

Respect

Integrity

Responsibility

Honesty

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



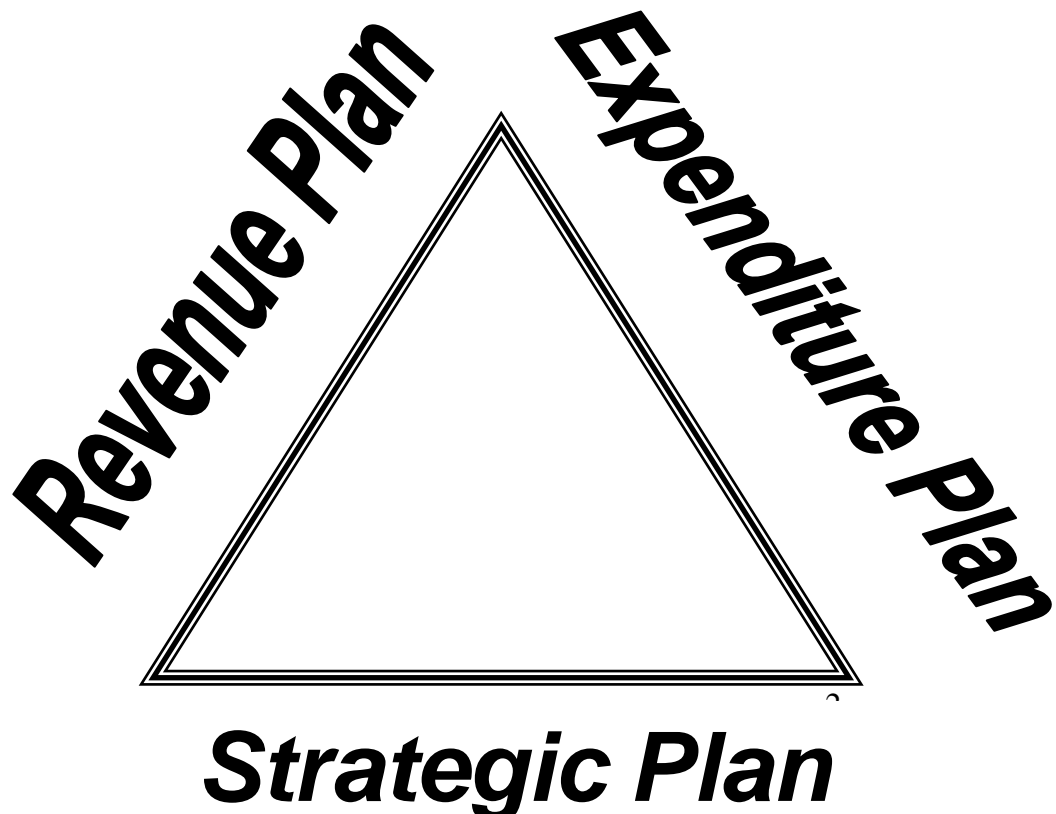
**BUDGET BOOK
2014-2015**

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 an environment 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. The district currently operates 5 buildings. Helen Baker Elementary in Glencoe – Grades K-2, Lakeside Elementary in Silver Lake – Grades 3-6, Lincoln Junior High in Glencoe – Grades 7-8 and ECSE, ECFE and School Readiness, and GSL High School in Glencoe – Grades 9-12. The District also operates the Panther Field House. This building was built as a joint collaboration between the City of Glencoe and the School District. This building is used by the High School Phy-Ed and Athletic Departments, Community Education and as a public health fitness center. Within the community there are also 2 Non-Public Schools. St. Pius X Catholic School in Glencoe which serves students in grades K-6, 1st Lutheran School in Glencoe which serves students in grades K-8. The Holy Family Catholic School in Silver Lake closed June 30, 2011.

Goals of the District

Goal #1 – Increase Student Achievement

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 2015 begins July 1, 2014 and ends June 30, 2015.

With certain exceptions, the property tax levy certified in 2014 for taxes payable in 2015 is recognized as revenue for FY 2015-2016. Property tax levy that is certified in December of 2014 is for taxes payable in calendar year 2015 and is revenue for the 2015-2016 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 that it may not be used for capital purchases.

The District began the 2014-2015 school year with a total General Unassigned Operating Fund Balance of \$4,473,172. This compares to the June 30, 2013 ending fund balance of \$4,660,924. With strong financial accounting practices, and difficult board decisions regarding budget reductions in previous years, the district has a healthy fund balance of 27%. The total General Fund including restricted accounts had a fund balance of \$5,198,630 compared to \$5,759,817 on June 30, 2011. (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 2014-2015 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.

Adjusted Marginal Cost Pupil Units = Greater of:

**Current year Adjusted Pupil Units or
(.77 X Current Year Adjusted Pupil Units
+ .23 X Prior Year Adjusted Pupil Units)**

The State has attempted to soften the impact for schools experiencing declining enrollment by factoring in a portion of the decline by allowing 77% of the current year and 23% of the prior year. If a district has an increase in enrollment, then the funding is based on 100% of the current year enrollment and not on the 77/23 calculation.

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 2014-2015 revised budgets reflect the District's enrollment of **1,600 Average Daily Membership**. The June 30, 2014 ending ADM's was 1,597.22.

The **Adjusted Pupil Units are projected to be 1,713** for the 2014-2015 school year compared to 1,748.72 for the prior year. The district has seen a significant drop in enrollment since the completion of the 2010-2011 school year. Because of the weighted ADM calculation, the district is receiving less student revenue. Staffing and class sizes are an area that needs to be looked at closely and addressed for the 2015-2016 school year.

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

\$8,559.85 in revenue per Adj. ADM, (including referendum revenue) a small deviation in enrollment can produce a significant change in revenue.

Language Prior to FY2015

*Resident Marginal Cost Pupil Units – RMCPU = Resident Pupil Units X
Weighting X
77% Current Year
+ 23% Prior Year*

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

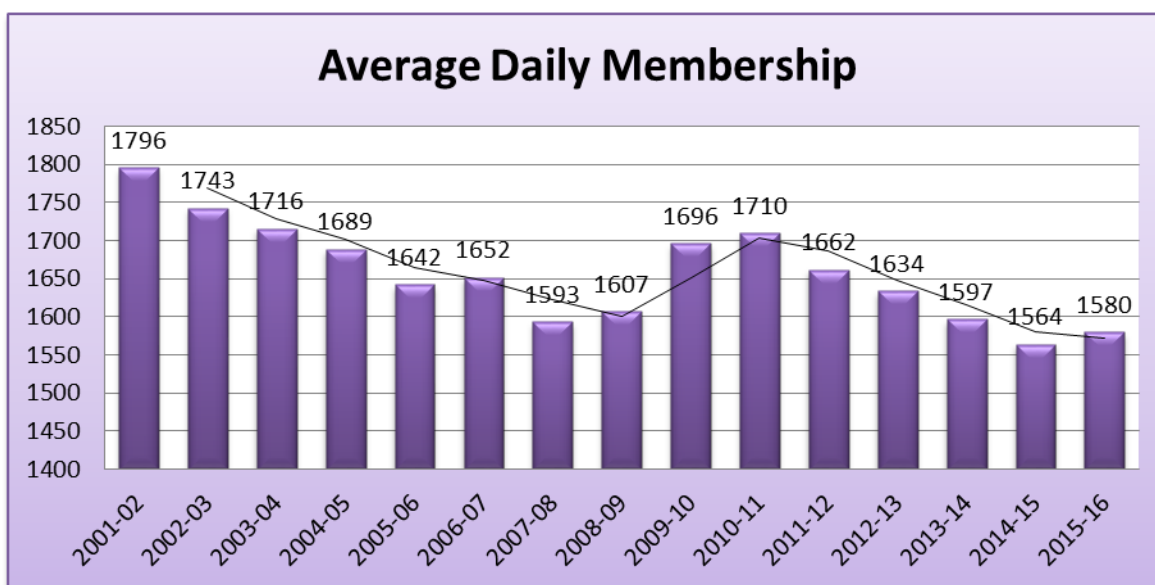
Enrollment and Staffing Information

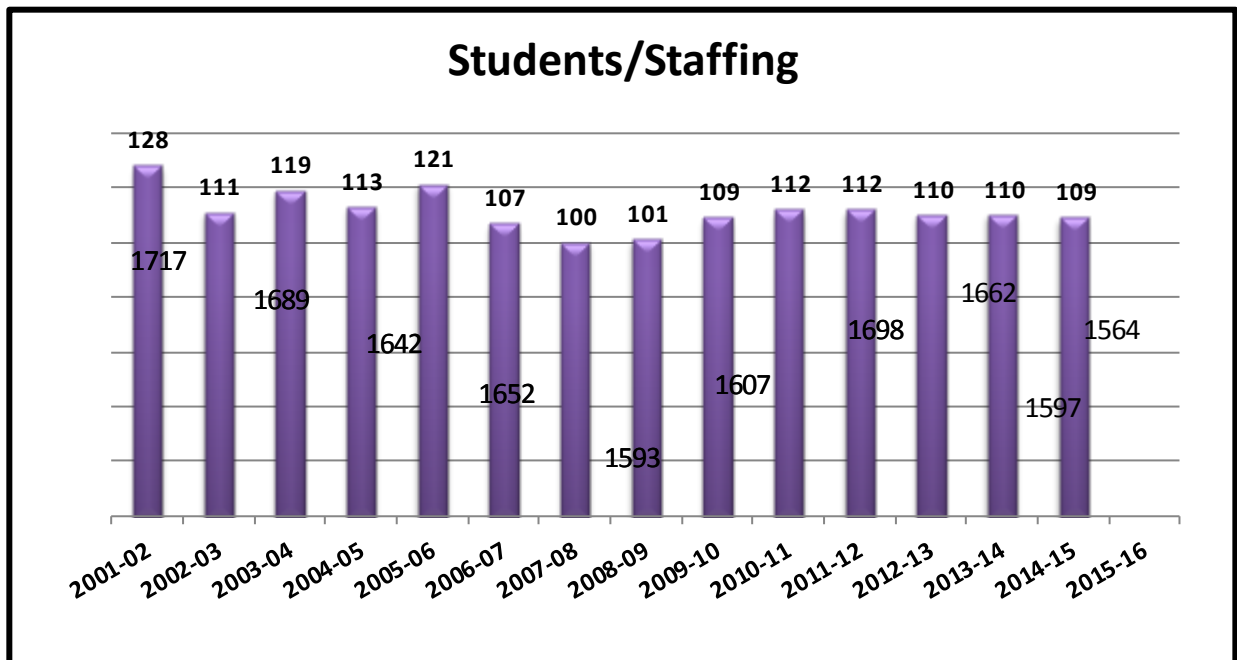
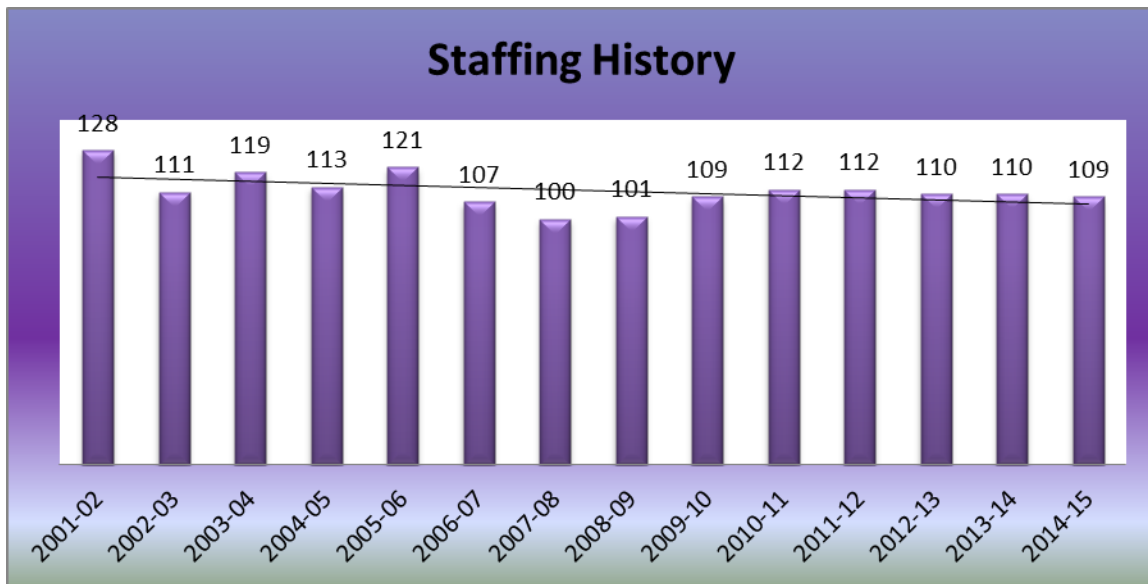
Average Daily Membership History and Projections

	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

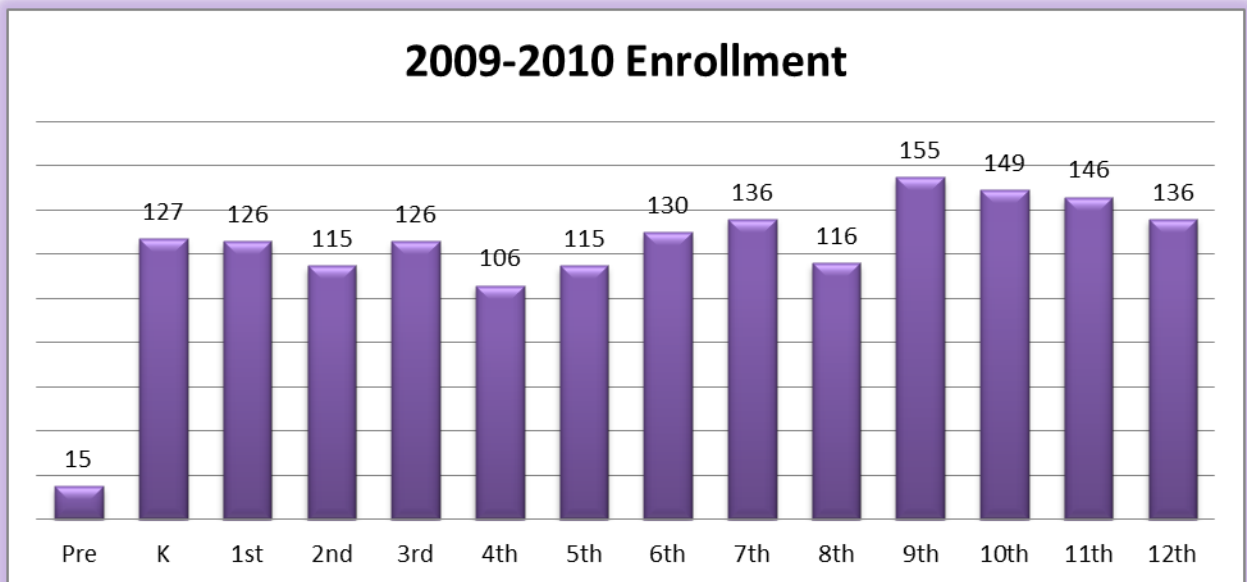
	11-12	12-13	13-14	14-15	15-16	16-17
Students	1,661	1,634	1,600	1,564	1,580	1,578
Staff	111.39	110.11	109.49	109.09		



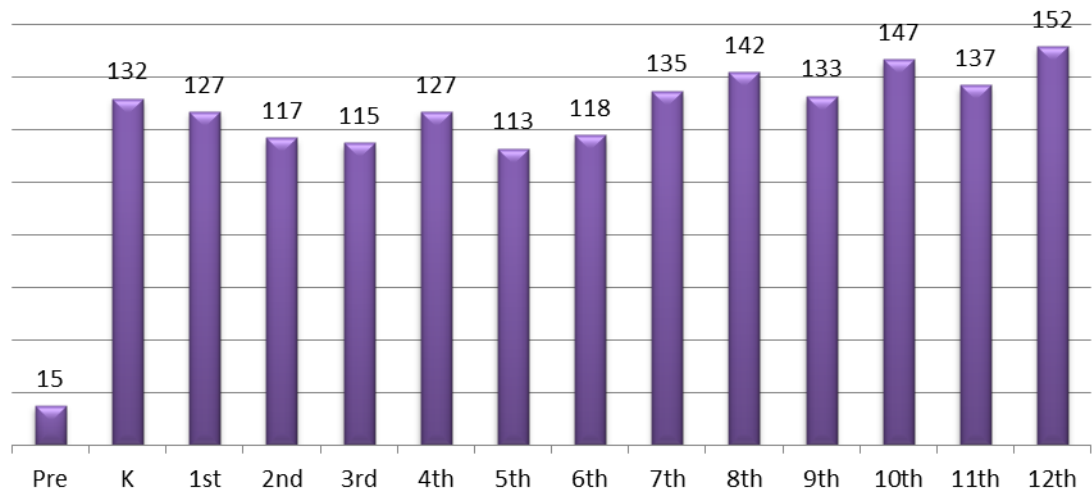


Historical Average Daily Membership

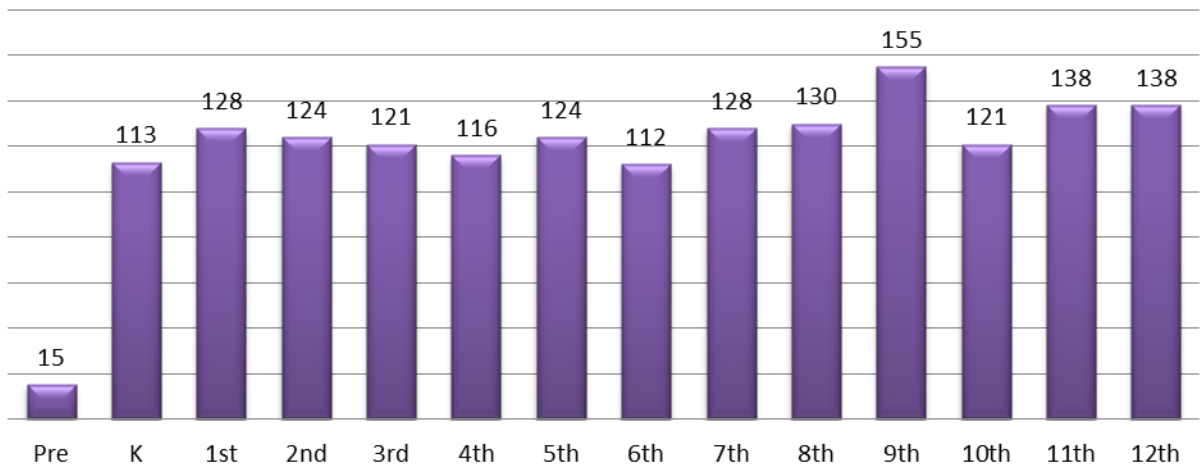
	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15
Pre	13	14	16	14	15	15	15	11	13	15
K	105	115	106	111	127	132	113	135	100	102
1st	110	109	115	117	126	127	128	115	126	104
2nd	98	111	100	116	115	117	124	122	116	117
3rd	121	111	104	97	126	115	121	126	128	117
4th	88	121	108	106	106	127	116	119	123	125
5th	100	96	118	110	115	113	124	111	117	115
6th	108	106	94	112	130	118	112	121	116	113
7th	145	140	124	108	136	135	128	116	128	122
8th	141	145	139	134	116	142	130	124	118	130
9th	161	143	145	153	155	133	155	142	129	117
10th	153	157	143	148	149	147	121	145	134	131
11th	150	135	146	135	146	137	138	108	134	123
12th	151	149	135	145	136	152	137	139	111	133
Elem K-6	624	653	640	658	845	864	853	849	839	793
7-12	900	869	832	824	838	846	809	774	754	756
TOTAL K-12	1,642	1,652	1,593	1,607	1,698	1,710	1,662	1,634	1,597	1,564



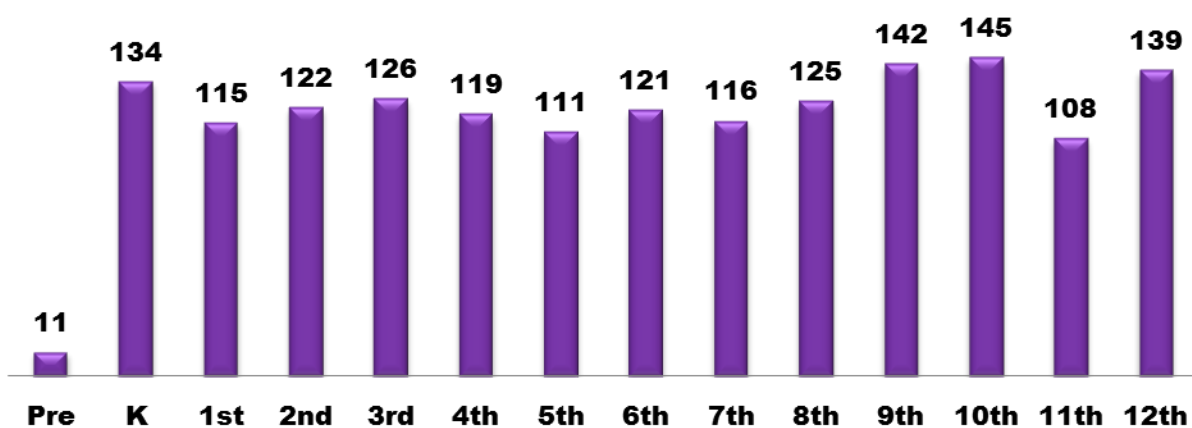
2010-2011 Enrollment



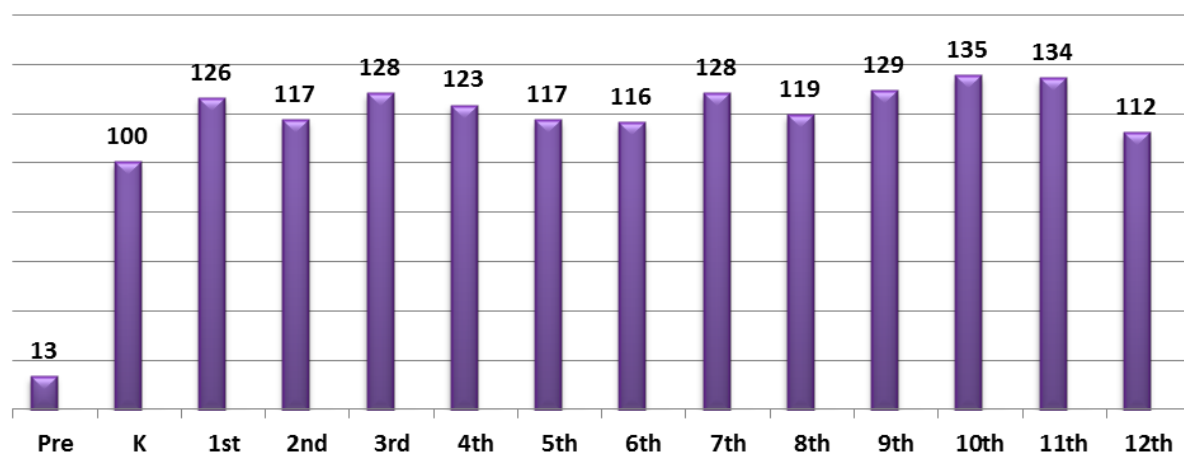
2011-2012 Enrollment

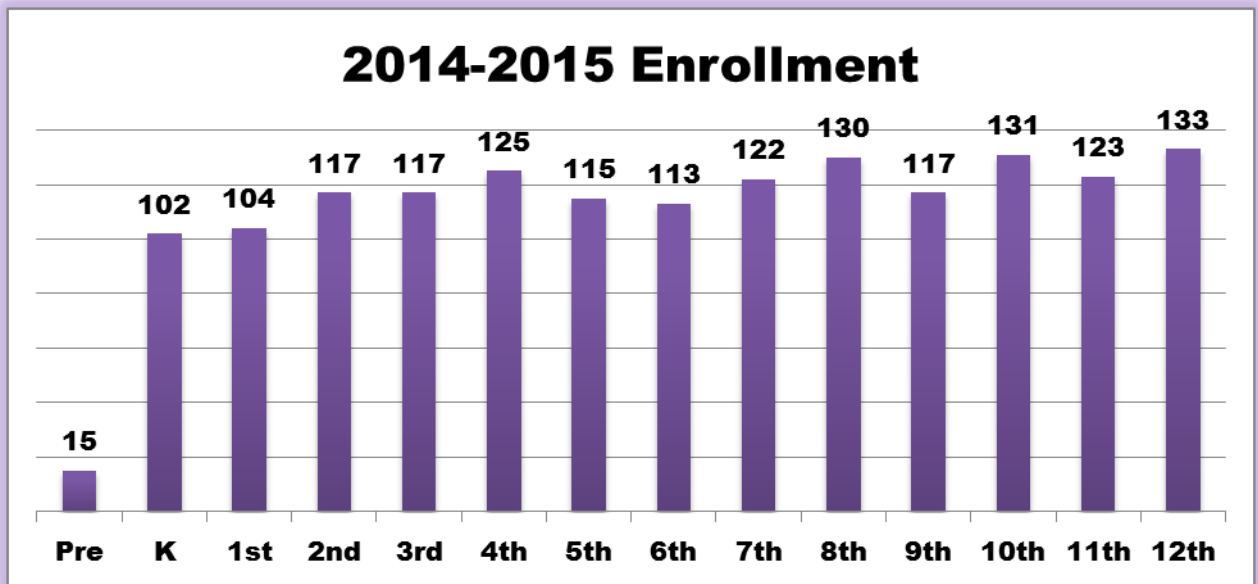


2012-2013 Enrollment



2013-2014 Enrollment





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

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Students	1,947	1,937	1,935	1,935	1,935

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

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)

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

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**

**Preliminary 2014-2015
Enrollment Options**

	EC	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
Residents	27	119	152	138	154	154	151	150	168	163	159	171	181	138	2025
In	5	9	9	11	6	6	4	4	7	5	11	6	7	12	95
Out	3	26	35	31	31	36	39	36	44	49	40	43	50	40	503

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		

1a. One-Time General Education Aid Reduction

For FY 2010 only, all school districts general education aid was reduced by an amount equal to 8.7 percent of the district's FY2008 general education revenue, excluding referendum revenue. This reduction, which totals \$500 million statewide, is offset by an equal amount of federal fiscal stabilization aid or AARA Funds.

For GSL this equaled \$1,070,708.

1b. Contract Settlement Deadline Penalty

State aid is reduced by \$25 per pupil unit if a district and the exclusive representative of the teachers have not signed a collective bargaining agreement by the January 15th of the year following the expiration of the teacher's contract. Teacher contracts expire June 30th of each odd numbered year. The penalty does not apply if the unresolved issues have been submitted to binding arbitration by December 31st.

(This contract penalty deadline was eliminated with the 2011 and 2012 K-12 Omnibus Education bill)

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 \$4,601 times the extended time adjusted marginal cost pupil units. Increase to \$5,017 in FY15 to account for the change in pupil weighting.

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. 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. In FY15, the amount will change to \$13 to allow for adjustment in the pupil weighting. GSL receives approximately \$22,762.00. This is a reserved account.

4. Small Schools Revenue

A school district that serves less than 960 pupil units is eligible for small schools revenue equal to \$544 times the district's adjusted pupil units, times the ratio of 960 less the district's adjusted pupil units to 960.

5. 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 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 1,768 adjusted pupil units for 2013-2014 and preliminary 2014-2015 adjusted pupil units for 2014-2015 are 1,715.60. A loss of 52.40 Pupil Units. (PU) $28\% \times$ the basic formula allowance of \$5,831 equals \$1,632.68 \times 52.40 PU equals \$85,552.43 in declining enrollment revenue.

6. Local Optional Revenue – LOR

The 2013 Legislature created a new component of general education revenue called location equity revenue. For fiscal year 2016, 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.

7. 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.
- $\text{Compensatory Revenue} = (\text{Formula Allowance} - \$415) \times \text{Compensatory Pupil Units}$
- $\text{Compensatory Pupil Units} = \text{Free} + \frac{1}{2} \text{ of reduced price lunch count} \times \text{Concentration Factor} \times .60$
- $\text{Concentration Factor} = \text{Ratio of Free} + \frac{1}{2} \text{ of reduced price lunch count to } 80\% \text{ of total building enrollment, but not } > 1$

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 \$792,053 for 2014-2015.

8. 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.

9. 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 = $\$79 + \text{MCI} * \$109 * \text{Adjusted Pupil Units}$
- Operating Capital Levy = Operating Capital Revenue x the lesser of (1) or (2) ANTC/Adjusted Pupil Units/\$10,194
- Operating Capital Aid = Operating Capital Revenue – Operating Capital Levy
- Operating capital revenue provides \$109 per adjusted pupil unit times the district's maintenance cost index. Districts with older buildings receive more revenue because of the maintenance cost index. Districts with newer buildings receive less revenue.
- *(Note: Buildings older than 50 years are only calculated as 50 years.)*

The District will receive \$399,553 for capital improvements. This revenue is a combination of state aid and local levy. The state aid is \$210,722 and the local levy is \$188,831. Prior to 2004 this source of revenue was 100% state aid. Currently the local tax levy is 47%. 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.

10. 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 \$248.51 per pupil unit (4.85%) 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 \$239,608 for 2014-2015. The attendance area for the GSL district is 270.18 square miles.

Transportation Revenue = Transportation Sparsity Allowance x Adjusted PU

Density Index = Square mile area of the district/APU – but not less than .005 or more than .2

Sparsity Index = the greater of .2 or the square miles/APU

Transportation Sparsity Allowance = Basic Formula Allowance x .1469 x Sparsity index x density index – basic formula allowance x .0485

The district also receives transportation revenue for transporting non-public students within our district lines. For 2014-2015 the district will receive approximately \$58,781.

11. 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 \$75 + \$13 per APU. The district also receives an additional \$46.00 per pupil unit. Equity revenue for the district will be approximately \$231,008 which has a state aid and levy component. State aid is \$86,707 and local levy is \$144,301.

12. 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 32.12 per pupil unit times the district's current year AMCPU.

The District will receive approximately \$58,151 in transition revenue. \$36,325 of this revenue is local levy and \$21,826 is state aid.

13. 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.

14. Options Adjustments

A school district's general education revenue is adjusted by the "options" adjustment, based on enrollment changes made under student enrollment programs. A district's general education revenue is reduced for referendum aid attributable to resident pupils who are open-enrolled. A district's general education revenue is increased by an amount equal to the referendum aid attributable to nonresident students served by the school district, plus an aid amount equal to the transportation portion of each charter school pupil whom the district transports.

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 \$360,897 in revenue.

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. \$110,338 was the amount that was levied for GSL FY2015. The administration has developed a deferred maintenance plan to utilize these dollars for building maintenance projects and repairs.

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

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, 1992 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 was reduced the basic formula allowance for all districts was increased 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 years 2015 and later, the referendum revenue cap is \$1,845 adjusted for inflation.

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

2014-15 Estimated Adj PU = 1,765.80
X \$430.27 Referendum Allowance
= \$759,770.77 Referendum Revenue

Tier 1 = \$300.00 X 1,765.80 = \$529,740.00
Tier 2 = \$130.27 X 1,765.80 = \$230,030.77
Tier 3 = \$0

FY2015

Referendum Market Value – 705,710,810.00 / 2014-2015 Resident PU – 2,007.40
= \$351,554.65 RMV/RES PU
Tier 1 Levy = \$351,554.65 / \$880,000.00 = .39949392 Levy Ratio
Tier 2 Levy = \$351,554.65 / \$510,000.00 = .68932284 Levy Ratio

Tier 1 Levy = \$529,740.00 X .39949392 = \$211,627.91 Levy Authority
Tier 2 Levy = \$230,030.77 X .68932284 = \$158,565.46 Levy Authority
Tier 3 Levy = \$0
Total Levy Authority = \$370,193.37

Tier 1 Aid = \$529,740.00 - \$211,627.91 = \$318,112.09
Tier 2 Aid = \$230,030.77 - \$158,565.46 = \$71,465.31
Total Aid = \$389,577.40

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 \$430.27 per resident pupil unit for the FY15 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 \$853,790. Approximately \$398,342 is generated from a local levy and \$455,449 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.

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 2014-2015 school year is \$85,808.00.

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 will receive \$32,181.30.

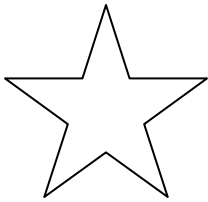
General Education Program Revenue

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 2014-2015 is \$5,831 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
Deferred Maintenance
Staff Development



Glencoe-Silver Lake – General Education Program Revenue 2014-2015

Number of Adjusted Pupil Units	1,713.20 (2/18/2015)
Basic Revenue	\$5,831.00
Gifted and Talented	\$13.00
Basic Skills	\$426.91
LEP Total	\$35.42
Transportation Sparsity	\$139.86
Equity	\$134.84
Transition	\$33.94
Operating Capital	\$233.22
Location Equity	\$424.00
Referendum	\$798.36
Alternative Attendance Adjustment	\$0
Pension Adjustment -	\$0
Total	\$7,804.40 per Adjusted Pupil Unit

Other Funding Categories

Health and Safety Levy

The district will receive \$81,099.72 in Health and Safety levy revenue for the 2014-2015 school year. Health and Safety revenue is generated by local levy. Health and Safety projects have to be submitted to the Department of Education for approval with final expenditures reported annually before Districts receive levy authority. Levy authority is based on accumulative expenses and revenues.

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 2014-2015 this amount is \$62,232.30.

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 \$1,400,000 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 2014-2015 federal entitlement dollars for GSL is \$327,756.

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 X Approved Program Expenditures

Career and Technical Levy = Career and Technical Revenue X District's ANTC per pupil unit / \$7,612

Career and Technical Aid = Career and Technical Revenue – Career and Technical Levy.

The District will generate approximately \$29,459.45 levy authority in secondary career and technical revenue for the 2014-2015 school year and \$4,657 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 balance that was payable by January 15, 2015 was \$6,634.14. The lease was paid off in August of 2014. 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 Panther Association will be making payments to the school district to cover the cost of this project. The first installment of \$20,000 was received from the group in October of 2014.

(The following information is Historical Data from the 2010-2011 FY regarding delays in State Aids).

State Aid Payment Delay under M.S. 127A.46

Under M.S. 127A.46, if the Commissioner of Minnesota Management and Budget determines that modifications in the state aid payment schedule to school districts would reduce the need for state short-term borrowing, the state must first use its authority to delay state aid payments to school districts to the maximum extent allowable before engaging in state short term borrowing. The formula in M.S. 127A.46 establishes the maximum amount of payments that could be delayed for each school district, but authorizes the Commissioner of Education to implement a smaller delay as appropriate. Since the amount needed to avoid state short term borrowing is less than the maximum that could be delayed under the statute, the factors in the statutory formula have been adjusted.

M.S. 127A.46 was repealed with the 2011 legislative session. The state is no longer allowed to delay state aid payments to school districts to avoid state short term borrowing.

School Districts are normally scheduled to receive their State Aid Payments twice a month.

The following information is being retained in this document for historical purposes only.

January 27th, 2010

Breakdown of Delay of State Aid Payments

Resident Students – 2,066

Unappropriated Fund Balance – June 30, 2009 - \$4,165,289

Unreserved Fund Balance per Resident Pupil Unit – 1,997

Cash and Investments - \$5,636,440

Short Term Debt – 0

Minus - \$700 Per Resident Pupil Unit – (\$1,460,046)

Minus –May-June 2009 Tax Collections – Not FY 2009 Revenue – (\$669,683)
Maximum Aid Delay before Fund Balance Threshold - \$3,506,711
Maximum Aid Delay after Fund Balance Threshold - \$3,506,711

March 15th Projected Payment - \$534,978
March 30th Projected Payment - \$641,974
April 15th Projected Payment - \$427,983
Total - \$1,604,934

Total Delayed – 100% - \$1,604,934
Total Restored on May 30th - \$1,604,934 **Paid back 5/30/2010**

Round Two of Delayed State Aid Payments

July 21, 2010

Resident Students – 2,348
Unappropriated Fund Balance – June 30, 2009 - \$4,165,289
Unreserved Fund Balance per Resident Pupil Unit – 1,774
Cash and Investments - \$3,556,704
Short Term Debt – 0

Minus - \$700 Per Resident Pupil Unit – (\$1,643,880)
Minus –May-July 2010 Tax Collections – Not FY 2010 Revenue – (\$768,604)
Maximum Aid Delay before Fund Balance Threshold - \$1,144,222
Maximum Aid Delay after Fund Balance Threshold - \$1,144,222

September 15th, 2010 – December 15th, 2010 – Payments withheld - \$1,144,222
Total Delayed – 100% - \$1,144,222
January 30th, 2011 – Payment withheld - \$390,558
Total to be restored on May 30, 2011 - \$1,534,780

January 18, 2011 memo from Commissioner Cassellious, MDE

“However, districts are cautioned that the amount may not be received as a cash payment. This is due to the early recognition (tax shift) specified in Minnesota Statutes, section 123B.75, subd. 5, and the associated state aid adjustment that maintains the revenue neutrality of the early revenue recognition. Statute requires that the adjustment to aid occur as late in the year as possible, so for some districts, the tax shift adjustment to state aid may eliminate or reduce the payback amount.”

State Education Funding Accounting Shifts

There are two types of shifts that have been used in education finance to generate State Appropriation savings: school payment shifts and property tax recognition shifts. The savings generated by these shifts are one-time in nature, and the costs to pay them back are also one-time.

School Payment Shifts

The state aid share of school district revenue allocated through each school finance formula is called the “aid entitlement.” The amount paid to school districts by the State during each fiscal year is called the “appropriation.” The timing of the percentage of the entitlement paid in each fiscal year is set in State statute M.S. 127A.45. For FY10 the payment percentage was 73% of the entitlement is appropriated in the current fiscal year and 27% in the subsequent year. In simple terms, the State “borrows” money from school districts for a short term by withholding a portion of their payments until the start of the next fiscal year. Beginning with FY14 a 86.4%/13.6% payment schedule will be implemented to school districts. In October of 2013 the state aid payment calculations changed to a 90%/10% shift due to the positive State budget forecast. Under M.S. 16A.152, Subd. 2, aid payment shift will be repaid when state budget improves.

School districts use an “accrual” method of accounting: regardless of when a payment toward their current year entitlement is received, they count the entitlement amount as their revenue for the year. In reality, districts do experience a fiscal impact if they have insufficient cash on hand to manage their cash flow. Prior to the FY10 year, the shift in payments was 90/10. The 90/10 shift allowed for “settle up” payments to be made based on actual student data.

(Historical Information regarding the State Shift)

Due to the November 2012 Budget Forecast, the percentage amount of state aids payable during the current school year has been increased from 64.3 to 82.5 percent as a result of an improvement in the state’s budget outlook. Payments for school districts were adjusted with the December 15th, 2012 payment to reflect the new percentage. The percentage of state aids payable during the current school year will be reviewed again when the February 2013 forecast is completed. If there is further improvement in the state’s budget outlook for the FY2012 – FY2013 biennium, the current payment percentage will be increased again in March. If the state’s budget outlook for the FY2012-FY2013 biennium remains the same or declines in February, the current payment percentage will remain at 82.5 percent, assuming no legislative change is made.

Property Tax Recognition

Property owners pay their property taxes in May and October during a calendar year. The county that receives the payments then transfers the school share to the school districts. If

no shifting existed, all of the property tax collections paid in a calendar year would be recognized as revenue to the school district for the fiscal year. For example, taxes paid in calendar year 2012 would be revenue for the 2012-2013 school year. If there were no shifts, districts would collect half of their revenue before the fiscal year started from the May payment and half after, from the October payment.

When a property tax recognition shift is put in place, districts are told that they must recognize a portion of the May payment as revenue for the current year, rather than for the subsequent year. In turn, the State reduces the amount of state aid paid in the current fiscal year by any additional revenue districts who from early recognition of property tax payments. To pay off a property tax recognition shift, the district is required to recognize the revenue for the fiscal year starting on July 1st of the year in which it is collected and the State must provide sufficient aid for the fiscal year ending on June 30th of the calendar year to make sure that the district receives its entire entitlement amount.

The current property tax shift is 23.1% for FY2014 and later and will be repaid when the state budget improves.

Property Taxes

The School District Levy, 2012 Payable 2013 is levy that is approved in 2012 for taxes payable by property owners in 2013 for Revenue for the 2013-2014 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, 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%
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%
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%
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%

** 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

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 – 2014-2015 – January 2015

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) – 1,562
 - Weighted Pupils -- 1,713.20 Adj Pupil Units
2. Funding Per AMCPU
 - Basic \$5,831.00
3. Funding Per RMCPU
 - Referendum \$470.09
 - Resident Marginal Cost Pupil Units – 2,215.20
4. Federal Programs – Title, Migrant, Special Ed -- \$528,785
5. Interest Earnings --
 - Increased due to an increase in cash flow
 - Decreased because of low investment 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 2014 actual expenses and known contracts
 - Utilities --
 - Electricity/Natural Gas
 - Water and Sewer
 - Transportation
 - Building Project
 - Tennis Court Project

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 USDA has issued new school meal requirements effective for the 2012-2013 school year. Meals are now limited to calorie counts at all age/grade levels with increased offerings in fruits and vegetables. The lunch menu is also limited in sodium content and only allowed to use whole grains in specific amounts along with proteins. This mandate is intended to make sure students are receiving age-appropriate, nutritionally –adequate meals that provide the right amount of energy from healthful food sources.

The 2014-2015 original food service budgets include the following assumptions:

Revenue:

Student Participation: Consistent with 2013-2014 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 school year due to Federal funding mandates.

	<u>Breakfast</u>	<u>Lunch</u>	<u>Milk break/carton</u>
Elementary Students	\$1.10	\$2.30	\$ 50.00 (.40)
Secondary Students	\$1.10	\$2.50	.40
Adult	\$1.60	\$3.50	.40

The district continues to offer a free breakfast program for all K-12 students for the 2014-2015 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 .28 cents for a paid breakfast, 1.21 for reduced breakfast and 1.62 for each free breakfast served.

All Kindergarten students are reimbursed at 1.30 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. All reduced student meals are now provided at no charge.

Federal reimbursement rates are .34 cents for a paid lunch, 2.64 for a reduced lunch and 3.04 for a free lunch served. Those amounts include the "extra six cents" that was approved in 2013. Kindergarten milk is reimbursed at .20 and .23 for pre-school milk.

Afterschool snack program is reimbursed at .07 per paid snack, .41 per reduced snack and .82 per free snack. GSL schools are considered Area-Eligible so the reimbursement is .82 and all students eat free.

Expenditures:

The 2013-2014 showed an ending food service fund balance of \$112,291 compared to \$155,022 on June 30th, 2013. 2011-2012 showed an ending fund balance of \$158,367. 2010-2011 showed a fund balance of \$116,600. 2009-2010 had a fund balance of \$52,470 compared to (-\$2,625) for 2007-2008. The district contracts with Chartwell's Food Service for operation of the food service program. The 2014-2015 school year is the 5th year that the district has sub-contracted with Chartwell's. Prior to the sub-contract agreement with Chartwell's, the district worked with Taher Food Service Company.

The decrease in the food service fund balance was attributable to the decrease in enrollment, a decrease in participation and implementing a summer food program. The percentage of students that qualify for free-reduced lunch is at 37.6% district wide at the October 1st child count. The percentage of students that participate in the lunch program is 75% at the elementary and 71.5% at the high school.

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 for the full 2010-2011 and the 2011-2012 and the 2012-2013 school years and continued in the 2013-2014 and 2014-2015 school year.

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 were able to purchase the snack for \$1.00. 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, .39 for reduced and .78 for free. Because of the high poverty level in our district, the district was declared "Area Eligible" for 2014-2015 which means all students eating snack are free. Adults are also eligible to purchase the snack for \$1.25.

The district will need to start looking at the replacement of some major equipment items throughout the 3 kitchens in the district. Due to the age of the buildings/kitchens and the equipment, the Minnesota Department of Health is making recommendations of some things that need to be replaced. 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. Some of this expense will have health and safety levy authority. Depending on the June 30th fund balance, the remainder will be budgeted in food service and operating capital. The oven at the high school was replaced in October of 2013.

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 2011 for the following three years. The new contract was awarded to Chartwell's.

The current contract with Chartwell's expired on June 30, 2014. The district received bids for the new contract on February 26th, 2014 for a new contract to begin on July 1st, 2014. The new three year contract was awarded to Chartwell's starting July 1, 2014.

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 - $\$1.60 \times 766$ (Est [population under 5])
- A 2014 Legislative change effective for the 2015-16 school year is a change in ECFE funding formula from \$120 to \$134.11 and that 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.

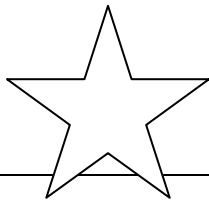
School Readiness – No Levy

Non-Public

- Health
- Textbook Aid
- Counseling

Pre-School Screening

The following graph shows the revenue and expenditure budget for fund 04 for 2014-2015 with the breakdowns of the different areas within the fund 04 budget.



2014-2015 Fund 04 Budget

	Revenues	Expenditures
General Community Ed	\$70,646	\$116,811
Field House	\$121,000	\$137,382
Drivers Ed	\$1,600	\$1,535
Recreation	\$116,500	\$130,250
Aquatics	\$12,000	\$12,200
School Age Care	\$92,800	\$69,425
School Age Care Disabled	\$12,500	\$12,500
After School Enrichment	\$19,801	\$18,800
Youth Services	\$13,026	\$13,019
Classes	\$20,000	\$18,610
Trips	\$0	\$0
Adult Basic Education	\$45,410	\$45,410
ECFE	\$94,043	\$106,944
Home Visiting	\$1,091	\$1,091
School Readiness & Pathways	\$92,539	\$96,653
Pre-School Screening	\$4,116	\$0
Non-Public Aid	\$32,835	\$32,923
TOTALS	\$749,907	\$815,553

DEBT SERVICE

FUND 07

Long Term Debt

The district currently has no long-term debt.

Below is historical data from the McLeod West debt from the consolidation.

The GSL District now holds the long-term debt for the former McLeod West District. The GSL residents are not responsible for this debt as the debt was occurred by the former McLeod West District that ceased to exist on June 30, 2009. The Reorganizational Operating Debt Bonds were for \$2,585,000 and are taxed to the previous McLeod West tax payers for a period of 5 years. The debt is levied by the GSL, GFW and BLH School Districts. GFW and BLH will pay their share to GSL who will make the bond payments. This levy begins with taxes payable in 2010. This legislation can be found in Chapter 20 – S.F. No. 811 from the 2009 Regular Session. The statute states that ISD #2887, McLeod West may issue general obligation bonds without an election, not to exceed the operating debt approved by the commissioner of education. The bonds must be repaid within six years of issuance. The bonded debt issued under this section remains payable by the taxable property located within the boundaries of former ISD #2887, McLeod West.

Reorganization Operating Debt for Old McLeod West

Fiscal year	Principal &Interest	GSL Percent Allocation	Debt Service Levy
FY2011	\$548,855.00	38.62244918%	\$222,580.40
FY2012	\$559,225.00	38.62244918%	\$226,797.97
FY2013	\$568,255.00	38.62244918%	\$230,447.80
FY2014	\$569,475.00	38.62244918%	\$230,942.55
FY2015	\$568,425.00	38.62244918%	\$230,516.93

Following the completion of the 2009-2010 school financial audit, it was determined that there was a debt excess amount of \$618,554 that will be applied to the outstanding debt obligation. This amount will eliminate the FY2015 amount that is due and reduce the FY 2014 amount due by \$50,129.00.

The School Board approved in March of 2011 the Partial Defeasance and Payment of Certain Maturities of the General Obligation Operating Debt Bonds of the McLeod West School District. The school district will establish an Escrow Fund with Northland Securities in the amount of \$614,378.44. This money will be held in escrow until the payments in 2014 and 2015 are due. See the following schedule of the Partial Defeasement and payment schedule.

\$2,585,000 ISD 2887 McLeod West, Brownton, Minnesota
Partial Deafeasance of 2009A
New Levy Based On Defeasing \$560,000 of Bonds

105% Levy

Date	Scheduled P&I	Less Capitalized Interest	Less Defeased Amount	Remaining P&I	105% Levy	GSL	BLH	GFW	Levy Year
2/1/10	45,903.33	45,903.33	-	-	-				-
2/1/11	548,855	-	-	548,855	576,298	222,580	239,641	114,076	2009
2/1/12	559,255	-	-	559,255	587,218	226,798	244,182	116,238	2010
2/1/13	568,255	-	37,450	530,805	557,345	215,260	231,760	110,324	2011
2/1/14	569,475		28,725	540,750	567,788	219,294	236,103	112,392	2012
2/1/15	568,425	-	568,425	-	-	-	-	-	2013

The 2013 Payable 2014 levy had no debt levy authority granted to any of the three supporting districts. The final bond payment was made February 1st, 2014. The remainder of the bond principal and interest will be paid by the Escrow account that was established. Any excess funds in the debt service fund will become a negative levy adjustment in subsequent levy years. Excess funds will go back to the McLeod West taxpayers as a levy adjustment.

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, 2014 audited financial statement accounted for the following balances in the scholarship funds.

Delores Ervin - \$952,454
Ted Damask - \$5,058
Miscellaneous - \$7,503

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

******* - 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				

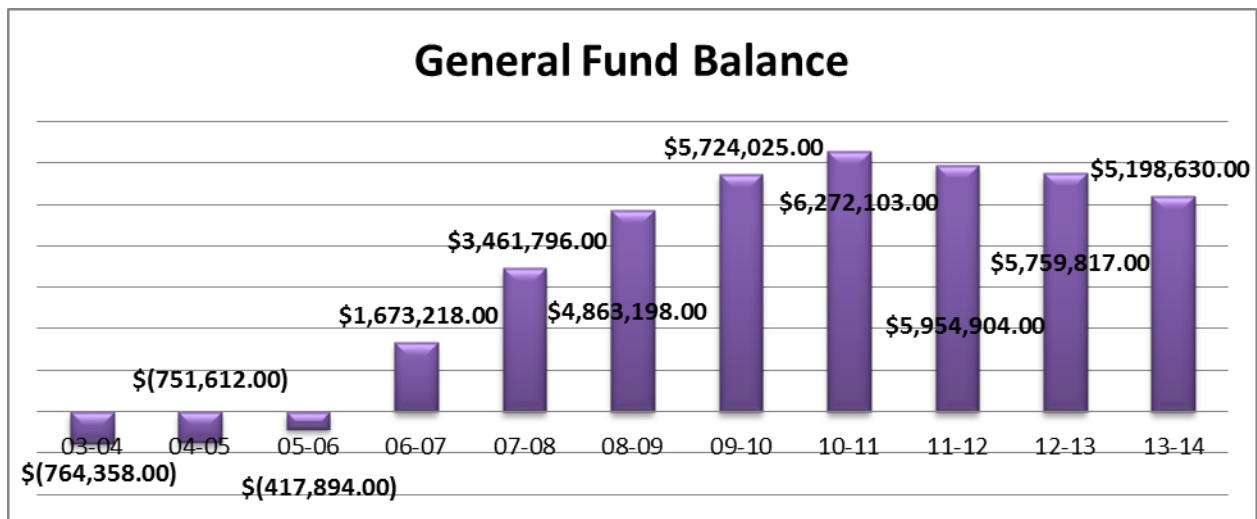
2014-2015 Budget
Board Approved
June 9, 2014

	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
<i>Revised</i>		<i>\$16,539,616</i>	<i>\$17,280,457</i>	\$4,370,918
<i>Final 6-30-15</i>		<i>\$</i>	<i>\$</i>	<i>\$</i>
Food Service	\$112,292			
Proposed 6-9-14		\$949,085	\$923,740	137,637
<i>Final 6-30-15</i>		<i>\$</i>	<i>\$</i>	<i>\$</i>
Community Service	\$124,262			
Proposed 6-9-14		\$740,340	\$778,116	\$86,486
<i>Revised</i>		<i>\$749,907</i>	<i>\$</i>	<i>\$</i>
<i>Final 6-30-15</i>		<i>\$</i>	<i>\$</i>	<i>\$</i>
Internal Service Fund	\$805,847			\$806,000
<i>Final 6-30-15</i>		<i>\$</i>		<i>\$</i>
Scholarship				
D. Ervin	\$952,454	\$3,700	\$13,700	\$955,006
T. Damask	\$5,059			\$5,059
Misc	\$7,492			\$7,492
		<i>Fund 10</i>		Not included above
		<i>Revenues</i>		
		<i>Fund 10</i>		Not included above
		<i>Expenditures</i>		
Total				
		\$18,242,308	\$18,996,013	

**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	
5,724,025	6,272,103	5,954,904	5,759,817	5,198,630			

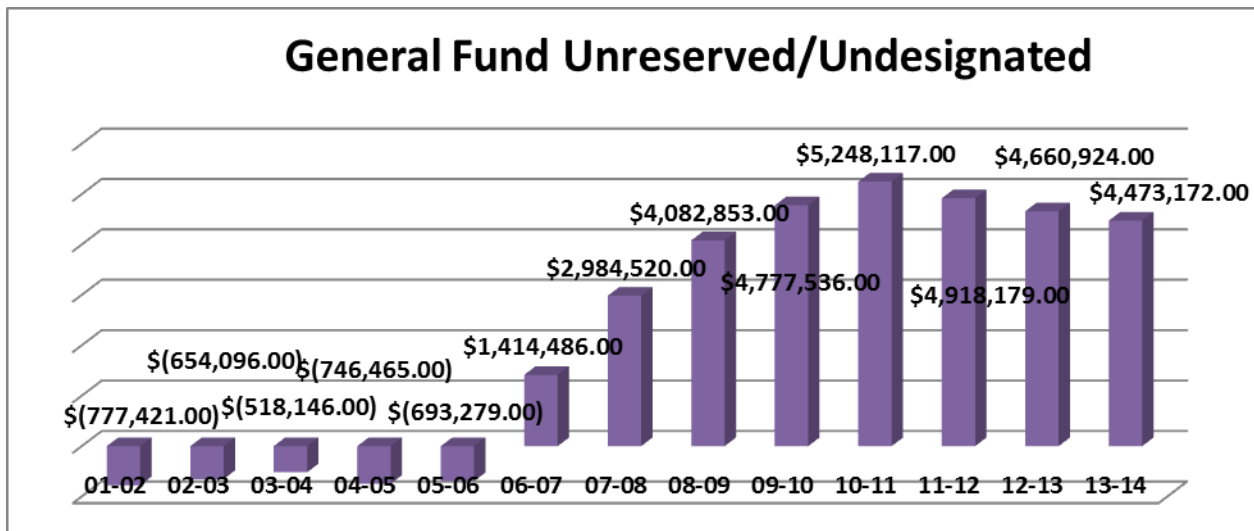


General Fund Unreserved/Undesignated

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

2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	
4,777,536*	5,248,117*	4,918,179	4,660,924	4,473,172			

*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.

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.

Referendum Revenue and Location Equity Revenue

July 29, 2013

Potential Building Project

The Glencoe-Silver Lake School Board wishes to complete facility and site improvements at the existing GSL High School and Lincoln Junior High campus and therefore called for a special election for Tuesday, May 12, 2015.

The ballot question will ask the voters to approve a \$24,190,000.00 30 year bond. The proposed improvements will center on relocating the District's Kindergarten through grade 2 programs to the existing 7-12 campus in Glencoe, including classroom additions and the repurposing of program space within the current Lincoln Junior high Schools and the GSL High School buildings. These changes will be accomplished through a combination of building additions and remodeling.

The previous building bond election was held in April and November of 2011.

In April, the voters voted down the ballot question by a margin of 1,741 to 1,443. There were a total of 3,184 votes cast with a voter turnout of 43.4%.

After much consideration, the school board remained strong in their mission of seeking a building project and therefore went to the voters on November 8th, 2011 with the same ballot question regarding the project. The dollar amount changed slightly due to construction costs, interest rates and the board contribution from the fund balance. This time the ballot question was seeking approval for a 15 year bond for \$17,995,000. Again the election failed by a margin of 1,833 no votes and 1,544 yes votes. There were 3,381 total votes cast with a voter turnout of 45.8%. The election results by communities were almost identical to the April election.

(See the following supplemental document for a full copy of the building project review and comment that was submitted to the Minnesota Department of Education)

Proposal for Review and Comment

February 9, 2015

Submitted to: Minnesota Department of Education

Submitted by: Glencoe-Silver Lake School District #2859
1621 E. 16th St.
Glencoe, MN 55336

Schools Contact: Chris Sonju, Superintendent of

Phone: 320-864-2498

E-mail: CSonju@gsl.k12.mn.us

Prepared by: Glencoe-Silver Lake School District #2859
1621 E. 16th St.
Glencoe, MN 55336

Schools Contact: Chris Sonju, Superintendent of

Phone: 320-864-2498

E-mail: CSonju@gsl.k12.mn.us



Glencoe-Silver Lake Public Schools

Independent School District #2859

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

Christopher D. Sonju, Superintendent of Schools ~ 320-864-2498 ~ CSonju@gsl.k12.mn.us

Clark Christianson, School Board Chairperson
Kevin Kuester, School Board Treasurer

Jamie Alsleben, School Board Vice Chairperson
Jason Lindeman, School Board Director

Anne Twiss, School Board Clerk
Donna VonBerge, School Board Director

February 9, 2015

Brenda Cassellius, Ed. D.
Commissioner of Education
Minnesota Department of Education
1500 Highway 36 West
Roseville, MN 55101

Dear Commissioner Cassellius:

In accordance with Minnesota Statute 123B.71, Glencoe-Silver Lake School District #2859 hereby submits this proposal of K-12 facilities and site improvements for review and comment.

The School Board of ISD #2859 wishes to complete facility and site improvements at the existing GSL High School and Lincoln Junior High School campus.

The proposed improvements will center on relocating the District's Kindergarten through grade 2 programs to the existing 7-12 campus in Glencoe, including classroom additions and the repurposing of program space within the current Lincoln Junior High School and GSL High School buildings. These changes will be accomplished through a combination of building additions, remodeling, and existing space repurposing as described in the attached submittal. Students in grades 3-6 will continue to be housed at the GSL Lakeside facility in Silver Lake.

All proposed work is planned to be completed by September 1, 2017. The total cost of the proposed project is \$24,190,000.00. To finance the project, the District will sell \$24,190,000.00 in bonds. The District intends to seek voter approval in a referendum on May 12, 2015, to sell general obligation bonds to fund the cost of the project work. Specific details regarding the District, the facility needs, and the project scope and cost are included in the enclosed proposal for your review and comment.

For additional information, or for any questions, please contact me at your earliest convenience. We thank you in advance for your cooperation and consideration of this proposal, and we look forward to your response.

Sincerely,

Christopher D. Sonju
Superintendent of Schools

District Office ~ 1621 E 16th St. Glencoe, MN 55336 ~ 320-864-2499 Fax 320-864-6320
Glencoe-Silver Lake High School (Grades 9-12) ~ 1825 E 16th St. Glencoe, MN 55336 ~ 320-864-2400 Fax 320-864-6475
Lincoln Junior High (Grades 7-8) ~ 1621 E 16th St. Glencoe, MN 55336 ~ 320-864-2455 Fax 320-864-2475
Lakeside Elementary (Grades 3-6) ~ 229 Lake Ave. Silver Lake, MN 55381 ~ 320-864-2500 Fax 320-327-3122
Helen Baker Elementary (Grades K-2) ~ 405 E 16th St. Glencoe, MN 55336 ~ 320-864-2666 Fax 320-864-2682

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Appendices

- A. District Maps
- B. District Enrollment History and Projections
- C. Space Programs for Building Additions
- D. Project Budget Cost Summary
- E. Financial Data and Tax Impact Projections and Supporting Data
- F. Draft Sample Ballot

Attachment

Attachment 1 – Section #6 Documentation

Glencoe-Silver Lake ISD #2859

Introduction and Summary Description

In accordance with Minnesota Statute 123B.71, Glencoe-Silver Lake School District #2859 submits the following educational facilities proposal for review and comment. The proposed facilities and site improvements will allow the District to address both current program space requirements and facility and site-related needs throughout grades PK-12. The District has studied numerous variations and alternatives in an effort to arrive at the most responsible project scope to meet the current and long-term educational needs of the District. The information presented in this proposal documents the need for this project, provides detail related to components of the project scope, and outlines the project funding and financial feasibility as developed by the District.

The School Board of District #2859 wishes to complete facility and site improvements at its existing 7-12 campus in Glencoe where GSL High School and Lincoln Junior High School are located. The Panther Field House and Early Childhood Learning Center are also housed on the Glencoe campus.

The completion of this project will allow relocation of grades K-2 to this campus. The District plans to close the Helen Baker Elementary School – currently being used for students K-grade 2. Students in grades 3-6 are now located at GSL Lakeside Elementary School in Silver Lake. All work is planned for completion by September 1, 2017.

District Contact:

Chris Sonju, Superintendent of Schools
Glencoe-Silver Lake School District #2859
1621 E. 16th St.
Glencoe, MN 55336
Contact: Chris Sonju, Superintendent of Schools
Phone: 320-864-2498
Fax: 320-864-6320
E-mail: CSonju@gsl.k12.mn.us

School Board:

Clark Christianson, Chair
Jamie Alsleben, Vice Chair
Anne Twiss, Clerk
Kevin Kuester, Treasurer
Jason Lindeman, Director
Donna VonBerge, Director

Total Project Cost:

\$24,190,000

Method of Financing:

General Obligation Bonds: \$24,190,000

Milestone Dates:

December 2015

Design and Pre-Construction: December 2014 –

2017

Construction Phase: January 2016 – September

Glencoe-Silver Lake ISD #2859

Project Team:

Fiscal Consultant:

Ehlers & Associates, Inc.
3060 Centre Pointe Dr.
Roseville, MN 55113-1105
Contact: Betsy Knoche

Phone: 651-697-8537
Fax: 651-697-0281

Youngquist, Inc.

Architect/Engineer:

Architects Rego +

Contact: Paul Youngquist
7601 Wayzata Blvd.
St. Louis Park, MN 55426

Phone: 952-544-8941
Fax: 952-544-0585

Glencoe-Silver Lake ISD #2859

1. Geographic Area and Student Population

Glencoe-Silver Lake ISD #2859 consists of approximately 270.18 square miles and is home to approximately 1,560 PK through grade 12 students and their families. The District is located approximately 60 miles west of Minneapolis on Highway 212, predominantly within McLeod County and includes a portion of Sibley, Carver, and Wright Counties. It proudly serves the communities of Biscay, Brownton, Glencoe, New Auburn, Plato, and Silver Lake. Neighboring districts include Hutchinson, Dassel-Cokato, Central Public Schools in Norwood-Young America, Lester Prairie, Gibbon-Fairfax-Winthrop, and Buffalo Lake-Hector-Stewart.

Maps of the school district are included in **Appendix A** of this document.

For the 2014-2015 school year, enrollment projections of students in ECSE/kindergarten through grade 12 is 1,562 students. There are 102 students enrolled in Kindergarten, 338 students in grades 1-3, 353 students enrolled in grades 4-6, and 756 students in grades 7-12. There are 31 students in Early Childhood Special Education and we also have 63 students enrolled in the school readiness program and 108 students and 138 parents involved with the ongoing ECFE parent/child classes. Community Education programs also serve approximately 5,203 enrollees throughout the course of the year. 40 percent of District #2859 students and their families meet federal income guidelines entitling those students to qualify for free and reduced lunches. Approximately 14 percent of students in the district qualify for special education services.

Past enrollments and future enrollments are as follows:

Year	Enrollment	Year	Enrollment
2007-2008	1,593	2012-2013	1,634
2008-2009	1,606	2013-2014	1,597
2009-2010	1,696	2014-2015	1,562 Est.
2010-2011	1,710	2015-2016	1,580 Est.
2011-2012	1,714	2016-2017	1,578 Est.

Students from our K-8 population currently have two parochial schools within our boundaries from which to choose to attend. First Lutheran in Glencoe has 103 students in K-8. St. Pius X in Glencoe has 61 students in grades K-6. The

completion of the Highway 212 bypass and job growth in the southwest metro will be positive factors for our District's future growth.

Current year enrollment and five-year projections are provided in **Appendix B** of this document.

Glencoe-Silver Lake ISD #2859

2. Existing Facilities

The District programs are currently housed in four facilities: two elementary schools, one junior high school, and one senior high school.

Schools

Helen Baker Elementary (K-2)

Year constructed – 1953

Additions – 1996, 2004 (Free-standing Media Center/Computer Lab)

Square footage – 40,977 + 1,200 (Library/Media Center)

School site size – 9.1 acres

Current Enrollment per grade level:

Grade K – 102 Grade 1 - 104 Grade 2 – 117

Lakeside Elementary School (3-6)

Year constructed – 1957

Additions – 1968, 1985 (1985 addition was because of fire)

Square footage – 94,000

School site size – 5.05 acres

Current Enrollment per grade level:

Grade 3 - 117 Grade 4 – 125 Grade 5 - 115 Grade 6 – 113

Lincoln Junior High School (7-8, Early Childhood Learning Center, and District Office)

Year constructed – 1962

Square footage – 43,618 (Early Childhood Learning Center constructed 2014), 5,000 square feet

School site size – shared with GSL High School

Current Enrollment per grade level:

Grade 7 -122 Grade 8 – 130 ECSE – 31 SR and ECCE - 171

Glencoe-Silver Lake High School (9-12)

Year constructed – 1969

Addition – 1998 (Field House)

Square footage – 138,000

School site size – 149 acres

Current Enrollment per grade level:

Grade 9 -117	Grade 10 – 131	Grade 11 – 123	Grade 12 – 133
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Glencoe-Silver Lake ISD #2859

3. Anticipated Needs for Facilities

Glencoe-Silver ISD #2859 is experiencing aging and deteriorating facilities. Helen Baker Elementary School, which was built in 1953, is an outdated and inadequate educational facility. As the current Helen Baker facility exists, expansion for additional classroom space is not practical, as our goal is to decrease the total number of facilities. The school board and community group has determined Helen Baker as the number one priority to address. Along with a vast need of additional activity and locker room space, the addition to Lincoln and the High School will address two of the top priorities in the District. The other top priority of the District is security. Currently, the Junior High and the High School building have no secure entrances. This project will prioritize safe and secure entrances at all of our school sites.

Glencoe-Silver Lake ISD #2859

4. Relationship to Other Priorities

Primarily, the proposed project scope will assist Glencoe-Silver Lake ISD #2859 with its goal of preparing students for lifelong learning in a 21st century world. Glencoe-Silver Lake ISD #2859 not only has a diverse student population due to the area it serves, but it also is looked to by its surrounding communities to provide critical non-K-12 educational opportunities, as well as facilities for use for community activities.

The District has had a long history of being a focal point to its communities and is looked to in terms of providing its constituents with opportunities they would not otherwise have. The facilities and site improvements proposed by this project will enhance the District's ability to continue to meet and improve upon its relationship and support to the six communities making up GSL.

As stewards of the public's tax dollar, the District has given careful and intentional thought to the scope of this project and its effect on the community. Furthermore, the District plans to take this project opportunity to continue to elevate current and potential alternatives related to meeting achieving its goals of increasing operational efficiencies and optimizing associated expenditures.

The District's Mission Statement and Goals:

Mission: Creating an environment where education is valued, excellence is expected and lifelong learning thrives.

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 district are valued stakeholders.

Goals:

1. Increase student achievement.
2. Increase literacy in all subjects.
3. Promote positive community relations.
4. Maintain fiscal responsibility.

5. Transit Considerations

Due to the proposed scope of this project, the existing pedestrian, bicycle, and transit opportunities related to the District facilities included in the proposed work scopes will remain intact and will not be impacted by this project.

The District has made and will continue to make its facilities and site amenities as accessible as possible to neighboring residential areas as well as other visitors, students, parents, and staff who may utilize a number of various transit methods to visit the facilities.

Currently, the traffic concerns at our Helen Baker site are at a premium. There is no designated bus lane or parent/student drop-off lane. All buses and drop-offs occur on the public street. There is a lack of staff/parent parking. The safety of these young students is a constant concern. We are also very limited with accessibility for our handicapped busses, deliveries, and emergency vehicles. With the help of the local police department and staff crossing guards we attempt to monitor the traffic concern daily. By relocating our K-2 facility to our Lincoln Junior High/GSL High School campus, we have immediately increased our student safety as bus lanes and designated drop-off areas are already in place. The proposed project will also include driveway designations for school and kitchen deliveries.

Glencoe-Silver Lake ISD #2859

6. Community Use/Collaboration

The School District has worked collaboratively with many groups over the years. Examples are listed below of how the District and community work together.

- ◆ A collaborative group made up of McLeod County, Glencoe Police Department, Glencoe Regional Health Services, Mayors and City Clerks from the District's six communities and School District representatives meets quarterly.
- ◆ The City of Glencoe was instrumental in adding a bus lane at the Lincoln/High School site to improve student safety conditions and has paved the Lincoln parking lot and painted yellow fire lane markings on the Lincoln/High School campus.
- ◆ The City of Silver Lake's water tower hosts the wireless interface for GSL Lakeside Elementary School's technology use.
- ◆ The School District maintains an excellent working relationship with the Glencoe Police Department and with the McLeod County Sheriff's Office.
- ◆ Various community groups use the Panther Field House.
- ◆ This project will also allow the District to work with the communities in a variety of ways.
 - Business Expo
 - Rotary events
 - Fine arts events
 - Meeting places to accommodate larger groups
- ◆ Summer school programs will have one central area to meet and utilize the gymnasium and pool areas without having to travel.
- ◆ During the summer of 2014, the School District completed a tennis court project at the athletic complex. The old eight courts were demolished and twelve new courts were installed. With the collaboration of various organizations, lights were installed on three of the courts. These courts are the only courts available in our community and the communities within our district for public use.

7. Construction and Project Description

The proposed improvements will center around relocating the Kindergarten through grade 2 programs to the existing 7-12 campus in Glencoe, including classroom additions and the repurposing of program space within the current Lincoln Junior High School and GSL High School buildings. These changes will be accomplished through a combination of building additions, remodeling, and existing space repurposing as described in this submittal. Students in grades 3-6 will continue to be housed at the GSL Lakeside facility in Silver Lake.

The project will consist of 84,772 square feet of new construction and 2,992 square feet of remodeled construction. The scope of the project will consist of connecting our current 7-8 building with our 9-12 building. By connecting the two buildings, we will no longer have 7th and 8th graders walking outdoors during inclement weather and risking safety conditions. The new construction will have new classrooms to accommodate the 7th and 8th grade and a two-story addition to the north of our current Junior High building to create enough classrooms for K-2. Also included will be one kitchen that will prepare food for both the K-2 and the 7-12 grades with separate serving areas for K-2 and 7-12.

Another key component of this project is to develop a building plan that includes a safe and secure entrance into our building. We currently do not have a locked secure entrance for visitors coming into our buildings.

A new two-court gymnasium and locker room expansion will also be included in the project. The additional gym space is needed to accommodate grades K-2 for physical education classes along with recess activities. The gym space will also be utilized as a varsity competition gym for high school activities along with after school activities for all grades levels and community education. By remodeling the current gym entrance, along with the new construction, the school will be able to host two varsity events at concurrent times. Our current building structure at the Helen Baker Elementary building only has one small gym that is used for physical education classes. There is no additional space for recess or other activities. Whenever possible, the students do go outside, but when there is inclement weather, recess is held in the hallways or classrooms which does not allow for physical activity. There is also no space for our Panther Adventure Club (before and after school program) to utilize. The additional locker rooms are a much needed area. We currently do not have an extra locker room to be used by the swimmers when there is an activity taking place in the gym. Along with the gym space and locker rooms will be an additional classroom at the High School that will be used as a health classroom, which we currently do not have.

A community room will be added to the Field House building entrance to be used as a multi-purpose room for students and the public.

Preliminary Project Dates:

Planning: November-December 2014

Review and Comment: January 2015

Election: May 12, 2015

Design Phase /Final Drawings: May 2015-December 2015

Bidding: January 2016

Construction Phase: February 2016-September 2017

Occupancy: September 2017

Architects Rego + Youngquist's drawings are included in **Appendix C** of this document.

Glencoe-Silver Lake ISD #2859

8. **Financing/Tax Impact**

The project includes an addition to connect GSL High School and Lincoln Junior High School. During several meetings over the past few years, this project has been dissected and discussed multiple times. The balancing act of addressing needs, while staying conscious of costs has been given a unanimous approval by the School Board.

Architects Rego + Youngquist's project costs are included in **Appendix D** of this document.

Pursuant to State approval, the District proposes to seek voter approval through a referendum on May 12, 2015, in order to authorize the issuance of general obligation bonds to finance construction of the proposed project scope and fund the described project work scope with general obligation bonds as follows:

Amount of financing:	General Obligation Bonds:	\$24,190,000
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Total Project cost:	\$24,190,000
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Ehlers and Associates, the District's financial consultant, has prepared the Capitalization, Debt Structure, and Tax Impact Schedules for the project amount. These documents are included in **Appendix E** of this document.

9. District Operating Budget Impact

Following Minnesota Department of Education approval, the School Board plans to hold a referendum vote on May 12, 2015 to authorize the issuance of General Obligation Bonds to finance the cost of this project. Upon voter approval, the school board will issue bonds based on competitive bids under the guidance of Ehlers, the School District's Financial Advisor. A schedule and property tax impact model is attached in **Appendix E**.

The project is projected to have no increased effect on the operational or administrative staffing costs for the District. In fact, we are projecting a reduction in the operational costs because we are reducing the total number of buildings from four to two. By combining our Junior High and High School areas, a number of efficiencies are projected to occur. Currently, we have staff and students walking back and forth between the two buildings. The Junior High students need to go to the High School for their physical education classes, band, choir, FACS, industrial arts and ag, along with eating breakfast and lunch at the High School. By traveling between the buildings, a number of classroom instructional minutes are lost. We also have High School students who have to walk to the Junior High building for their health classes. The new construction will include a new administrative area that will allow for a more efficient office area with the potential of combining some job duties and reducing positions.

Besides the academic efficiencies we will gain by reducing our Helen Baker building, we are eliminating maintenance on the buildings and grounds. Estimated savings on lawn mowing and snow removal per year is approximately \$20,000. Additional savings will occur by operating one less building, including running fewer boilers and less general building maintenance. Streamlining kitchen staff will occur as we will be running one kitchen instead of two.

We do not foresee reducing or cutting positions in this process, but, rather, not replacing certain positions when transfers, retirements and attrition occurs.

It is also estimated that there will be a reduction in transportation costs with one less campus in the District to bus students to and from.

The District ended FY 2014 with a General Fund unreserved fund balance of \$4,473,172, which equates to a 27 percent SOD calculation. The District's fund balance policy requires a fund balance minimum of 20 percent of the anticipated General Fund expenditures.

Any excess funds from the project will be used for other improvements as necessary and other equipment as necessary as the project proceeds. The original drawings contain some additional options that the board would like to implement if funds become available.

Glencoe-Silver Lake ISD #2859

10. School Site Road Access and Safety

With the reduction in the number of facilities, this project will help with our safety concerns as students will not have to load and unload busses at as many sites as in the past. The bus lane at the High School/Junior High School campus will be used as the single site for loading and unloading students each day. Transfers at the Helen Baker Elementary School site will be eliminated and will reduce the amount of time some students spend on the bus.

Glencoe-Silver Lake ISD #2859 is committed to developing and maintaining a safe environment for all users of its facilities and sites. Subsequently, any facility-related improvements will be completed in a responsible manner in close coordination with the appropriate governmental agencies. Any necessary planning and approvals will be coordinated with the local municipalities, counties, and the appropriate state agencies and watershed district representatives.

11. Indoor Air Quality/Professional Liability Insurance

Due to the nature of this project, it is clear that healthy indoor air quality and ensuring healthy indoor environments is important to Glencoe-Silver Lake ISD #2859.

Environmental air quality issues will be considered in the development and refinement of design solutions associated with the scope components of this project, and will continue to be considered during all phases of the project. The intent is to create and ensure a contiguous learning environment that will have the best possible air quality for students, staff, and community occupants.

This will occur by the selection and design of mechanical and electrical systems that will provide the required quantities of outdoor air and the proper amount of exhaust that can be easily operated and maintained. In addition, as required under M.S. 123B.72 School Facility Commissioning, all installed systems will be commissioned to ensure proper operation and control.

In addition, building materials will be selected which will tend to be easily cleanable and resistant to mold growth. Adhesives and other building components will be chosen with the goal of reducing V.O.C.s.

Glencoe-Silver Lake ISD #2859 and its Architect, ARY/Paul Youngquist, will ensure that all selected design consultants maintain professional liability insurance as required by the project size.

The Section #6 Documentation (as amended by the 2014 Legislature) is included as **Attachment 1.**

Glencoe-Silver Lake ISD #2859

12. Desegregation Requirements

Desegregation requirements for the communities of Glencoe-Silver Lake ISD #2859 have not been identified as a problem. Glencoe-Silver Lake ISD #2859 is an equal opportunity school district and is in compliance with all requirements pertaining to human and civil rights. Glencoe-Silver Lake ISD #2859 is not operating under any court-ordered segregation plan.

Glencoe-Silver Lake ISD #2859

13. Sustainability Concepts

Glencoe-Silver Lake ISD #2859 is committed to considering the use of renewable resources and innovative technologies as appropriate as part of this project. It is the belief of the District that integrating and implementing sustainable design concepts into a project is a process that requires innovative thought from conception through construction. Subsequently, the proposed project will include concepts that are energy efficient, environmentally responsible, and economically affordable.

Over the course of the project, the following concepts and strategies will be employed as a means of ensuring sustainability and environmental goals are achieved:

A. Conserve Energy and Water Resources:

With the systems to be incorporated into the new mechanical systems, the project team will strive to enhance the indoor environment, conserve energy, and make use of renewable resources through the use of new technology. Selections of materials and systems will be based on life-cycle cost analysis methodology.

B. Minimize Project Construction Waste:

Following the standards set forth by agencies like the USGBC, contractors for the proposed project will be encouraged to follow guidelines to minimize construction-related waste. This will include sorting and recycling appropriate materials and waste, designing toward balanced sites, and minimizing process-related environmental waste.

C. Optimize Maintenance and Operating Costs:

Through the implementation, use, and integration of new technologies and materials, the project team will work to minimize the operational requirements of new systems while maximizing efficiencies. Systems and material choices will be based on life cycle payback to include evaluation of first costs, O & M costs, and life expectancy.

Glencoe-Silver Lake ISD #2859 will strive to utilize the above strategies in order to incorporate environmentally sustainable school facility design concepts where appropriate into their project.

The Section #6 Documentation (as amended by the 2014 Legislature) is included as **Attachment 1.**

14. Acoustical Design Concepts

The architects and engineers for this project will consider the American National Standards Institute S12.60 Classroom Acoustics Standards in the design of the new ventilation systems and selection of associated materials and components for maximum background and noise levels and reverberation times. The following concepts will be employed:

- A. Design enclosures, classes, and partition systems to provide appropriate sound isolation from both exterior and adjacent spaces.
- B. Design and install mechanical and electrical systems to ensure that recommended ambient noise levels are not exceeded throughout frequency ranges.
- C. Design and install interior finishes and acoustical treatments as appropriate to ensure low sound reverberation levels and to increase speech clarity.

The Section #6 Documentation (as amended by the 2014 Legislature) is included as **Attachment 1.**

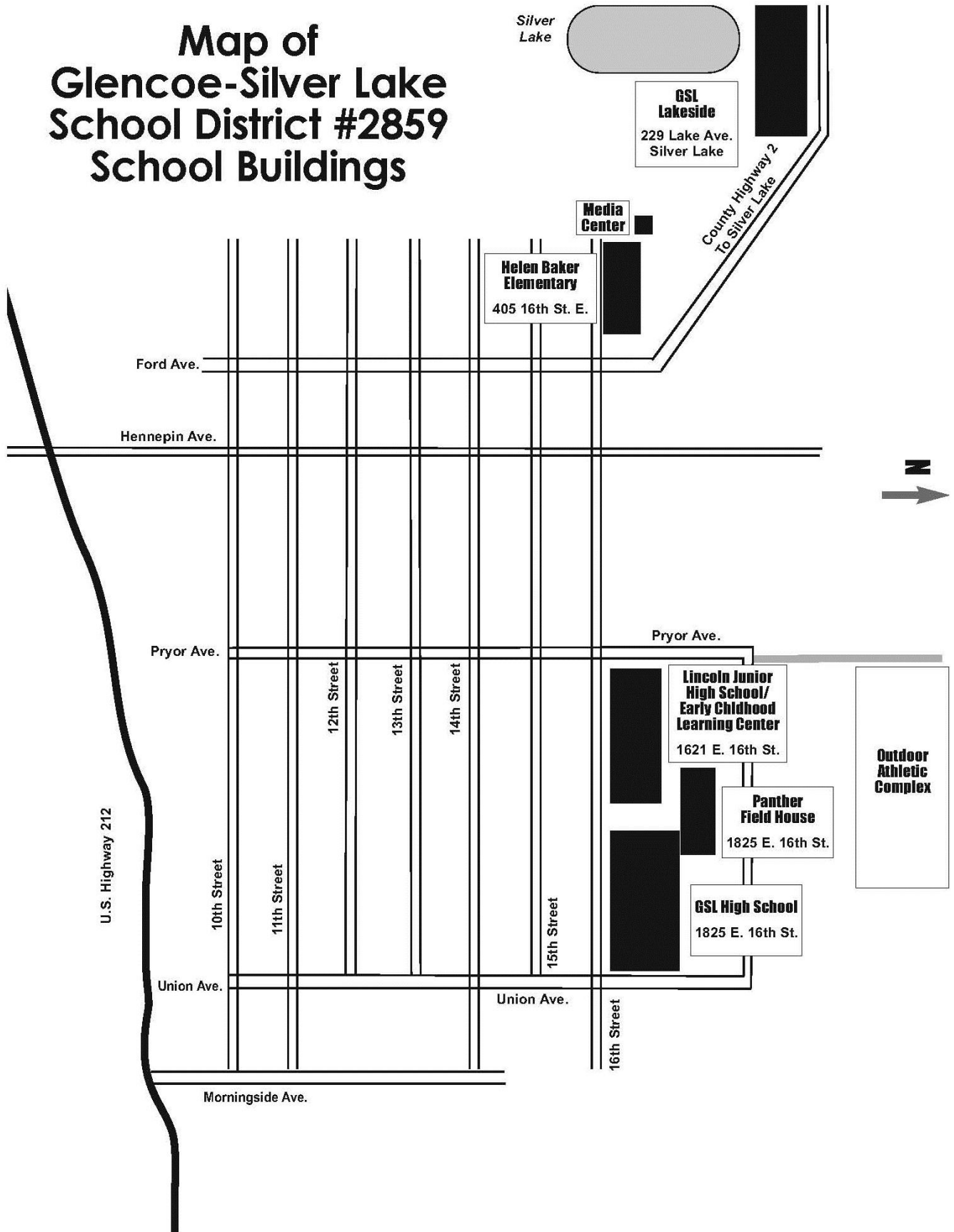
15. Local Infra-Structure Considerations

Due to the nature of the overall scope of the proposed projects, in that the work consists of either additions or remodeling to existing buildings, the District does not anticipate any impact or affect on costs associated with government-provided infra-structure (such as roads, sewer and water, utilities, etc.) already in place and serving these facilities.

Appendix A

District Maps

Map of Glencoe-Silver Lake School District #2859 School Buildings

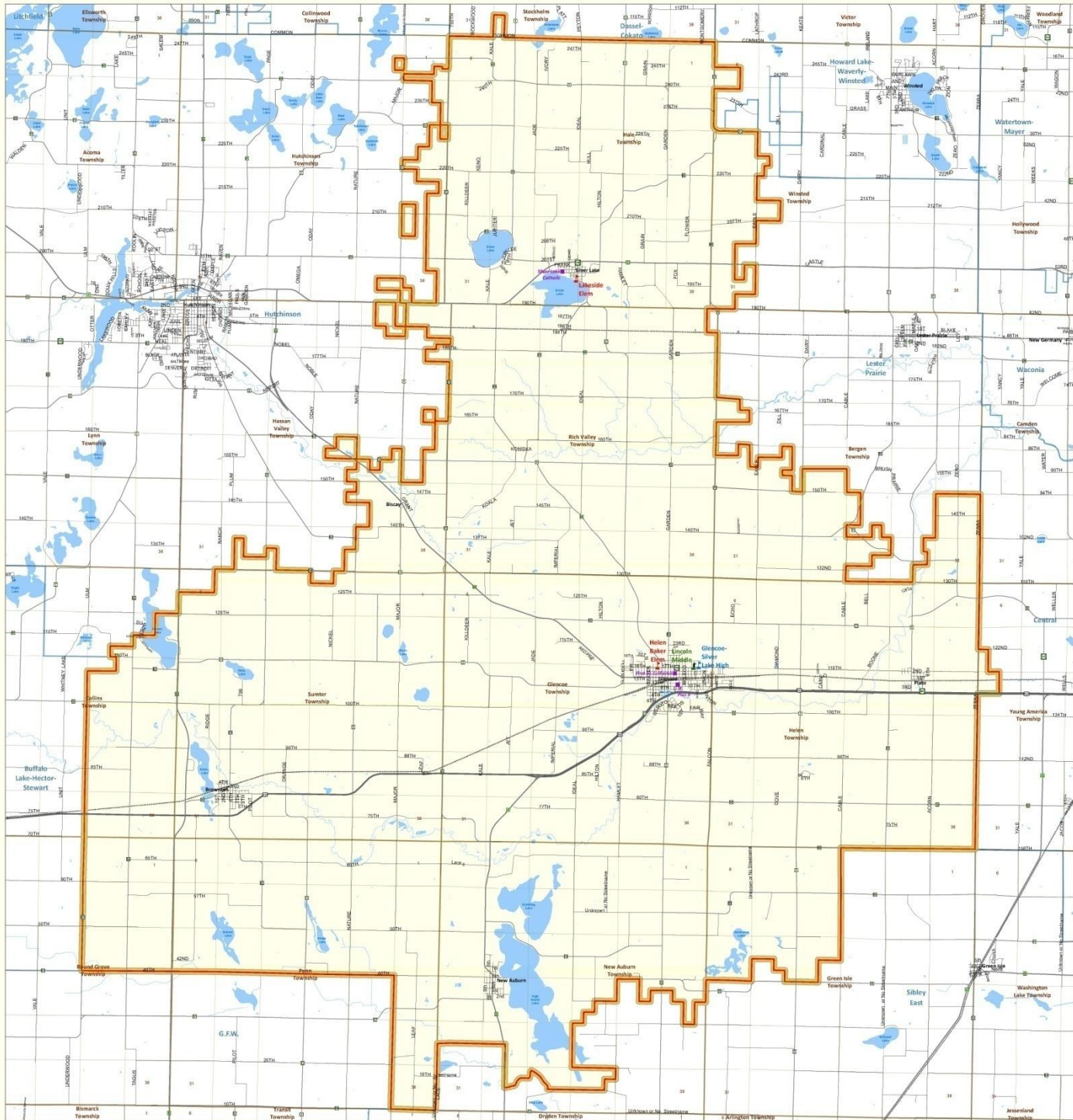


Public School District Attendance Areas and Educational Facility Locations

SY2010-2011

Glencoe-Silver Lake School District ISD 2859

Map 1 of 1



Public Educational Facilities or Programs

- Elementary school
- Middle / Junior high school
- High / Secondary school
- School District Office
- Non-Public school
- Public Charter school
- Other School Program (examples):
 - Area Learning Center (ALC)
 - Area Learning Program (ALP)
 - Targeted Services
 - College/University
 - Correctional
 - Secondary Education

Public School Attendance Areas

- Elementary School Attendance Area **ELBA**
- Middle School Attendance Area **MIDD**
- High School Attendance Area **HIGH**

Public School Districts

- School District
- Adjacent School District
- **NOTE - SEE MAP 2 OF 2 (if applicable)**

Other Features

- Interstate Highway
- U.S. Highway
- State Highway
- County Highway
- Road/Street
- Railroad
- Stream
- Lake/Pond
- Minor Civil Division (City, Township and Unincorporated areas)
- Public Land Survey Township / Range
- Public Land Survey Section

Data Sources:

- Minnesota Department of Education, IT Division, 2010
- Metropolitan Council, 2010; Minnesota Department of Transportation, 2004
- Minnesota Geographic Information Office
- U.S. Bureau of the Census, Minnesota Legislative GIS Office (provided to include amendments files with Municipal Board through May 2003)
- Minnesota Department of Natural Resources

Special Note:
The school district boundary appearing on this map does not necessarily represent the legal boundary of the district. It is a generalization of boundaries drawn on maps in the state GIS to county officials and modified by the U.S. Bureau of the Census, and is not intended to be used for legal purposes. The Minnesota Department of Education does not warrant the accuracy of the data or the results of any analysis performed on the data. The user assumes all liability for any use of the data.

Liability Statement:
The Minnesota Department of Education does not warrant the results you may obtain by using this map. This map is provided without warranty or implied warranties, including warranties of merchantability and fitness. In no event shall MDE be liable for any consequential, incidental or special damages, including any lost profits or lost savings, even if an MDE representative has been advised of the possibility of such damages or any other claim for any kind of injury.



School District Location in Minnesota

- School District
- County Boundary

1 : 44,120

Appendix B

District Enrollment History and Projections

12/31/2014	Glencoe-Silver Lake Public School									
	Grade Progression Ratios: Historical and Projected Enrollments									
	<i>NOTE: Adjusted Average Daily Membership (ADM) by Fiscal Year</i>									
	(B)	(P)	(Q)							
	Grade	Final FY 2013	Final FY 2014	Projected FY 2015	Projected FY 2016	Projected FY 2017	Projected FY 2018	Projected FY 2019	Projected FY 2020	
ROW 11	EC	11.08	12.55	13.00	15.00	15.00	15.00	15.00	15.00	
ROW 12	HK	14.05	9.09	7.00	10.00	10.00	10.00	10.00	10.00	
ROW 13	K	120.40	91.23	95.00	100.00	100.00	100.00	100.00	100.00	
	EC-K Total									
	1	115.43	126.05	104.00	109.00	110.00	110.00	110.00	110.00	
	2	122.00	116.48	117.00	104.00	109.00	110.00	110.00	110.00	
	3	125.56	127.79	117.00	117.00	104.00	109.00	110.00	110.00	
	4	118.48	123.38	125.00	116.00	117.00	104.00	109.00	110.00	
	5	111.33	117.12	115.00	125.00	116.00	117.00	104.00	109.00	
	6	120.84	116.02	113.00	115.00	125.00	116.00	117.00	104.00	
ROW 22	1-6 Total	713.64	726.84	691.00	686.00	681.00	666.00	660.00	653.00	
	7	116.21	128.13	122.00	127.00	120.00	135.00	125.00	128.00	
	8	124.44	118.28	130.00	122.00	127.00	120.00	135.00	125.00	
	9	141.93	129.15	117.00	148.00	129.00	143.00	132.00	146.00	
	10	144.93	134.84	131.00	117.00	148.00	129.00	143.00	132.00	
	11	107.82	135.14	123.00	131.00	117.00	148.00	129.00	143.00	
	12	139.61	111.94	133.00	124.00	131.00	117.00	148.00	129.00	
ROW 31	7-12 Total	774.94	757.48	756.00	769.00	772.00	792.00	812.00	803.00	
ROW 33	EC-12 Total	1634.11	1597.19	1562.00	1580.00	1578.00	1583.00	1597.00	1581.00	
ROW 34	Change	-27.18	-36.92	-35.19	18.00	-2.00	5.00	14.00	-16.00	
		6/30/2013	6/30/2014	12/1/2014						
2014-2015										
St. Pius X Catholic		5th	4th	3rd	2nd	1st	K	6th		
		5	10	9	11	9	4	13		
2014-2015										
1st Lutheran		7th	6th	5th	4th	3rd	2nd	1st	K	8th
		7	16	12	11	12	10	9	10	17

DISTRICT 2859-01 GLENCOE-SILVER LAKE SCHOOL DISTRICT

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	*2014-2015	*2015-2016
PKG	14.36	15.53	14.31	14.56	14.72	14.12	11.08	12.56	15.00	15.00
KGN HCP	13.23	6.70	15.82	17.56	15.61	18.24	14.05	9.09	10.00	10.00
KGN FD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	91.23	90.00	100.00
KGN HD	101.88	99.73	95.11	109.27	116.46	94.71	120.40	0.00	0.00	0.00
KGN LA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01	108.72	115.49	117.07	126.04	127.26	127.94	115.43	126.05	105.00	100.00
02	111.00	100.19	115.61	114.52	117.21	123.86	122.00	116.48	129.00	105.00
03	110.97	103.59	96.80	126.32	114.44	120.74	125.56	127.79	120.00	129.00
04	120.59	107.82	106.05	106.12	127.42	115.93	118.48	123.38	131.00	120.00
05	95.91	118.16	110.35	114.60	113.32	124.28	111.33	117.12	119.00	131.00
06	105.88	94.38	111.74	130.26	117.56	111.79	120.84	116.02	116.00	119.00
07	140.17	124.23	108.45	136.29	134.83	128.06	116.21	128.13	118.00	132.00
08	144.94	138.98	134.26	116.01	142.44	129.82	124.44	118.28	129.00	118.00
09	142.83	145.25	153.49	155.43	132.97	154.94	141.93	129.15	125.00	138.00
10	156.97	142.58	148.08	149.47	147.26	120.94	144.93	134.84	128.00	125.00
11	134.99	145.82	134.99	146.39	137.16	137.78	107.82	135.14	130.00	128.00
12	149.12	134.98	144.53	135.53	151.40	137.38	139.61	111.94	133.00	130.00
ELEM ADM 1-6	653.07	639.63	657.62	717.86	717.21	724.54	713.64	726.84	720.00	704.00
SCN ADM 7-12	869.02	831.84	823.80	839.12	846.06	808.92	774.94	757.48	763.00	771.00
TOTAL ADM	1,651.56	1,593.43	1,606.66	1,698.37	1,710.06	1,660.53	1,634.11	1,597.20	1,598.00	1,600.00

* DISTRICT'S ESTIMATES USED

DISTRICT 2859-01 GLENCOB-SILVER LAKE SCHOOL DISTRICT

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	*2014-2015	*2015-2016	*2016-2017
PKG	15.90	15.81	14.92	14.74	13.90	11.07	13.08	15.00	15.00	15.00
KGN HCP	8.34	17.03	20.56	16.46	18.40	13.80	12.54	10.00	10.00	10.00
KGN FD	0.00	0.00	0.00	0.00	0.00	0.00	107.97	90.00	100.00	100.00
KGN HD	117.01	118.41	126.01	138.44	113.52	142.17	0.00	0.00	0.00	0.00
KGN LA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01	130.11	134.86	153.27	147.17	154.66	130.02	145.37	126.00	115.00	115.00
02	112.81	132.15	137.21	146.96	142.43	147.22	135.57	146.00	126.00	115.00
03	116.71	111.70	151.81	133.68	145.32	141.31	153.06	135.00	146.00	126.00
04	123.29	119.47	134.94	149.81	132.12	143.95	145.21	153.00	135.00	146.00
05	138.10	127.60	130.94	139.59	148.35	129.61	145.59	146.00	153.00	135.00
06	106.04	127.37	154.98	136.05	136.12	149.07	135.30	144.00	146.00	153.00
07	138.60	119.53	161.37	161.29	145.35	148.87	160.91	135.00	144.00	146.00
08	144.38	146.86	132.75	167.44	152.39	140.88	149.51	160.00	135.00	144.00
09	155.05	161.53	184.50	154.99	178.00	163.11	155.35	149.00	160.00	135.00
10	153.32	155.89	165.31	178.08	136.87	180.11	164.63	155.00	149.00	160.00
11	160.86	143.19	168.04	157.78	168.08	128.86	173.41	164.00	155.00	149.00
12	139.48	163.22	170.32	176.28	161.14	166.79	135.12	172.00	164.00	155.00
ELEM ADM 1-6	727.06	753.15	863.15	853.26	859.00	841.18	860.10	850.00	821.00	790.00
SCN ADM 7-12	891.69	890.22	982.29	995.86	941.83	928.62	938.93	935.00	907.00	889.00
TOTAL ADM	1,760.00	1,794.62	2,006.93	2,018.76	1,946.65	1,936.84	1,932.62	1,900.00	1,853.00	1,804.00

* DISTRICT'S ESTIMATES USED

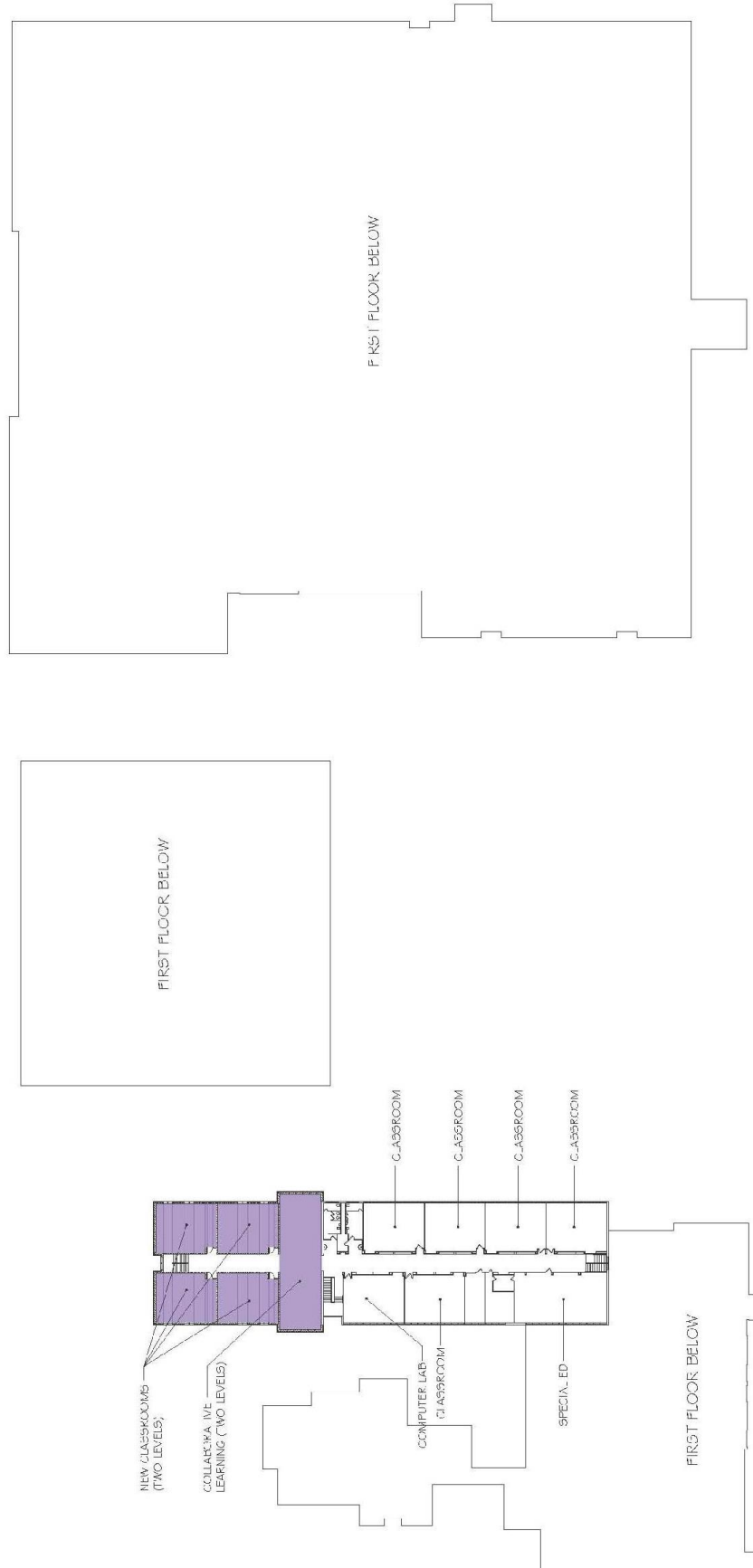
Appendix C

Space Programs for Building Additions

List of new and remodeled spaces 1-26-15

new square feet		1/26/2015
		plan B
main level	locker room	2592
	locker room	2592
	locker room	1296
	training room	1296
	health classroom	1320
	north/south mall	7200
	waiting	528
	corridor to existing HS	528
	corridor to existing HS	528
	gymnastics extension	1120
	phy ed equipment	500
	community ed equipment	500
	gymnasium	12600
	elementary cafeteria	3600
	jr/sr cafeteria	4400
	kitchen, serving etc.	6000
	staff lunchroom	576
	table storage	500
	jr/sr entry	320
	jr/sr administration	
	principal office	150
	office	130
	office	130
	conference room	180
	admin workstation	90
	admin workstation	90
	admin workstation	90
	supply room	120
	reception/waiting	400
	east/west corridor	2400
	added cooridor on east side	0
	multi-use classroom	1408
	concessions and toilets	2816
	elementary entry	240
	elementary administration	576
	community multi-use room	3000
	grades 7 & 8 classrooms	14336
	elementary classrooms	3600
	collaborative learning area	1680
	elementary corridor	640
upper level	elementary classrooms	3600
	collaborative learning area	1680
	elementary corridor	640
area in square feet		85,992
remodeling square feet		1/12/2015
main level	corridor to existing gym	792
	corridor at HS/JH library	600
	music and steam	2320
area in square feet		3,712
architects rego + youngquist		





Appendix D

Project Budget Cost Summary

Estimate of construction costs 1-26-15

hard costs

new construction	sf	85,992
	\$/sf	\$207.40
	cost	\$17,834,741

remodeling	sf	3,712
	\$/sf	\$95
	cost	\$352,640

driveways		\$123,000
utilities		\$85,000
storm water structures		\$400,000
silver lake windows		\$240,000
fire suppression to lincoln		\$250,000
windows at lincoln gym		\$80,000
lincoln clrm ceilings		\$192,000
kitchen equipment		\$485,000
one new boiler at lincoln		\$60,000
connect boilers at hs/lincoln		\$67,000
playground fencing		\$9,500
hard surface for playground		\$52,000

total hard costs		\$20,230,881
------------------	--	--------------

soft costs

architecture and engineering		\$1,416,162
permits. printing. etc		\$404,618
FFE at \$4 / sf		\$343,968
contingency at 6%		\$1,213,853

total soft costs		\$3,378,600
------------------	--	-------------

project cost

		\$23,609,481
round off		\$23,610,000

architects rego + youngquist

Appendix E

Financial Data and Tax Impact Projections and Supporting Data

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Glencoe-Silver Lake School District No. 2859

Sources and Uses for Possible Construction Project

General Obligation School Building Bonds

January 29, 2015

Bond Amount	\$24,190,000
Election	May 2015
Number of Annual Levies	29
Dated	8/1/2015
Sources of Funds	
Par Amount	\$24,190,000
Estimated Investment Earnings *	29,482
Total Sources	\$24,219,482
Uses of Funds	
Allowance for Discount Bidding	\$0
Capitalized Interest **	514,038
Legal and Fiscal Costs #	90,740
Net Available for Project Costs	23,614,704
Total Uses	\$24,219,482

* Estimated investment earnings are based on an average interest rate of 0.25%, and an average life of 6 months.

** The district would not qualify to make a tax levy for payments on the new School Building Bond issue due during fiscal year 2016. Those payments, as estimated above, would have to be made from bond proceeds.

Includes fees for financial advisor, bond counsel, rating agency, paying agent and county certificates.

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Glencoe-Silver Lake School District No. 2859
Analysis of Possible Structure for Capital and Debt Levies

\$24,190,000 Building Bonds
Spring 2015 Election
29.5 Year Term (29 Annual Tax Levies)

January 29, 2015

Principal Amount: \$24,190,000
 Dated Date: 8/1/2015
 Avg. Interest Rate: 4.25%

Levy		Tax Capa-		Existing Commitments			Proposed New Debt				Combined Totals					
Pay. Year	Fiscal Year	city Value ¹	(\$000s)	Initial Debt Levies ²	Bldg Bonds	Net Levy	Tax Rate	Principal	Interest	Addl. Debt Excess ⁴	Adjusted Levy ³	Adjusted Debt Levy ³	State Debt Aid	Net Levy	Tax Rate	
2014	2015	12,653	10.9%	-	-	-	-	-	514,038	+	-	-	-	-	-	-
2015	2016	14,348	13.4%	-	-	-	-	390,000	1,028,075	-	1,488,979	1,488,979	-	1,488,979	10.38	
2016	2017	14,348	0.0%	-	-	-	-	405,000	1,011,500	-	1,487,325	1,487,325	-	1,487,325	10.37	
2017	2018	14,348	0.0%	-	-	-	-	425,000	994,288	-	1,490,252	1,490,252	-	1,490,252	10.39	
2018	2019	14,348	0.0%	-	-	-	-	500,000	976,225	(59,610)	1,490,426	1,490,426	-	1,490,426	10.39	
2019	2020	14,348	0.0%	-	-	-	-	520,000	954,975	(59,617)	1,489,107	1,489,107	-	1,489,107	10.38	
2020	2021	14,348	0.0%	-	-	-	-	540,000	932,875	(59,564)	1,486,954	1,486,954	-	1,486,954	10.36	
2021	2022	14,348	0.0%	-	-	-	-	565,000	909,925	(59,478)	1,489,193	1,489,193	-	1,489,193	10.38	
2022	2023	14,348	0.0%	-	-	-	-	590,000	885,913	(59,568)	1,490,140	1,490,140	-	1,490,140	10.39	
2023	2024	14,348	0.0%	-	-	-	-	615,000	860,838	(59,606)	1,490,024	1,490,024	-	1,490,024	10.38	
2024	2025	14,348	0.0%	-	-	-	-	640,000	834,700	(59,601)	1,488,834	1,488,834	-	1,488,834	10.38	
2025	2026	14,348	0.0%	-	-	-	-	670,000	807,500	(59,553)	1,491,822	1,491,822	-	1,491,822	10.40	
2026	2027	14,348	0.0%	-	-	-	-	700,000	779,025	(59,673)	1,493,303	1,493,303	-	1,493,303	10.41	
2027	2028	14,348	0.0%	-	-	-	-	725,000	749,275	(59,732)	1,488,257	1,488,257	-	1,488,257	10.37	
2028	2029	14,348	0.0%	-	-	-	-	760,000	718,463	(59,530)	1,492,855	1,492,855	-	1,492,855	10.40	
2029	2030	14,348	0.0%	-	-	-	-	790,000	686,163	(59,714)	1,490,256	1,490,256	-	1,490,256	10.39	
2030	2031	14,348	0.0%	-	-	-	-	825,000	652,588	(59,610)	1,491,857	1,491,857	-	1,491,857	10.40	
2031	2032	14,348	0.0%	-	-	-	-	860,000	617,525	(59,674)	1,491,727	1,491,727	-	1,491,727	10.40	
2032	2033	14,348	0.0%	-	-	-	-	895,000	580,975	(59,669)	1,490,105	1,490,105	-	1,490,105	10.39	
2033	2034	14,348	0.0%	-	-	-	-	935,000	542,938	(59,604)	1,492,230	1,492,230	-	1,492,230	10.40	
2034	2035	14,348	0.0%	-	-	-	-	975,000	503,200	(59,689)	1,492,421	1,492,421	-	1,492,421	10.40	
2035	2036	14,348	0.0%	-	-	-	-	1,015,000	461,763	(59,697)	1,490,904	1,490,904	-	1,490,904	10.39	
2036	2037	14,348	0.0%	-	-	-	-	1,060,000	418,625	(59,636)	1,492,920	1,492,920	-	1,492,920	10.40	
2037	2038	14,348	0.0%	-	-	-	-	1,105,000	373,575	(59,717)	1,492,787	1,492,787	-	1,492,787	10.40	
2038	2039	14,348	0.0%	-	-	-	-	1,150,000	326,613	(59,711)	1,490,732	1,490,732	-	1,490,732	10.39	
2039	2040	14,348	0.0%	-	-	-	-	1,200,000	277,738	(59,629)	1,491,995	1,491,995	-	1,491,995	10.40	
2040	2041	14,348	0.0%	-	-	-	-	1,250,000	226,738	(59,680)	1,490,895	1,490,895	-	1,490,895	10.39	
2041	2042	14,348	0.0%	-	-	-	-	1,305,000	173,613	(59,636)	1,492,907	1,492,907	-	1,492,907	10.40	
2042	2043	14,348	0.0%	-	-	-	-	1,360,000	118,150	(59,716)	1,492,341	1,492,341	-	1,492,341	10.40	
2043	2044	14,348	0.0%	-	-	-	-	1,420,000	60,350	(59,694)	1,494,674	1,494,674	-	1,494,674	10.42	
2044	2045	14,348	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	
2045	2046	14,348	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	
Totals				-	-	-	-	24,190,000	18,978,163	(1,550,610)	43,236,221	43,236,221	-	43,236,221	-	-

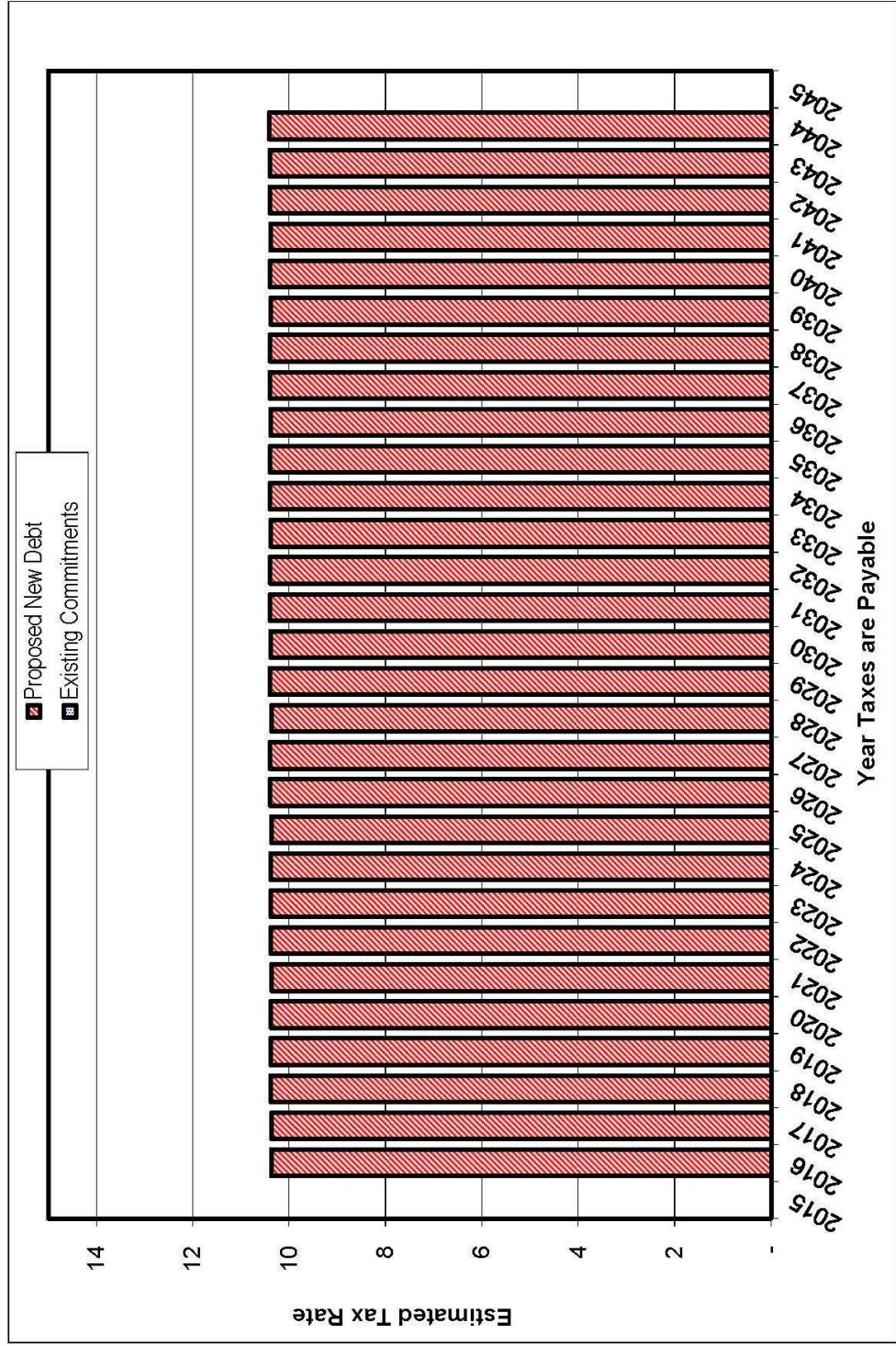
- The tax capacity value for taxes payable in 2014 is final. Tax capacity for taxes payable in 2015 is preliminary and provided by McLeod County. Estimates for later years are based on annual percentage changes shown above.
 - Initial debt service levies are set at 105 percent of the principal and interest payments during the next fiscal year.
 - The adjusted debt levy is the initial debt service levy less the debt excess adjustment.
 - Debt excess adjustment is estimated as 4% of the prior year's initial debt levy.
- + The district would not be eligible to make a debt service levy for the payments on the new bonds due during fiscal year 2016, estimated at \$514,038. These payments would be made from bond proceeds.

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Glencoe-Silver Lake School District No. 2859
 Estimated Tax Rates for Capital and Debt Service Levies
 Existing Commitments and Proposed New Debt

\$24,190,000 Building Bonds
 Spring 2015 Election
 29.5 Year Term (29 Annual Tax Levies)

Date Prepared: January 29, 2015



PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

Glencoe-Silver Lake School District No. 2859

Analysis of Tax Impact for Potential Bond Issue

January 29, 2015

Bond Issue Amount	\$24,190,000	\$24,190,000
Number of Annual Tax Levies	29	29
Estimated Tax Capacity Rate Payable in 2016	10.38%	10.38%

Type of Property	Estimated Market Value	Estimated Annual Tax Impact	Estimated Monthly Tax Impact
Residential Homestead	\$50,000	\$31	\$2.60
	60,000	37	3.11
	70,000	44	3.63
	80,000	52	4.32
	90,000	63	5.26
	100,000	74	6.21
	125,000	103	8.56
	150,000	131	10.92
	200,000	188	15.64
	250,000	244	20.35
	300,000	301	25.06
Commercial/Industrial	\$50,000	\$78	\$6.49
	100,000	156	12.98
	250,000	441	36.76
	500,000	960	80.01
Agricultural Homestead **	1,000,000	1,998	166.51
	\$300,000	\$178	\$14.86
	500,000	282	23.51
	750,000	412	34.32
	1,000,000	542	45.13
Agricultural Non-Homestead (dollars per acre)	1,900,000	1,009	84.06
	5,000	\$5.19	\$0.43
	7,000	7.27	0.61
	8,000	8.30	0.69
	9,000	9.34	0.78

* The figures in the table are based on school district taxes for bonded debt and referendum levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the proposed bond issue for many property owners.

** For agricultural homestead property, a value of \$100,000 was assumed for the house, garage, and one acre.

Appendix F

Draft Sample Ballot

DRAFT

SPECIAL ELECTION BALLOT

**INDEPENDENT SCHOOL DISTRICT NO. 2859
(GLENCOE-SILVER LAKE PUBLIC SCHOOLS)**

MAY 12, 2015

INSTRUCTIONS TO VOTERS

To vote, completely fill in the oval(s) next to your choice(s) like this:



To vote for a question, fill in the oval next to the word "YES" on that question.
To vote against a question, fill in the oval next to the word "NO" on that question.

**SCHOOL DISTRICT BALLOT QUESTION 1
APPROVAL OF SCHOOL DISTRICT BOND ISSUE**



YES



NO

Shall the school board of Independent School District No. 2859 (Glencoe-Silver Lake Public Schools) be authorized to issue its general obligation school building bonds in an amount not to exceed \$24,190,000 to provide funds for the acquisition and betterment of school sites and facilities in order to relocate grades K-2 to the existing 7-12 campus in Glencoe, to improve safety, to repurpose program space within the current Lincoln Junior High School and GSL High School facilities, and to complete window upgrades at the Lakeside Elementary School facility in Silver Lake?

**BY VOTING "YES" ON THIS BALLOT QUESTION, YOU
ARE VOTING FOR A PROPERTY TAX INCREASE.**

Attachment 1

Section #6 Documentation

Attachment 1
Review and Comment
Section #6 Documentation
(as amended by the 2014 Legislature)

Documentation obligating the school district and contractors to comply with items (i) to (vii) in planning and executing the project:

- (i) The school district will be in compliance with Minnesota Statute 471.345 governing municipal contracts issued for this project;
- (ii) The school district and the architects will include elements of sustainable design for this project;
- (iii) If the project installs or modifies facility mechanical systems, the school district, architect/engineers and contractors will be in compliance with school facility commissioning under Minnesota Statute 123B.72 certifying the plans and designs for the heating, ventilating, air conditioning, and air filtration for an extensively renovated or new facility meet or exceed current code standards, including the ASHRAE air filtration standard 52.1;
- (iv) If the project creates or modifies interior spaces, the district, architects/engineers and relevant contractors have considered the American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools on maximum background noise level and reverberation times;
- (v) The project will be in compliance with Minnesota State Fire Code;
- (vi) The project will be in compliance with Minnesota Statute chapter 326B governing building codes; and
- (vii) The school district and the architects/ engineers have been in consultation with affected government units about the impact of the project on utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic, access to mass transit, and safe access for pedestrians and cyclists.

The school district and architect/engineers will maintain documentation showing compliance with these items upon and subsequent to project completion.

Superintendent Signature: Christopher Songi Date 1-12-15
Board Chair Signature: Clark J. Christensen Date 1-12-15
Architect/Engineer Signature: PAUL YOUNGQUIST Date 1-12-15

