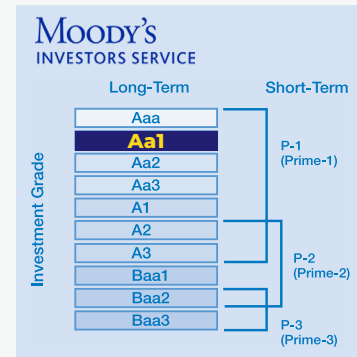
This publication is not an audited opinion of the school district's finances. Rather, it is a brief overview of revenues, use of funds, and overall financial position. Malloy, Montague, Karnowski, Radosevich, & Co. (MMKR), a certified public accounting firm that specializes in school district accounting, provides an annual independent audit.

Data sources for this report include the independent annual audit by MMKR, financial and management reports, information from the Minnesota Department of Education, and Minnesota legislative documents on education finance.

For more information, visit the ISD 279 website at www.district279.org

Recognition for Excellence in Financial Management

Moody's Investors Service has assigned an underlying rating of **Aa1** to the district's general obligation bonds. **Aa1** is the second highest bond rating Moody's has assigned to a Minnesota school district; only three school districts in Minnesota have a higher underlying bond rating from Moody's.



For the past **nineteen consecutive years**, has received the Minnesota Department of Education School Finance Award for demonstrating timely submission of financial data and compliance with state statutes; presence of select indicators of fiscal health; and accuracy in financial reporting.



For the **34th consecutive year**, the Osseo School District was awarded the Association of School Business Officials International's Certificate of Excellence in Financial Reporting.



Success in Cost Containment for Fiscal Year 2023

Cost containment efforts across the system resulted in **\$1.95 million** in savings in the area of purchased services and supplies.

Leveraging Taxpayer Dollars Through Careful Stewardship

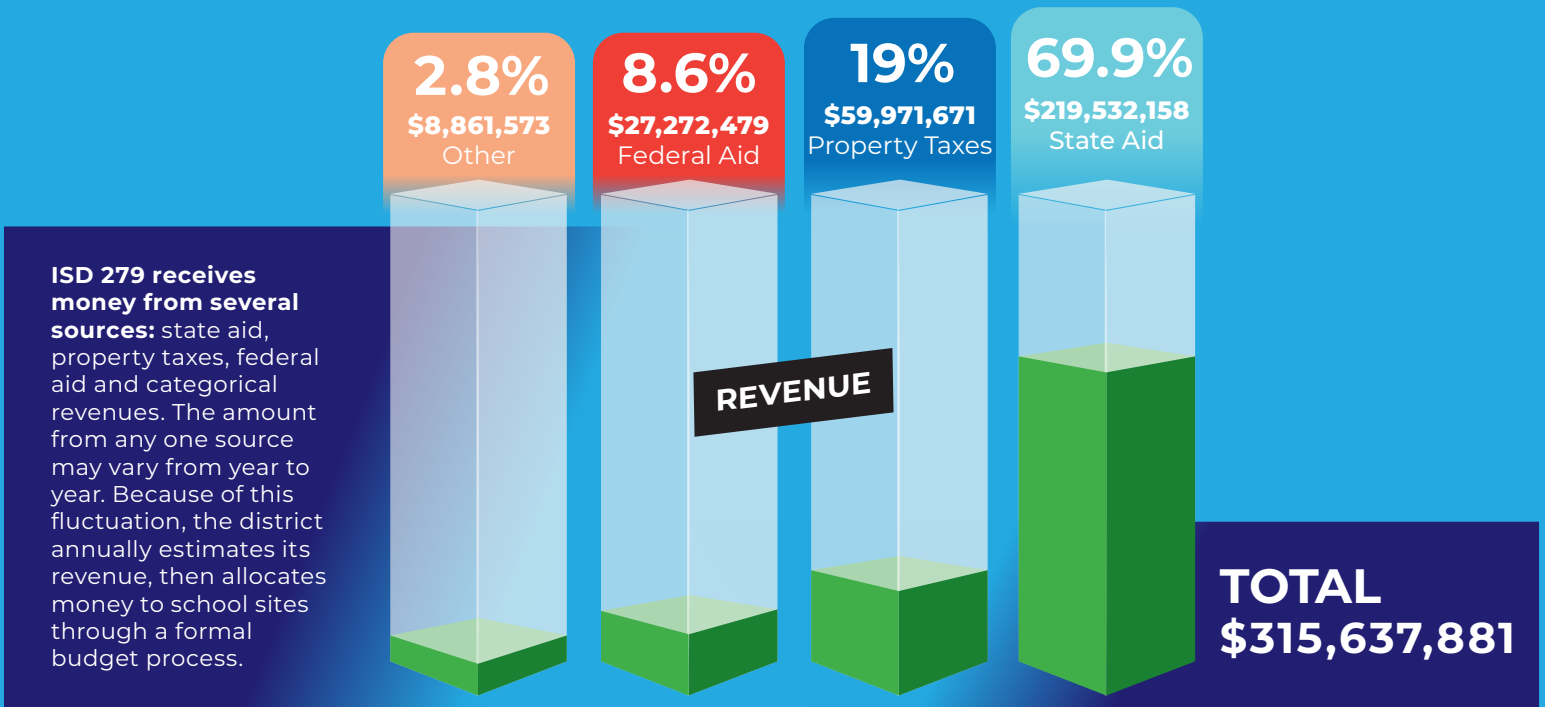
76.8% The school district maintains an intense focus on classroom instruction. 76.8% of the general fund operating budget goes directly to classroom instruction for students.

\$18M By refinancing debt at a lower rate, the school district has saved local taxpayers nearly \$18 million in interest costs since 2005.

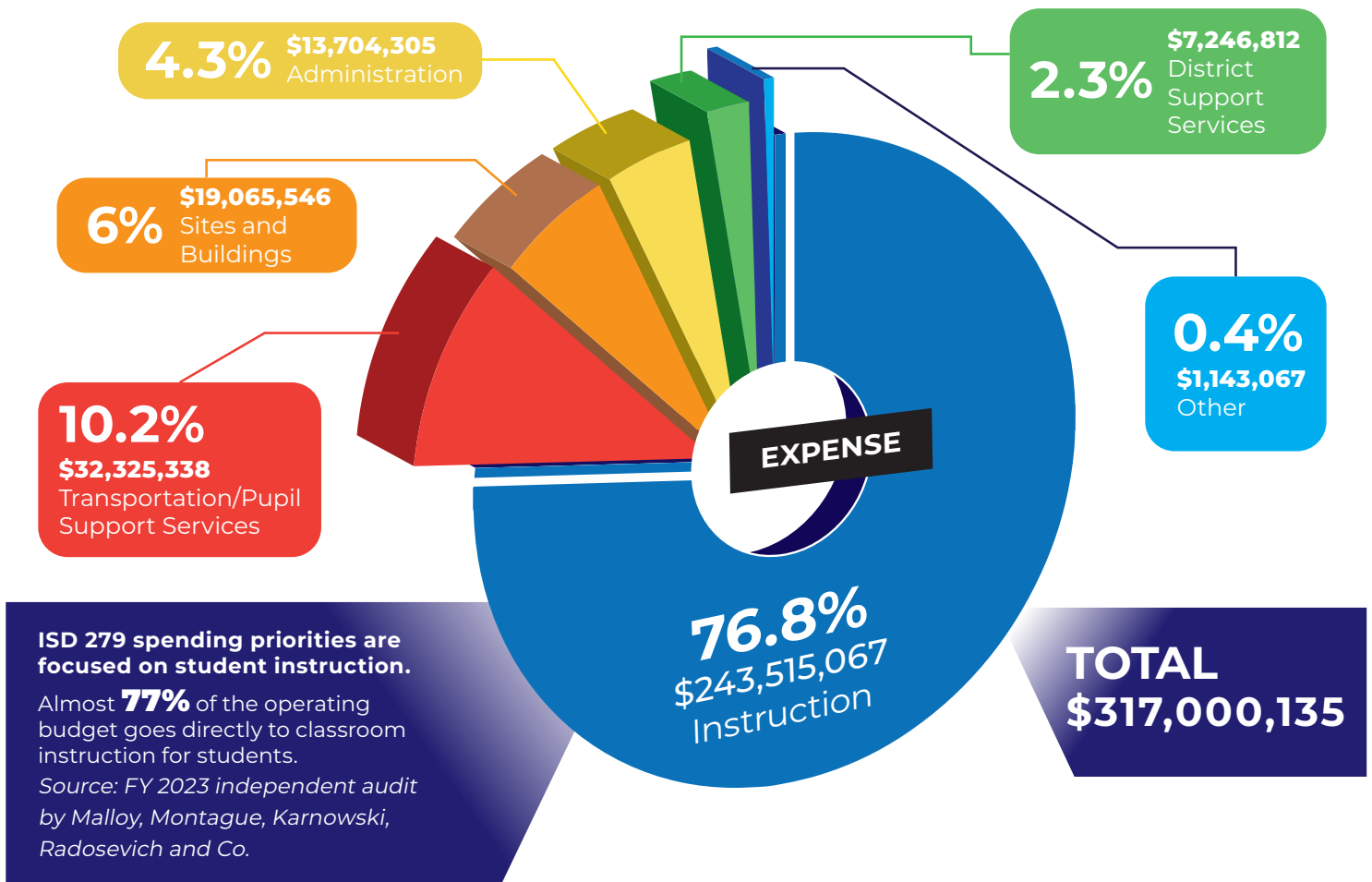
\$73.2M Received \$73.2 million in grant funds in FY 2023. Grant funds leveraged local dollars and allowed schools to provide value-added programs and services that meet student needs. FY 23 saw an increase of 19.5% in grant funds over the prior year.

GENERAL FUND

For the year ended June 30, 2023



ISD 279 receives money from several sources: state aid, property taxes, federal aid and categorical revenues. The amount from any one source may vary from year to year. Because of this fluctuation, the district annually estimates its revenue, then allocates money to school sites through a formal budget process.



ISD 279 spending priorities are focused on student instruction.

Almost **77%** of the operating budget goes directly to classroom instruction for students.

Source: FY 2023 independent audit by Malloy, Montague, Karnowski, Radosevich and Co.

GENERAL FUND OPERATIONS AND FINANCIAL POSITION

This balance sheet demonstrates the school district's financial position, which is an indicator of the overall financial health of district finances.

	% Change from Prior Year	2022 Actual	% Change from Prior Year	2023 Actual	% Change from Prior Year	2024 Actual	% Change from Prior Year	2025 Actual
Beginning Fund Balance		\$96,705,567		\$93,779,363		\$92,417,109		\$105,551,636
Revenue	-1.0%	294,105,891	8.3%	318,395,472	-4.9%	302,775,193	2.8%	311,160,575
Expenditures	2.8%	297,032,095	7.7%	319,757,726	-9.4%	289,640,666	3.50%	310,365,700
Ending Fund Balance		\$93,779,363		\$92,417,109		\$105,551,636		\$106,346,511
Unassigned Fund Balance		77,005,186		89,241,546		102,376,073		103,170,948
Nonspendable/ Restricted Assigned Fund Balance		16,774,177		3,175,563		3,175,563		3,175,563
Total Fund Balance		\$93,779,363		\$92,417,109		\$105,551,636		\$106,346,511

How many weeks of expenditures can the unassigned fund balance cover?		13.5		14.5		18.4		17.3
Unassigned fund balance as a percentage of Expenditures		25.9%		27.9%		35.3%		33.2%

Unassigned fund balance is generally considered the amount of money left after paying bills. However, due to accounting requirements, the fund balance does not reflect the amount of money actually in the bank; a significant portion of state aid must be recorded in the year before it is received. Therefore, the fund balance is usually larger than the actual amount of cash on hand.

The unassigned fund balance provides cash flow for operations and keeps the district out of debt. To put the fund balance in perspective: The district's monthly operating costs average \$26.6 million, 84% of which is used to cover employee payroll and benefits. On June 30, 2023, the unassigned fund balance would have covered 14.5 weeks of operations.

School Board policy regarding fund balance states "the Board will endeavor to maintain an unappropriated fund balance that will not fall below 5% of the District's general fund operating expenditure budget, excluding operating capital programs."

www.district279.org/ for current curricular, financial, and other School District information.
www.education.state.mn.us/ for current statewide educational information.

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For more information about education finance in Minnesota in FY 2023, visit:

[Minnesota School Finance: A Guide for Legislators](#)

[Financing Education in Minnesota, 2022-23](#)