

Respect

Integrity

Responsibility

Honesty

**Glencoe-Silver Lake Public Schools
To Connect
To Lead
To Inspire**

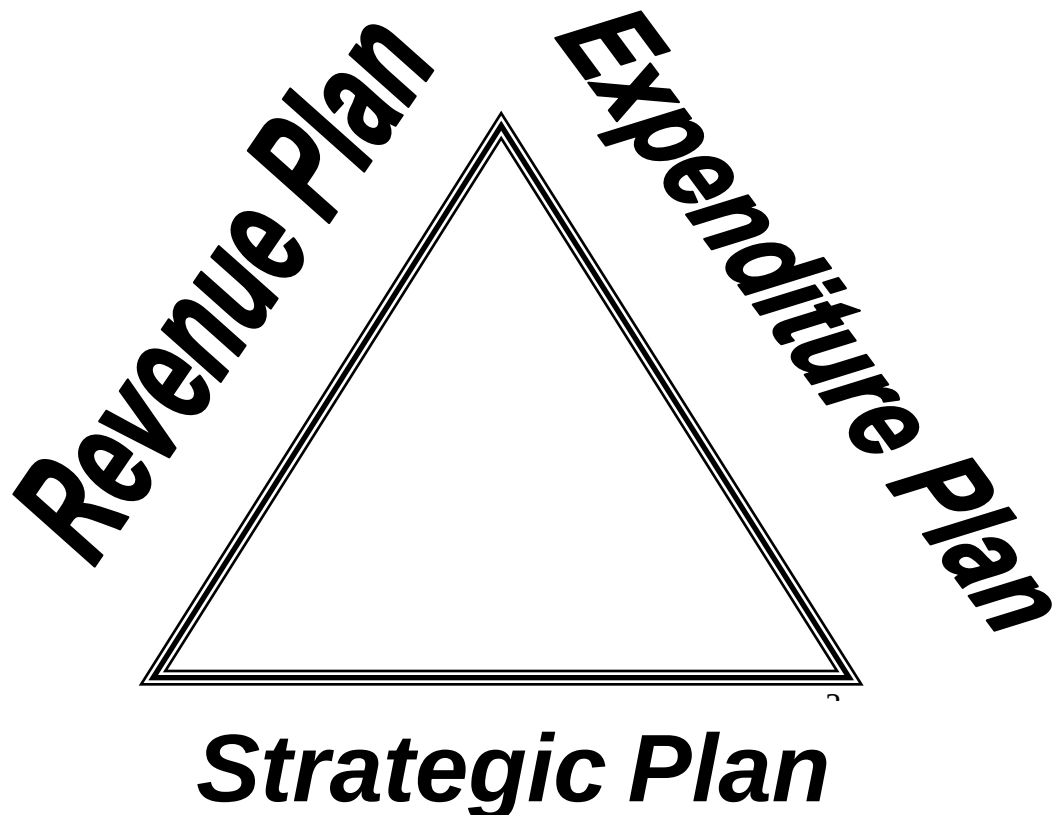
**BUDGET BOOK
2017-2018**

***Together.....
We can accomplish anything...***



Proudly serving the communities of Biscay, Brownton, Glencoe, New Auburn, Plato and Silver Lake

BUDGET TRIANGLE



Vision Statement – Creating an environment where education is valued, excellence is expected and lifelong learning thrives.

This shall be accomplished through a positive, respectful environment, high expectations, and a commitment to lifelong learning.

School Mission and Values of Glencoe-Silver Lake Public School

GSL Mission Statement: Creating a culture where education is valued, excellence is expected and lifelong learning thrives.

GSL Vision: To Connect, To Lead, To Inspire.

Core Values: *All students can learn

*All students are valued

*All students can be successful

*All students have gifts and talents

*All students have the right to a safe and positive learning environment

*All members of the district are valued stakeholders

The Glencoe-Silver Lake District #2859 provides public education to approximately, 1550 students throughout the communities of Glencoe, Silver Lake, New Auburn, Biscay, Plato and Brownton. With the completion of the building construction project in 2017, the district now has one campus in Glencoe. The new campus includes Lincoln Elementary – Grades K-2, GSL JH – grades 7-8 and GSL High Schools – grades 9-12. The Pre-school program is also housed out of this campus on the northwest side of Lincoln Elementary. The District also operates the Panther Field House which is connected to the complex and is used by the students and the public as a fitness center. Within the community there is also one Non-Public School. 1st Lutheran School in Glencoe which serves students in grades K-8. The St. Pius X Catholic School in Glencoe closed on June 30, 2017. The Holy Family Catholic School in Silver Lake closed June 30, 2011.

Goals of the District

Goal #1 – Increase Student Achievement and learning.

Goal #2 - Increase focus on Literacy in all subject areas.

Goal #3 – Promote positive community relations.

Goal #4 – Maintain fiscal responsibility while addressing district needs.

Goal #5 – Student Centered School for all!

Goal #6 – All students graduate from High School.

(Complete goals and benchmarks can be found in the District's World's Best Workforce Plan)

School Board Commitment

The Board is committed to providing necessary financial assistance to foster the improvement of student achievement in Glencoe-Silver Lake Public Schools. The intent of the district is to provide the opportunity for all teachers to increase their knowledge and understanding of their instructional areas and to develop his/her instructional skills to improve instruction in the school district. The Board is also committed to providing opportunities for support staff to improve their skills in providing a better instructional environment that will improve student achievement. The Glencoe-Silver Lake Public Schools administrators are committed to supporting the Staff and to be directly involved in the supervision and evaluation of the staff.

Budget Process

According to Minnesota Law, all school districts are required to prepare financial reports and annual budgets. These financial reports include the detailed tracking of revenues and expenditures within UFARS (Uniform Financial Accounting and Reporting Standards) fund classifications in order to meet legislative requirements for schools district and provide financial accountability for public fund allocations. This is due to the increasing demand for accurate financial reporting data and the growing need for legislative accountability, including; Providing better financial information for public review and evaluation; Demonstrating financial accountability for program implementation; enabling compliance with state and federal financial reporting requirements; Improving decision-making capabilities for state and local agencies.

The UFARS system is an integral part of the accounting and reporting process for school districts. The accuracy of the school district financial reports to be used in funding opportunities and decision-making activities is the responsibility of the governing boards of school districts. The accuracy of the UFARS recording, reporting and classification procedures is the responsibility of the superintendent or business manager.

UFARS requires the revenue and expenditure account code structure to be multi-dimensional. Expenditure and revenue accounting and reporting is based on individual accounts. An account in a multi-dimensional system requires the use of codes in six dimensions, each of which has a distinct purpose.

Fund – Org/Site – Program – Course - Finance – Object/Source
XX XXX XXX XXX XXX XXX

Fund Dimensions

Funds are established in the UFARS manual in accordance with statutory requirements and Generally Accepted Accounting Principles (GAAP). Transfers between funds are allowed only as specified by statute. In general, revenues may be transferred from the General fund to any operating fund only to eliminate a deficit. Such transfers require board action.

List of UFARS Funds

Operating Funds

- 01 General Fund**
- 02 Food Service Fund**
- 04 Community Service Fund**
- 10 Activities Accounts – Cross walked to 01 (We identify as separate funds, MDE sees them as 01 – General Fund)**
- 21 Student Activity Accounts**

Non-Operating Funds

- 06 Building Construction Fund**
- 07 Debt Service Fund**
- 47 Post-Employment Benefits Fund**

Fiduciary Funds

- 08 Trust Fund or Scholarship Fund**
- 09 Agency Fund**
- 45 Post-Employment Benefits Irrevocable Trust Fund**

Proprietary Funds

- 20 Internal Service Fund**
- 25 Post-Employment Benefits Revocable Trust Fund**

Account Groups

- 98 General Fixed Assets Group**
- 99 General Long-Term Debt Group**

Fiscal Year

The school district fiscal year runs from July 1 through June 30. FY 2018 begins July 1, 2017 and ends June 30, 2018.

With certain exceptions, the property tax levy certified in 2016 for taxes payable in 2017 is recognized as revenue for FY 2017-2087. Property tax levy that is certified in December of 2017 is for taxes payable in calendar year 2018 and is revenue for the 2018-2019 school year.

GENERAL FUND **FUND 01**

Overview

The General Fund is used to account for all revenues and expenditures of the school district not accounted for elsewhere. The General Fund is used to account for educational activities, district instructional and student support programs, expenditures for the superintendent, district administration, normal operations and maintenance, pupil transportation, capital expenditures, and legal school district expenditures not specifically designated to be accounted for in any other fund. A district may use General fund balances for capital purchases except when the requirements for a specific categorical revenue state that it may not be used for capital purchases.

The District began the 2017-2018 school year with a total General Unassigned Operating Fund Balance of \$4,241,987. This compares to the June 30, 2016 ending fund balance of \$4,444,751. With strong financial accounting practices the district has a healthy fund balance of 26.8%. The total General Fund including restricted accounts had a fund balance of \$5,189,086 compared to \$5,372,258 on June 30, 2016. (Numbers include the fund 10 accounts)

The current fund balance policy states that the school district will strive to attain and maintain a general fund unreserved fund balance of a minimum of 20% of the anticipated general fund expenditures for the following year.

The financial status of the Glencoe-Silver Lake Schools for programs beyond the 2017-2018 school years is dependent on the accuracy of the adopted budget assumptions, future legislative action, and potential restructuring.

The financing of public school education in Minnesota is through a combination of three major categories. 1. State Education Finance Appropriations – General Education Aid – The largest share of education appropriations. This aid is intended to provide the basic financial support for the education program. Categorical Aids – These revenue formulas are used to meet costs that vary between districts or promote certain types of programs. Example – special education, learning and development, staff development. 2. State Paid Property Tax Credits – these tax credits reduce the amount of property taxes paid. To make up for this reduction, the state pays the difference between what was levied in taxes and what is actually paid to school districts. 3. Property Tax Levies – Property taxes are determined by formulas set by the state legislature.

Following is a list of the most significant assumptions used in developing the budget.

Pupil Accounting

Average Daily Membership – (ADM) = The average number of pupils enrolled in the school district throughout the school year. =
$$\frac{\text{Number of Pupil-Days Enrolled}}{\text{Total Days in School Year}}$$

Adjusted Pupil Units = Adjusted ADM X the Pupil Weighting (See weighting on chart below)

Adjusted Pupil Units = Residents pupils, + or – Enrollment Options. Basically, how many students are sitting in your seats.

From FY2000 to FY2014, most components of general education revenue were computed using Adjusted Marginal Cost Pupil Units (AMCPU). The exception is referendum revenue, which is computed using resident marginal cost pupil units.

Resident Pupil Units or Weighted Average Daily Membership (WADM)

For fiscal year 2015 and later, for purposes of calculating a school district's operating referendum revenue, resident pupil units or WADM are used. This count is the same as the adjusted pupil units except that is based on resident pupils, instead of pupils served by the school district.

Enrollment is a crucial factor in determining a school district's revenue because most funding formulas are student based.

The 2017-2018 revised budgets reflect the District's enrollment of **1,567 Average Daily Membership**. The June 30, 2016 ending ADM's was 1,580.28.

The **Adjusted Pupil Units are projected to be 1,721.40** for the 2017-2018 school year compared to 1,732.76 for the prior year. The district had seen a drop in enrollment since the completion of the 2010-2011 school year with an increase in the 2016-2017 school year of 20 students. Staffing and class sizes are an area that needs to be looked at closely and addressed for the 2018-2019 school year if enrollment numbers continue to decrease.

Enrollment uncertainty creates the potential for significant increases or decreases in student based revenue. This assumption will need to be constantly monitored and evaluated as enrollment fluctuates. With each student generating approximately \$8,851.54 (17-18) in revenue per Adj. ADM, (including referendum revenue) a small deviation in enrollment can produce a significant change in revenue.

Enrollment Weights by Grade

	Kindergarten	Grades 1-3	Grades 4-6	Secondary
2015 and later	1.00	1.00	1.00	1.20
2008 to 2014	.612	1.115	1.06	1.30
2000 to 2007	.557	1.115	1.06	1.30
1995 to 1999	.530	1.06	1.06	1.30
1994	.515	1.03	1.03	1.30
1992 to 1993	.500	1.00	1.00	1.30
1990 to 1991	.500	1.00	1.00	1.35

Enrollment and Staffing Information

Average Daily Membership History and Projections

	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
Students	1,796	1,743	1,716	1,689	1,642	1,652	1,593	1,607	1,696	1,710
Staff	127.9	110.92	118.98	112.63	121.02	106.85	99.51	101.19	109.08	111.96

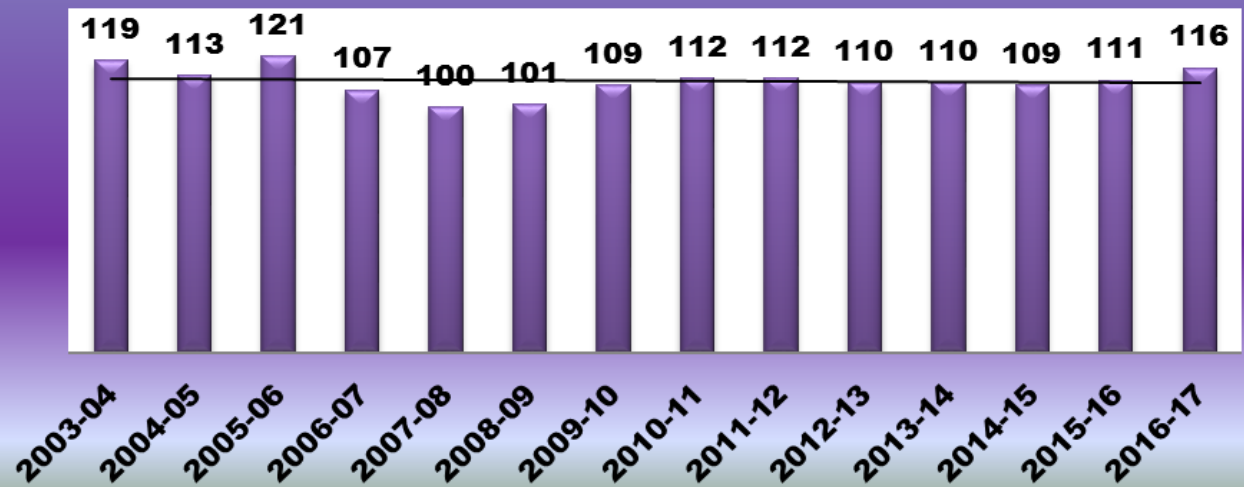
Average Daily Membership History and Projections

	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
Students	1,661	1,634	1,600	1,564	1,560	1,580	1,567	1,587	1,570
Staff	111.39	110.11	109.49	109.09	111.13	116.46	116.16		

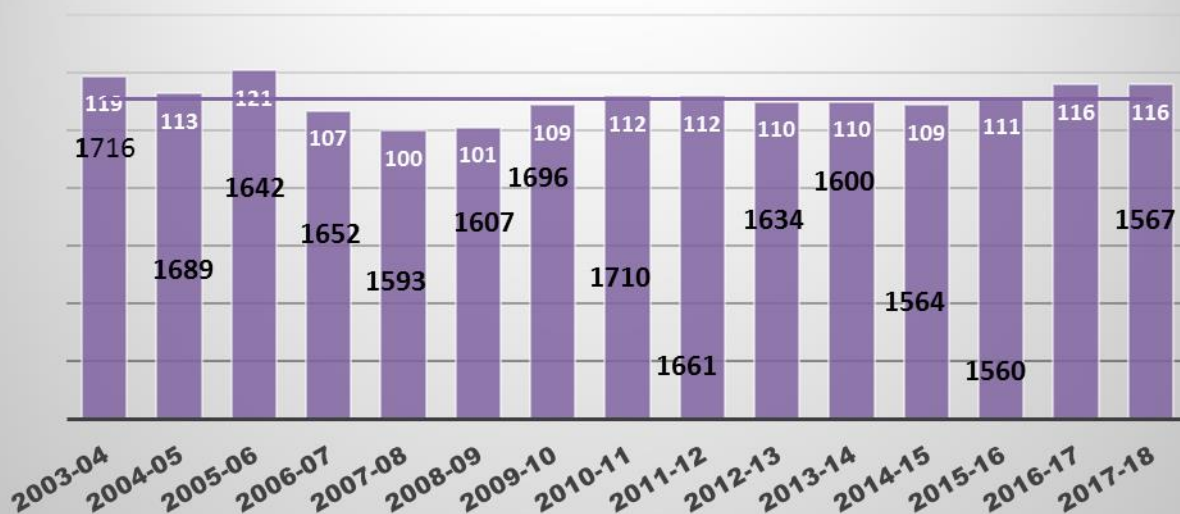
Average Daily Membership



Staffing History



Students/Staffing



Historical Average Daily Membership

	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
Pre	14	16	14	15	15	15	11	13	15	9	16
K	115	106	111	127	132	113	135	100	102	113	112
1 st	109	115	117	126	127	128	115	126	104	106	113
2 nd	111	100	116	115	117	124	122	116	117	101	104
3 rd	111	104	97	126	115	121	126	128	117	121	99
4 th	121	108	106	106	127	116	119	123	125	112	122
5 th	96	118	110	115	113	124	111	117	115	127	118
6 th	106	94	112	130	118	112	121	116	113	119	134
7 th	140	124	108	136	135	128	116	128	122	129	129
8 th	145	139	134	116	142	130	124	118	130	122	137
9 th	143	145	153	155	133	155	142	129	117	141	131
10 th	157	143	148	149	147	121	145	134	131	112	141
11 th	135	146	135	146	137	138	108	134	123	123	104
12 th	149	135	145	136	152	137	139	111	133	125	120
Elem K-6	769	745	769	845	864	853	849	839	793	808	818
7-12	869	832	824	838	846	809	774	754	756	752	762
TOTAL K-12	1,652	1,593	1,607	1,698	1,710	1,662	1,634	1,600	1,564	1,560	1,580

2014-2015 Enrollment By Grade



2015-2016 Enrollment By Grade





Residents - History

	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
Students	1,829	1,815	1,811	1,758	1,713	1,762	1,760	1,795	2,047*	2,019

****Consolidation with McLeod West**

Resident – History and Projections

	11-12	12-13	13-14	14-15	15-16	16-17	17-18
Students	1,947	1,937	1,933	1,946	1,918	1,930	2,050

Elementary Class Sizes 2009-2010

	K	1st	2nd	3rd	4th	5th	6th	Total
HB	129	127	115					371
LS				123	107	114	130	474
	5	5	5	5	4	4	4	
	Section	Sections	Sections	Sections	Sections	Sections	Sections	845

Elementary Class Sizes 2010-2011

	K	1st	2nd	3rd	4th	5th	6th	Total
HB	131	127	118					376
LS				114	126	114	118	472
	5	5	5	5	5	4	4	
	Section	Sections	Sections	Sections	Sections	Sections	Sections	848

Elementary Class Sizes 2011-2012

	K	1st	2nd	3rd	4th	5th	6th	Total
HB	110	127	121					358
LS				120	117	132	115	484
	5	5	5	5	5	4	4	
	Section	Sections	Sections	Sections	Sections	Sections	Sections	842

Elementary Class Sizes 2012-2013

	K	1st	2nd	3rd	4th	5th	6th	Total
HB	135	115	121					371
LS				128	119	112	127	486
	5 + 1 T	5	5	5	5	5	5	
	Section	Sections	Sections	Sections	Sections	Sections	Sections	857

Elementary Class Sizes 2013-2014

	K	1st	2nd	3rd	4th	5th	6th	Total
HB	103	127	117					347
LS				131	122	116	117	486
	5	6	5	5	5	5	5	
	Sections	Sections	Sections	Sections	Sections	Sections	Sections	857

Elementary Class Sizes 2014-2015

	K	1st	2nd	3rd	4th	5th	6th	Total
HB	100	126	116					342
LS				128	123	117	116	484
	5	6	5	5	5	5	5	
	Sections	Sections	Sections	Sections	Sections	Sections	Sections	826

Elementary Class Sizes 2015-2016

	K	1st	2nd	3rd	4th	5th	6th	Total
HB	111	114	101					326
LS				96	120	116	132	464
	5	6	5	5	5	5	5	
	Sections	Sections	Sections	Sections	Sections	Sections	Sections	790

Elementary Class Sizes 2016-2017

	K	1st	2nd	3rd	4th	5th	6th	Total
HB	112	113	104					329
LS				99	122	118	134	473
	5	5	5	5	5	5	5	
	Sections	Sections	Sections	Sections	Sections	Sections	Sections	802

Secondary Class Sizes 2009-2010

	Less than 20	21-25	26-30	30.1 or Larger	Total
High School %	62 14%	172 40%	185 43%	10 2%	429 100%
Junior High %	39 25%	49 31%	69 44%	1 1%	158 100%

Secondary Class Sizes 2010-11

	Less than 20	21-25	26-29	30.1 or Larger	Total
High School %	31 24%	37 28%	41 32%	21 16%	130 100%
Junior High %	7 11%	12 19%	26 41%	18 29%	63 100%

**Numbers do not include Special Education and ITV classes.
(Number of classes shown is for a semester only)

Secondary Class Sizes 2011-12

	Less than 20	21-25	26-29	30.1 or Larger	Total
High School %	106 27%	108 28%	146 38%	26 7%	386 100%
Junior High %	42 22%	69 36%	63 33%	16 8%	190 100%

***Numbers do not include Special Education and ITV classes.
(Number of classes shown is for a full year)*

Secondary Class Sizes 2012-2013

	Less than 20	21-25	26-29	30.1 or Larger	Total
High School %	90 29%	94 30%	111 35%	19 6%	314 100%
Junior High %	53 34%	68 43%	35 22%	1 1%	157 100%

***Numbers do not include Special Education, Band, Choir, ESL and ITV classes.
(Number of classes shown is for a full year)*

Secondary Class Sizes 2013-2014

	Less than 20	21-25	26-29	30.1 or Larger	Total
High School %	92 26%	97 28%	157 45%	5 1%	351 100%
Junior High %	50 28%	74 42%	43 24%	9 5%	157 100%

***Numbers do not include Special Education, Band, Choir, ESL and ITV classes.
(Number of classes shown is for a full year)*

Secondary Class Sizes 2014-2015

	Less than 20	21-25	26-29	30.1 or Larger	Total
High School %	127 34%	130 34.9%	102 27.3%	14 3.8%	373 100%
Junior High %	36 20.7%	72 41.4%	59 33.9%	7 4.0%	174 100%

****Numbers do not include SPED, Band, Choir, ESL classes**
(Number of classes shown is for a full year. Ex: English =3)

Secondary Class Sizes 2015-2016

	Less than 20	21-25	26-29	30.1 or Larger	Total
High School %	123 34.6%	148 41.7%	71 20%	13 3.7%	355 100%
Junior High %	28 14.2%	111 56.3%	53 26.9%	5 2.5%	197 100%

****Numbers do not include SPED, Band, Choir, ESL classes**
(Number of classes shown is for a full year. Ex: English =3)

Secondary Class Sizes 2016-2017 (Not Available)

Secondary Class Sizes 2017-2018

	Less than 20	21-25	26-29	30.1 or Larger	Total
High School %	113 32.2%	134 48.2%	93 26.5%	11 3.1%	351 100%
Junior High %	23 10.8%	72 34.0%	109 51.4%	8 3.8%	212 100%

****Numbers do not include SPED, Band, Choir, ESL classes**
(Number of classes shown is for a full year. Ex: English =3)

Non-Public Enrollment - 10-1-2009

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Total
St. Pius X	6	16	9	11	9	14	7			72
1st Lutheran	17	17	13	25	9	16	13	20	16	146
Holy Family	5	9	9	5	6	4	0			38

Non-Public Enrollment - 10-1-2010

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Total
St. Pius X	8	6	15	6	12	7	13			67
1st Lutheran	10	15	17	11	22	9	15	13	17	129
Holy Family	5	9	9	5	6					22

Non-Public Enrollment – 10-1-2011

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Total
St. Pius X	9	9	8	16	7	10	6			66
1st Lutheran	14	9	14	17	9	20	10	15	15	123

Non-Public Enrollment – 10-1-2012

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Total
St. Pius X	7	9	9	8	16	7	10			66
1st Lutheran	5	15	8	14	16	11	18	9	14	110

Non-Public Enrollment – 10-1-2013

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Total
St. Pius X	11	10	7	10	6	16	8			68
1st Lutheran	11	12	13	10	13	15	6	18	11	109

Non-Public Enrollment – 10-1-2014

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Total
St. Pius X	4	9	11	9	10	5	13			61
1st Lutheran	10	9	10	12	11	12	16	7	17	103

Non-Public Enrollment – 10-1-2015

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Total
St. Pius X	6	5	6	10	7	9	4			47
1st Lutheran	5	10	9	7	12	11	11	12	8	85

Non-Public Enrollment – 10-1-2016

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Total
St. Pius X	0	6	4	7	9	4	9			39
1st Lutheran	9	5	13	10	8	11	11	12	10	89

Non-Public Enrollment – 10-1-2017

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	Total
1st Lutheran	16	8	7	12	12	7	11	7	14	95

Enrollment Options – Students Leaving the District - 2008-2009

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th	Total
NYA	4	5	2	4	1	2	2	0	2	4	3	2	1	34
Waconia			1		3			1	1		1			7
Watertown							1		1					2
Eastern Carver	1													1
Westonka									1				1	2
Brooklyn Center					1				1	1				3
Hutchinson	8	5	6	5	4	5	6	2	5	4	6	3	7	64
Lester Prairie	1		2	1	2	1	1	1	2	1	1	2	1	16
Dassel Cokato	2	2		2	2	4	3	2	1	4	1	4	2	30
Carver-Scott												2	2	4
Sibley East	5	4	5	4	2	5	4	3	2	3	2		1	42
Howard Lake	2	1		1				2				1	1	8
McLeod West	1		1			2		2				3		9
Totals														229
Charter Schools	4	3	5	2	3	1	3	5		3	2		6	40

**Charter Schools Include: Minnesota Transitions, BlueSky, New Century, New Discoveries Montessori Academy, and Cologne Academy.

**Non-Residents coming into the district for 2008-2009 were 82

*****Net loss of 187 students**

Enrollment Options – Students Leaving the District – 2009-2010

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th	Total
NYA	2	5	4	3	3	1	2	3	1	2	3	2	4	35
Waconia				1		2			1		1	2	1	8
Watertown								1		1				2
Eastern Carver	1	1	1											3
Westonka									1					1
Brooklyn Center						1				1	1		1	4
Houston				.5						.5			1	2
Hutchinson	10	11	8	10	10	5	11	10	6	11	5	9	9	115
Lester Prairie	3	1	1	3	2	2	1	2	1	3	1	2	2	24
Dassel Cokato	1	2	3		3	2	3	3	2	1	3	1	3	27
Fergus Falls									1	1	1			3
Belle Plaine	.7				.7			.7						2
Carver-Scott											.9	2	4	7
BLH													1	1
Sibley East	4	5	4	8	3	1	6	4	3	1	4	2	1	46
Howard Lake	2	1	1		1	1			2	.8			1	10
GFW			1		1	2	1	3	3	6	5	6	7	35
Totals														334
Charter Schools	2	6	3	6	5	5	2	4	3	4	5	4	6	55

**Charter Schools Include: Minnesota Transitions, Blue Sky, New Century, New Discoveries Montessori Academy, and Cologne Academy.

**Non-Residents coming into the district for 2009-2010 were 92

****Net loss of 297 students.**

Enrollment Options – Students Leaving the District – 2010-2011

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th	Total
NYA	3	2	5	3	2	3	1	2	3	3	2	3	2	34
Minneapolis												1		1
Mankato											1			1
Waconia	1				1		2	1		3		1	2	11
Watertown									1		1			
Eastern Carver	2	1	1	1		1								6
Minnetonka											1			1
Westonka										1				1
Brooklyn Center							1			1	1			3
Hutchinson	9	10	11	9	11	10	6	12	11	7	9	6	10	120
Lester Prairie	2	2	1		1	3	4	2	3	1	3	2	2	27
Dassel Cokato	4	2	1	4	1	4	2	3	3	3	1	4	1	32
Fergus Falls										1				1
Shakopee			1											1
Carver-Scott												2	6	8
BLH														
Sibley East	2	4	6	3	6	2	1	5	3	4	1	3	1	40
Howard Lake		1	2	1		1	1			2				8
GFW				1		1	2	1	3	3	8	5	5	29
Totals	23	23	27	22	22	25	19	27	27	29	28	25	30	327
Charter Schools	4	3	7	2	5	4	7	3	3	3	7	6	4	58

**Charter Schools Include: Minnesota Transitions, Blue Sky, New Century, New Discoveries Montessori Academy, Cologne Academy, Minnesota Online High School.

**Non-Residents coming into the district for 2010-2011 were 92.

****Net loss of 320 students.**

Enrollment Options – Students Leaving the District – 2011-2012

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th	Total
NYA		4	1	5	3	2	3	1	3	4	2	4	2	39
Minneapolis														
Mankato												1		1
Waconia		1				1	1	2	1		3		1	10
Watertown										1		1		2
Eastern Carver		2	1	1	1			1						6
Hopkins												1		1
Minnetonka											1			1
Westonka											1			1
Brooklyn Center								1				1		2
Hutchinson	9	10	11	10	7	13	8	4	11	7	6	7	6	109
Lester Prairie		2	1	1			4	3	1	3	1	4	2	22
Dassel Cokato	2	4	2	2	2	1	4	2	3	3	2	1	4	32
Fergus Falls											1	1		2
St. Paul	1													1
Perpich Center												1	1	2
Carver-Scott											1	1	5	7
BLH		2												2
Sibley East	2	3	4	3	1	6	1	2	5	4	3	1	1	37
Howard Lake		1	1	2	1		1				1			7
GFW					1		1	2		3	3	7	4	21
Plainview-Elgin												1		1
Totals	19	28	21	23	17	23	23	18	25	25	24	32	26	304
Charter Schools	6	4	4	6	5	7	5	9	3	4	4	5	8	70

**Charter Schools Include: Minnesota Transitions, Blue Sky, New Century, New Discoveries Montessori Academy, Cologne Academy,

**Non-Residents coming into the district for 2011-2012 were 88.

****Net loss of 286 students.**

Enrollment Options – Students Leaving the District – 2012-2013

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th	Total
NYA	2	4	4	0	4	3	2	4	4	3	2	3	3	39
Minneapolis														
Mankato													1	1
Waconia			2				1	1	1		5		8	18
Watertown											1		1	2
Eastern Carver	1		1	1	1				1					5
Hopkins														
Minnetonka		1												1
Westonka												1		1
Osseo		1												1
Houston	1		1	1			1	1			2		1	8
Willmar													1	1
Hutchinson	3	6	8	7	8	7	13	10	4	10	8	6	6	96
Lester Prairie	6		1	2	2	1	1	4	3	1	4	4	3	32
Dassel Cokato	2	2	3	2	3	2	1	4	2	3	3	2	1	30
Fergus Falls								1						1
St. Paul		1												1
New Prague	1													1
Perpich Center												1	1	2
Carver-Scott														
BLH														
Sibley East	4	2	3	4	3	1	6	3	2	4	5	3	1	41
Howard Lake	1				1	1		1		1	1	1		7
GFW						1		1	1		3	3	4	13
Plainview-Elgin													1	1
Totals	22	17	23	17	22	17	26	29	17	24	30	28	30	302
Charter Schools	5	8	6	4	8	5	9	7	11	4	10	4	5	83

**Charter Schools Include: Minnesota Transitions, Blue Sky, New Century, New Discoveries Montessori Academy, Cologne Academy, Green Isle Community School.

**Non-Residents coming into the district for 2012-2013 were 83.

****Net loss of 302 students**

Enrollment Options – Students Leaving the District – 2013-2014

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th	Total
NYA	1	3	4	3	1	5	3	2	4	6	4	2	3	41
St. Francis												1		1
Mankato													1	1
St. Paul			1											1
Mankato													1	1
Waconia	1			2				1		2	1	7	9	23
Watertown												1		1
Eastern Carver		1	1	1		1				1		1		6
Eden Prairie		1		1										2
Hopkins														
Minnetonka		1												1
Westonka													1	1
Osseo			1											1
Houston				1	1			1			1		2	7
Willmar													1	1
Hutchinson	11	2	7	7	12	10	11	15	9	4	12	11	6	117
Lester Prairie		5	1	2	2	1	1		4	2	1	4	1	25
Dassel Cokato		2	3	3	2	4	2	2	4	3	3	3	2	34
Fergus Falls														
New Prague														
Perpich Center													1	1
Carver-Scott														
BLH														
Sibley East	5	4	3	3	5	3	1	6	2	2	6	5	4	49
Howard Lake	1	1				1	1		1	1	0	1	1	8
GFW	1					1	1	0	2	1	0	3	3	13
Totals	20	20	21	23	23	26	20	27	26	22	28	39	36	331
Charter Schools	9	6	8	7	5	7	3	11	9	13	6	5	4	93

**Charter Schools Include: Minnesota Transitions, Blue Sky, New Century, New Discoveries Montessori Academy, Cologne Academy, Green Isle Community School.

**Non-Residents coming into the district for 2013-2014 were 88.

****Net loss of 336 students**

Enrollment Options – Students Leaving the District – 2014-2015

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th	Total
NYA	7	1	2	3	3	5	6	2	4	4	6	6	1	45
St. Francis												1		1
St. Paul														1
Waconia	1	2		1	2				1	1	5	13	13	39
Watertown													1	1
Eastern Carver			1		1		1				1		1	6
Eden Prairie			1		1									2
Westonka	1		1											2
Osseo				1										1
Houston					1	1					1	1	1	5
Willmar														
Hutchinson	15	12	4	10	7	11	13	13	14	11	4	12	8	135
Lester Prairie	2		6	2	2	2	1			4	1	1	2	24
Dassel Cokato	2	3	2	3	3	2	4	2	2	4	3	3	3	35
Fergus Falls														
Onamia										1				1
Madelia														1
Sibley East	1	6	4	5	4	6	2	1	5	4	2	6	5	52
Howard Lake		1	1							1	1		1	5
GFW	2	1						1		2			2	10
Le Suer Henderson													2	2
Totals	32	25	24	25	24	22	28	19	28	31	25	42	40	365*
Charter Schools	3	4	9	6	10	5	8	2	12	14	9	6	6	94*

- Some numbers are rounded if PU are less than 1.0.

**Charter Schools Include: Minnesota Transitions, Blue Sky, New Century, New Discoveries Montessori Academy, Cologne Academy, Green Isle Community School.

**Non-Residents coming into the district for 2014-15 were 94.

****Net loss of 365 students**

Enrollment Options – Students Leaving the District – 2015-2016

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th	Total
NYA	1	7	1	2	4	3	1	6	4	6	4	6	5	50
Minnetonka		1		1										2
St. Cloud											1			1
Waconia		2	1		1	3		1		2	2	8	20	40
Eastern Carver			1	1		1		1				1		5
Meeker Wright										1			1	2
Region 6&8					1		1				1			3
Osseo					1									1
Houston								2				1		3
Hutchinson	8	14	6	7	11	8	11	16	11	17	9	5	9	132
Lester Prairie	1	3		6	2	2	3	2	1		4	2	1	27
Dassel Cokato	3	1	2	2	3	2	2	4	2	2	4	2	3	32
Fergus Falls														1
Sibley East	2	2	6	4	5	3	5	2	1	6	2	2	6	46
Howard Lake	1		2	2	1						1			6
GFW				1					1		2	1	1	6
Totals	16	30	20	25	29	22	23	34	20	34	30	28	46	357
Charter Schools	6	5	5	10	7	8	5	6	0	9	16	6	9	91
														448

- Some numbers are rounded if PU are less than 1.0.

**Charter Schools Include: Minnesota Transitions, Blue Sky, New Century, New Discoveries Montessori Academy, Cologne Academy, Green Isle Community School and Minnesota New Country School.

**Non-Residents coming into the district for 2015-16 were 87.

****Net loss of 361 students**

Enrollment Options – Students Leaving the District – 2016-2017

	K	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th	Total
NYA	3	1	6	2	2	3	3	1	7	5	7	5	6	51
Eden Prairie											1	1		2
Minnetonka			1		1							1		3
Waconia			2	1		1	1		1		3	5	14	28
Eastern Carver	2			2	1		1		1				3	10
Meeker Wright												1	1	2
Region 6&8						1		1				1		3
River Bend Ed						1								1
Houston									1				1	2
Hutchinson	4	11	14	7	5	13	10	12	13	10	15	10	2	125
Lester Prairie	1	1	3		6	1	3	3	3	3	1	4	2	31
Dassel Cokato	1	3	1	1	2	3	2	2	4	2	2	4	3	30
Fergus Falls														
Delano						1								1
Sibley East		2	2	7	4	5	2	5	2	1	6	2	1	39
Howard Lake		3		3	2	1		1			1			11
GFW					1					1		1	1	4
Tuition Options														12
Totals														343
Charter Schools	6	7	6	6	12	6	7	3	6	3	8	15	11	96
														451

- Some numbers are rounded if PU are less than 1.0.
- Does not include EC numbers

**Charter Schools Include: Minnesota Transitions, Blue Sky, New Century, New Discoveries Montessori Academy, Cologne Academy, Green Isle Community School and Minnesota New Country School.

**Non-Residents coming into the district for 2016-17 were 90.

****Net loss of students - 361**

Preliminary 2017-18

Enrollment Options

	EC	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Residents															
In															89
Out															456

General Education Revenue Formulas

1. Basic Revenue = Formula Allowance X Adjusted Marginal Cost Pupil Units

The general education program is the method by which school districts receive the majority of their financial support. The basic general education formula establishes the minimum level of funding for school districts.

Funding Formula Allowance

	Formula Allowance	
2000-01	\$3,964	\$224 Increase - \$67 is from the roll-in of cooperative levy and \$39 is reserved for the increase in staff development from 1% to 2% of basic revenue. Real increase is \$118
2001-02	\$4,068	Increase
2002-03	\$4,601	Increase of \$533, \$415 is the referendum levy roll-in, \$14 AOM roll-in and \$104 is the actual increase – 2.6%
2003-04	\$4,601	No Increase
2004-05	\$4,601	No Increase
2005-06	\$4,783	4% Increase
2006-07	\$4,974	4% Increase
2007-08	\$5,074	2% Increase
2008-09	\$5,124	1% Increase. An additional \$51 (1%) of one-time aid resulting from the 2008 legislative session is not included in the basic formula
2009-10	\$5,124	No Increase – (8.7% Reduction in overall General Education Revenue is replaced by Federal Stimulus Funds – AARA_
2010-11	\$5,124	No Increase
2011-12	\$5,174	\$50 Increase
2012-13	\$5,224	\$50 Increase
2013-14	\$5,302	\$78 Increase (1.5% increase)
2014-15	\$5,831	\$529 (Higher level includes 2% over fiscal year 2014 and remainder of increase reflects change in pupil weighting.
2015-16	\$5,948	2% Increase
2016-17	\$6,067	2% Increase
2017-18	\$6,188	2% Increase

Prior to FY 2015, the general education formula revenue was funded with just state aid. The Student Achievement Levy, which was first effective for the 2014-15 school year was a limited version of the old general education levy that was in place prior to 2003. This levy is based on ANTC and is set at a rate of .33% for FY2016. Districts may choose to levy all or part of this levy. **The 2015 Legislature acted to phase out the Student Achievement Levy starting in FY2018.**

Reserved Revenues

School districts are required to reserve a portion of their general education revenue for certain purposes. The reserved amounts are as follows:

Staff Development

Two percent of the basic revenue for FY 2001 and later must be set-aside for staff development, unless the district waives the requirement by a majority vote of the teachers and a majority vote of the school board.

*This requirement was waived for FY 2004 and FY 2005 only; it was back in effect for FY 2006 and later. This requirement was again temporarily suspended for FY2010 and FY2011. **The set-aside requirement was suspended for two more years – FY 12 & FY13.***

The GSL administration still allowed staff development activities to continue for the 2011-2012 and 2012-2013 school year even with the suspended requirement to reserve 2%. The activities are under the direct approval of the administration. The committee continues to meet to develop staff goals and training opportunities for the continued development of staff.

Beginning with FY14, the 2% staff development set-aside was reinstated. Therefore 2% of the Basic General Education Aid must be reserved for staff development unless a district is in Statutory Operating Debt.

Learning and Development – Class Size Reduction

Reserved revenue must be used to reduce elementary class sizes beginning with kindergarten and first grade classes. Once the district achieves a class size of 17:1 in grades kindergarten and grade one, the district may use the remaining reserved revenue to reduce class size in subsequent elementary grades. For fiscal years 2015 and later, the reserved revenue is equal to the sum of \$299 times the kindergarten adjusted average daily membership and \$459 times the adjusted average daily membership in grades 1-6. GSL receives approximately \$339,725 in revenue for the 2017-18 school year.

Deferred Maintenance

Deferred maintenance levy was a new levy in FY2008. Deferred maintenance revenue is an equalized levy for smaller districts that do not qualify for the large district portion of the alternative facilities bonding and levy program. The levy is spread against net tax capacity. The revenue must be maintained in a reserve account and must be used only for expenditures for deferred maintenance, health and safety projects without restrictions and

capital expenditures for disabled access and facilities. The deferred maintenance revenue is calculated by \$64 x pupil units x the lesser of (1) or the average age of the district's buildings. \$112,268 was the amount that was levied for GSL FY2016. The administration has developed a deferred maintenance plan to utilize these dollars for building maintenance projects and repairs.

Beginning with the Pay 2016 levy, the deferred maintenance and health and safety funding categories will be rolled into the new Long Term Facilities Maintenance Levy.

In place of the Alternative Facilities Funding, Long-Term Facilities Maintenance Revenue was enacted into law effective in FY2017, beginning with the 2015 Pay 2016 Levy cycle. The LTFMR rolls the current deferred maintenance, health and safety and alternative facilities revenues into the new long-term facilities maintenance revenue program which is equalized with state aid. The new LTFMR equals the sum of

1. \$193/APU for FY17, \$292 for FY18, and \$380 for FY 19 and later and
2. The lesser of 1 or the ratio of the district's average building age to 35 years plus
3. The approved cost/debt service for indoor air quality, fire alarm and suppression, and asbestos abatement projects with a cost per site of \$100,000 or more. (Includes existing debt service for large health and safety projects issued under old law.

The 25 large districts continue to be eligible for revenue based on approved project costs, without a state-imposed per pupil limit. Districts may choose to issue bonds for the program, levy on a pay as you go basis, or a combination of the two.

For purposes of calculating equalization aid, the ANTC is reduced by 50% of the value of Class 2a Agricultural land. The aid/levy mix for the equalized portion is calculated using an equalizing factor of 123% of the state average ANTC/PU, calculated using the 50% exclusion for ag land. For GSL the 2015 Adjusted Net Tax Capacity is 13,441,976 but the Ag Modified ANTC for Long Term Facility Maintenance Revenue is 9,939,477. For the Pay 2017 levy, the total equalized LTFMR is \$502,940.80. To determine the aid/levy ratio, the 2015 adjusted pupil units of 1,715.64 is divided by the 2015 Ag Modified ANTC of 9,939,477 which equals 7,373.50 divided by the equalizing factor of 9,069.41. The levy portion is 64% and state aid is 36%. \$181,667.16 will be state aid on the \$502,940.80 and \$321,273.64 will be local levy for the 2017-18 school year.

The end result is that districts are receiving additional levy authority that is equalized for state aid so that additional funding is available for facility projects.

Allowed uses of the Revenue include:

1. Deferred capital expenditures and maintenance projects
2. Accessibility of school facilities
3. Health and safety projects

In other words, long term facilities maintenance revenue may be used for exactly the same purposes as the old revenue categories it replaces: health and safety, deferred maintenance and alternative facilities. The revenue may not be used for new construction or remodeling, lease purchase agreements, energy-efficiency projects or violence prevention or emergency communication devices.

To qualify for the new LTFMR, the school board had to approve a 10 Year plan and submit the plan to MDE by July 30th and the plan has to be updated yearly during the summer levy process. Health and Safety and Deferred Maintenance levy authority adjustments will be made over the next two years.

(See supplemental information for detailed facilities plan for operating capital, deferred maintenance and health and safety)

2. Extended Time Revenue

Students in learning year programs who are served more than full-time may generate up to an additional .2 ADM. Extended time revenue may be used for extended day, extended week, summer school, or other programming authorized under the learning year program. The extended time revenue equals \$5,117 times the extended time adjusted marginal cost pupil units.

3. Gifted and Talented

Beginning in 2006, each school received \$4 per pupil unit for gifted and talented programming. This amount was increased to \$9 per pupil unit in FY2007 and increased to \$12 per pupil unit for fiscal years 2008 through 2014. Beginning in FY15, the amount was increased to \$13 per pupil unit. Gifted and talented revenue must be reserved and used only to identify gifted and talented students, provide educational programs for gifted and talented students or provide staff development for teachers to best meet the needs of gifted and talented students. GSL uses a portion of these funds to fund the ECL (Enrichment, Challenge and Learn) program that is held after school. Knowledge Bowl, Geography Bee, Spelling Bee would be other areas that utilizes these funds. GSL receives approximately \$22,378.20. This is a reserved account.

4. Declining Enrollment Revenue

Beginning with FY2015 and later, a district's declining enrollment revenue equals the greater of zero or 28 percent of the formula allowance (FY17 - \$6,188) for that year and the difference between adjusted pupil units for the current year and the adjusted pupil units for the previous year.

For example at GSL, we had 1,732 adjusted pupil units for 2016-2017 and preliminary 2017-2018 adjusted pupil units are 1,721.40. A loss of 11.38 Pupil Units. (PU) $28\% * \text{the basic formula allowance of } \$6,188 \text{ equals } \$1,732.64 * 11.38 \text{ PU equals } \$19,717.44 \text{ in declining enrollment revenue.}$

5. Basic Skills Revenue

Basic Skills Revenue reflects the merging of Compensatory, Limited English Proficiency (LEP) and LEP Concentration. Basic Skills Revenue must be used to meet the educational needs of pupils who enroll under-prepared to learn and whose progress toward meeting state or local content or achievement standards is below the level that is appropriate for learner of their age.

Compensatory

- Computed using building-level free and reduced lunch data as of October 1st of the previous year.
- Allocated directly to school sites; however, an amount up to 5% of the prior year's revenue may be allocated according to a local plan approved by the Commissioner. New

for fiscal year 2016, school boards may allocate up to 50% of compensatory revenue on a district-wide basis.

- $\text{Compensatory Revenue} = (\text{Formula Allowance} - \$415) \times \text{Compensatory Pupil Units}$
- $\text{Compensatory Pupil Units} = \text{Free} + \frac{1}{2} \text{ of reduced price lunch count} \times \text{Concentration Factor} \times .60$
- $\text{Concentration Factor} = \text{Ratio of Free} + \frac{1}{2} \text{ of reduced price lunch count to } 80\% \text{ of total building enrollment, but not } > 1$

English Learner (EL) Revenue

Districts receive EL revenue to provide instruction to students with limited English skills Programs may include bilingual programs or English as a second language (ESL) programs. Bilingual education programs provide curriculum instruction to students in their native language. ESL program students are taught to read, write, listen and speak in English. Beginning in fiscal year 2015, a student is limited to a maximum of six years of EL revenue.

- $\text{Basic Revenue} = \$700 \times \text{district's EL Pupil Units}$
- $\text{Concentration Revenue} = \text{EL pupils} \times \$250 \times \text{LEP Concentration factor}$

The District's Total Basic Skills Revenue will be approximately \$640,721.36 for 2017-2018.

6. Sparsity Revenue

Secondary Sparsity Revenue. Secondary Sparsity revenue provides additional revenue to geographically large districts that have relatively few secondary pupils. The formula measures Sparsity and isolation of the district and then provides additional revenue to the district using an assumption about how many pupil units are necessary to run an acceptable secondary program. The formula assumes that a district with 400 secondary pupils in average daily attendance can provide an acceptable secondary program. Therefore, a district with one high school, no matter how few pupils per square mile it has, will not receive any Sparsity aid if the district has a secondary average daily membership in excess of 400. GSL does not qualify for Secondary Sparsity Revenue.

Elementary Sparsity Revenue

A school district qualifies for elementary Sparsity revenue if it has an elementary school that is located 19 or more miles from the next nearest elementary school and has fewer than 20 pupils per elementary grade. GSL does not qualify for Elementary Sparsity Revenue.

7. Transportation Sparsity

Revenue added for the costs of providing transportation in districts with fewer than 200 pupil units per square mile. (Regular transportation funding for all district is \$282.73 per pupil unit (4.66%) of formula allowance is included in the basic formula allowance). The transportation sparsity allowance gradually increases as population density decreases, reflecting the relationship between average transportation costs and population density. The districts Sparsity revenue is \$267,980.68.11 for 2017-2018. The attendance area for the GSL district is 270.18 square miles.

$\text{Transportation Revenue} = \text{Transportation Sparsity Allowance} \times \text{Adjusted PU Density Index}$
 $\text{Density Index} = \text{Square mile area of the district/APU} - \text{but not less than .005 or more than .2}$
 $\text{Sparsity Index} = \text{the greater of .2 or the square miles/APU}$
 $\text{Transportation Sparsity Allowance} = \text{Basic Formula Allowance} \times .1469 \times \text{Sparsity index} \times \text{density index} - \text{basic formula allowance} \times .0485$

The district also receives transportation revenue for transporting non-public students within our district lines. For 2017-2018 the district will receive approximately \$106,500.00.

8. Operating Capital

Operating capital revenue replaced two former capital formulas known as equipment revenue and facilities revenue and moved the revenue stream to each district's general fund. Operating capital must be reserved and used for equipment and facility needs. Revenue Computation – Operating and capital revenue is calculated by adding a fixed dollar amount for all districts to a variable amount per pupil unit based on the age of the district's school facilities. The age index is called the maintenance cost index. (MCI)

- Operating Capital Revenue per pupil unit = \$79 + \$109 x Facilities Age Index (1.4218) x APU + \$30 x APU
- *(Note: Buildings older than 50 years are only calculated as 50 years.)*

The District will receive \$405,338.06 for capital improvements. This revenue is a combination of state aid and local levy. The state aid is \$251,300.00 and the local levy is \$143,812.00. Prior to 2004 this source of revenue was 100% state aid. Currently the local tax levy is 39%.

Capital expenditures are budgeted in the General Fund but are supported by revenue that is dedicated to this purpose. Some imbalance in the capital accounts is common because revenue and expenses are not always incurred in the same year. In addition, vehicle purchases, capital leases, and health and safety expenditures may be factored into the capital budget.

Some of the budgeted items in the operating capital budget include lease payments, technology purchases, classroom equipment, playground equipment and textbooks.

9. Equity Revenue

The State attempts to equalize the revenue a school district is able to generate. A district receives additional revenue based on comparisons with other out-state school districts. It is additional revenue for districts with Basic + Referendum revenue per pupil unit below the regional 95th percentile. The initial equity allowance for the district is \$83.50 per APU. The district also receives an additional \$50.00 per pupil unit. Equity revenue for the district will be approximately \$253,104 which has a state aid and levy component. State aid is \$74,945 and local levy is \$178,159.

10. Transition Revenue

Transition revenue is a hold-harmless provision created in 2003 to ensure that a district's FY 2004 general education revenue per old formula AMCPU (before applying the 1.0 ADM limit), excluding referendum revenue and alternative attendance adjustments, would not be less than the less of:

- The districts FY2003 general education revenue per AMCPU, excluding referendum revenue and alternative attendance adjustments, or
- The amount the district would have received per AMCPU for FY 2004 under the laws in effect before the changes enacted in 2003.

For FY 2005 and later, a district's transition revenue equals the district's FY2004 transition allowance of \$33.88 per pupil unit times the district's current year APU. The District will receive approximately \$58,321 in transition revenue. \$41,052 of this revenue is local levy and \$17,269 is state aid.

11. Pension Adjustment Revenue

Some of the changes in the school district employer-paid retirement contributions have been linked to other changes in school funding. For years prior to 2015, a school district's general education revenue is reduced by two decreases in employer contribution rates and increased by two increases in the employer contribution rate.

General Education Retirement Reduction = 1984 PERA Adjustment + 1997 TRA Adjustment – 1999 PERA Adjustment – 2007 TRA Adjustment

For 2015 and later, a district's pension adjustment revenue equals the difference between its per pupil pension adjustment for fiscal year 2014 and the statewide average adjustment for that year. GSL has a 0 dollar amount adjustment.

12. Local Optional Revenue – LOR

The 2013 Legislature created a new component of general education revenue called location equity revenue. For fiscal year 2018, local optional revenue equals \$424 per pupil for every school district. For fiscal year 2015 only, local optional revenue, formerly named location equity revenue, is equal to \$424 per pupil for any district that is partially or wholly located in the seven-county metro area and \$212 per pupil unit for any district in the rest of the state that serves at least 2,000 pupils. Local optional revenue is offset from each district's approved amount of referendum revenue, so for most districts, local optional revenue provides no direct additional revenue. Instead, local optional revenue provides space under the referendum allowance cap and provides enhanced equalization revenue for some districts. A district's per pupil referendum authority is reduced by the district's local optional revenue. Local optional revenue for the district for 2017-18 is \$729,874. \$513,756 is local levy and \$216,118 is state aid.

13. Referendum Revenue

The referendum revenue program, often referred to as the operating referendum levy or the excess operating levy, is a funding mechanism that allows a school district to obtain voter approval to increase its revenue beyond the limits set in statute. Legislature has made several changes to the program including equalizing a portion of the revenue, capping the total amount of per pupil revenue a district may have, limiting the length of time that new referendum may run and requiring referendums approved after November 1,

2001 to be spread on referendum market value instead of net tax capacity.

The 2001 Legislature greatly reduced the referendum levy beginning in fiscal year 2003. Each district's referendum revenue was reduced by \$415 per pupil unit. (A district with less than \$415 per pupil in referendum authority lost the full amount of this authority.) At the same time the referendum that was reduced increased the basic formula allowance for all districts by \$415 per pupil unit. The 2013 Legislature made a number of significant changes to referendum revenue beginning in fiscal year 2015. These changes include:

- Changing the allowance from an amount per resident marginal cost pupil unit to an amount per adjusted pupil unit. (the fiscal year 2015 conversion will keep the total dollar amount of authority the same)
- Allow a district to implement the first \$300 per pupil of referendum authority by board action.
- Create a new category of revenue called location equity revenue and allowing a board to choose to convert referendum authority to location equity revenue.
- Dividing the equalization aid into three tiers and increasing the equalization of the first tier, and
- Modifying the referendum revenue cap, and eliminating the grandfather cap.

Referendum Revenue Cap

School districts not eligible for sparsity revenue are subject to a cap on referendum revenue. For other districts, for years prior to fiscal year 2015, a district's maximum total referendum allowance is limited to 26% of the formula allowance adjusted for inflation (\$1,597 for fiscal year 2014). For those districts with authority from 1994 that were above the cap, their capped authority increased by 26% of the formula allowance of 17.7% less \$215 (instead of the \$415 subtraction that applies to other school districts whichever is greater). For fiscal year 2018 the referendum revenue cap is \$1,936.70.

Referendum Revenue Equalization

For fiscal year 2015 and later, each district's referendum revenue consists of three equalized tiers. The first tier of equalization aid is the amount up to \$300 per adjusted pupil. This has an equalizing factor of \$880,000 per pupil.

Total Referendum Revenue = Adjusted Pupil Units x Referendum Allowance

Tier 1 Revenue = the lesser of: (1) \$300 per Adj Pupil unit or (2) total referendum revenue.
Tier 1 Equalization Levy = Tier 1 Revenue X the lesser of: (1) 1; or (2) district referendum market value per pupil unit / \$880,000
Tier 1 Equalization Aid – Tier 1 Revenue – Tier 1 Equalized Levy

Tier 2 Revenue = the lesser of: (1) \$460 per Adj PU or (2) the greater of: (i) zero or (ii) the

district's referendum revenue less \$300 per Adj PU.

Tier 2 Equalization Levy = Tier 2 Revenue x the lesser of: (1) 1; or (2) districts referendum market value per pupil unit / \$510,000

Tier 2 Equalization Aid = Tier 2 Revenue – Tier 2 levy

Tier 3 Revenue = (1) the lesser of: (i) the district's referendum or (ii) an amount equal to 25% of the basic formula allowance times the district's resident pupil units less, 92) the sum of its tier 1 and tier 2 referendum revenue

Tier 3 Equalization Levy = Tier 3 Revenue x the lesser of: (1) 1; or (2) district's market value per pupil unit / \$290,000

Tier 3 Equalization Aid = Tier 3 Revenue – Tier 3 Equalized Levy

Total Referendum Equalization Aid = Tier 1 Equalization Aid + Tier 2 Equalization Aid + Tier 3 Equalization Aid

Total Referendum Levy = Total Referendum Revenue – Total Referendum Equalization Aid

2017-2018 Estimated Adj PU = 1,722.40

X \$476.88 Referendum Allowance

= \$821,378.11 Referendum Revenue

Tier 1 = \$300.00 X 1,722.40 = \$516,720.00

Tier 2 = \$176.88 X 1,722.40 = \$304,658.11

Tier 3 = \$0

FY2018

**Referendum Market Value – 735,995,730 / 2017-2018 Resident PU – 1,996.40
= \$368,661.46 RMV/RES PU**

Tier 1 Levy = \$368,661.46 / \$880,000.00 = .41893348 Levy Ratio

Tier 2 Levy = \$368,661.46 / \$510,000.00 = .72286561 Levy Ratio

Tier 1 Levy = \$516,720.00 X .41893348 = \$216,471.31 Levy Authority

Tier 2 Levy = \$304,658.11 X .72286561 = \$220,226.87 Levy Authority

Tier 3 Levy = \$0

Total Levy Authority = \$436,698.18

Tier 1 Aid = \$516,720.00 - \$216,471.31 = \$300,248.69

Tier 2 Aid = \$304,658.11 - \$220,226.87 = \$84,431.24

Total Aid = \$384,679.93

Referendum Tax Base Replacement Aid – Referendum tax base replacement aid was implemented by the 2001 Legislature as a mechanism designed to compensate school districts for the loss of agricultural land and cabin tax base. Tax base replacement aid is a frozen dollar amount based on fiscal year 2003 information. Any referendum equalization

aid earned by the school district is first offset by the referendum tax base replacement aid. The remaining equalization aid is the amount used when computing the referendum aid including open enrollment students. Referendum tax base replacement aid was made permanent by the 2003 Legislature but then eliminated by the 2013 Legislature for fiscal years 2015 and later. **The tax base replacement aid of \$37,140.52 reduces the Tier 2 Aid.**

Election Requirements – A district's general levy can be increased with the approval of the voters at a referendum called by the school board. The election must be held during the November election only, unless the election is held by mail ballot or upon approval of the Commissioner of Education, if the district is in statutory operating debt. If the election is conducted by mail ballot, it must be in accordance with state election law, and each taxpayer must receive notice by first-class mail of the election and of the proposed tax increase at least 20 days before the referendum.

Beginning in FY2015, the first \$300 per pupil levy authority may be approved by the school board and does not need voter approval.

Referendum Market Value – Referendum levies are spread on referendum market value instead of net tax capacity. Referendum market value is the market value of all property within the school district with the exception of farmland and seasonal recreational property (cabins). Also, any property with a class rate of less than 1.0 percent is taxed at its market value times its class rate.

The district's referendum authority is \$476.88 per resident pupil unit for the FY18 school year. This amount reflects the operating levy that was approved for renewal by the voters in November 2011 without the inflationary factor and after the deduction for Location Equity Revenue. This represents revenue of approximately \$818,154.40. Approximately \$436,698 is generated from a local levy and \$384,680 is referendum state aid.

Permanent School Fund – Endowment Fund

The Permanent School Fund consists of the proceeds of the lands granted to the state by the federal government for the use of schools, proceeds from swamplands granted to the state, and cash and investments credited to the fund. Most of the land granted to the state has been sold but the Department of Natural Resources still manages about 2.5 million acres of school trust land. The net proceeds from the land management activities like timber sales, mineral activities are added to the principal of the fund.

The state holds the land and accumulated revenues. Prior to fiscal year 2010, a district's general education aid was reduced by the amount that was received from the Endowment Fund. After 2010, school districts started to receive income without a deduction in state aid. The payments are paid to schools based on the school's pupil counts for pupils served. GSL will receive \$55,942 for the 2017-18 school year.

Shared Time

Shared time revenue is payments made to public schools for courses taken at the public school by nonpublic school students. The revenue equals formula allowance times the weighted full-time equivalent ADM.

Consolidation Transition Aid

Due to the consolidation with the McLeod West District, GS received consolidation transition revenue according to M.S. 123A.485. GSL received the maximum allowable per resident pupil unit under the statute of \$300,000 for FY10 and \$150,000 for FY11.

Literacy Incentive Aid

Beginning in the 2012-2013 school year, schools will be eligible for additional aid based on how well students in the third grade read (called "Proficiency Aid"), and how much progress is being made between the third and fourth grades in reading skills (called "Growth Aid"). Proficiency aid is calculated by multiplying \$85 times the average percentage of students in a school that meet or exceed proficiency over the current year and previous two years on the third grade reading portion of the MCA's, multiplied by the number of students enrolled at the school in the previous year. Similarly, Growth aid is calculated by multiplying \$85 times the percentage of students that make medium or high growth on the fourth grade MCA's multiplied by the previous year's student count. (124D.98) Estimated revenue for GSL for the 2017-18 school year is \$76,933.00.

Teacher Evaluation Aid

For fiscal year 2015 only, districts will receive additional funding to assist with the development of a teacher evaluation system. The formula is \$302 X the number of staff required to hold a license as of 10/1/2013. GSL received \$35,757.30. GSL ended FY17 with a reserved balance of \$23,403.00. The focus of this money for GSL has been used for the mentor/mentee program for new staff.



General Education Program Revenue

General education revenue is a combination of several revenue categories that provide the major share of funding for school districts. Most of the general education revenue is for the general operation of the school district and is not designated by the state for a specific purpose. General education revenue is part aid and part levy. The basic general education formula for 2017-2018 is \$6,188 per pupil unit.

The following reserves are taken out of the General Education Revenue and can only be used for allowable expenditures in that area or must be set up in a reserved account.

Basic Skills
Operating Capital
Learning & Development

Gifted and Talented
Long Term Facility Maintenance
Staff Development

Glencoe-Silver Lake – General Education Program Revenue 2017-2018

Number of Adjusted Pupil Units	1,721 (12/1/17)
Basic Revenue	\$6,797.72
Declining Enrollment	\$12.58
Gifted and Talented	\$14.28
Basic Skills	\$375.97
English Learner	\$32.92
Transportation Sparsity	\$171.02
Equity	\$161.52
Transition	\$37.22
Operating Capital	\$258.67
Location Equity	\$465.78
Referendum	\$523.87
Alternative Attendance Adjustment	\$0
Pension Adjustment -	\$0
Total	\$8,851.54 per Adjusted ADM \$8,057.60 per Adjusted Pupil Unit

Other Funding Categories

Health and Safety Levy

The district will receive \$4,166.17 in Health and Safety levy revenue for the 2017-2018 school year as part of the phasing out of the Health and Safety revenue that is generated by local levy. This funding category is now combined into the new Long Term Facilities Maintenance beginning with the Pay 2016 Levy.

Safe Schools Levy

This is a levy funding component only that is used to pay for police officer liaisons, drug abuse prevention program, security, crime prevention, and student and staff safety. For GSL for 2017-2018 this amount is \$65,910.96.

Special Education

Districts receive funding to recognize a portion of the additional costs of providing required services to students with a disability. Special education revenue for a district is calculated by multiplying special education initial revenue by the statewide adjustment factor.

This budget is based on the projections from the Minnesota Department of Education (MDE) by using the most current district data from the previous year provided through the MARRS system and the special education EDRS system. MDE does the calculations for the tuition billing process that reduces aid to a district that owes money to another district for special education services and increases aid to districts that provide services to another district. GSL will receive approximately \$1,700,000 in State special education revenue.

In addition, the school district is eligible for federal special education revenue that flows through the Southwest West Central Service Cooperative and then to the district. The

federal funds are used to pay for the districts fees and services provided directly from the Cooperative. Remaining dollars may be used to pay for district staff or supplies and equipment that qualify for federal funds and that are not being paid for with State Special Education Funds. The 2017-2018 federal entitlement dollars for GSL is \$309,000.00.

Career and Technical Levy

Categorical aid for secondary vocational programs expired in 2001-02 but has been replaced with levy authority. The aid has been replaced with a local levy authorization. Beginning with the 2014-2015 school year, Career and technical revenue is now equalized between levy and state aid.

Career and Technical Revenue = $.35 \times \text{Approved Program Expenditures}$

Career and Technical Levy = Career and Technical Revenue $\times$ District's ANTC per pupil unit / \$9,002.11. Total levy limit is \$60,864.00.

The District will generate approximately \$423,644.48 levy authority after adjustments in secondary career and technical revenue for the 2017-2018 school year and \$0 in State Aid.

Short Term Debt

The district held a short term lease with the Glencoe Light and Power Company for the installation of the lights at the football stadium. The district set up a new 5 year lease agreement with Glencoe Light and Power for \$50,000 for the installation of the new lights at the tennis court complex. The district had a commitment from the Panther Association for \$60,000 towards the lighting project and will be making payments to the school district to cover the cost of this project. As of November of 2017, \$55,000 has been paid. The final lease payment is due in July of 2019 but the district will consider paying the remainder of the lease by June 30th, 2018.

Property Taxes

The School District Levy, 2016 Payable 2017 is levy that is approved in 2016 for taxes payable by property owners in 201 for Revenue for the 2017-2018 school year. The levy is broken down into two parts; Voter approved levies and Other Local Levies. Voter approved levies would consist of Referendum Operating levies which are taxed on referendum Market Values and Debt Service Levies which are taxed on Net Tax Capacity Values or all land parcels.

Other levies include Operating Capital, Community Education, Health and Safety, ECFE, Safe Schools, Deferred Maintenance, LTFM, Career and Technical, Reemployment, Equity and Building/Land Leases. These levy categories are taxed on Net Tax Capacity. Tax levies are based on state-determined formulas. Some tax levy increases are revenue neutral which is offset by a reduction in state aid.

Property Valuations

Market Values		% Growth
2006 Market Values	\$939,228,662	12.0%
2007 Market Values	\$1,003,511,534	6.8%
2008 Market Values	\$1,250,991,202	25%
2009 Market Values	\$1,422,493,700	13.7%
2010 Market Values	\$1,310,306,038	-7.89%
2011 Market Values	\$1,281,790,800	-2.176%
2012 Market Values	\$1,302,647,400	1.627%
2013 Market Values	\$1,453,758,600	11.6%
2014 Market Values	\$1,635,174,762	12.4%
2015 Market Values	\$1,659,959,700	1.52%
2016 Market Values	\$1,591,831,800	-4.10%
Referendum Market Values		
2006 RMV	\$645,943,900	11.0%
2007 RMV	\$699,372,200	8.3%
2008 RMV	\$801,886,918	15%
2009 RMV	\$810,315,540	1.05%
2010 RMV	\$763,299,695	-5.8022%
2011 RMV	\$741,795,340	-2.817%
2012 RMV	\$705,710,810	-4.864%
2013 RMV	\$692,394,215	-1.88%
2014 RMV	\$707,535,785	2.19%
2015 RMV	\$735,995,730	4.02%
2016 RMV	\$767,609,675	4.30%
Net Tax Capacity		
2006 NTC	\$8,694,412	
2007 NTC	\$9,171,676	

2008 NTC	\$11,345,329	24%
2009 NTC	\$12,651,068	11.5%
2010 NTC	\$11,575,799	-8.5%
2011 NTC	\$11,268,273	-9.439%
2012 NTC	\$11,409,812	1.256%
2013 NTC	\$12,652,791	11.0%
2014 NTC	\$13,985,986	10.54%
2015 NTC	\$14,240,026	1.82%
2016 NTC	\$13,946,204	-2063%
Adjusted Net Tax Capacity		
2006 ANTC	\$11,366,532	
2007 ANTC	\$11,431,081	
2008 ANTC	\$14,901,539	30%
2009 ANTC	\$14,831,656	-.47%
2010 ANTC	\$11,023,072	-25.678%
2011 ANTC	\$11,486,375	.89%
2012 ANTC	\$11,740,207	4.0143%
2013 ANTC	\$13,391,738	14%
2014 ANTC	\$15,388,205	14.9%
2014 AG Modified ANTC	\$10,825,615	
2015 ANTC	\$13,441,976	-12.65%
2015 AG Modified ANTC	\$9,939,477	
2016 ANTC	\$13,853,320	3.06%
2016 AG Modified ANTC	\$10,549,015	

** Market Values – Includes all property

** Referendum Market Values – Excludes Ag Land and Seasonal Property

**Net Tax Capacity – Taxable Market Values x Class Rates

**ANTC – NTC/Sales Ratio of 98.1% (Sales Ratio compares actual sales to assessed values)

***2008 Values increased because of the consolidation with McLeod West

The property values changed substantially because of the consolidation with McLeod West effective July 1, 2009. By increasing the property tax base of the district, the levy increased from Pay 2009 to Pay 2010. Because of the increase in property tax base the additional levy is spread on more property therefore decreasing the overall tax rate for the net tax capacity levies. The end result for the referendum market value rates did not see as much of a change because of the exclusion of the agriculture land. The majority of the tax base that the GSL district absorbed included the City of Brownnton.

2011 Law Change: The 2011 Legislature repealed the Homestead Market Value Credit and replaced it with the Homestead Market Value Exclusion. This change is impacting the property taxes on all homesteaded and non-homesteaded property for Pay 2012. The Homestead Market Value Exclusion excludes from taxation 40% of the value on the first \$76,000 of a property's value. The amount excluded is reduced as the value rises above \$76,000 (the exclusion reduction is equal to 9% of the value above \$76,000. Homesteads that exceed \$413,800 in value will receive no homestead exclusion.

The impact of the change will vary for each property. The new "homestead exclusion" is going to mean higher property taxes for most property owners, even if property tax levies adopted by local governments do not increase.

Levy Limitation and Certification Summary
Revenue for the 2011-2012 and 2012-2013 and
Revenue for the 2013-2014 Fiscal Year and 2014-2015

Levy Category	Actual Levy Payable 2011	Actual Levy Payable 2012	Actual Levy Payable 2013	Actual Levy Payable 2014
	Revenue for FY12	Revenue for FY13	Revenue for FY14	Revenue for FY15
RMV Voter – Referendum	\$1,203,630.82	\$1,328,626.96	\$1,154,447.13	\$373,598.98
General RMV Equity/Transition	\$189,313.95	\$173,434.93	\$179,434.93	\$712,913.94
General -NTC				
Student Achievement				\$41,090.72
Operating Capital	\$289,494.72	\$260,550.00	\$242,855.62	\$190,663.49
Reemployment	-\$3,863.88	\$40,596.20	\$24,517.67	\$20,000.00
Safe Schools	\$60,465.79	\$36,619.00	\$58,174.50	\$62,232.30
Career and Technical	\$25,162.85	\$35,604.00	\$29,815.54	\$29,459.45
Health and Safety	\$68,246.65	\$39,387.00	\$126,915.69	\$81,099.72
Deferred Maintenance	\$122,717.40	\$121,010.00	\$116,349.00	\$110,338.20
Building Lease				\$160,792.60
Debt Service Adjustment				
Abatement Adjustment	\$-2,968.43	\$2,760.32	\$-2,416.63	\$
Total General NTC	\$559,255.10	\$536,531.52	\$596,211.39	\$695,676.48
Community Service				
Community Ed	\$103,332.20	\$103,428.10	\$103,428.10	\$103,428.10
ECFE	\$51,428.77	\$43,317.70	\$46,157.54	\$47,754.70
Home Visiting	\$1,395.20	\$1,267.20	\$1,121.60	\$1,091.20
School Age Care	\$12,500.00	\$12,500.00	\$12,500	\$12,500.00
Abatement Adjustment	\$-124.09	\$219.31	\$-76.93	\$
Total Community Service	\$168,532.08	\$160,732.31	\$163,130.31	\$164,774.00
General Debt Service – Non-Voter Approved MW	\$226,797.97	\$215,261.00	\$230,545.68	\$0
Total Pay Levy	\$2,347,529.92	\$2,414,586.72	\$2,323,663.11	\$1,946,963.40

Levy Limitation and Certification Summary
2011 Payable 2012
Revenue for the 2012-2013 Fiscal Year

Levy Category	Actual Levy Payable 2011	Proposed Levy Payable 2012	Actual Levy Payable 2012	Change over 2011
RMV Voter – Referendum	\$1,203,630.82	\$1,328,626.96	\$1,328,626.96	\$124,996.14
General RMV Equity/Transition	\$189,313.95	\$173,434.93	\$173,434.93	\$-15,879.02
General -NTC				
Operating Capital	\$289,494.72	\$260,550.00	\$260,550.00	\$-28,944.72
Reemployment	-\$3,863.88	\$65,596.20	\$40,596.20	\$44,460.08
Safe Schools	\$60,465.79	\$61,619.00	\$36,619.00	\$-23,846.79
Career and Technical	\$25,162.85	\$35,604.00	\$35,604.00	\$10,441.15
Health and Safety	\$68,246.65	\$88,297.00	\$39,387.00	\$-28,859.65
Deferred Maintenance	\$122,717.40	\$121,010.00	\$121,010.00	\$-1,707.40
Building Lease				
Debt Service Adjustment				
Abatement Adjustment	\$-2,968.43	\$2,760.32	\$2,760.32	\$5,728.75
Total General NTC	\$559,255.10	\$635,436.52	\$536,531.52	\$-22,723.58
Community Service				
Community Ed	\$103,332.20	\$103,428.10	\$103,428.10	\$95.90
ECFE	\$51,428.77	\$43,317.70	\$43,317.70	\$-8,111.07
Home Visiting	\$1,395.20	\$1,267.20	\$1,267.20	\$-128.00
School Age Care	\$12,500.00	\$25,000.00	\$12,500.00	0
Abatement Adjustment	\$-124.09	\$219.31	\$219.31	\$343.40
Total Community Service	\$168,532.08	\$173,232.31	\$160,732.31	\$-7,799.77
General Debt Service – Non-Voter Approved MW	\$226,797.97	\$215,261.00	\$215,261.00	\$-11,536.97
Total Pay Levy	\$2,347,529.92	\$2,525,991.72	\$2,414,586.72	\$67,056.80

Levy Limitation and Certification Summary
2012 Payable 2013
Revenue for the 2013-2014 Fiscal Year

Levy Category	Actual Levy Payable 2012	Proposed Levy Payable 2013	Actual Levy Payable 2013	Change over 2012
RMV Voter – Referendum	\$1,328,626.96	\$1,154,447.13	\$1,154,447.13	\$-174,179.83
General RMV Equity/Transition	\$176,434.93	\$179,328.60	\$179,328.60	\$2,893.67
General -NTC				
Operating Capital	\$260,550.00	\$242,855.62	\$242,855.62	\$-17,694.38
Reemployment	\$40,596.20	\$24,517.67	\$24,517.67	\$-16,078.53
Safe Schools	\$36,619.00	\$58,174.50	\$58,174.50	\$21,555.50
Career and Technical	\$35,604.00	\$29,815.54	\$29,815.54	\$-5,788.40
Health and Safety	\$39,387.00	\$126,915.69	\$126,915.69	\$87,528.69
Deferred Maintenance	\$121,010.00	\$116,349.00	\$116,349.00	\$-4,661.00
Building Lease				
Debt Service Adjustment				
Abatement Adjustment	\$2,765.32	\$-2,416.63	\$-2,416.63	\$5,182.01
Total General NTC	\$536,531.52	\$596,211.39	\$596,211.39	\$59,679.87
Community Service				
Community Ed	\$103,428.10	\$103,428.10	\$103,428.10	\$0
ECFE	\$43,317.70	\$46,157.54	\$46,157.54	\$2,839.84
Home Visiting	\$1,267.20	\$1,121.60	\$1,121.60	\$-145.60
School Age Care	\$12,500.00	\$12,500.00	\$12,500.00	\$0
Abatement Adjustment	\$219.31	\$-76.93	\$-76.93	\$-296.24
Total Community Service	\$160,732.31	\$163,130.31	\$163,130.31	\$2,398.00
General Debt Service – Non-Voter Approved MW	\$215,261.00	\$230,545.68	\$230,545.68	\$15,284.68
Total Pay Levy	\$2,414,586.72	\$2,323,663.11	\$2,323,663.11	\$-90,923.61

Levy Limitation and Certification Summary
2013 Payable 2014
Revenue for the 2014-2015 Fiscal Year

Levy Category	Actual Levy Payable 2012	Actual Levy Payable 2013	Actual Levy Payable 2014	Change over 2013
RMV Voter – Referendum	\$1,328,626.96	\$1,154,447.13	\$373,598.98	\$-780,848.15
General RMV Equity/Transition	\$176,434.93	\$179,328.60	\$712,913.94	\$533,585.34
General -NTC				
Student Achievement			\$41,090.72	\$41,090.72
Operating Capital	\$260,550.00	\$242,855.62	\$190,663.49	\$-52,191.13
Reemployment	\$40,596.20	\$24,517.67	\$20,000.00	\$-4,517.67
Safe Schools	\$36,619.00	\$58,174.50	\$62,232.30	\$4,057.80
Career and Technical	\$35,604.00	\$29,815.54	\$29,459.45	\$-356.09
Health and Safety	\$39,387.00	\$126,915.69	\$81,099.72	\$-45,815.97
Deferred Maintenance	\$121,010.00	\$116,349.00	\$110,338.20	\$-6,010.80
Building Lease			\$160,792.60	\$160,792.60
Debt Service Adjustment				
Abatement Adjustment	\$2,765.32	\$-2,416.63	\$0	\$2,416.63
Total General NTC	\$536,531.52	\$596,211.39	\$695,676.48	\$99,465.09
Community Service				
Community Ed	\$103,428.10	\$103,428.10	\$103,428.10	\$0
ECFE	\$43,317.70	\$46,157.54	\$47,754.70	\$1,597.16
Home Visiting	\$1,267.20	\$1,121.60	\$1,091.20	\$-30.40
School Age Care	\$12,500.00	\$12,500.00	\$12,500.00	\$0
Abatement Adjustment	\$219.31	\$-76.93	\$	\$76.93
Total Community Service	\$160,732.31	\$163,130.31	\$164,774.00	\$1,643.69
General Debt Service – Non-Voter Approved MW	\$215,261.00	\$230,545.68	\$0	\$-230,545.68
Total Pay Levy	\$2,414,586.72	\$2,323,663.11	\$1,946,963.40	\$-376,699.71

Levy Limitation and Certification Summary
2014 Payable 2015
Revenue for the 2015-2015 Fiscal Year

Levy Category	Actual Levy Payable 2013	Actual Levy Payable 2014	Actual Levy Payable 2015	Change over 2014
RMV Voter – Referendum	\$1,154,447.13	\$373,598.98	\$403,482.26	\$29,883.28
General RMV Equity/Transition	\$179,328.60	\$712,913.94	\$675,933.05	\$-36,980.89
General -NTC				
Student Achievement		\$41,090.72	\$44,192.74	\$3,102.02
Operating Capital	\$242,855.62	\$190,663.49	\$216,186.54	\$25,523.05
Reemployment	\$24,517.67	\$20,000.00	\$5,282.00	\$-14,718.00
Safe Schools	\$58,174.50	\$62,232.30	\$63,151.20	\$918.90
Career and Technical	\$29,815.54	\$29,459.45	\$71,935.15	\$42,475.70
Health and Safety	\$126,915.69	\$81,099.72	\$31,386.72	\$-49,713.00
Deferred Maintenance	\$116,349.00	\$110,338.20	\$109,774.00	\$-564.20
Building Lease		\$160,792.60	\$160,792.60	\$0
Debt Service Adjustment				
Abatement Adjustment	\$-2,416.63	\$0	\$1,794.00	\$1,794.00
Total General NTC	\$596,211.39	\$695,676.48	\$704,494.95	\$1,720.86
Community Service				
Community Ed	\$103,428.10	\$103,428.10	\$103,428.10	\$0
ECFE	\$46,157.54	\$47,754.70	\$49,931.77	\$2,177.07
Home Visiting	\$1,121.60	\$1,091.20	\$995.20	\$-96.00
School Age Care	\$12,500.00	\$12,500.00	\$10,000.00	\$-2,500.00
Abatement Adjustment	\$-76.93	\$	\$195.57	\$195.57
Total Community Service	\$163,130.31	\$164,774.00	\$164,550.64	\$-223.36
General Debt Service – Non-Voter Approved MW	\$230,545.68	\$0	\$0	\$0
Total Pay Levy	\$2,323,663.11	\$1,946,963.40	\$1,948,460.90	\$1,497.50

Levy Limitation and Certification Summary
2015 Payable 2016
Revenue for the 2015-2016 Fiscal Year

Levy Category	Actual Levy Payable 2014	Actual Levy Payable 2015	Actual Levy Payable 2016	Change over 2015
RMV Voter – Referendum	\$373,598.98	\$403,482.26	\$450,681.76	\$47,199.50
General RMV Equity/Transition	\$712,913.94	\$675,933.05	\$658,069.32	\$-17,863.76
General -NTC				
Student Achievement	\$41,090.72	\$44,192.74	\$46,064.62	\$1,971.88
Operating Capital	\$190,663.49	\$216,186.54	\$245,049.91	\$28,863.37
Reemployment	\$20,000.00	\$5,282.00	\$2,657.06	\$-2,624.94
Safe Schools	\$62,232.30	\$63,151.20	\$60,218.70	\$-2,932.50
Career and Technical	\$29,459.45	\$71,935.15	\$72,371.13	\$435.98
Health and Safety	\$81,099.72	\$31,386.72	\$19,872.91	\$-11,513.81
Deferred Maintenance	\$110,338.20	\$109,774.00	\$(5,015.40)	\$-114,789.40
Building Lease	\$160,792.60	\$160,792.60	\$160,792.60	\$0
Long Term Facilities Maint			\$486,588.91	\$486,588.91
Abatement Adjustment	\$0	\$1,794.00	\$200.24	\$-1,593.76
Total General NTC	\$695,676.48	\$704,494.95	\$1,088,900.68	\$384,405.73
Community Service				
Community Ed	\$103,428.10	\$103,428.10	\$103,428.10	\$0
ECFE	\$47,754.70	\$49,931.77	\$52,221.42	\$2,289.65
Home Visiting	\$1,091.20	\$995.20	\$942.40	\$-52.80
School Age Care	\$12,500.00	\$10,000.00	\$10,000	\$0
Abatement Adjustment	\$	\$195.57	\$95.74	\$-99.83
Total Community Service	\$164,774.00	\$164,550.64	\$166,687.66	\$2,137.02
General Debt – Building Bond	\$0	\$0	\$1,400,098.05	\$1,400,390.50
Abatement			\$292.45	\$292.45
Total Pay Levy	\$1,946,963.40	\$1,948,460.90	\$3,764,729.92	\$1,816,269.02

Levy Limitation and Certification Summary
2016 Payable 2017
Revenue for the 2016-2017 Fiscal Year

Levy Category	Actual Levy Payable 2016		Actual Levy Payable 2017		Change over 2016
RMV Voter – Referendum	\$450,681.76		\$422,758.76		-\$27923.00
General RMV Equity/Transition	\$658,069.32		\$706,707.41		\$48,638.09
General -NTC					
Student Achievement	\$46,064.62		\$18,818.77		-\$27,345.85
Operating Capital	\$245,049.91		\$143,812.64		-\$101,237.27
Reemployment	\$2,657.06		-\$9,476.62		-\$12,133.68
Safe Schools	\$60,218.70		\$65,910.96		\$5,692.26
Career and Technical	\$72,371.13		\$43,644.48		-\$28,726.65
Health and Safety	\$19,872.91		\$24,039.08		\$4,166.17
Deferred Maintenance	\$(5,015.40)		-\$3,210.24		\$1,805.16
Building Lease	\$160,792.60		\$160,792.60		\$0
Long Term Facilities Maint	\$486,588.91		\$416,792.79		-\$69,796.12
Abatement Adjustment	\$200.24		\$473.41		\$273.17
Total General NTC	\$1,088,900.68		\$861,597.87		-\$22,302.81
Community Service					
Community Ed	\$103,428.10		\$103,428.10		\$0
ECFE	\$52,221.42		\$44,036.72		-\$8,184.70
Home Visiting	\$942.40		\$747.01		-\$195.39
School Age Care	\$10,000		\$10,000.00		\$0
Abatement Adjustment	\$95.74		\$64.82		-\$30.92
Total Community Service	\$166,687.66		\$158,276.65		-\$8,411.01
General Debt – Building Bond	\$1,400,098.05		\$1,401,632.00		\$1533.95
Abatement	\$292.45		-\$108.77		-\$401.22
Total Pay Levy	\$3,764,729.92		\$3,550,863.92		-\$213,866.00

Levy Limitation and Certification Summary
2017 Payable 2018
Revenue for the 2018-2019 Fiscal Year

Levy Category	Actual Levy Payable 2017		Actual Levy Payable 2018		Change over 2017
RMV Voter – Referendum	\$422,758.76		\$452,070.65		\$29,311.89
General RMV Equity/Transition	\$706,707.41		\$798,568.77		\$91,861.36
General -NTC					
Student Achievement	\$18,818.77		\$0		-\$18,818.77
Operating Capital	\$143,812.64		\$131,315.32		-\$12,497.32
Reemployment	-\$9,476.62		\$2,971.16		\$12,447.78
Safe Schools	\$65,910.96		\$62,722.80		-\$3,188.16
Career and Technical	\$43,644.48		\$50,003.69		\$6,359.21
Health and Safety	\$24,039.08		\$0		-\$24,039.08
Deferred Maintenance	-\$3,210.24		-\$2,809.60		\$400.64
Building Lease	\$160,792.60		\$160,792.60		\$0
Long Term Facilities Maint	\$416,792.79		\$442,797.25		\$26,004.46
Abatement Adjustment	\$473.41		\$6,671.67		\$6,198.26
Total General NTC	\$861,597.87		\$854,464.89		-\$22,302.81
Community Service					
Community Ed	\$103,428.10		\$103,428.10		\$0
ECFE	\$44,036.72		\$43,183.72		-\$853.00
Home Visiting	\$747.01		\$799.85		\$52.84
School Age Care	\$10,000.00		\$10,000		\$0
Abatement Adjustment	\$64.82		\$631.55		\$566.73
Total Community Service	\$158,276.65		\$158,043.22		-\$233.43
General Debt – Building Bond	\$1,401,632.00		\$1,403,522.00		\$1,890.00
Abatement	-\$108.77		\$		\$108.77
Total Pay Levy	\$3,550,863.92		\$3,666,669.53		\$115,805.61

The board voted to under levy the Pay 2018 by \$250,000 to reduce the tax impact on taxpayers.

Abatement Aid **

Abatement adjustments occur when the tax capacity of the school district is lowered after the property taxes for the year have been spread by the county auditor. If a school district qualifies for an abatement adjustment, the district receives an aid payment from the state. The formula is used to compensate districts for the loss of tax base with additional state aid payments for the levy portion related to the school levy.

Assumptions – 2017-2018 – December 2017

The budget was developed based on a series of assumptions that reflect the administration's best estimate of the variables that impact revenue and expenditures for the district.

1. Enrollment

- Membership (ADM) – 1,567
- Weighted Pupils -- 1,721.40 Adj Pupil Units

2. Funding Per AMCPU

- Basic \$6,188.00

3. Funding Per RMCPU

- Referendum \$476.88
- Resident Marginal Cost Pupil Units – 2,050.20

4. Federal Programs – Title, Migrant, Special Ed -- \$530,696

5. Interest Earnings --

- Increased due to slight increase in rates

6. Laws Impacting Budget

- Compensatory Funds
- Operating Capital
- Learning and Development
- Staff Development Set aside
- Operating Capital/Technology Funds

7. Expenditure Increases

- Salary and Benefits -- Per contract settlements
- Health Insurance --
- Supplies, equipment, contracted services –Based on 2017 actual expenses and known contracts
- Utilities --
 - Electricity/Natural Gas
 - Water and Sewer
 - Transportation

8. Building Project

- Facility Maintenance Projects

FOOD SERVICE

FUND 02

The Food Service Fund is a self supporting activity with no property tax levy authority and minimal state aid. The fund is supported primarily from federal funds and local sales to students and adults. Participation in the school food service program drives the revenue streams for the district. As enrollment declines, lunch participation experiences a similar decrease. Therefore, food service programs face a major challenge to continue to operate in the black.

Capital expenditures may be made from the Food Service fund only if (1) the food service fund year-end unreserved fund balance is greater than the cost of the equipment to be purchased, and (2) prior approval has been obtained from the Minnesota Department of Education. (This requirement was repealed with the 2012 legislative session)

If a deficit in the food service fund exists on June 30th, and if that deficit is not eliminated by operations during the following year, it must then be eliminated by a permanent fund transfer from the General Fund. When a district contracts with a food service management company during the period in which the deficit accrued, the deficit must be eliminated by a payment from the food service management company.

The school district shall limit its fund balance amount that does not exceed 3 months average expenditures for its school food service. This amount is calculated using nine months as a service year.

The food service budget is developed by the food service management company with direct input from the Business Manager.

The 2017-2018 original food service budgets include the following assumptions:

Revenue:

Student Participation: Consistent with 2016-2017 levels.

Meal prices: Had remained the same from the 2006-2007 school year through the 2010-2011 school year. Due to new Federal requirement changes lunch prices were increased by .05 for the 2011-2012 school year and .10 for the 2012-2013 school year and .10 for the 2013-2014 and .10 for the 2014-2015 and .10 for the 2015-2016 and .10 for the 2016-2017 and .10 for the 2017-2018 school year due to Federal funding mandates.

	<u>Breakfast</u>	<u>Lunch</u>	<u>Milk break/carton</u>
Elementary Students	Free	\$2.60	\$ 50.00 (.40)
Secondary Students	Free	\$2.80	.40
Adult	\$1.65	\$3.80	.40

The district continues to offer a free breakfast program for all K-12 students for the 2017-2018 school year.

Schools are eligible to receive 55 cents for each fully paid breakfast and 30 cents for each reduced price breakfast served in state aid. Districts that receive school breakfast aid must provide breakfast without charge to those students eligible for free and reduced price meals. Federal reimbursements for breakfast are .30 cents for a paid breakfast, 1.45/1.79 for reduced breakfast and 1.75/2.09 for each free breakfast served. (/\$\$ is for severe need breakfasts served).

All Kindergarten students are reimbursed at 1.60 per meal.

Schools are eligible to receive 12.5 cents of state funding for each paid lunch served, 52.5 cents for each reduced lunch served and .125 for each free lunch served. All reduced student meals are provided at no charge.

Federal reimbursement rates are .31 cents for a paid lunch, 2.58. for a reduced lunch and 2.98 free lunch served. Those amounts include the "extra six cents" that was approved in 2013. Kindergarten milk is reimbursed at .20 and .2075 for pre-school milk.

Afterschool snack program is reimbursed at .08 per paid snack, .44 per reduced snack and .88 per free snack.

Expenditures:

The 2016-2017 showed an ending food service fund balance of \$254,003 compared to \$173,477 on June 30th, 2016. The district contracts with Chartwell's Food Service for operation of the food service program. The 2017-2018 school year is the 8th year that the district has sub-contracted with Chartwell's.

During the 2009-2010 school year, the district offered free breakfast to students that were taking the State MCA tests in grades 3-11 during April and May of 2010. Because of the success of the trial period and the healthy fund balance that we have, the board of education approved offering free breakfast to students in grades K-12 and has continued with that program.

Because of the reimbursement rates from the State and Federal breakfast program and the projection of participation numbers we felt that we would be able to offer this program with at least a small margin of profit or at least be at a breakeven point. The goal of the Administration is to make sure that all students have the opportunity to have a free breakfast and by offering breakfast gives students a better chance of being successful throughout the day.

Beginning in January of 2013 the district started to offer an after school snack program for students in grades 7-12 that stay after school for any type of after school activity. This could be athletics, Knowledge Bowl, One-Act Play, Robotics, Art Club, Mock Trial and Homework Club. The snack is served in the cafeteria from 3:10 until 3:30. The students are able to purchase the snack for \$1.10. Students that qualify for free or reduced meals are eligible for a free snack. This snack is part of the National School

Lunch Program and will therefore be eligible for reimbursement from the State. The reimbursement rates are .07 for paid snacks, .42 for reduced and .84 for free.

As part of the building bond construction project, a new kitchen and serving areas were constructed to provide meals to K-2 grades and 7-12 grades. One kitchen was designed to be utilized for the food prep for the above mentioned grades. The Elementary and the Secondary each have a separate serving area but share a common dish room.

During the summer of 2011, we replaced the walk-in freezer cooler, the dishwasher and the stove at the Lakeside Elementary building. The cost of these replacements was \$68,113. Additional upgrades will continue at the Lakeside site as needed.

Federal/State law requires that school districts that sub-contract with a food service management company must go out for bids for that service every three years. The GSL district accepted bids in March of 2017 for the following three years. The new contract was awarded to Chartwell's.

COMMUNITY SERVICES

FUND 04

The Community Services Fund is established in a district that provides services to residents in the areas of Adult Literacy, Early Childhood Family Education, School Readiness, extended day programs, enrichment programs for youth and adults, driver education, recreation and similar services. Non-public textbook and pre-school screening services are also provided through the community education fund.

Effective with the 2009-2010 audit, it was the recommendation of the auditors that approximately 80% of the operating budget for the field house operations be moved to fund 4 for community services. Because the membership fees and daily use fees are tuition based it needs to be recognized in fund 04 and not in the general fund. The field house is also utilized by the school's physical education classes and athletics, a portion of the operating costs is still recognized in the general fund.

Community Education is funded primarily from local levies and tuition based programs. The levy limitation is based on the 2010 census information of 13,026 for the GSL School District. All the components of Community Service have a different levy authority.

Fund 04 is broken out into the following areas and sub-categories:

Community Education

- Drivers Education

- Community Ed = $\$5.42 \times 13,026$ General Levy Authority
 - Classes
 - Trips
 - Aquatics
- Field House
- Adult Basic Education
- Recreation
- School Age Care
- After School Enrichment - $\$1.85 \times 10,000 + .43 \times 3,026$
- Youth Services - $\$1.00 \times 13,026$

Early Childhood Family Education – ECFE

- Home Visiting - $\$3.00 \times 594$ (Est [population under 5])
- The 2017-2018 ECFE allowance is $\$139.54 \times 594$. The formula is now linked to the General Education formula allowance. So, if the General formula allowance increases, the ECFE formula allowance automatically sees an increase.

School Readiness – No Levy

Non-Public

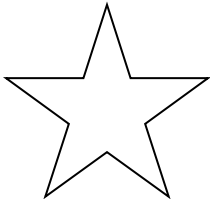
- **Health**
- **Textbook Aid**
- **Counseling**

Pre-School Screening

The following graph shows the revenue and expenditure budget for fund 04 for 2017-2018 with the breakdowns of the different areas within the fund 04 budget.

2017-2018 Fund 04 Budget

	Revenues	Expenditures
General Community Ed	\$70,669	\$106,155
Field House	\$105,000	\$105,145
Drivers Ed	\$1,600	
Recreation	\$131,000	\$132,433
Aquatics	\$13,000	\$11,300
School Age Care	\$95,000	\$75,367
School Age Care Disabled	\$10,000	\$10,000
After School Enrichment	\$19,801	\$13,565
Youth Services	\$13,026	\$10,519
Classes	\$20,000	\$11,250
Trips		
Adult Basic Education	\$51,410	\$51,000
ECFE	\$84,247	\$84,448
Home Visiting	\$1,779	\$1,779
School Readiness & Pathways	\$165,265	\$164,755
Pre-School Screening	\$3,819	\$8,510
Non-Public Aid	\$19,000	\$20,056
TOTALS	\$804,616	\$806,282



DEBT SERVICE **FUND 07**

- After two failed building referendums in 2011, the school board voted to hold a special election on May 12th, 2015 asking the voters to approve a building bond referendum for \$24,190,000.00. The ballot question was to authorize the district to issue bonds to provide funds to relocate grades K-2 to the existing Lincoln building, repurpose current program space, construction of new space between the current Lincoln and High school buildings and to complete window upgrades at the Lakeside building. The election was successful with 1,534 yes votes and 908 no votes. The election was successful in the Brownton, Glencoe, Plato and Silver Lake precincts and failed in the New Auburn precinct. The district worked with ARY Architects to design the project.
- 🌈 The district sold the bonds on July 13, 2015 with a closing date of August 13, 2015 in the amount of \$23,695,000.00 with a bond obligation of 29.5 years. \$24,111,933.79 was wired to Security Bank on behalf of the district and was invested in a guaranteed money market investment account at .77% earnings. Ehlers and Associates was the financial institute that handled the sale of the bonds. All transactions related to the building project will be accounted for in Fund 06, Building Construction Fund to be in compliance with State, Federal and UFARS accounting procedures. All arbitrage

reporting will be handled with The PFM Group, Minneapolis. An agreement has been established with PFM to complete the reporting requirements and meet the required deadlines for reporting.

- ✚ At the September 14th 2015 school board meeting, the board moved forward with hiring Donlar Construction to act as the Construction Manager to work in collaboration with ARY Architects in overseeing the bidding and construction process.
- ✚ At the September 14th, 2015 school board meeting, the board also held a public hearing and approved a motion to move forward with the sale of the Helen Baker Building.
- ✚ At the close of FY17, June 30th, \$134,611 was received in interest revenues and \$16,620,063 was spent on the project.
- ✚ The new construction was completed for the start of the 2017-2018 school year with punch list items being taken care after school was started.

TRUST-SCHOLARSHIP

FUND 08

With the consolidation of the McLeod West District, the GSL District is now the custodian of the former McLeod West Scholarship Fund. This fund relates to the Delores Irvin Scholarship, the Ted Damask Scholarship and various donations by organizations for scholarship awards. These funds are in a trust fund where the district only serves as the custodian of these funds. The funds cannot be used for the direct operations of the school district or any debt owed by the district and may only be used for the purpose of intent set forth by the donor.

The June 30, 2017 audited financial statement accounted for the following balances in the scholarship funds.

Delores Ervin - \$935,450

Ted Damask - \$5,668

Miscellaneous - \$6,107

STUDENT ACTIVITY ACCOUNTING

FUND 10 AND FUND 21 ACCOUNTS

The Glencoe-Silver Lake School district also operates student activity accounts that are not under board control but must meet and follow the Manual for the Uniform Financial Accounting and Reporting Standards (UFARS). The accounting of these funds must follow the same set of legally consistent and financially sound principals. The guidelines for operation of these accounts are found in the UFARS manual, Chapter 14. All expenses in these accounts must directly benefit the students who raised the money.

We run two separate accounts for our student activities. The first set of accounts is our “B” accounts or fund 21. Examples of these accounts would be FFA, BPA, Yearbook, Class accounts, National Honor Society, History Club. The money in these accounts is overseen by an advisor for the group and must have a student signature on the expense form. The student signature shows that the purpose of the expense and revenue has been discussed by the group and approved and not just dictated by the advisor. The expenditures and revenues must follow the standard 17 digit account code structure. Example would be E 21-060-292-962-000-401 – National Honor Society.

The second set of accounts is our building activity accounts. For internal purposes these are labeled Fund 10 accounts. The expenditures and revenues are tracked using the same 17 digit UFARS accounting code structure. We have 4 fund 10 accounts. Helen Baker/Lakeside, Lincoln, High School and one for Activities. Those funds operate differently as no student involvement is needed. The Principals and Activity Director controls the funds in these accounts. For example, the kickback checks from the pop machines, or the Target checks will go into these accounts for the buildings. The Principals then decides how to use the funds as long as it benefits the students. But, they do not need the student signature. The Activity Fund for example is where the revenue and expense for Letterman’s jackets flow through. It is also the flow thru account for ordering of tee shirts or clothing items that students are paying for. The difference in this account compared to fund 21 accounts is that the account is crosswalked to fund 01. This means that the State sees those accounts as part of our unassigned general fund and is included in the audit. The B account, or fund 21 accounts are audited, but not included as district general fund dollars. For example; we use the code of E 10-060-292-992-000-401 for High School Activities. The state sees the code as E 01-060-292-992-000-401.

The difference in these accounts compared to all of our other operating fund accounts is that both the Fund 21 and Fund 10 carry forward their account balance into the next school year. So, for example, if there is \$5,000 left in the high school account at the end of the year, they will start the year with a \$5,000 balance. If a classroom or utility budget has remaining budget dollars left at the end of the year, those balances are cleared out and do not carry forward. Both the Fund 10 and Fund 21 show approximately \$200,000 worth of expenditures throughout the fiscal year.

FUND BALANCE SUMMARY

2009-2010
June 8, 2010

	June 30, 2009 Actual Fund Balance	Revenues 6-08-010	Expenditures 6-08-10	June 30, 2010 Actual Fund Balance
**General Fund	\$5,643,281			
Proposed 6-8-09		\$14,458,033	\$14,492,311	
Revised 12-14-09		\$15,312,200	\$14,975,213	
Revised 2-8-10		\$15,225,898	\$15,239,297	
Revised 6-14-10		\$15,552,867	\$15,155,606	
Transfers Out			\$1,418,554	\$5,724,025
Food Service	\$52,470			
Proposed		\$901,465	\$898,065	\$102,329
Revised				
Community Service	\$80,519			
Proposed		\$580,384	\$608,978	
Revised 12-14-09		\$579,952	\$592,827	
Revised 6-8-10		\$646,182	\$618,314	\$98,463
Debt Services	\$0			\$618,554
Scholarship Fund		\$17,600	\$3,277	\$1,006,772.37
Totals	\$4,996,187			
Proposed		\$15,939,882	\$15,999,354	
Revised		\$16,790,617	\$16,466,105	
		\$16,704,315	\$16,730,189	\$6,543,371

****Includes General Fund – Reserved and Unreserved**

****Unreserved/Undesignated Fund Balance was \$4,777,536 at June 30, 2010**

**** Total fund balance does not include the Scholarship Fund Balances**

****Transfers Out – Includes transfer of \$800,000 to internal service fund and \$618,554 of McLeod West Debt**

General Fund Revised Revenue Budget Based on the following ADM's –
June ADM's – 1631
December ADM's – 1725
February ADM's – 1697
June 2010 ADM's – 1663
Final ADM's June 30, 2010 - 1696

2010-2011 Budget
Board Approved
June 14, 2010

	June 30, 2010 Actual Fund Balance	Revenues 6-14-10	Expenditures 6-14-10	June 30, 2011 Actual Fund Balance
**General Fund	\$5,724,025			
Proposed 6-14-10		\$15,259,192	\$15,121,630	\$5,861,587
Revised 3-8-11		\$15,638,860	\$15,728,276	\$5,639,137
Final 6-30-11		\$16,108,999	\$15,548,030	\$6,272,103
		*****	*****	Fund 10 Included
Food Service				
Proposed	\$102,329	\$940,885	\$896,215	\$146,999
Final 6-30-11		\$1,008,019	\$993,748	\$116,600
Community Service				
Proposed	\$98,463	\$630,157	\$574,354	\$154,266
Revised		\$743,557	\$705,130	\$136,890
Final 6-30-11		\$742,534	\$700,698	\$140,299
Internal Service Fund	\$800,000			\$800,000
Final 6-30-11		\$2,302	\$0	\$802,302
Debt Service				
GSL Levy		\$222,580		
GFW & BLH		\$336,574	\$548,855	
Final 6-30-11		\$562,536	\$1,166,857	\$14,233
Scholarship				
D. Ervin	\$994,975	\$2,750	\$6,000	\$991,725
T. Damask	\$5,275	\$100	\$250	\$5,125
Misc	\$7,561			\$7,561
Final 6-30-11		\$3,310	\$21,587	\$998,833

***** - Does not include Fund 10 Revenues or Expenses

June 30, 2010 General Fund Unreserved - \$4,838,560

June 30, 2010 General Fund Reserved - \$885,46

2011-2012 Budget
Board Approved
June 13, 2011

	June 30, 2011 Actual Fund Balance	Revenues 6-13-011	Expenditures 6-13-11	June 30, 2012 Fund Balance
**General Fund	\$6,191,690			
Proposed 6-13-11		\$15,319,164	\$16,142,223	\$5,368,631
Revised		\$15,627,774	\$16,440,948	\$5,378,516
Final 6-30-12		\$15,895,771	\$16,232,328	\$5,855,133
				Without fund 10
Food Service	\$116,600			
Proposed 6-13-11		\$1,035,857	\$949,724	\$202,733
Final 6-30-12		\$953,642	\$911,875	\$158,367
Community Service	\$140,299			
Proposed 6-13-11		\$708,408	\$736,284	\$112,423
Revised			\$747,300	\$101,407
Final 6-30-12		\$757,949	\$722,820	\$175,428
Debt Service	\$14,233			
Proposed 6-13-11		\$570,055	\$559,255	\$
Final 6-30-12		\$557,376	\$540,530	\$31,079
Internal Service Fund	\$802,302			\$
Final 6-30-12		\$1,325	\$0	\$803,626
Scholarship	\$998,833	\$2,850	\$6,250	\$
D. Ervin				
T. Damask				
Misc				
Final 6-30-12		\$3,785	\$16,700	\$985,918
Total				

June 30, 2011 General Fund Unreserved - \$5,248,117 With Fund 10 (\$5,233,938 Without Fund 10)

June 30, 2011 General Fund Reserved - \$968,021

June 30, 2011 Non-spendable - \$10,052 June 30, 2011 Assigned - \$45,913

2012-2013 Budget
Board Approved
June 11, 2012

	June 30, 2012 Actual Fund Balance	Revenues 6-11-12	Expenditures 6-11-12	June 30, 2013 Fund Balance
**General Fund	\$5,855,133			
Proposed 6-11-12		\$15,775,596	\$16,197,910	\$5,432,819
<i>Revised 1-14-13</i>		<i>\$15,551,524</i>	<i>\$16,271,872</i>	\$5,134,785
<i>Revised 6-10-13</i>		<i>\$15,520,841</i>	<i>\$16,186,978</i>	\$5,188,993
<i>Final 6-30-13</i>		<i>\$16,063,652</i>	<i>\$16,267,901</i>	\$5,650,881
Food Service	\$158,367			
Proposed 6-11-12		\$993,394	\$967,782	\$183,979
<i>Revised 6-10-13</i>		<i>\$930,720</i>	<i>\$927,533</i>	\$151,554
<i>Final 6-30-13</i>		<i>\$921,321</i>	<i>\$924,666</i>	\$155,022
Community Service	\$175,428			
Proposed 6-11-12		\$693,340	\$736,615	\$132,153
<i>Revised 6-10-13</i>		<i>\$693,340</i>	<i>\$747,591</i>	\$121,177
<i>Final 6-30-13</i>		<i>\$765,664</i>	<i>\$744,571</i>	\$196,520
Debt Service	\$31,079			
Proposed 6-11-12		\$567,788	\$549,530	\$49,337
<i>Final 6-30-13</i>		<i>\$549,186</i>	<i>\$549,530</i>	\$30,735
Internal Service Fund	\$803,627			
<i>Final 6-30-13</i>		<i>\$827</i>		\$804,454
Scholarship	\$985,918	\$3,700	\$17,700	\$971,918
D. Ervin				
T. Damask				
Misc				
<i>Final 6-30-13</i>		<i>\$2,707</i>	<i>\$13,700</i>	\$974,925
Total				

2013-2014 Budget
Board Approved
June 10, 2013

	June 30, 2013 Actual Fund Balance	Revenues 6-10-13	Expenditures 6-10-13	June 30, 2014 Fund Balance
**General Fund	\$5,650,881			
Proposed 6-10-13		\$15,507,049	\$16,481,774	\$4,676,156
<i>Revised 5-12-14</i>		<i>\$15,583,119</i>	<i>\$16,894,984</i>	\$4,339,016
<i>Final 6-30-14</i>		<i>\$18,041,554</i>	<i>\$18,580,676</i>	<i>\$5,111,759</i>
Food Service	\$155,022			
Proposed 6-10-13		\$963,006	\$962,325	
<i>Final 6-30-14</i>		<i>\$933,113</i>	<i>\$975,843</i>	<i>\$112,292</i>
Community Service	\$196,520			
Proposed 6-10-13		\$704,148	\$775,235	\$127,434
<i>Revised 5-12-14</i>		<i>\$693,0250</i>	<i>\$781,898</i>	\$107,648
<i>Final 6-30-14</i>		<i>\$736,067</i>	<i>\$808,326</i>	<i>\$124,262</i>
Debt Service	\$30,735			
Proposed 6-10-13		\$541,007	\$540,750	\$30,992
<i>Revised 5-12-14</i>		<i>\$562,415</i>		\$52,400
<i>Final 6-30-14</i>		<i>\$563,446</i>	<i>\$594,181</i>	\$0
Internal Service Fund	\$804,454			\$804,454
<i>Final 6-30-14</i>		<i>\$1,393</i>		<i>\$805,847</i>
Scholarship				
D. Ervin	\$959,356	\$3,700	\$17,700	\$952,454
T. Damask	\$4,659			\$5,059
Misc	\$7,903			\$7,492
		<i>Fund Revenues</i> 10	\$145,970	Not included above
		<i>Fund Expenditures</i> 10	\$168,033	Not included above
Total				

2014-2015 Budget
Board Approved
June 9, 2014

	June 30, 2014 Actual Fund Balance	Revenues 6-9-14	Expenditures 6-9-14	June 30, 2015 Fund Balance
**General Fund	\$5,111,759			
Proposed 6-9-14		\$16,575,103	\$17,182,666	\$4,504,196
Revised		\$16,539,616	\$17,280,457	\$4,370,918
Final 6-30-15		\$16,976,418	\$17,046,859	\$5,041,318
Food Service	\$112,292			
Proposed 6-9-14		\$949,085	\$923,740	137,637
Final 6-30-15		\$977,499	\$955,468	\$134,323
Community Service	\$124,262			
Proposed 6-9-14		\$740,340	\$778,116	\$86,486
Revised		\$749,907	\$813,553	\$
Final 6-30-15		\$800,047	\$819,293	\$105,016
Internal Service Fund	\$805,847			\$806,000
Final 6-30-15		\$1,471		\$807,318
Scholarship				
	\$965,006	\$3,700	\$13,700	\$955,006
Final 6-30-15		\$2,659	\$22,253	\$945,412
		Fund Revenues 10	\$206,043	Not included above
		Fund Expenditures 10	\$223,614	Not included above
Total				

2015-2016 Budget
Board Approved
June 8, 2015

	June 30, 2015 Actual Fund Balance	Revenues 6-8-15	Expenditures 6-8-15	June 30, 2016 Fund Balance
**General Fund	\$5,041,318			
Proposed 6-8-15		\$16,830,633	\$17,084,741	\$4,787,218
<i>Revised 4-11-16</i>		<i>\$16,883,000</i>	<i>\$17,258,896</i>	<i>\$4,665,430</i>
<i>Final 6-30-16</i>		<i>17,187,394</i>	<i>\$16,918,725</i>	<i>\$5,309,995</i>
Food Service	\$134,323			
Proposed 6-8-15		\$958,974	\$957,353	\$135,944
<i>Revised 4-11-16</i>		<i>\$996,135</i>	<i>\$969,353</i>	<i>\$161,105</i>
<i>Final 6-30-16</i>		<i>\$991,887</i>	<i>\$952,733</i>	<i>\$173,477</i>
Community Service	\$105,016			
Proposed 6-8-15		\$764,943	\$789,429	\$80,530
<i>Revised 4-11-16</i>		<i>\$785,971</i>	<i>\$790,733</i>	<i>\$100,254</i>
<i>Final 6-30-16</i>		<i>\$845,161</i>	<i>\$800,903</i>	<i>\$149,274</i>
Internal Service Fund	\$807,318	\$1,400		\$808,718
<i>Final 6-30-16</i>		<i>\$2,114</i>		<i>\$809,433</i>
Building Project				
Proposed 6-8-15		\$24,002,000	\$2,000,000.00	\$22,002,000.00
<i>Revised 4-11-16</i>		<i>\$24,271,934</i>		<i>\$22,271,934</i>
<i>Final 6-30-16</i>		<i>\$24,488,796</i>	<i>\$2,475,473</i>	<i>\$22,013,323</i>
Scholarship				
Proposed 6-8-15	\$945,412	\$2,900	\$13,700	\$934,612
<i>Final 6-30-16</i>		<i>\$5,423</i>	<i>\$15,700</i>	<i>\$935,135</i>
Debt Service				
Proposed				
<i>Revised 4-11-16</i>			<i>\$424,084</i>	
<i>Final 6-30-16</i>		<i>\$427,994</i>	<i>\$424,084</i>	<i>\$3,919</i>
Total		\$42,941,340	\$21,456,766	

2016-2017 Budget
Board Approved
June 13, 2016

	June 30, 2016 Actual Fund Balance	Revenues 6-13-16	Expenditures 6-13-16	June 30, 2017 Fund Balance
**General Fund	\$5,309,995			
Proposed 6-13-16		\$17,592,002	\$17,918,019	\$4,983,978
Revised 6-12-17		\$17,437,731	\$18,176,096	\$4,571,630
Final 6-30-17		\$17,891,704	\$18,074,148	\$5,127,551
Food Service	\$173,477			
Proposed 6-13-16		\$1,022,778	\$1,020,781	\$175,474
Revised				
Final 6-30-17		\$1,018,680	\$938,153	\$254,003
Community Service	\$149,274			
Proposed 6-13-16		\$819,959	\$813,426	\$155,808
Revised 6-12-17		\$823,934	\$861,743	\$111,465
Final 6-30-17		\$947,304	\$844,214	\$252,365
Internal Service Fund	\$809,433			
Proposed 6-13-16		\$1,400	\$0	\$810,833
Final 6-30-17		\$7,204	\$0	\$816,637
Building Project	\$22,013,323			
Proposed 6-13-16		\$50,000	\$18,000,000	\$4,063,323
Revised 6-12-17		\$144,778	\$17,300,000	\$4,858,101
Final 6-30-17		\$147,389	\$16,620,064	\$5,540,648
Scholarship	\$935,135			
Proposed 6-8-15		\$2,900	\$13,700	\$924,335
Revised 6-12-17		\$6,700	\$12,700	\$929,135
Final 6-30-17		\$6,910	\$12,700	\$929,345
Debt Service	\$3,910			
Proposed		\$1,400,391	\$1,338,238	\$66,063
Revised				
Final 6-30-17		\$1,366,371	\$1,338,238	\$32,043
Total		\$21,385,562	\$37,827,517	

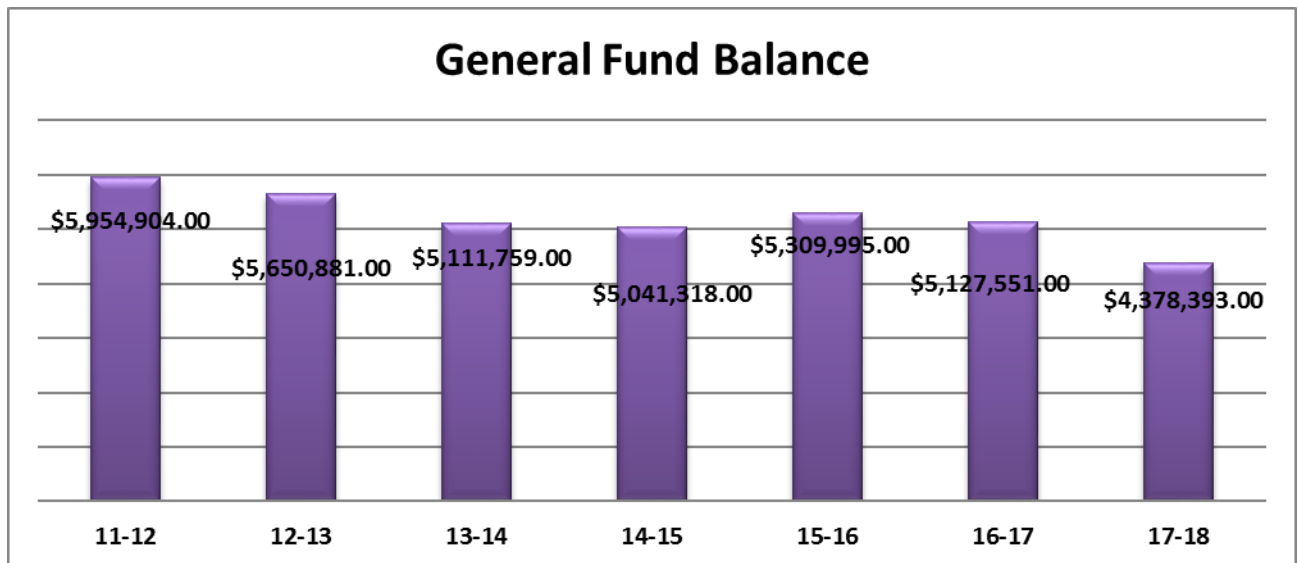
2017-2018 Budget
Board Approved
June 8, 2017

	June 30, 2017 Actual Fund Balance	Revenues 6-12-17	Expenditures 6-12-17	June 30, 2018 Fund Balance
**General Fund	\$5,127,551			
Proposed 6-12-17		\$17,519,013	\$18,268,171	\$4,378,393
<i>Revised</i>		<i>\$17,538,921</i>	<i>\$18,452,021</i>	<i>\$4,214,451</i>
<i>Final 6-30-18</i>				
Food Service	\$254,003			
Proposed 6-12-17		\$1,015,066	\$983,043	\$286,027
<i>Final 6-30-18</i>				
Community Service	\$252,365			
Proposed 6-12-17		\$804,616	\$806,282	\$250,699
<i>Revised</i>				
<i>Final 6-30-18</i>				
Internal Service Fund	\$816,637			
Proposed 6-12-17		\$1,400	\$0	\$816,636
<i>Final 6-30-18</i>				
Building Project	\$5,540,648			
Proposed 6-12-17		\$20,000	\$4,700,000	\$860,648
<i>Revised</i>				
<i>Final 6-30-18</i>				
Scholarship	\$929,345			
Proposed 6-12-17		\$6,200	\$12,200	\$923,345
<i>Final 6-30-18</i>				
Debt Service	\$32,043	\$1,401,523	\$1,335,338	\$98,228
Proposed 6-12-17				
<i>Total</i>		\$20,767,818	\$26,105,034	

**General Fund
Fund Balance History**

2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
(-743,963)	(-709,657)	(-764,358)	(-751,612)	(-417,894)	1,673,218	3,461,796	4,863,198

2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
5,724,025	6,301,395	5,855,130	5,650,881	5,111,759	5,041,318	5,309,995	5,127,551

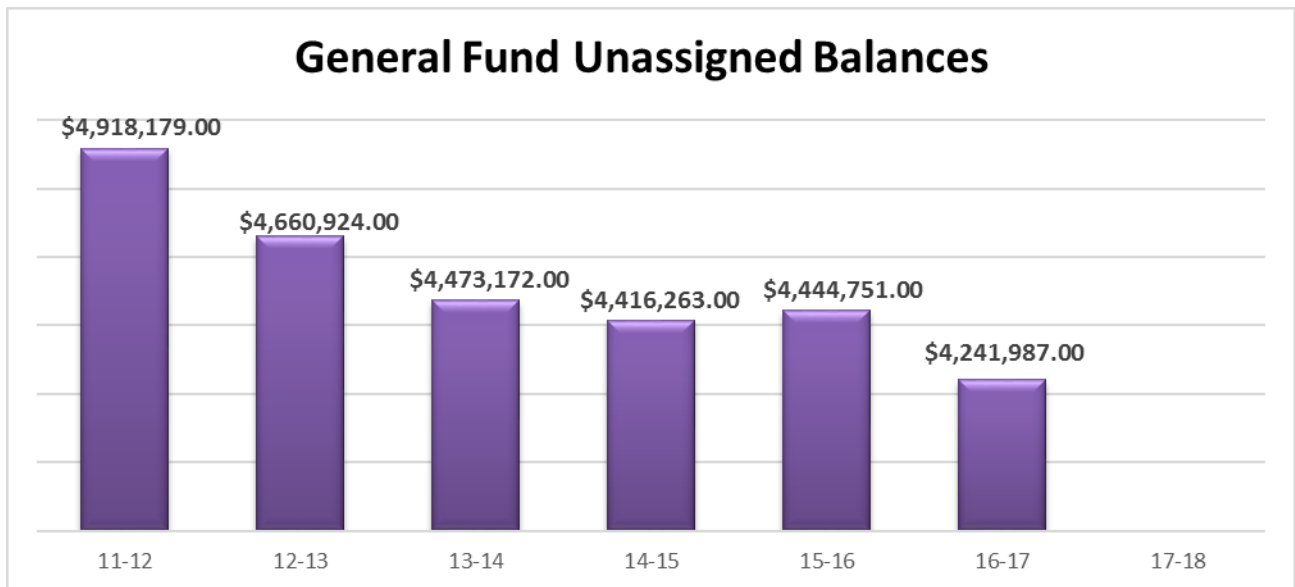


General Fund Unreserved/Undesignated

2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
(-777,421)	(-654,096)	(-518,146)	(-746,465)	(-693,279)	1,414,486	2,984,520	4,082,853

2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
4,777,536*	5,248,117*	4,918,179	4,660,924	4,473,172	4,416,263	4,444,751	4,241,987

*Includes fund 10 in the audited numbers.



GASB 54

In 2011 the Governmental Accounting Standards Board issued a new pronouncement, GASB 54 – Fund Balance Reporting and Governmental Fund Type Definitions. GASB 54 eliminates the current use of the terms “reserved” and “designated” in the reporting of fund balance, and replaces those terms with five new categories for segregating fund balance. This new requirement created five new fund balance classifications – Nonspendable, restricted, committed, assigned and unassigned. This standard was effective for fiscal year ending June 30th, 2011. The districts fund balance policy was revised to reflect these changes. See below for revised fund balance policy for Glencoe-Silver Lake Schools.

Adopted: June 12, 2000

Revised: November 8, 2007, December 8, 2008, January 11, 2010, May 9, 2011

714 FUND BALANCE POLICY

PURPOSE

The purpose of this policy is to create new fund balance classifications to allow for more useful fund balance reporting and for compliance with the reporting guidelines specified in Statement No. 54 of the Governmental Accounting Standards Board (GASB).

GENERAL STATEMENT OF POLICY

The policy of this school district is to comply with GASB Statement No. 54. To the extent a specific conflict occurs between this policy and the provisions of GASB Statement No. 54, the GASB Statement shall prevail.

DEFINITIONS

- A. “Assigned” fund balance amounts are comprised of unrestricted funds constrained by the school district’s intent that they be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the school district’s intended use of those resources. The action to assign a fund balance may be taken after the end of the fiscal year. An assigned fund balance cannot be a negative number.
- B. “Committed” fund balance amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the school board and that remain binding unless removed by the school board by subsequent formal action. The formal action to commit a fund balance must occur prior to fiscal year end; however, the specific amounts actually committed can be determined in the subsequent fiscal year. A committed fund balance cannot be a negative number.
- C. “Enabling legislation” means legislation that authorizes a school district to assess, levy, charge, or otherwise mandate payment of resources from external providers and includes a legally enforceable requirement that those resources be used only for the specific purposes listed in the legislation.
- D. “Fund balance” means the arithmetic difference between the assets and liabilities reported in a school district fund.
- E. “Nonspendable” fund balance amounts are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.
- F. “Restricted” fund balance amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.
- G. “Unassigned” fund balance amounts are the residual amounts in the general fund not reported in any other classification. Unassigned amounts in the general fund are technically available for expenditure for any purpose. The general fund is the only fund that can report a positive unassigned fund balance. Other funds would report a

negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

- H. “Unrestricted” fund balance is the amount of fund balance left after determining both nonspendable and restricted net resources. This amount can be determined by adding the committed, assigned, and unassigned fund balances.

IV. CLASSIFICATION OF FUND BALANCES

The school district shall classify its fund balances in its various funds in one or more of the following five classifications: nonspendable, restricted, committed, assigned, and unassigned.

V. MINIMUM FUND BALANCE

To ensure the financial strength and stability of the District, the Board will endeavor to maintain a minimum of 20% of the District’s General Fund operating budget, excluding those accounts associated within the Restricted category, in the combined total of the General Fund Committed, Assigned and Unassigned fund balances.

VI. ORDER OF RESOURCE USE

If resources from more than one fund balance classification could be spent, the school district will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned. Journal entries at the end of the fiscal year may be used to accomplish this.

VII. COMMITTING FUND BALANCE

A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board.

VIII. ASSIGNING FUND BALANCE

The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: business manager or an entity such as the finance committee. Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board.

An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year’s budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

IX. REVIEW AND ADJUSTMENT

The fund balance will be reviewed and adjusted annually prior to the adoption of the preliminary budget and following the yearend audit. The fund balance policy target should be reviewed to reflect enrollment, adjustments, inflation and recommendations from the district auditors and the State Auditor's Office.

Chapter 16 – Glossary

Preface

The glossary is in a constant state of improvement. It contains items that are primarily related to the business end of education, concentrating on revenues and expenditures in particular. Items were obtained from local districts, documents from the Fiscal Analysis Department of the Minnesota House of Representatives, Minnesota Statutes, and texts on accounting.

The technical definition of dimension codes for items such as fund, finance, organization, source, program, object and course are contained in the individual chapters by the same names.

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

A

Abatement: A reduction of a previously recorded expenditure or receipt item by such things as refunds, rebates, and collections for loss or damages to school property.

Abatement of expenditure: Cancellation of a part or the whole of a charge previously made, usually due to refunds, rebates, resale of materials originally purchased by the school district, or collections for loss or damage to school property. Applies to both current expense and capital outlay. The term "abatement" does not include tuition, fees, or rentals.

Abatement of Revenue: Cancellation of part or the whole of any specific revenue previously received, usually federal grants or subventions, or refunds of money previously received through error.

Account: An accounting record in which the results of transactions are accumulated; shows increases, decreases, and a balance.

Accountability: The capability and the responsibility to account for the expenditure of money and the commitment of other resources in terms of the results achieved. This involves both the stewardship of money and other resources and the evaluation of achievement in relation to specified goals.

Accounting: A service activity designed to accumulate, measure, and communicate financial information about economic entities for decision-making purposes.

Accounting Cycle: The procedures for analyzing, recording, classifying, summarizing, and reporting the transactions of a business.

Accounting Model: The basic accounting assumptions, concepts, principles, and procedures that determine the manner of recording, measuring, and reporting an entity's transactions.

Accounting System: The set of manual and computerized procedures and controls that provide for identifying relevant transactions or events; preparing accurate source documents, entering data into the accounting records accurately, processing transactions accurately, updating master files properly, and generating accurate documents and reports.

Account Payable: An amount owed to a supplier for goods or services purchased on credit; payment is due within a short time period, usually 30 days or less.

Account Receivable: A current asset representing money due for services performed or merchandise sold on credit.

Accrual Basis Accounting: A system of accounting in which revenues and expenses are recorded as they are earned and incurred, not necessarily when cash is received or paid.

Accrued Expenses: Expenses that arise through adjusting entries when accounting for unrecorded expenses.

Accrued Liabilities: Liabilities that arise through adjusting entries when accounting for unrecorded liabilities.

Accumulated Depreciation: The total depreciation recorded on an asset since its acquisition; a contra account deducted from the original cost of an asset on the balance sheet.

Activity: A specific line of work carried on by a school district in order to perform its functions.

Adequate Yearly Progress (AYP): The original NCLB measurement used to identify schools for improvement activities. AYP is based on proficiency, participation, and attendance or graduation rates. The AYP proficiency goal was previously based on the 2014 goal of 100 percent proficiency. Under the waiver, that goal was replaced with a new goal of cutting the achievement gap in half within six years. Under the waiver, there are no sanctions attached to not making AYP.

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.

Adjusting Entries: Entries required at the end of each accounting period to recognize, on an accrual basis, revenues and expenses for the period, and to report proper amounts for asset, liability, and owners' equity accounts.

Administrative Unit, Intermediate: A unit smaller than the state which exists primarily to provide consultative, advisory, or statistical services to local basic administrative units, or to exercise certain regulatory and supervisory functions over local basic administrative units. An intermediate unit may operate schools or contract for school services, but it does not exist primarily to render such services. Such units may or may not have taxing and bonding authority.

Administrative Unit, Local Basic: An administrative unit at the local level that exists primarily to operate schools or to contract for school services. Normally, taxes can be levied against such units for school purposes. These units may or may not have the same boundaries as county, city, or town boundaries. (This term is used synonymously with the terms school system and LEA.)

Admissions: Money received for a school sponsored activity such as a dance or football game. Admissions may be recorded in separate accounts according to the type of activity.

Adult Basic Education (ABE): Learning experiences concerned with the fundamental tools of learning for adults who have never attended school or who have interrupted formal schooling and need this knowledge and these skills to raise their level of education to increase self-confidence, self-determination, to prepare for an occupation, and to function more responsibly as citizens in a democracy.

Adult Education: College, vocational, or occupational programs, continuing education or noncredit courses, correspondence courses, and tutoring, as well as courses and other educational activities provided by employers, community groups, and others.

Ad Valorem Taxes Levied By Another Government Unit: Taxes levied for school purposes by a government unit other than the LEA. The LEA is not the final authority, within legal limits, in determining the amount to be raised. For example, after a LEA has determined that a certain amount of revenue is necessary, another governmental unit may exercise discretionary power in reducing or increasing the amount. Separate accounts may be maintained for real property and for personal property.

Ad Valorem Taxes Levied By LEA: Taxes levied by a LEA on the assessed valuation of real and personal property located within the LEA which, within legal limits, is the final authority in determining the amount to be raised for school purposes. Separate accounts may be maintained for real property and for personal property.

Adverse Opinion: Audit report indicating the auditor believes the overall financial statements are so materially misstated or misleading that the statements do not fairly represent the financial position or results of the operations and cash flows.

Agency Fund: A fund used to account for assets where the school district has a formal agency agreement with other governmental units, employees, students or others. As an agent, the district holds assets for others and performs duties as directed.

Agent: One who represents, acts for, and accounts to another. The powers of a general agent are broad. The

agent initiates transactions in the name of a principal and carries on operations within a large discretionary area. The agent functions often resemble those of a general manager. A special agent, on the other hand, is restricted to the performance of a single act or the conduct of a single transaction.

Aggregate Days Attendance: The sum of the days present (actually attended) of all pupils when school was actually in session during a given reporting period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session. See also day in session and day of attendance.

Aggregate Day's Membership: The sum of the days present and absent of all pupils when school was in session during a given reporting period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session. See also day in session and day of attendance.

Aid Anticipation Note: A note issued in anticipation of reception of state aid for districts that expect to experience a temporary cash-flow shortfall.

Allot: To divide an appropriation into amounts for certain periods or for specific purposes.

Allotment: A portion of an appropriation or special fund set aside to cover expenditures and encumbrances for a certain period or purpose.

Allotment Ledger: A subsidiary ledger which contains an account for each allotment showing the amount allotted, expenditures, encumbrances, the next balance, and other related information. See also appropriation ledger.

Alternative Delivery of Specialized Instructional Services (ADSIS): Is an annual application process for districts and charter schools to apply for state special education aid. The purpose of ADSIS is to provide instruction to assist students who need additional academic or behavioral support to succeed in the general education environment. The goal is to reduce the number of referrals to special education by providing supports early to struggling students. Districts are expected to align the ADSIS program within their existing continuum of supports and collect data as specified in the application and submit evaluation information to MDE each year to determine program impact.

Alternative Learning Center (ALC): These are year-round educational service areas that take students who are at risk of not completing high school.

Alternative Learning Programs (ALP): These are year-round or traditional school year programs that serve at-risk students. The programs are more closely aligned to a host district.

Amortization of Debt: (a) Gradual payment of an amount owed according to a specified schedule of times and amounts; (b) Provision for paying a debt by means of a Sinking Fund.

Amortization: The process of cost allocation that assigns the original cost of an intangible asset to the periods benefited.

Amount Available in Debt Redemption Funds: An account in the General Long-Term Debt group of accounts which designates the amount of assets available in a Debt Redemption Fund for the retirement of general obligation term bonds.

Amount To Be Provided For Payment of Bonds: An account in the General Long-Term Debt group of accounts which represents the amount to be provided from taxes or other general revenue to retire outstanding general obligation term bonds.

Annualization: The practice of adjusting spending totals to determine the annual costs of programs that were funded for only a portion of the previous year. For example, the annualized cost of a program that cost \$500,000 for six months of operation is \$1,000,000.

Annual Report: A document that summarizes the results of operations and financial status of a company for the past year and outlines plans for the future.

Annuity: A series of equal amounts to be received or paid at the end of equal time intervals.

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

Apportionment Aid: A semi-annual distribution of the Endowment Fund included in the foundation program aid calculation.

Apportionment Notice: A monthly or periodic advice of apportionment from one office to another as from the county auditor to the school district.

Appraisal: The act of making an estimate of value, particularly of the value of property, by systematic

procedures that include physical examination, pricing, and often estimates. Also, the value established by estimating.

Appraised Value: The value established by appraisal (see appraisal).

Appropriations: An authorization granted by the legislative body to make expenditures and to incur obligations for specific purposes. The Minnesota Constitution prohibits payment of money out of the treasury unless authorized by an appropriation.

Appropriations Cap: Legislatively-placed limits on spending in the biennium following the budget period under consideration. Caps allow spending projections to be lower than they would otherwise be under current law.

Appropriations (federal funds): Budget authority provided through the congressional appropriation process that permits federal agencies to incur obligations and to make payments.

Appropriations (institutional revenues): An amount (other than a grant or contract) received from or made available to an institution through an act of a legislative body.

Arbitrage: The financial gain that can be garnered by selling bonds and reinvesting the bond proceeds at a higher rate.

Architecture and Engineering: Pertains to architectural and engineering activities related to land acquisition and improvement and building acquisition, construction, and improvements.

Articulation: The interrelationships among the financial statements.

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; (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.

Assessment Roll: In the case of real property, the official list containing the description of each parcel of property and its assessed valuation. In the case of other property, the official list containing the name and address of each owner of such property and its assessed value. Note: In the case of real property, too, the name and address of the last known property owner are frequently shown. These additional facts are, however, usually given merely for convenience and are not essential to make the assessment legal.

Assessment, Special: A compulsory levy made by a local government against certain properties to defray part or all of the cost of a specific improvement or service which is presumed to be of general benefit to the public and of special benefit to the owners of such properties.

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

Attendance Officers: Persons who enforce the compulsory attendance laws, analyze causes of nonattendance, and help to improve the attendance of individual pupils.

Attendance, aggregate days: See aggregate day's attendance.

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 Committee: Members of a client's board of directors who are responsible for dealing with the external and internal auditors.

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

Audited Voucher: A voucher which has been examined and approved for payment.

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.

ADM represents the portion of the year that a student is enrolled in a school. After each year-end MARSS submission a new District/School ADM Report is posted by MDE, replacing the prior report. These reports

are posted to the Minnesota Funding Reports (MFR) webpage. They summarize ADM data by school, grade and type of student (e.g., resident, open enrolled, shared-time) for school districts and charter schools. These data are used in many of the state funding programs.

B

Balanced Budget: The requirement imposed on the state's general fund biennial budget that revenues must be greater than or equal to expenditures.

Balance Sheet: The financial statement showing the financial position of a fund or school district at a specified date.

Bank Reconciliation: The process of systematically comparing the cash balance as reported by the bank with the cash balance on the company's books and explaining any differences.

Base: Usually calculated from the most recent amount spent by an agency for a program. The base is the agency's current spending level with adjustments made for costs not likely to recur.

Biennium: Minnesota has a two-year (biennial) budget period. The legislature appropriates the major portion of the budget in the odd-numbered year session, and makes adjustments as needed during the even-numbered years.

Bilingual Education: Programs in which students with limited English proficiency are taught using their native language.

Board of Education, Public: The elected or appointed body which has been created according to state law and vested with responsibilities for educational activities in a geographical area. These bodies are sometimes called school boards (in Minnesota), governing boards, boards of directors, school committees, or school trustees. This definition relates to the general term and covers state boards, intermediate administrative unit boards, and local basic administrative unit boards.

Board Secretary: The individual performing the duties of the secretary of the board of education.

Board Treasurer: The individual performing the duties of the treasurer of the board of education.

Bond: A contract between a borrower and a lender in which the borrower promises to pay a specified rate of interest for each period the bond is outstanding and repay the principal at the maturity date.

Bond Attorney: The attorney who approves the legality of a bond issue.

Bond Carrying Value: The face value of bonds minus the unamortized discount or plus the unamortized premium.

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

Bond Indenture: A contract between a bond issuer and a bond purchaser that specifies the terms of a bond.

Bonding: Authorization to provide for issuance of debt instruments, as well as the use of money raised through the issuance for capital projects.

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 reflects 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.

Book Value: The net amount shown in the accounts for an asset, liability, or owners' equity item.

Books of Original Entry: The record in which various transactions are formally recorded for the first time, such as cash journal, check register, or general journal. Where machine bookkeeping is used, it may happen that one transaction is recorded simultaneously in several records, one of which may be regarded as the book of original entry.

Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them. The budget usually consists of three parts. The first part

contains a message from the budget making authority together with a summary of the proposed expenditures and the means of financing them. The second part consists of schedules supporting the summary. The schedules show in detail the proposed expenditures and means of financing them together with information as to past years' actual revenues and expenditures and other data used in making the estimates. The third part is composed of drafts of the appropriation, revenue, and borrowing measures necessary to put the budget into effect.

Budget Document: The instrument used by the budget making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of three parts. The first part contains a message from the budget making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to past years' actual revenues, expenditures, and other data used in making the estimates. The third part is composed of drafts of the appropriation, revenue, and borrowing measures necessary to put the budget into effect.

Budgetary Accounts: Those accounts necessary to reflect budget operations and conditions, such as estimated revenues, appropriations, and encumbrances, as distinguished from proprietary accounts. See also proprietary accounts.

Budgetary Control: The control or management of the business affairs of the school district in accordance with an approved budget with a view toward keeping expenditures within the authorized amounts.

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

Building for Insurance Purposes Only: The term building includes fixed equipment, and the term 'contents' means movable equipment and supplies within the building.

Building: One continuous structure, which may or may not be connected with other structures by passageways. It includes the building itself and the plumbing, heating, ventilating, mechanical, and electrical work, and lockers, cabinets, and shelves, which are built into the building. Two structures connected by a breezeway, a covered walkway, or tunnel would be two buildings.

Building Acquisition, Construction, and Improvements: Pertains to building acquisition through purchase or construction, and building improvements. It includes initial installation or extension of service systems and other built in equipment, as well as building additions.

Building Construction Fund: A fund used to record all operations of a district's building construction program that are funded by the sale of bonds or by capital loans.

Business Documents: Records of transactions used as the basis for recording accounting entries; includes invoices, check stubs, receipts, and similar business papers.

Business Expenses: Expenses that have been paid or incurred in the course of business and that are ordinary, necessary, and reasonable in amount.

Business: An organization operated with the objective of making a profit from the sale of goods or services.

C

Calendar Year: An entity's reporting year, covering 12 months and ending on December 31.

Callable Bonds: Bonds for which the issuer reserves the right to pay the obligation before its maturity date.

Capital: The total amount of money or other resources owned or used to acquire future income or benefits.

Capital Account: An account in which a proprietor's or partner's interest in a firm is recorded; it is increased by owner investments and net income and decreased by withdrawals and net losses.

Capital Expenditure: An expenditure that is recorded as an asset because it is expected to benefit more than the current period.

Capital Gain: The excess of the selling price over the cost basis when assets, such as securities and other personal and investment assets, are sold.

Capital Lease: A leasing transaction that is recorded as a purchase by the lessee.

Cash: Coins, currency, money orders, checks, and funds on deposit with financial institutions; the most liquid of assets.

Cash Balance: Total amount of cash to the credit of a governmental unit (school district), as of a given date.

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

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

Cash Disbursements Journal: A special journal in which all cash paid out for supplies, merchandise, salaries, and other items is recorded.

Cash Discount: An allowance received or given if payment is completed within a stated period. The term is not to be confused with trade discount.

Cash Over and Short: An account used to record overages and shortages in petty cash.

Cash Receipts Journal: A special journal in which all cash received from state aid, levies, interest, rent, or other sources, is recorded.

Catalog of Federal Domestic Assistance (CFDA): Is a federal government-wide compendium of federal programs, projects, services, and activities available to state and local governments of the United States; domestic, public, quasi-public, and private profit and nonprofit organizations and institutions; specialized groups; and individuals. See the CFDA website .

(<https://www.cfda.gov/>) for more information

Categorical Aid: Educational support funds provided from a higher governmental level and specifically limited to (earmarked for) a given purpose; for example, special education, transportation, or vocational education.

Census: The school census is an enumeration and collection of data, as prescribed by law, conducted each year to determine the number of children of certain age's resident in a given district and to secure other information pertinent to education by the state board of education.

Certified Public Accountant (CPA): A special designation given to an accountant who has passed a national uniform examination and has met other certifying requirements; CPA certificates are issued and monitored by state boards of accountancy or similar agencies.

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.

Charter (Articles of Incorporation): A document issued by a state that gives legal status to a corporation and details its specific rights, including the authority to issue a certain maximum number of shares of stock.

Charter Schools Program Grant Project (CSP) - Minnesota's Federal: Opportunity for new charter schools to apply for CSP Planning and Implementation subgrants from the State of Minnesota. Two rounds per year; fall and spring. New opportunity for existing high-quality charter schools to apply for significant expansion or replication grants.

Check: A bill of exchange drawn on a bank payable on demand; a written order on a bank to pay on demand a specified sum of money to a named person, to his/her order, or to bearer out of money on deposit to the credit of the maker. A check differs from a warrant in that the latter is not necessarily payable on demand and may not be negotiable; and it differs from a voucher in that the latter is not an order to pay. A voucher check combines the distinguishing marks of a voucher and a check. It shows the propriety of a payment and is an order to pay.

Classified Balance Sheet: A balance sheet in which assets and liabilities are subdivided into current and non-current categories.

Class Rate: A state-determined rate that establishes the relative property tax burdens among different classes of property.

Clearing Accounts: Accounts used to accumulate total receipts or expenditures either for later distribution among the accounts to which such receipts or expenditures are properly allocable, or for recording the net differences under the proper account. See also revolving fund, prepaid expenses, and petty cash.

Closed Transaction: A transaction that is completed within the accounting period; both the purchase and payment or sale and receipt of payment occur within the same accounting period.

Closing entries: Entries that reduce all nominal, or temporary, accounts to a zero balance at the end of each accounting period, transferring their pre-closing balances to a permanent balance sheet account.

Co-Curricular Activities: Co-curricular activities are comprised of the group of school sponsored activities,

under the guidance or supervision of qualified adults, designed to provide opportunities for pupils to participate in such experiences on an individual basis, in small groups, or in large groups at school events, public events or a combination of these for such purposes as motivation, enjoyment, and improvement of skills. Related to a credit-granting mechanism, such as a course or standard. See also student body activities.

Code of Federal Regulations (CFR): Is the codification of general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government. See the e-CFR Data website .

(<https://www.ecfr.gov/cgi-bin/ECFR>) for current and updated versions of the CFR

Coding: A system of numbering, or otherwise designating, accounts, entries, invoices, or vouchers in such a manner that the symbol used reveals quickly certain required information.

Combined Elementary and Secondary School: A school that encompasses instruction at both the elementary and secondary levels. Examples of combined elementary and secondary school grade spans would be grades K-12 or grades 5-12.

Community Education Fund: A fund used to account for all financial activities of the Community Education program.

Community Eligibility Provision / Provision 2 and Provision 3: Are three School Nutrition special provision programs where all students are provided free meals and reimbursement for meals is based on claiming percentages. Not all meals are reimbursed at the free level. Schools with high free and reduced student numbers may consider participating in these programs.

Community Service Fund: Is used to record all financial activities of the Community Service program. Community Education includes only those activities authorized in Minnesota Statutes, section 124D.19. The focus of these activities is enrichment programs for any age level that are not part of the K-12 education program.

Comparability: The characteristic of commonality among or between selected elements measured in terms of identical constants. The accuracy of the measurement of the degree of comparability is usually dependent on the number of constants applied.

Comparative Financial Statements: Financial statements in which data for two or more years are shown together.

Compensatory Revenue: A portion of general education revenue based on the number of students in a school district that qualify for free and reduced-price lunches. Compensatory revenue is a component of general education revenue that must be reserved and used to meet the educational needs of pupils who enroll under-prepared to learn, and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners their age. The revenue is based on the prior year's October 1 enrollment and count of students eligible for the free or reduced price meal program.

Compound Journal Entry: A journal entry that involves more than one debit, more than one credit, or both.

Compounding Period: The period of time for which interest is computed.

Consignee: A vendor who sells merchandise owned by another party, known as the consignor, usually on a commission basis.

Consignment: An arrangement whereby merchandise owned by one party (the consignor) is sold by another party (the consignee), usually on a commission basis.

Consignor: The owner of merchandise to be sold by someone else, known as the consignee.

Consolidated Financial Statements: Statements that report the combined operating results, financial position, and cash flows of two or more legally separate but affiliated companies as if they were one economic entity.

Constant Dollars: Dollar amounts that have been adjusted by means of price and cost indexes to eliminate inflationary factors and allow direct comparison across years.

Construction Contracts Payable: Amounts due by an LEA on contracts for construction of buildings, structures, and other improvements.

Construction Contracts Payable: Retained percentage. Liabilities on account of construction contracts for that portion of the work which has been completed but on which part of the liability has not been paid pending final

inspection, or the lapse of a specified time period, or both. The unpaid amount is usually a stated percentage of the contract price.

Construction Work in Progress: The cost of construction work undertaken but not yet completed.

Consultant: A person who gives professional or technical advice and assistance. A consultant may perform his services under contract (purchased services) or he may be an employee on the payroll of a state agency.

Consumer Price Index (CPI): This price index measures the average change in the cost of a fixed market basket of goods and services purchased by consumers.

Contingent Fund: Assets or other resources set aside to provide for unforeseen expenditures, or for anticipated expenditures of uncertain amount.

Contingent Liability: A potential obligation, dependent upon the occurrence of future events.

Continuous Improvement Schools: The bottom 25 percent of Title I schools in the state. These schools are identified every year based on being in the bottom 25 percent of their grade classification group (elementary, middle school, high school, other), and are required to write a school improvement plan. Ten percent of these plans are audited by MDE to ensure fidelity in their implementation. While the bottom 25 percent of schools includes most Priority and Focus schools, Priority and Focus schools are not also designated as Continuous Improvement schools.

Contra Account: An account that is offset or deducted from another account.

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

Contracts Payable: Amounts due on contracts for goods and services received by an LEA.

Control Account: A summary account in the general ledger that is supported by detailed individual accounts in a subsidiary ledger.

Control Activities: Policies and procedures used by management to meet its objectives; generally divided into adequate segregation of duties, proper authorization of transactions and activities, adequate documents and records, physical control over assets and records, and independent checks on performance.

Control Environment: The actions, policies, and procedures that reflect the overall attitudes of top management, the directors, and the owners about control and its importance to the entity.

Convertible Bonds: Bonds that can be traded for, or converted to, other securities after a specified period of time.

Cost: The amount of money or money's worth given for property or services. Costs may be incurred even before money is paid, that is, as soon as a liability is incurred.

Cost Accounting: That method of accounting which provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

Cost Benefit: Analyses which provide the means for comparing the resources to be allocated to a specific program with the results likely to be obtained from it; or, analyses which provide the means for comparing the results likely to be obtained from the allocation of certain resources toward the achievement of alternate or competing objectives.

Cost Center: The smallest segment of a program that is separately recognized in the agency's records, accounts, and reports. Program oriented budgeting, accounting, and reporting aspects of an information system are usually built upon the identification and use of a set of cost centers.

Cost Effectiveness: Analyses designed to measure the extent to which resources allocated to a specific objective under each of several alternatives actually contribute to accomplishing that objective, so that different ways of gaining the objective may be compared.

Cost Ledger: A subsidiary record wherein each project, job, production center, process, operation, project, or service is given a separate account under which all items of its cost are posted in the required detail.

Cost Limit: The unit of product or service whose cost is computed.

Cost of Goods Sold: The expense incurred to purchase or manufacture the merchandise sold during a period.

Cost Principle: The idea that transactions are recorded at their historical costs or exchange prices at the transaction date.

Coupon Bonds: Unregistered bonds for which owners receive periodic interest payments by clipping a

coupon from the bond and sending it to the issuer as evidence of ownership.

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

Credit Enhancement Program: A process whereby local units may qualify for the acquisition of funds for cash flow purposes using aid or levy anticipation.

Current: The fiscal year in progress.

Current Assets: Those assets which are available or can be made readily available to meet the cost of operations or to pay current liabilities. Some examples are cash temporary investments, and taxes receivable which will be collected near the balance sheet date.

Current Dollars: Dollar amounts that have not been adjusted to compensate for inflation.

Current Expenditures (Elementary/Secondary): Expenditures for the day-to-day operations of the schools. Expenditures for items lasting more than one year (such as school buses and computers) are not included in current expenditures.

Current Liabilities: Liabilities (debts) which are payable within a relatively short period of time, usually no longer than a year. See also floating debt.

Current Loans: Loans payable in the same fiscal year in which the money was borrowed. See also tax anticipation notes.

Current Resources: Resources to which recourse can be had to meet current obligations and expenditures. Examples are current assets, estimated revenues of a particular period not yet realized, transfers from other funds authorized but not received, and, in case of certain funds, bonds authorized and unissued.

Current Year's Tax Levy: Taxes levied for the current fiscal period.

Current-Fund Expenditures: See expenditures.

Current-Fund Revenues: See revenues.

Cyber-Linked Interactive Child Nutrition System (CLiCS): Is used to manage School Nutrition Programs.

D

Date of Record: The date selected by a corporation's board of directors on which the shareholders of record are identified as those who will receive dividends.

Day in Session: A day on which the school is open and the pupils are under the guidance and direction of teachers in the teaching process. Days on which school is closed for such reasons as holidays, teachers' institutes, and inclement weather should not be considered as days in session.

Day of Attendance: Attendance needs to be taken at least once per day. A pupil who is present at the time attendance is taken is considered present for the full school day. When a pupil is absent at the time attendance is taken, the pupil is considered absent for the entire day. However, when attendance is taken more frequently (e.g., by period), the school needs to determine the point at which a pupil is considered absent for half day.

Debentures: Bonds for which no collateral has been pledged. These are unsecured bonds.

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

Debt Financing: Acquiring funds by borrowing money from creditors in the form of long-term notes, mortgages, leases, or bonds.

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

Debt Redemption Fund: A fund established for the purpose of providing money for the payment of interest on outstanding serial bonds and for the payment of the principal on serial bonds as they come due.

Debt Securities: Financial instruments issued by a company that carry with them a promise of interest payments and the repayment of principal.

Debt Service: Expenditures for the retirement of debt and expenditures for interest on debt, except principal and interest of current loans. See also current loans.

Declining Balance Depreciation Method: An accelerated depreciation method in which an asset's book value is multiplied by a constant depreciation rate, such as double the straight-line percentage, in the case of

double declining balance.

Deduction: Business expenses or losses that are subtracted from gross income in computing taxable income.

Deferred Charges: Expenditures which are not chargeable to the fiscal period in which they were made but are carried on the asset side of the balance sheet pending amortization or other disposition. Deferred charges differ from prepaid expenses in that they usually extend over a long period of time and may or may not be regularly reoccurring costs of operation. See also prepaid expenses.

Deferred Maintenance: A delay of maintenance on buildings.

Deficit: The excess of the obligations of a fund over the fund's resources.

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

Department of Human Services Minnesota (DHS): Working with many others, helps people meet their basic needs so they can live in dignity and achieve their highest potential. DHS helps provide essential services to Minnesota's most vulnerable residents. Visit the DHS website .

Depletion: The process of cost allocation that assigns the original cost of a natural resource to the periods benefited.

Deposits: Use of the account "Prepaid Expense and Deposits" is normally restricted to long term investments deposited by the LEA as a prerequisite to receiving services and/or goods.

Depreciation: (1) Loss in value or service life of fixed assets because of wear and tear through use, elapse of time, inadequacy, or obsolescence; (2) The process of cost allocation that assigns the original cost of plant and equipment to the periods benefited.

Direct Costs: Those elements of cost which can be easily, obviously, and conveniently identified with specific activities or programs, as distinguished from those costs incurred for several different activities or programs and whose elements are not readily identifiable with specific activities. See also indirect costs.

Direct Method: A method of reporting net cash flow from operations that shows the major classes of cash receipts and payments for a period of time.

Direct Services: Activities identifiable with a specific program. For example, activities concerned with the teaching learning process are considered to be direct services for instruction.

Disbursements: Payments in cash. See also cash.

Disclaimer of Opinion: A disclaimer indicating the auditor was unable to satisfy himself or herself that the overall financial statements were fairly presented in accordance with GAAP.

Discount: The amount charged by a financial institution when a note receivable is discounted; calculated as maturity value times discount rate times discount period.

Discount Period: The time between the date a note is sold to a financial institution and its maturity date.

Discount Rate: The interest rate charged by a financial institution for buying a note receivable.

Discounting a Note Receivable: The process of the payee's selling notes to a financial institution for less than the maturity value.

District and School Site Verification System: a web-accessible collection tool that enables updates to the MDE-ORG master directory of organizational units, which controls the processing of data on other MDE major systems such as MARSS, STAR,UFARS, FNS, IDEAS, and the AYP Report Card. It is essential that contact information be kept up to date. Charters, districts and schools are asked to update changes to contact information whenever necessary throughout the year. A Verification Report can be run from inside this system that lists all the information currently on file for your charter school.

Double Entry: A system of bookkeeping which requires that every entry made to the debit side of an account or accounts will have a corresponding amount or amounts made to the credit side.

Double Entry Accounting: A system of recording transactions in a way that maintains the equality of the accounting equation.

Due from Fund: An asset account used to indicate amounts owed to a particular fund by another fund in the same school district for goods sold or services rendered. It is recommended that subaccounts be maintained for each inter-fund receivable.

Due from Government: Amounts due to the reporting governmental unit from another governmental unit. These amounts may represent grants in aid, shared taxes, taxes collected for the reporting unit by another

unit, loans, and charges for services rendered by the reporting unit for another government. It is recommended that subaccounts be maintained for each inter-fund receivable.

Due to Fiscal Agent: Amounts due to fiscal agents, such as commercial banks, for servicing an LEA's maturing indebtedness.

Due to Fund: A liability account that indicates the amount of funds currently payable to another fund. The “due to” is used in conjunction with a “due from” account to reconcile from which account the money or other assets will be coming, and to which it will be going.

Due to Government: Amounts owed by the reporting LEA to the named governmental unit. It is recommended that subaccounts be maintained for each inter-fund receivable.

Dues and Memberships: Costs of memberships or assessments in professional or other organizations and payments to other agents for services rendered.

DUNS: A system developed and regulated by Dun & Bradstreet (D&B) that assigns a unique numeric identifier, referred to as a “DUNS number” to a single business entity.

(<http://www.dnb.com/duns-number.html>)

E

Early Childhood Family Education (ECFE): Program offered through community education that provides services for children and parents.

Early Childhood Special Education (ECSE): Program similar to ECFE for children with disabilities.

Educational and General Expenditures: See expenditures.

Education Department (ED): of the United States of America. Also see USDE or the ED website .

(<https://www.ed.gov/>

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Education Department General Administrative Regulations (EDGAR): Title 34 of code of federal regulations for grant programs financed with federal United States Department of Education funds. Please visit Ed.gov Grants and Contracts for information on Title 34.

(<https://www2.ed.gov/policy/fund/reg/edgarReg/edgar>)

Electronic Data Reporting System (EDRS): Charter schools in their fourth year or later update their estimated enrollment data via EDRS. For charter schools in their first three years, MDE uses a paper report and requires rosters and mid-year MARSS submissions. EDRS is also used by schools to submit special education expenditure data for use in the calculation of state and federal special education aids.

Electronic Grant Management System (EGMS): Is used for information on competitive as well as formula funding made available through MDE. Grant opportunities are summarized by title, program area, eligible applicants, and dollar amount. Documents available on the site include instructions on how to apply and eligibility criteria. Visit the EGMS website for a list of current grant opportunities.

Elementary and Secondary Education Act (ESEA): Currently authorized as the No Child Left Behind Act of 2001 (NCLB). Programs under the ESEA promote student achievement through school and district reform, to include a focus on accountability for results, an emphasis on scientific research and doing what works, expanded parental options, and expanded local control and flexibility.

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.

Employed: Civilian, noninstitutionalized persons who; 1) worked during any part of the survey week as paid employees; worked in their own businesses, professions, or farms; or worked 15 hours or more as unpaid workers in a family owned enterprise; or, 2) who were not working but had jobs or businesses from which they were temporarily absent due to illness, bad weather, vacation, labor-management disputes, or personal reasons, whether or not they were seeking another job.

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.

Encumbrance: Purchase orders, contracts, and salary or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when actual liability is set up.

Endowment Fund: A fund from which the income may be expended, but whose principal must remain intact. In Minnesota, the term is also applied to the income of the permanent school fund.

English Learner (EL): A program that provides intensive instruction in English for students with limited English proficient (EL). English Learner previously referred to as Limited English Proficiency (LEP); English Language Learner (ELL); English as a Second Language (ESL)). Students who are identified as English Learners (ELs) should be served in an instructional program designed for ELs, defined as either an English as a Second Language (ESL) or Bilingual Education (BE) program by Minnesota statute. Districts and charter schools have discretion in selecting appropriate language programs, but the program chosen should be considered sound by experts in the field.

The program should be designed to meet varying needs across proficiency levels and address the Minnesota English language development (ELD) standards. For example, students at the beginning levels of English proficiency need more intensive services than students at transitional levels of English proficiency and teachers of all content areas are responsible for the academic language of their subject area for English learners in their classes. The model implemented by the district or charter school should be clearly articulated and available to parents, staff, and students.

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

Enrollment Options: The program that allows students to open enroll to attend a school district other than the one in which they reside.

Enterprise Funds: Funds that provide money for services to the general public through programs that are expected to recover their full costs, primarily through user charges.

Entity: An organizational unit (a person, partnership, or corporation) for which accounting records are kept and about which accounting reports are prepared.

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.

Equity: Equity is the mathematical excess of assets over liabilities. Generally this excess is called Fund Balance.

Estimated Revenue: If the accounts are kept on an accrual basis, this term designates the amount of revenue estimated to accrue during a given period regardless of whether or not it is all to be collected during the period. If the accounts are kept on a cash basis, the term designates the amount of revenues estimated to be collected during a given period.

Estimated Uncollectable Taxes: A provision of tax revenues for that portion of taxes receivable which it estimated will not be collected. The account is shown on the balance sheet as a deduction from the Taxes Receivable account in order to arrive at the net taxes receivable. Separate accounts are maintained on the basis of tax roll year and/or delinquent taxes.

Evaluation: The process of ascertaining or judging the value or amount of an action or an outcome by careful appraisal of previously specified data in light of the particular situation and the goals and objectives previously established.

Exclusions: Gross receipts that are not subject to tax and are not included in gross income, such as interest on state and local government bonds.

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 business to generate revenues.

External Auditors: Independent CPAs who are retained by organizations to perform audits of financial statements.

External Audits: Audits conducted by CPAs who are independent of the client company.

F

Factor: To sell accounts receivable at a discount before they are due.

Fair Market Value: The current value of an asset (e.g., the amount at which an asset could be sold or purchased in an arm's-length transaction).

Family Income: The combined income of all family members who are 14 years old and older living in the household for the period of one year. Income includes money income from jobs; net income from business, farm, or rent; pensions; dividends; interest; social security payments; and any other money income.

Federal Fiscal Year (FFY): Which runs from October 1 - September 30 and is numbered with the starting calendar year. For example, FFY 2015 or FFY 15 runs from October 1, 2015-September 30, 2016.

Federal Funds: Revenues received from federal government appropriations.

Federal Setting: Refers to the percentage of time a student spends in special education: Federal Setting I, 0-21 percent; Federal Setting II, 21-60 percent; Federal Setting III, 60 percent or more; Federal Setting IV, separate special education site; Federal Setting V, public hospital, day treatment, correctional facility.

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

Federal Matching Requirements: Requirements that a governmental unit commit a specific amount of state or local funds for a particular purpose to obtain federal funds for the same purpose.

FIFO (First-in, First-out): An inventory cost flow whereby the first goods purchased are assumed to be the first goods sold so that the ending inventory consists of the most recently purchased goods.

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

FIN: Finance dimension of UFARS and its associated numbers.

(<http://education.state.mn.us/MDE/dse/schfin/fin/UFARS>)

Financial Accounting: The area of accounting concerned with reporting financial information to interested external parties.

Financial Accounting Standards Board (FASB): The private organization responsible for establishing the standards for financial accounting and reporting in the United States.

Financial Reporting Form (FRF): The financial reporting form used by MDE for competitive and targeted/single source grant recipients (grantees) to request grant disbursements.

Financial statements: Reports such as the balance sheet, income statement, and statement of cash flows, which summarize the financial status and results of operations of a business entity.

Financing Activities: Transactions and events whereby resources are obtained from, or repaid to, owners (equity financing) and creditors (debt financing).

Fiscal Year: An entity's reporting year, covering a 12-month accounting period. Minnesota schools run from July 1 to June 30.

Focus Schools: The ten percent of Title I schools making the biggest contribution to the state's achievement gap, and high schools with graduation rates of less than 60 percent. These schools are identified in one of two ways: the lowest MMRs (see below) in their grade classification group (elementary, middle school, high school, other), or graduation rates of less than 60 percent. These schools work with their district to develop a school improvement plan that directly addresses poor performance either within a subgroup, or in graduation rates. These schools are identified once every three years.

Food and Nutrition Services (FNS): Division of MDE. Food and Nutrition Services helps local charter schools and districts work to decrease salt and fat, increase fiber and use low fat dairy products, whole grains, and fresh fruits and vegetables in students' meals.

Food Service Fund: is used to record financial activities of a charter school'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.

Formula Allowance: A reference to the basic general education formula allowance, providing a district with a majority of its revenue from the state.

Free Appropriate Public Education (FAPE): IDEA requires that a Free Appropriate Public Education (FAPE) be made available to all students with disabilities between the ages of 3 and 21, inclusive. In Minnesota, FAPE is available to all persons under the age of 21. The closely related right to FAPE for students with disabilities is expanded under state law to include students from birth until July 1 after the student with a disability turns 21. The expansion does not extend beyond secondary school or its equivalent except as under the state's graduation incentives program.

Free Lunch Eligible: The National School Lunch Program's assistance program for low-income children. Families with school-age children who fall below the poverty level and have no other significant assets are eligible to receive government assistance in the form of free or reduced-price school lunches.

Full-Time Enrollment: The number of students enrolled in higher education courses with a total credit load equal to at least 75 percent of the normal full-time course load.

Full-Time Equivalency (FTE): Full-time-equivalent number of positions, not the number of different individuals occupying the positions during the school year.

Full-Time Worker: One who is employed for 35 or more hours per week, including paid leave for illness, vacation, and holidays. Hours may be reported either for a survey reference week, or for the previous calendar year, in which case they refer to the usual hours worked.

Functional Currency: The currency in which a subsidiary conducts most of its business; generally, but not always, the currency of the country where it does most of its spending and earning.

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: A summary of revenues, expenditures, reserves and year-end balances for a fund or funds.

G

GAAP (Generally Accepted Accounting Principles): Authoritative guidelines that define accounting practice at a particular time. Full reference is United States GAAP.

GAAS (Generally Accepted Auditing Standards): Auditing standards developed by the American Institute of Certified Public Accounts (AICPA).

General Education Revenue: is a combination of several revenue components generated by public schools and available for use during the regular school year and summer for general and special school purposes.

General Ledger: A book, file or other device in which accounts are kept to the degree of detail necessary that summarizes the financial transactions of the district.

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 Auditing Standards (GAAS): Auditing standards developed by the American Institute of Certified Public Accounts (AICPA).

General-Purpose Financial Statements: The financial reports intended for use by a variety of external groups; they include the balance sheet, the income statement, and the statement of cash flows.

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

Government Appropriation: An amount (other than a grant or contract) received from or made available to an institution through an act of a legislative body.

Government Grant or Contract: Revenues from a government agency for a specific research project or other program.

Gross Tax Liability: The amount of tax computed by multiplying the tax base (taxable income) by the appropriate tax rates.

H

Highly Qualified (HQ): Under the 2001 No Child Left Behind Act, teachers of core academic subject must demonstrate federal “highly qualified” status. This can be accomplished with a bachelor’s or higher degree in the core subject or an MTLE content test for the core subject.

High School: A secondary school offering the final years of high school work necessary for graduation, usually including grades 10, 11, 12 (in a 6-3-3 plan) or grades 9, 10, 11, and 12 (in a 6-2-4 plan).

Higher Education Institutions (General Definition): Institutions providing education above the instructional level of the secondary schools, usually beginning with grade 13. Typically, these institutions include colleges, universities, graduate schools, professional schools, and other degree-granting institutions.

Home Language Questionnaires (HLQ): Are used to ascertain the home language of all enrolled students. Completion of the HLQ is the first step in identifying potential English Learners (EL).

Horizontal Analysis of Financial Statements: A technique for analyzing the percentage change in individual income statement or balance sheet items from one year to the next.

I

Identified Official With Authority (IOWA): The district or charter identified official with authority (IOWA) must assign an SSDC coordinator. The SSDC Coordinator is responsible for ensuring that the annual count is accurate and submitted in a timely manner. The SSDC coordinator must have a secure MDE user account. View step-by-step instructions on how to create, view or update an account or how to access an application.

(<http://education.state.mn.us/MDE/dse/datasub/>)

Imprest Petty Cash Fund: A petty cash fund in which all expenditures are documented by vouchers or vendors' receipts or invoices. The total of the vouchers and cash in the fund should equal the established balance.

Income Statement (Statement of Earnings): The financial statement that summarizes the revenues generated and the expenses incurred by an entity during a period of time.

Income Taxes Payable: The amount expected to be paid to the federal and state governments based on the income before taxes reported on the income statement.

Independent Checks: Procedures for continual internal verification of other controls.

Independent School District (ISD): This is a Minnesota school district with a geographic boundary within which students are considered residents.

Indirect Costs: The assignable cost of items, such as heat and light, to an academic program. Those expenses that benefit the entire entity and, therefore, cannot be directly charged to a specific cost category or project activity.

Indirect Method: A method of reporting net cash flow from operations that involves converting accrual-basis net income to a cash basis.

Indirect Rate: This is the rate that reflects the fair share of the indirect expenses, usually general administrative expenses and certain other costs that are related to the program but cannot be readily and accurately identified as a direct cost or service.

Individualized Education Program (IEP): An IEP is a formal written agreement and plan for provision of special education, including related services, to a child with a disability. It is developed, reviewed and revised through a team process in accordance with IDEA regulations. The required elements of an IEP are detailed in IDEA regulations and Minnesota Statutes, section 125A.08 .

Individuals with Disabilities Education Act (IDEA): Is a law ensuring services to children with disabilities throughout the nation. IDEA governs how states and public agencies provide early intervention, special education and related services to more than 6.5 million eligible infants, toddlers, children and youth with disabilities. Children and youth (ages 3-21) receive special education and related services under IDEA Part B {Accessed 8/2/13 from the IDEA website }.

Inflation: An increase in the general price level of goods and services; alternatively, a decrease in the purchasing power of the dollar.

Instructional Expenditures (Elementary/Secondary): Current expenditures for activities directly associated with the interaction between teachers and students. These include teacher salaries and benefits, supplies and purchased instructional services.

Integrated Department of Education Aids System (IDEAS): The aid system through which state aid entitlements are reported and aid payments are calculated and paid out to charter schools and districts.

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

Interest Rate: The cost of using money, expressed as an annual percentage.

Intermediate District (ID): In Minnesota, "Intermediate District" means a district with a cooperative program which has been established under Laws 1967, chapter 822, as amended; Laws 1969, chapter 775, as amended; and Laws 1969, chapter 1060, as amended, offering integrated services for secondary, postsecondary, and adult students in the areas of vocational education, special education, and other authorized services {Minn. Stat. § 136D.01 }.

Internal Auditors: An independent group of experts in controls, accounting, and operations, who monitor operating results and financial records, evaluate internal controls, assist with increasing the efficiency and effectiveness of operations, and detect fraud.

Internal Control Structure: Safeguards, in the form of policies and procedures, established to provide management with reasonable assurance that the objectives of an entity will be achieved.

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.

Inventory: Goods held for resale. It can also mean any unsold or unused goods such as those in a school foods program for adults and children.

Itemized Deduction: Amounts paid by an individual taxpayer for personal and quasi-business expenses that can be deducted in computing taxable income, such as medical expenses, property and income taxes, mortgage and investment interest, charitable contributions, moving expenses, casualty and theft losses, and certain miscellaneous expenses.

J

Journal: An accounting record in which transactions are first entered; provides a chronological record of all business activities.

Journal Entry: A recording of a transaction where debits equal credits; usually includes a date and an explanation of the transaction.

K

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

Kindergarten Handicap (or Disabled): This is a special category within kindergarten that provides for increased weighting of kindergarteners and therefore 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).

Lease Aid: Minnesota Statutes, section 124D.11, subdivision 4 reads in part: "When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purposes and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid for this purpose."

Ledger: A book of accounts in which data from transactions recorded in journals are posted and thereby classified and summarized.

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 limited by statute.

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

License: The right to perform certain activities, generally granted by a governmental agency.

LIFO (Last-in, First-out): An inventory cost flow whereby the last goods purchased are assumed to be the first goods sold so that the ending inventory consists of the first goods purchased.

Limited English Proficiency (LEP): A concept developed to assist in identifying those language-minority students (children from language backgrounds other than English) who need language assistance services, in their own language or in English, in the schools.

Limited Liability: The legal protection given stockholders whereby they are responsible for the debts and obligations of a corporation only to the extent of their capital contributions.

Liquidation: The process of dissolving a business by selling the assets, paying the debts, and distributing the remaining equity to the owners.

Liquidity: A company's ability to meet current obligations with cash or other assets that can be quickly converted to cash.

Loan: Borrowed money that must be repaid.

Local Education Agency (LEA): (e.g., charter LEA, school district), a public school district in the United States.

Long-Term Facilities Maintenance (LTFM): To qualify for revenue under this section, a school district or intermediate district, not including a charter school, must have a ten-year facility plan adopted by the school board and approved by the commissioner. The plan must include provisions for implementing a health and safety program that complies with health, safety, and environmental regulations and best practices, including indoor air quality management. Charter schools qualify for the revenue without a ten-year facility plan {Minn. Stat. § 123B.595 }.

Long-Term Investment: An expenditure to acquire a non-operating asset that is expected to increase in value or generate income for longer than one year.

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

Losses: Costs that provide no benefit to an organization.

Lower Cost or Market (LCM): A basis for valuing certain assets at the lower of original cost or current market value.

M

Maintenance of Effort (MOE): The IDEA requirements for MOE requires that federal funds "...may not be used to reduce the level of expenditures for the education of children with disabilities made by the Local Education Agency (LEA) from (state and) local funds below the level of those expenditures for the preceding fiscal year...." (34 C.F.R. § 300.203). This requirement is referred to as maintenance of effort. Annually, the Division of Program Finance, Special Education Funding and the Data Team review the MOE of each LEA, including each local school district, charter school and special education cooperative and reports the state's MOE to the federal office.

Maker: A person (entity) who signs a note to borrow money and who assumes responsibility to pay the note at maturity.

Management Accounting: The area of accounting concerned with providing internal financial reports to assist management in making decisions.

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.

Matching Principle: The concept that all costs and expenses incurred in generating revenues must be recognized in the same reporting period as the related revenues.

Maturity Date: The date on which a note or other obligation becomes due.

Maturity Value: The amount of an obligation to be collected or paid at maturity; equal to principal plus any interest.

MIDMS: MDE ID Management System is the name of the MDE security system that authorizes use of its secured websites.

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

Minnesota Common Course Catalogue (MCCC): Is a course classification and data collection system intended to provide uniform information about courses that are taught by Minnesota teachers and completed by Minnesota students.

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.

Minnesota Management and Budget (MMB): The mission of MMB is to increase state government's capacity to manage and utilize financial, human, information and analytical resources in order to provide exceptional service and value for Minnesota's citizens.

Monetary Measurement: The idea that money, as the common medium of exchange, is the accounting unit of measurement, and that only economic activities measurable in monetary terms are included in the accounting model.

Multiple Measurements Rating (MMR): Minnesota's measurement of school performance. The MMR measures proficiency, student growth, achievement gap reduction, and graduation rates. Schools earn points in each category. The percentage of possible points that a school earns is the school's MMR.

N

Natural Resources: Assets that are physically consumed or waste away, such as oil, minerals, gravel, and timber.

Net Proceeds: The difference between maturity value and discount when a note receivable is discounted.

Net Realizable Value of Accounts Receivable: The net amount that would be received if all receivables considered collectible were collected; equal to total accounts receivable less the allowance for uncollectible accounts; also called the book value of accounts receivable.

Net Sales: Gross sales less sales discounts and sales returns and allowances.

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.

No Child Left Behind (NCLB): The Federal Act of 2001 dictates how states must hold schools accountable through statewide assessments and mandated interventions. Minnesota received a waiver to certain provisions of NCLB in February 2012.

Nominal Accounts: Accounts that are closed to a zero balance at the end of each accounting period; temporary accounts generally appearing on the income statement.

Noncash Items: Items included in the determination of net income on an accrual basis that do not affect cash; examples are depreciation and amortization.

Noncash Transactions: Investing and financing activities that do not affect cash; if significant, they are disclosed below the statement of cash flows or in the notes to the financial statements.

Non-Licensed Community Expert: Minnesota Statutes, section 122A.25 is a special permission granted to a school district to hire an individual who is not a licensed teacher, but has a specific area of expertise that is related to the teaching assignment.

Nonoperating Assets: Investment and other assets not used in a business but held to earn a return separate from operations.

Nonprofit Organization: An entity without a profit objective, oriented toward providing services efficiently and effectively.

Non-Renewable License: Minnesota Rule 8710.1410 . The non-renewable license is valid for up to three years and allows a professionally licensed individual to teach out-of-field in a subject as s/he works toward full licensure. A district only needs to apply for this license once {using the Special Permissions System }and does not need to advertise for the position after the first year.

(<http://education.state.mn.us/MDE/dse/datasub/SPS/index.html>)

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

Non-Supervisory Instructional Staff: Persons such as curriculum specialists, counselors, librarians, remedial specialists, and others possessing education certification but not responsible for day-to-day teaching of the same group of pupils.

Note Payable: A debt owed to a creditor, evidenced by an unconditional written promise to pay a certain sum of money on or before a specified future date.

Note Receivable: A claim against a debtor, evidenced by an unconditional written promise to pay a certain sum of money on or before a specified future date.

Notes to Financial Statements: Explanatory information considered an integral part of the financial statements.

Nonsufficient Funds (NSF) Check: A check that is not honored by a bank because of insufficient cash in the customer's account.

O

Obligations: Amounts of orders placed, contracts awarded, services received, or similar legally binding commitments made by federal agencies during a given period that will require outlays during the same or some future period.

Official Grant Award Amendment (OGAA): An amendment to the MDE competitive and single-source/targeted award document that includes by reference terms and conditions of approved application materials, including assurances, approved work plan and approved budget.

Official Grant Award Notification (OGAN): The MDE competitive and single-source/targeted award document that includes by reference terms and conditions of approved application materials, including assurances, approved work plan and approved budget.

Open Transaction: A transaction that is not completed at the end of the accounting period; a purchase that has not yet been paid for or a sale where payment is yet to be collected when the accounting period ends.

Operating Activities: Transactions and events that enter into the determination of net income.

Operating Assets: Long-term, or noncurrent, assets acquired for use in the business rather than for resale; includes property, plant, and equipment; intangible assets; and natural resources.

Operating Lease: A simple rental agreement.

Other Revenues and Expenses: Items incurred or earned from activities that are outside, or peripheral to, the normal operations of a firm.

Outlays: The value of checks issued, interest accrued on the public debt, or other payments made, net of refunds and reimbursements.

P

Part-Time Enrollment: The number of students enrolled in higher education courses with a total credit load less than 75 percent of the normal full-time credit load.

Part-Time Worker: One who is employed for 1-34 hours a week, including paid leave for illness, vacation,

and holidays. Hours may be reported either for a survey reference week, or for the previous calendar year, in which case they refer to the usual hours worked.

Payee: The person (entity) to whom payment on a note is to be made.

Pension Plan: A contract between a company and its employees whereby the company agrees to pay benefits to employees after their retirement.

Perkins: Carl D. Perkins Career and Technical Education Improvement Act of 2006, which provides federal money for career technical education schooling.

Personnel Activity Report (PAR): Form required to be completed by MDE grantees of applicable federally financed grant programs where work on federally assisted MDE grant projects must be accounted for separately from other revenue sources and divided by separate cost objectives.

Personnel Variance: Minnesota Rule 8710.1400 . A special permission granted for fully licensed teachers to serve in positions for which they are not licensed (out-of-field). Personnel variances are granted to a school district for an individual for no more than three years and must be renewed annually.
(<https://www.revisor.mn.gov/rules/?id=8710.1400>)

Petty Cash Fund: A small amount of cash kept on hand for making miscellaneous payments.

Physical Safeguards: Physical precautions used to protect assets and records, such as locks on doors, fireproof vaults, password verification, security guards.

Post-Closing Trial Balance: A listing of all real account balances after the closing process has been completed; provides a means of testing whether total debits equal total credits for all real accounts prior to beginning a new accounting cycle.

Positive Behavioral Interventions and Supports (PBIS): A state-initiated project that provides districts and individual schools throughout Minnesota with the necessary training and technical support to promote improvement in student behavior across the entire school, especially for students with challenging social behaviors. It establishes clearly defined outcomes that relate to students' academic and social behavior, systems that support staff efforts, practices that support student success, and data to guide decision-making.

Posting: The process of transferring amounts from the journal to the ledger.

Postsecondary Enrollment Options (PSEO): A program that allows high school juniors and seniors to take courses at postsecondary institutions for high school credit.

Prepaid Expenses: Payments made in advance for items normally charged to expense.

Primary Financial Statements: The balance sheet, income statement, and statement of cash flows, used by external groups to assess a company's economic standing.

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

Principal on A Note: The face amount of a note; the amount (excluding interest) that the maker agrees to pay the payee.

Priority Schools: The five percent most persistently low-performing schools in the state. These schools are identified as those in the bottom five percent of MMRs in their grade classification group (elementary, middle school, high school, other). These schools are required to collaborate with MDE and the Regional Centers of Excellence to develop a school turnaround plan based on the federal turnaround principles. These schools are identified once every three years.

Proficiency: The proficiency measurement in the MMR looks at a weighted percentage of subgroups that made AYP. Schools earn points based on the number and size of subgroups that meet their AYP targets.

Prior-Period Adjustments: Adjustments made directly to Retained Earnings in order to correct errors in the financial statements of prior periods.

Project-Based Learning (PBL): Is an instructional program where students complete coursework for credit at an individual pace that is primarily student-led and may be completed on site, in the community, or online. Charter schools that wish to or are running a project-based program, even if it is completed in a seat-based setting, need to submit an application for approval to MDE.

Proper Authorization: Policy regarding either a general class of transactions, such as inventory, or a specific transaction to achieve control objectives.

Property, Plant, and Equipment: Tangible, long-lived assets acquired for use in business operations;

includes land, buildings, machinery, equipment, and furniture.

Property, Plant, and Equipment Turnover: A measure of how well property, plant, and equipment are being utilized in generating a period's sales; computed by dividing net sales by average property, plant and equipment.

Proration: A term describing an allocation that is based on a proportionate distribution of the total.

Provision 2 and Provision 3 / Community Eligibility Provision: are three School Nutrition special provision programs where all students are provided free meals and reimbursement for meals is based on claiming percentages. Not all meals are reimbursed at the free level. Schools with high free and reduced student numbers may consider participating in these programs.

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

Purchase Returns and Allowances: A contra-purchase account used for recording the return of, or allowances for, previously purchased merchandise.

Purchases Account: An account in which all inventory purchases are recorded; used with the periodic inventory method.

Purchases Journal: A special journal in which credit purchases are recorded.

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

Q

Q Comp: Q Comp was enacted through a bipartisan agreement in the Minnesota Legislature in July 2005. It is a voluntary program that allows local districts and exclusive representatives of the teachers to design and collectively bargain a plan that meets the five components of the law. The five components under Q Comp include Career Ladder/Advancement Options, Job-embedded Professional Development, Teacher Evaluation, Performance Pay, and an Alternative Salary Schedule.

Qualified Opinion: Opinion issues when the work of the auditor has been limited in scope or the entity has failed to follow GAAS.

R

Real Accounts: Accounts that are not closed to a zero balance at the end of each accounting period; permanent accounts appearing on the balance sheet.

Receivables: Claims for money, goods, or services.

Recertification System: MDE has the new External User Recertification System which provides local education agency superintendents and directors with additional information and control over who has external access to MDE secure systems for their LEA.

Recourse: The right to seek payment on a discounted note from the payee if the maker defaults.

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

Registered Bonds: Bonds for which the names and addresses of the bondholders are kept on file by the issuing company.

Regional Centers of Excellence provide technical assistance to school leadership and implementation teams for Priority and Focus Title I schools across the state. Through regular, ongoing dialogue and support, these specialists assist principals and teachers in improving academic outcomes for all students by working in partnership with the school staff. MDE supports and oversees the efforts of the three Regional Centers by collaborating with staff from across the agency to provide guidance that will result in coordinated support to meet the needs of school leadership teams and enable them to improve achievement for all learners.

Reserved: An amount set-aside for some specified purpose.

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

Residual Income: The amount of net income an investment center is able to earn above a specified minimum rate of return on assets.

Response to Intervention (RTI): Is a framework that is used to improve outcomes for all students. RTI

helps to ensure the provision of high-quality instruction and interventions that are matched to the needs of students requiring additional academic and behavioral supports. After initial screening of all students, changes in instruction or goals can be made according to the level of student need. Student progress is monitored frequently and instruction is then differentiated and modified, as necessary {adapted from NASDSE website, 2005. }.

Reward Schools: The highest-performing 15 percent of Title I schools in the state. These schools are identified based on being in the top 15 percent of their grade classification group (elementary, middle school, high school, other) in the MMR. These schools are identified and recognized for their good work every year.

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

Revenue Recognition Principle: The idea that revenues should be recorded when; (1) the earnings process has been substantially completed; and, (2) an exchange has taken place.

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.

Revolving Fund: A fund established in which revenue (including loan payments) is credited back to the fund for the same use as the original appropriation.

S

Sales Ratio: A statistical measure prepared by the Department of Revenue to measure the difference between the actual sales prices of property with the assessor's market values on those properties.

Sales Tax Payable: Money collected from customers for sales taxes that must be remitted to local governments and other taxing authorities.

Salvage or Residual Value: Estimated value or actual price of an asset at the conclusion of its useful life; net of disposal costs.

School Food Authority (SFA): Is the organization that sponsors a School Nutrition Program (SNP). Typically SFAs are districts, private schools or charter schools. Charter schools may initiate a Joint Agreement with a SFA to administer their SNPs.

School Improvement Grant (SIG): Funds are for the purpose of turning around the identified persistently lowest achieving schools in the state by substantially raising the achievement of students attending those schools.

School Nutrition Programs (SNP): Include breakfast, lunch, afterschool snacks and the fresh fruit and vegetable program. SNP is a section of the Food and Nutrition Service (FNS) division of MDE which provides technical assistance and monitoring of school meal programs in Minnesota for compliance with state and federal regulation.

Section 504 of the Rehabilitation Act of 1973: A federal civil rights statute that assures individuals will not be discriminated against based on their disability.

Secured Bonds: Bonds for which assets have been pledged in order to guarantee repayment.

Segregation of Duties: Strategy to provide an internal check on performance through separation of custody of assets from accounting personnel, separation of authorization of transactions from custody of related assets and separation of operational responsibilities from record keeping responsibilities.

SFIN: SERVS Financial (an acronym of an acronym see SERVS)

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

Sparsity Revenue: That portion of the general education formula that provides additional revenue to school districts for schools that have relatively small enrollments and are relatively far from other school buildings.

Special Funds: A grouping of revenues from certain sources from which certain expenditures are made. Revenues for these funds are usually dedicated and expenditures from the special funds are usually restricted for certain purposes.

Special Journal: A book of original entry for recording similar transactions that occur frequently.

Special Permissions System (SPS): This is a BOT online system where districts and charter schools can

apply for variances, waivers, and community experts.

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

Standard Unqualified Audit Report: Audit report indicating that all auditing conditions have been met, no significant misstatements have been discovered and remain uncorrected, and the auditors feel the financial statements are fairly stated in accordance with generally accepted accounting principles.

STAR: Staff Automated Reporting is a web-based system used by school districts, charter schools and cooperatives to report employment and assignment information to MDE. This system is also used by districts to access the licensure/assignment discrepancy report and to complete "highly qualified" reporting.

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

Stated Value: A nominal value assigned to no-par stock by the board of directors of a corporation.

State Educational Record View and Submission (SERVS): The MDE system was designed to simplify, consolidate and automate data collection processes. SERVS Financial helps districts, schools and other eligible entities apply for funding opportunities, submit reimbursement requests and track budgets.

State Fiscal Year (SFY): This fiscal year runs from July 1 - June 30 of each year, numbered with the ending calendar year. For example, SFY 2015 or SFY 15 refers to July 1, 2014 - June 30, 2015.

Statement of Cash Flows: The financial statement that shows an entity's cash inflows (receipts) and outflows (payments) during a period of time.

Statewide System of Support (SSOS): Is one of the services offered through the Regional Centers of Excellence. The SSOS works exclusively with Title I funded schools designated as Focus or Priority due to low student achievement levels, persistent achievement gaps or low graduation rates. The vision for this system of support is to establish a consistent, cohesive regional infrastructure for effectively and efficiently providing equitable access for school improvement support throughout the state.

Statutory Operating Debt (SOD): According to Minnesota Statutes, section 123B.81, subdivision 2, SOD exists if the school's operating debt is more than 2 ½ percent of the most recent fiscal year's expenditure amount. By January 31 of the following year of SOD, the school board is required to create and implement a Special Operating Plan which is formally approved through a board resolution and submitted to the MDE commissioner for approval.

Straight-Line Amortization: A method of systematically writing off a bond discount or premium in equal amounts each period until maturity.

Straight-Line Depreciation Method: The depreciation method in which the cost of an asset is allocated equally over the period of an asset's estimated useful life.

Student Growth: Individual student growth is a measurement of how a student scored relative to the expected score. The expectation of how a student will score is based on their previous year's score. Schools receive a growth score based on the average growth scores of all their students.

Subsidiary Ledger: A grouping of individual accounts that in total equal the balance of a control account in the General Ledger.

Sum-of-the-Years'-Digits (SYD) Depreciation Method: The accelerated depreciation method in which a constant balance (cost minus salvage value) is multiplied by a declining depreciation rate.

Statewide Integrated Financial Tools (SWIFT): Integrates all the administrative functions across state agencies, including financial, procurement, reporting, human resources, and payroll.

System for Award Management (SAM): Is used to validate and complete Central Contractor Registration (CCR). The SAM system is a web-enabled government-wide application that collects, validates, stores, and disseminates business information about the federal government's trading partners in support of the contract award, grants, and the electronic payment process.

(<https://www.sam.gov/portal/SAM/##11>)

T

Tangible Personal Business Property: Depreciable operating assets of a business, other than real property, including machinery, furniture and fixtures, automobiles and trucks, and equipment.

Targeted Services: These are K-8 intervention/prevention services provided outside the traditional school day and traditional school year to qualified learners.

Tax Anticipation Note: A note issued in anticipation of collection of taxes, usually retireable only from tax collections from a local levy.

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.

Teacher Development and Evaluation (TDE): Minnesota districts and charters must create and implement teacher development and evaluation systems that comply with requirements in Minnesota statute. See the Principal Development and Evaluation page on the MDE website or email School Support for more information.

(<http://education.state.mn.us/MDE/dse/prev/>)

(mde.schoolsupport@state.mn.us)

Teachers' Retirement Association (TRA): This group provides coverage for public school teachers throughout the state, except for teachers in the first class cities, and some teachers in community colleges, state universities and technical colleges.

Term Bonds: Bonds that mature in one lump sum at a specified future date.

Time Period (or periodicity) Concept: The idea that the life of a business is divided into distinct and relatively short time periods so that accounting information can be timely.

Title I Schools: Schools that receive federal funding based on their level of poverty. Only schools that accept Title I funding are considered Title I schools. The identification of Priority, Focus, Continuous Improvement, Celebration-Eligible and Reward schools under Minnesota's waiver are only directed at Title I schools.

Transactions: Exchange of goods or services between entities (whether individuals, businesses, or other organizations), as well as other events having an economic impact on a business.

Transfers: The movement of money between funds. A 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.

Tuition Student: A pupil for whom tuition is paid.

U

Uncollectible Accounts Expense: An account that represents the portion of the current period's receivables that are estimated to become uncollectible.

Unearned Revenues: Amounts received before they have been earned.

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

United States Department of Education (USDE): Also referred to as ED (Education Department). ED's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access. More information is available at ed.gov.

Unlimited Liability: The lack of a ceiling on the amount of liability a proprietor or partner must assume; meaning that if business assets are not sufficient to settle creditor claims, the personal assets of the proprietor or partners may be used to settle the claims.

Unrecorded Expenses: Expenses incurred during a period that have not been recorded by the end of that period.

Unrecorded Revenues: Revenues earned during a period that have not been recorded by the end of that period.

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

Vendor Number: Every company or organization, including a charter school receiving payments from the state, is considered a vendor. The first step to authorize the State of Minnesota to make electronic funds transfer (EFT) payments to a charter school's bank account is to register for a vendor number. In order to receive or view payments, every vendor must register online with the State of Minnesota's administrative agency, known as Minnesota Management and Budget (MMB) .

Vertical Analysis of Financial Statements: A technique for analyzing the relationships between items on an income statement or balance sheet by expressing all items as percentages.

Voucher: A document that authorizes the payment of money and usually indicates the accounts to be charged.

W

Waiver: Also known as innovative waiver or board waiver - Minnesota Statutes, section 122A.09, subdivision 10. A special permission granted for one or more licensed individuals to teach out of their subject area to accommodate experimental (innovative) programs or for an assignment for which there is no appropriate licensure. A waiver is commonly used in an alternative setting such as, but not limited to, a care and treatment center, alternative learning center or charter school. Waivers are granted annually and there is no limit on the number of waivers an individual can be granted since there is no license that allows an individual to teach multiple content areas.

(<https://www.revisor.mn.gov/statutes/?id=122A.09>)

Warrant: An order drawn by the school board to the district treasurer ordering him/her to pay a specified amount to a payee named on the warrant.

Weighted-Average: A periodic inventory cost flow alternative whereby the cost of goods sold and the cost of ending inventory are determined by using a weighted-average cost of all merchandise available for sale during the period.

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.

Work Sheet: A columnar schedule used to summarize accounting data.

Working Capital: Current assets minus current liabilities.

Working Capital Turnover: A measure of the amount of working capital used in generating the sales of a period; computed by dividing net sales by average working capital.

World-Class Instructional Design and Assessment (WIDA): Advances academic language development and academic achievement for linguistically diverse students through high quality standards, assessments, research, and professional development for educators {accessed 8/16/13 from the WIDA website }.

Minnesota is a member of the WIDA Consortium and uses WIDA's ACCESS for ELLs assessment.

(<https://www.wida.us/aboutUs/mission.aspx>)

X Z

No entries

Y

Yield: The return on an investment, usually presented as a percentage.