



**2020-2021**  
**Preliminary Budget**

**June 15, 2020**

**MANKATO AREA PUBLIC SCHOOLS  
2020-2021 PRELIMINARY BUDGET**

<b><u>TABLE OF CONTENTS</u></b>	<b><u>Page</u></b>
Table of Contents	1
Discussion of Revenue, Expenditure, and Fund Balance Conditions	2-3
Fund Balance Policy	4-6
Fund Balance Summary	7
Revenue Sources Summary	8-9
Expenditure Summary	10-11
Personnel Summary	12
Program Type	13
General Fund	14-16
Food Service Fund	17
Community Service Fund	17
Debt Service Fund	18
Arena Fund	18
OPEB Trust Fund	19
OPEB Debt Service Fund	19
FY 21 Cost Containment Plan	20-21

# **MANKATO AREA PUBLIC SCHOOLS 2020-2021 PRELIMINARY BUDGET**

## **INTRODUCTION**

In the current economic and political climate, many school districts are finding it increasingly difficult to provide a quality education and at the same time balance the budget. The maintenance of a sound financial position represents one of the most important aspects of credibility with the public and credit worthiness with rating/bonding companies. When evaluating financial operations, rating companies examine numerous measures, including the relative size and availability of operating reserves, the district's revenue structure, major expenditure items, revenue and expenditure growth trends, accuracy of enrollment projections, budget variances, cash flow, budget planning and monitoring, labor relations, and long-term capital plans. Much emphasis is placed on the degree of financial control demonstrated by the district.

A school district's General Fund balance is one of the key measures that provides a "snapshot" of a school district's financial position. The unassigned balance provides the district with reserves that can be used to address unforeseen contingencies and to enhance cash flow.

In their reviews, many rating companies have found that the lack of any formal reserve policy usually leads to overspending and often results in substantial weakening of district finances. This lack of a formal reserve policy and subsequent financial deterioration can lead to the loss of public confidence and a downgrade in credit worthiness. Because of the importance of a reserve policy, the School Board adopted Policy 723, which states that the School Board will attempt to maintain a minimum reserve equal to 30 days (8%) expenditures in each of its operating funds. Starting in FY 20, GASB 84 now requires all student association accounts (Fund 10) to come under board control and be part of the General Fund. This requirement added \$425,000 in budgeted revenue and \$468,094 in budgeted expense to the General Fund for this FY 21 budget.

## **GENERAL FUND**

A reserve of 30 days expenditures for the General Fund would be approximately \$9,446,980. The estimated June 30, 2021 total General Fund balance is budgeted in this document to be \$7,473,839. This is equivalent to 24 days, or 6.5 percent of the general fund.

## **FOOD SERVICE FUND**

The Food Service Fund balance on June 30, 2021 is budgeted to be \$726,482 or approximately 55 days of expenditure reserve. There is no increase to student meal prices for 2019-21.

## **COMMUNITY SERVICE FUND**

The Community Service Fund balance on June 30, 2021 is budgeted to be \$753,638 or approximately 40 days of reserve.

## **CAPITAL EXPENDITURE FUND**

The estimated Capital Expenditure Fund balance on June 30, 2021 is budgeted to be (\$934,475). The School District began Long Term Facilities Maintenance (LTFM) funding of projects in fiscal year 2016-17. Capital Fund expenditures are determined each year when the District's Ten-Year Facility Plan is updated. The Capital Expenditure Fund is considered a part of the District's General Fund. However, the funds still must be reserved for capital purposes as in past years.

## **DEBT SERVICE FUND**

The Debt Service Fund is budgeted to have a reserve balance on June 30, 2021 of \$2,242,146. These reserve funds are needed to ensure adequate cash flow for the annual payment of bonds originally issued in January of 2001, January of 2006, August of 2008 and February 2014. These bonds are scheduled to be paid off in the years 2021, 2026, 2029 and 2034 respectively. Advance bond refunding to take advantage of low interest rates increased the reserve balance. Funds are held in escrow to the bond call dates.

## **OPEB TRUST AND OPEB DEBT SERVICE FUNDS**

The OPEB (Other Post Employment Benefit) Trust Fund and OPEB Debt Service funds were established to record the entries for the irrevocable trust bonds proceeds and payments. The bonds are scheduled to be paid off in 2024, and are used to meet post-employment benefit obligations.

## **ALL SEASONS ARENA FUND**

Mankato Area Public Schools serves as the fiscal agent and operator for the All Seasons Ice Arena. The arena is jointly owned by the Cities of Mankato, North Mankato, and Skyline as well as Blue Earth County. Any deficits which may occur in this fund are billed out to the owners as per an agreed upon schedule. Currently, the All Seasons Arena Fund is in very good financial condition.

## **TOTAL BUDGET SUMMARY**

Total budgeted revenue for in all operating funds in 2020-2021 is \$134,613,161. This is an increase of 1.6 percent compared to the 2019-2020 budgeted amount of \$132,506,567. For 2020-2021, the budgeted total expenditures are \$135,355,303. This is an increase of 1.03 percent compared to the 2019-2020 budgeted amount of \$133,977,735

\*Total Amount excludes OPEB Trust, OPEB Debt Service, and Building Construction

Adopted: May 7, 1996  
Revised: April 18, 2011  
April 17, 2017

District 77 Policy 723

## **723 FUND BALANCES**

### **I. 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).

### **II. 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.

### **III. 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**

The school board will attempt to maintain a minimum reserve equal to one month's (8%) expenditures in each of its operating funds.

#### **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.

#### **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: Superintendent of Schools and the Director of Business Affairs. 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**

The school board will conduct an annual review of the sufficiency of the minimum unassigned general fund balance level.

***Legal References:*** Statement No. 54 of the Governmental Accounting Standards Board

***Cross References:*** MSBA Service Manual, Chapter 7, Education Funding

## MANKATO AREA PUBLIC SCHOOLS FUND BALANCE SUMMARY

<b>FUND</b>	<b>7/1/2020 ESTIMATED BALANCE</b>	<b>2020-2021 ESTIMATED REVENUE</b>	<b>2020-2021 ESTIMATED EXPENDITURES</b>	<b>6/30/2021 ESTIMATED BALANCE</b>
GENERAL-UNASSIGNED	\$3,094,365	\$96,617,157	\$95,499,543	\$4,211,979
GENERAL- RESERVED SEVERANCE/SD*/BASIC SKILLS	\$3,676,035	\$10,868,680	\$10,868,680	\$3,676,035
CAPITAL OUTLAY	(\$91,187)	\$2,922,969	\$3,766,257	(\$934,475)
GENERAL-LONG TERM FAC MAINTENCE	\$520,300	\$4,335,682	\$4,335,682	\$520,300
STUDENT ASSOCIATION (FUND 10)	\$415,130	\$425,000	\$468,094	\$372,036
FOOD SERVICE	\$1,676,665	\$3,839,000	\$4,789,183	\$726,482
COMMUNITY SERVICE	\$991,732	\$6,602,425	\$6,840,519	\$753,638
DEBT SERVICE	\$2,027,243	\$8,293,248	\$8,078,345	\$2,242,146
OPEB TRUST	\$12,447,210	\$450,000	\$765,047	\$12,132,163
OPEB DEBT SERVICE	\$235,789	\$957,011	\$963,580	\$229,220
ALL SEASONS ARENA	\$936,275	\$709,000	\$709,000	\$936,275
<b>TOTAL ALL FUNDS*</b>	<b>\$13,246,558</b>	<b>\$134,613,161</b>	<b>\$135,355,303</b>	<b>\$12,504,416</b>

\* Total Amount excludes OPEB Trust, OPEB Debt Service, and Building Construction



# Mankato Area Public Schools

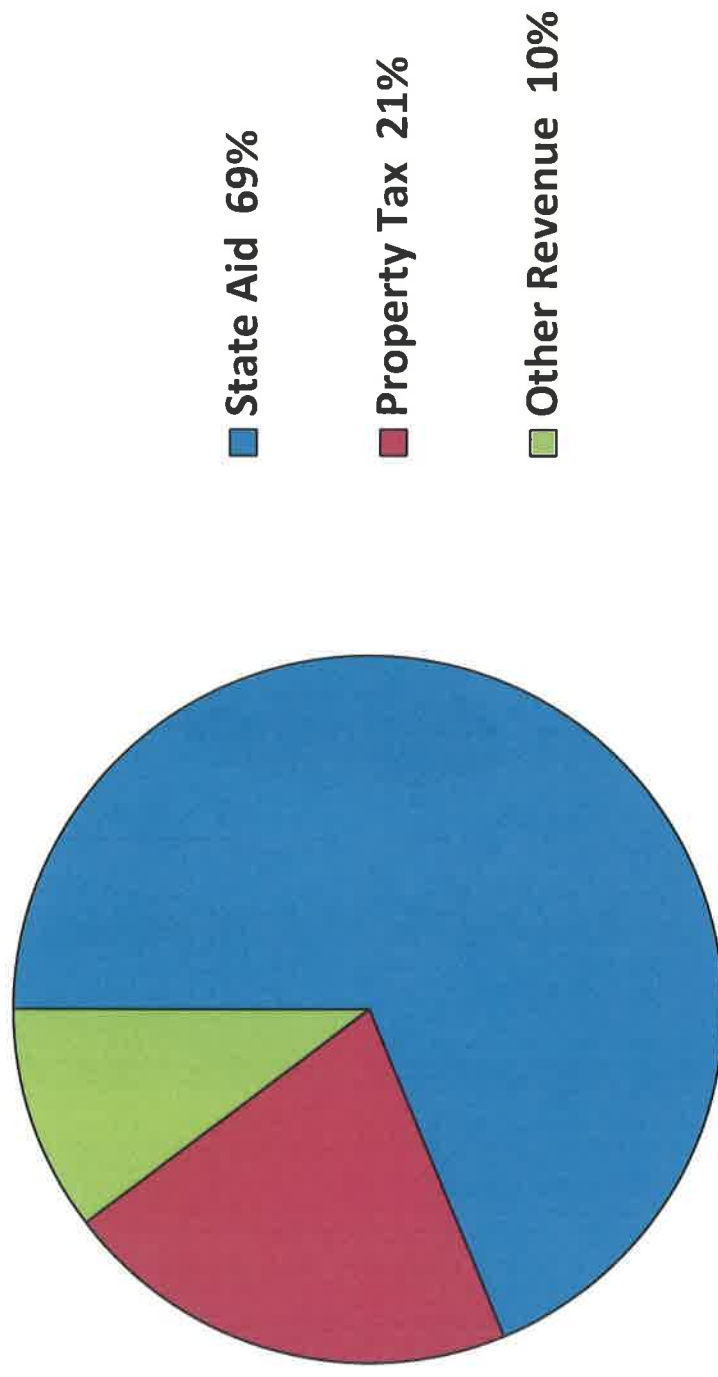
## SUMMARY OF REVENUE SOURCES

### ALL OPERATING FUNDS

YEAR ENDED 30-Jun	PROPERTY TAX LEVIES	% OF TOTAL	STATE REVENUES	% OF TOTAL	ALL OTHER SOURCES	% OF TOTAL	TOTAL REVENUES
2009	\$13,751,056	17.30%	\$55,085,484	69.40%	\$10,570,667	11.90%	\$73,417,126
2010	\$15,718,098	19.00%	\$50,724,459	61.30%	\$16,231,768	13.30%	\$79,407,207
2011	\$15,798,179	18.40%	\$56,322,194	65.60%	\$13,724,016	19.70%	\$82,727,985
2012	\$15,666,505	18.33%	\$58,002,663	67.86%	\$11,803,883	16.00%	\$85,844,389
2013	\$16,717,644	18.91%	\$60,443,409	68.38%	\$11,229,270	13.81%	\$85,473,051
2014	\$14,919,523	16.82%	\$62,490,008	70.45%	\$11,286,090	12.71%	\$88,390,323
2015	\$18,540,676	17.07%	\$67,804,926	62.43%	\$22,260,407	12.73%	\$108,606,009
2016	\$19,611,798	19.35%	\$69,548,566	68.62%	\$12,194,810	12.03%	\$101,355,174
2017	\$21,243,823	19.02%	\$76,450,381	68.44%	\$14,012,248	12.54%	\$111,706,452
2018	\$21,874,740	18.60%	\$80,364,175	68.34%	\$15,354,956	13.06%	\$117,593,871
2019	\$26,028,419	20.92%	\$83,283,316	66.93%	\$15,120,865	12.15%	\$124,432,600
2020	\$26,842,107	20.72%	\$86,936,799	67.11%	\$15,762,733	12.17%	\$129,541,639
2021	\$28,150,324	20.91%	\$92,533,087	68.74%	\$13,929,750	10.35%	\$134,613,161

# Mankato Area Public Schools

## Revenue by Source



Total Budgeted 2020-21 Revenues:  
\$134,613,161

**MANKATO AREA PUBLIC SCHOOLS  
EXPENDITURE SUMMARY  
ALL FUNDS**

FY 21		
EXPENDITURE		PERCENT
CATEGORY	AMOUNT	OF TOTAL
Administration	\$4,006,917	3.5%
District Support Services	\$2,336,501	2.0%
Regular Instruction	\$53,967,226	47.0%
Vocational Education Instruction	\$1,572,667	1.4%
Special Education Instruction	\$23,831,623	20.7%
Instructional Support Services	\$6,538,000	5.7%
Pupil Support Services	\$9,076,695	7.9%
Sites and Buildings	\$8,471,575	7.4%
Fiscal & Other Fixed Costs	\$902,701	0.8%
Capital Outlay	\$3,766,257	3.3%
Student Association (Fund 10)	\$468,094	0.4%
<b>TOTAL</b>	<b>\$114,938,256</b>	<b>100%</b>

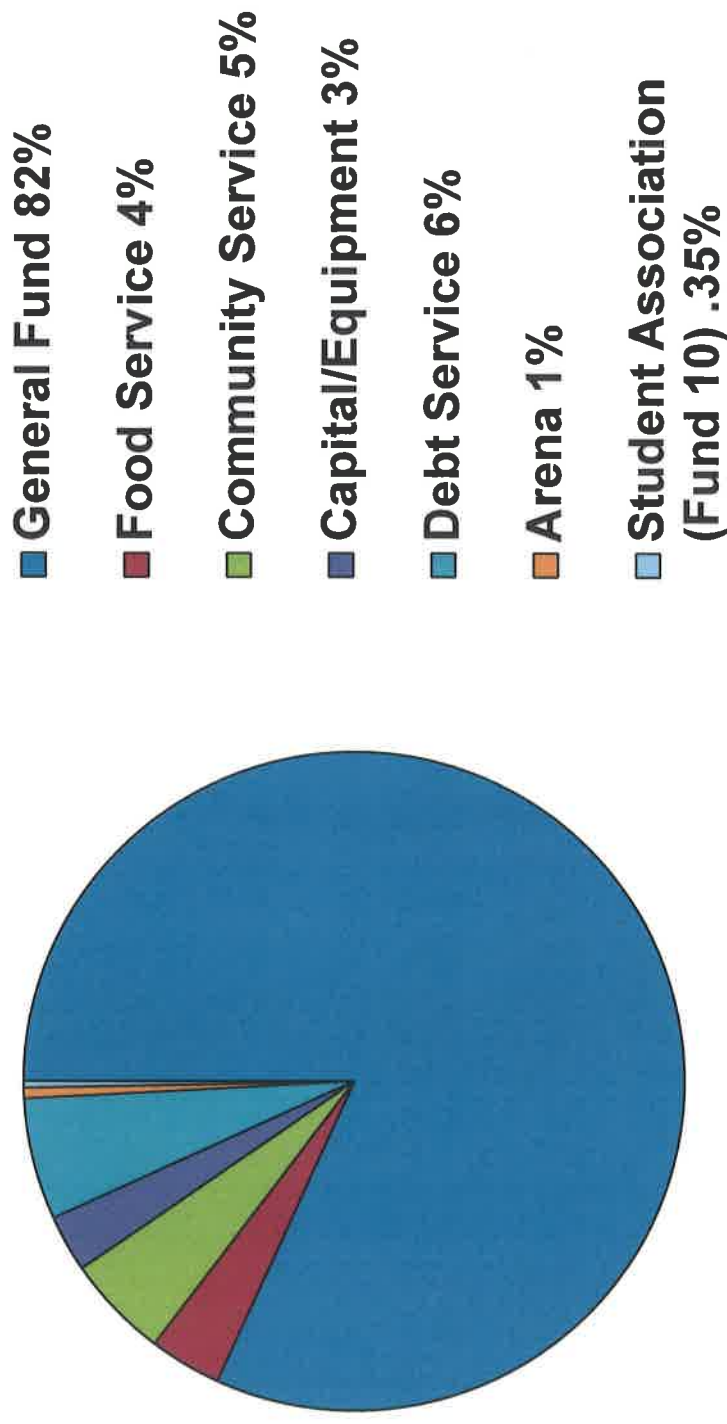
Community Service	\$6,840,519
Food Services	\$4,789,183
Debt Service	\$8,078,345
All Seasons Arena	\$709,000
<b>TOTAL</b>	<b>\$20,417,047</b>

**GRAND TOTAL** **\$135,355,303**

Note: Total Amount excludes OPEB Trust, OPEB Debt Service, and Building Construction

# Mankato Area Public Schools

## Expenditures by Fund



Total 2020-21 Budgeted Expenditures:

\$135,355,303

	2019-20	2020-21	
INSTRUCTIONAL STAFF	FTEs	FTEs	Change
Elementary K-5 Classroom Teachers	188	183	-5.00
Elementary Specialists (Art, music, PE, Media, Couns, Intervention)	54.53	48.603	-5.93
ADSIS Intervention K-8	11	11	0.00
Secondary 7-12 Classroom Teachers	207.6	203.8	-3.80
Secondary Specialists (Couns, Media, Intervention)	13	12	-1.00
ELL Teachers	18	17.9	-0.10
Central HS/Freedom Teachers	11.18	11.18	0.00
Special Education (all)	<u>156.843</u>	<u>158.843</u>	<u>2.00</u>
Subtotal	660.153	646.326	-13.83
OTHER STAFF			
Licensed Support Personnel (not included in other categories)	23.7	19.92	-3.78
Licensed Administrative/Supervisory	31	32	1.00
Nonlicensed Administrative/Supervisory	5	5	0.00
Nonlicensed Support Personnel (not included in other categories)	7.3	7.3	0.00
Community Education Personnel	36.464	32.429	-4.04
Clerical	73.115	73.115	0.00
Custodian/Maintenance	70.69	64.69	-6.00
Food Service	50.19	42.121	-8.07
Paraprofessionals	231.563	224.627	-6.94
Technology Support/Print Shop	<u>14.5</u>	<u>14.5</u>	<u>0.00</u>
Subtotal	543.522	515.702	-27.82
			0.00
<b>GRAND TOTAL</b>	1203.68	1162.03	-41.65

## **PROGRAM TYPE**

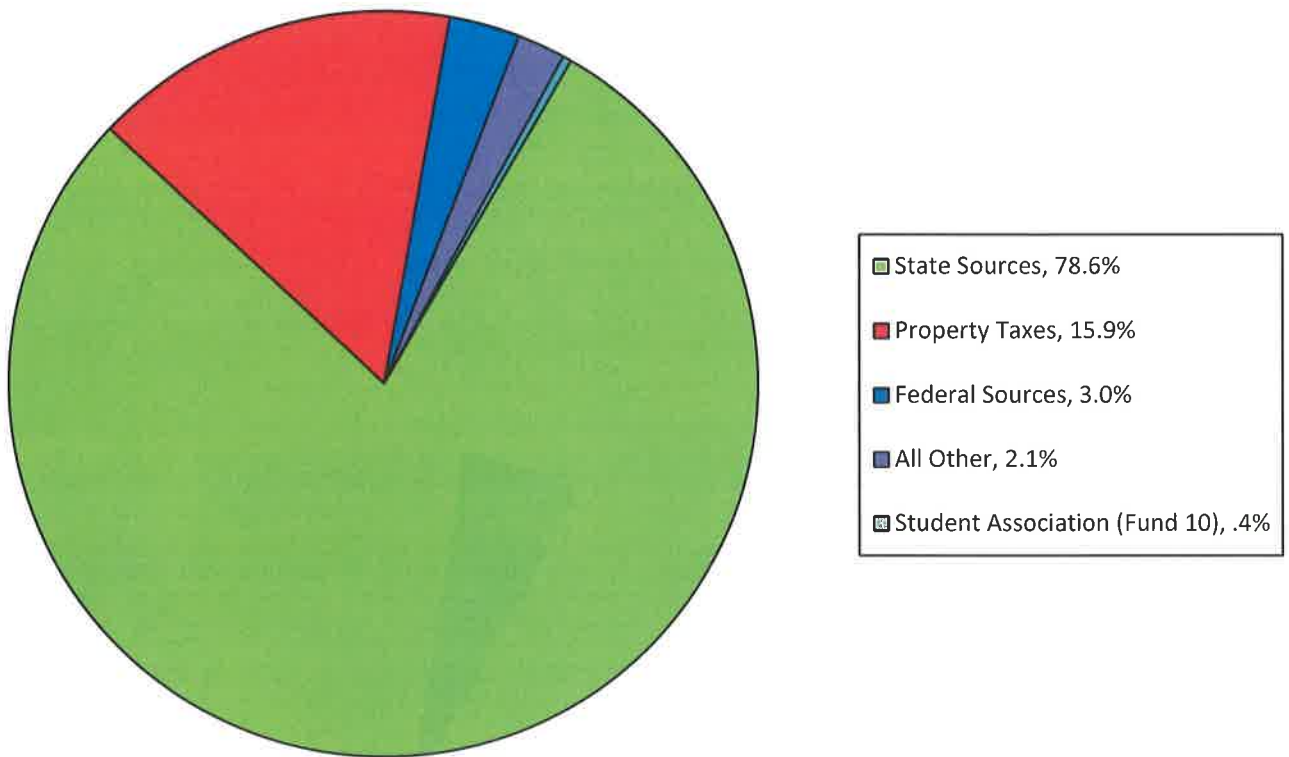
The program dimension of district accounting is used to designate the programmatic areas in which financial activity takes place. The ten categories of the program series are as follows:

1. Administration  
This budget category includes all costs associated with District management. It includes all budgets associated with the school board, superintendent, special services and ALC. It also includes costs related to head principals and head secretaries.
2. District Support Services  
This budget category includes all costs associated with district support services including district level administrative support, business office support, human resource office support, information technology departments, legal, communications, offset, and elections.
3. Elementary and Secondary Regular Instruction  
This budget category includes all costs associated with classroom activities including teachers and teacher aides and instructional supplies. It also includes all costs associated with the extracurricular program.
4. Vocational Education Instruction  
Vocational teachers and expenses.
5. Special Education Instruction  
This budget category includes all costs associated with the special education programs and services including teachers, and program assistants.
6. Community Education and Services  
All expenses related to Community Education.
7. Instructional Support Services  
This budget category includes curriculum, educational media, staff development, and assistant principals.
8. Pupil Support Services  
This budget category includes all costs associated with the provision of special services that enhance student attendance and performance in school. Pupil Support Services includes counseling, health services, social workers, assistant secretaries, and transportation.
9. Sites and Buildings  
This budget category includes all costs associated with the maintenance and upkeep of our various buildings and grounds. Personnel, utilities, and supplies are included within these costs.
10. Fiscal and Other Costs Programs  
This budget category includes costs associated with retirement of long-term obligations, severance pay and benefits, technology, property insurance, and special projects involving purchases exceeding \$500.

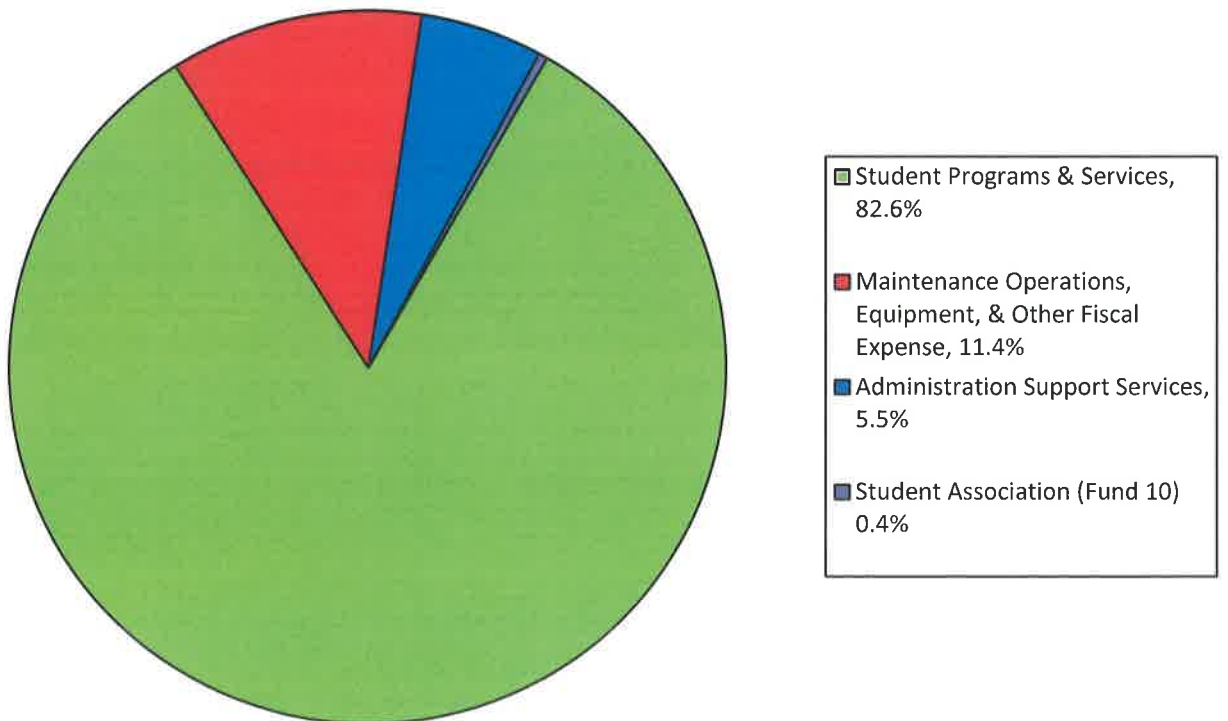
## GENERAL FUND

	2018-2019		2019-2020		2020-2021	Percent
	Actuals	Percent of Total	Revised Budget	Percent of Total	Preliminary Budget	Change from FY 20 to FY 21
Property Taxes	\$16,712,099	15.8%	\$17,858,764	16.0%	\$18,268,120	2.3%
All Other	\$3,122,363	2.9%	\$3,069,659	2.8%	\$2,400,000	-21.8%
State Sources	\$82,568,444	77.9%	\$86,584,874	77.7%	\$90,576,368	4.6%
Federal Sources	\$3,617,731	3.4%	\$3,493,867	3.1%	\$3,500,000	0.2%
Student Association (Fund 10)			\$407,042	0.4%	\$425,000	4.4%
Total Revenue	\$106,020,637	100.0%	\$111,414,206	100.0%	\$115,169,488	3.4%
Administration	\$3,625,972	3.4%	\$3,942,574	3.5%	\$4,006,917	1.6%
District Support Services	\$1,977,926	1.9%	\$2,491,591	2.2%	\$2,336,501	-6.2%
Regular Instruction	\$51,541,333	48.4%	\$53,265,119	47.0%	\$53,967,226	1.3%
Vocational Education Instruction	\$1,566,580	1.5%	\$1,499,846	1.3%	\$1,572,667	4.9%
Special Education Instruction	\$21,411,230	20.1%	\$22,694,280	20.0%	\$23,831,623	5.0%
Instructional Support Services	\$5,712,035	5.4%	\$7,509,251	6.6%	\$6,538,000	-12.9%
Pupil Support Services	\$7,992,523	7.5%	\$8,868,285	7.8%	\$9,076,695	2.4%
Sites and Buildings	\$8,662,300	8.1%	\$7,647,691	6.8%	\$8,471,575	10.8%
Fiscal & Other Fixed Costs	\$1,030,094	1.0%	\$882,127	0.8%	\$902,701	2.3%
Capital Outlay	\$3,041,800	2.9%	\$4,030,770	3.6%	\$3,766,257	-6.6%
Student Association (Fund 10)			\$454,460	0.4%	\$468,094	0.0%
Total Expenditures	\$106,561,793	100.0%	\$113,285,994	100.0%	\$114,938,256	1.5%
Issuance of Capital Loans/Transfers Out	(\$288,938)					
Revenue over Expenditure	(\$830,094)		(\$1,871,788)		\$231,232	

## GENERAL FUND REVENUE



## GENERAL FUND EXPENDITURES





## SUMMARY OF UPDATES TO GENERAL FUND June 15, 2020

	<b>2018-2019 Actuals</b>	<b>2019-2020 Revised Budget</b>	<b>2020-2021 Preliminary Budget</b>
Total Revenue	\$106,020,637	\$111,414,206	\$115,169,488
Total Expenditures	\$106,850,731	\$113,285,994	\$114,938,256
Change in Fund Balance	(\$830,094)	(\$1,871,788)	\$231,232

Budgeted Fund  
Balance on  
June 30, 2020 (Does  
NOT include Fund 10.):     \$7,199,513

Budgeted Fund  
Balance on  
June 30, 2021 (Does  
NOT include Fund 10.):     \$7,473,839    (24 days, or 6.5% of Total General Fund)

### Key Drivers to FY21 Revenue Budget:

- Enrollment - 83 more K-12 students
- State Formula Allowance - 2 percent increase
- Special Ed Reimbursement
- Local Property Taxes

### Key Drivers to FY21 Expense Budget:

- Employment Contracts
  - Wages/Salaries
  - Insurance
- Transportation
- Facility maintenance and operations

## FOOD SERVICE FUND

	2018-2019		2019-2020		2020-2021	Percent Change
	Actuals	Percent of Total	Revised Budget	Percent of Total	Preliminary Budget	from FY 20 to FY 21
Other Local	\$1,807,099	39.4%	\$1,840,800	39.7%	\$1,055,800	-42.6%
State Sources	\$231,831	5.1%	\$218,000	4.7%	\$218,000	0.0%
Federal Sources	\$2,550,015	55.6%	\$2,580,200	55.6%	\$2,565,200	-0.6%
Total Revenue	\$4,588,945	100.0%	\$4,639,000	100.0%	\$3,839,000	-17.2%
Food Service	\$4,349,676	98.5%	\$4,509,692	97.0%	\$4,649,183	3.1%
Capital Outlay	\$68,298	1.5%	\$140,000	3.0%	\$140,000	0.0%
Total Expenditures	\$4,417,974	100.0%	\$4,649,692	100.0%	\$4,789,183	3.0%

Budgeted Fund  
Balance on  
June 30, 2020: \$1,676,665

Budgeted Fund  
Balance on  
June 30, 2021: \$726,482 (55 days)

## COMMUNITY SERVICE FUND

	2018-2019		2019-2020		2020-2021	Percent Change
	Actuals	Percent of Total	Revised Budget	Percent of Total	Preliminary Budget	from FY 20 to FY 21
Property Taxes	\$846,822	13.0%	\$874,347	12.3%	\$843,680	-3.5%
Other Local	\$3,785,596	58.2%	\$4,329,207	60.8%	\$3,850,152	-11.1%
State Sources	\$1,647,975	25.4%	\$1,711,975	24.0%	\$1,688,593	-1.4%
Federal Sources	\$218,899	3.4%	\$206,979	2.9%	\$220,000	6.3%
Total Revenue	\$6,499,292	100.0%	\$7,122,508	100.0%	\$6,602,425	-7.3%
Community Service	\$6,736,551	99.6%	\$7,276,640	99.6%	\$6,826,969	-6.2%
Capital Outlay	\$25,078	0.4%	\$27,350	0.4%	\$13,550	-50.5%
Total Expenditures	\$6,761,629	100.0%	\$7,303,990	100.0%	\$6,840,519	-6.3%

Budgeted Fund  
Balance on  
June 30, 2020: \$991,732

Budgeted Fund  
Balance on  
June 30, 2021: \$753,638 (40 days)

## DEBT SERVICE FUND

	2018-2019		2019-2020		2020-2021	Percent Change
	Actuals	Percent of Total	Revised Budget	Percent of Total	Preliminary Budget	from FY 20 to FY 21
Property Taxes	\$8,465,809	94.7%	\$8,410,117	97.5%	\$8,081,512	-3.9%
Other Local	\$281,179	3.1%	\$40,000	0.5%	\$40,000	0.0%
State Sources	\$189,935	2.1%	\$171,736	2.0%	\$171,736	0.0%
Total Revenue	\$8,936,923	100.0%	\$8,621,853	100.0%	\$8,293,248	-3.8%
Principal	\$4,855,000	56.8%	\$5,205,000	64.8%	\$5,231,958	0.5%
Interest and Fiscal Charges	\$3,696,300	43.2%	\$2,824,059	35.2%	\$2,846,387	0.8%
Total Expenditures	\$8,551,300	100.0%	\$8,029,059	100.0%	\$8,078,345	0.6%

Budgeted Fund  
Balance on  
June 30, 2020: \$2,027,243

Budgeted Fund  
Balance on  
June 30, 2021: \$2,242,146

## ARENA FUND

	2018-2019		2019-2020		2020-2021	Percent Change
	Actuals	Percent of Total	Revised Budget	Percent of Total	Preliminary Budget	from FY 20 to FY 21
Revenues	\$733,347	100.0%	\$709,000	100.0%	\$709,000	0.0%
Total Revenue	\$733,347	100.0%	\$709,000	100.0%	\$709,000	0.0%
Expenses	\$667,094	100.0%	\$709,000	100.0%	\$709,000	0.0%
Total Expenditures	\$667,094	100.0%	\$709,000	100.0%	\$709,000	0.0%

Budgeted Fund  
Balance on  
June 30, 2020: \$936,275

Budgeted Fund  
Balance on  
June 30, 2021: \$936,275

## OPEB TRUST FUND

	2018-2019		2019-2020		2020-2021	Percent Change
	Actuals	Percent of Total	Revised Budget	Percent of Total	Preliminary Budget	from FY 20 to FY 21
Revenue	\$1,252,721	100.0%	\$450,000	100.0%	\$450,000	0.0%
Total Revenue	\$1,252,721	100.0%	\$450,000	100.0%	\$450,000	0.0%
Expenditures	\$1,102,395	100.0%	\$765,047	100.0%	\$765,047	0.0%
Total Expenditures	\$1,102,395	100.0%	\$765,047	100.0%	\$765,047	0.0%

Budgeted Fund  
Balance on  
June 30, 2020: \$12,447,210

Budgeted Fund  
Balance on  
June 30, 2021: \$12,132,163

## OPEB DEBT SERVICE FUND

	2018-2019		2019-2020		2020-2021	Percent Change
	Actuals	Percent of Total	Revised Budget	Percent of Total	Preliminary Budget	from FY 20 to FY 21
Property Taxes	\$943,268	98.1%	\$941,943	98.7%	\$944,060	0.2%
Other Local	\$12,909	1.3%	\$8,000	0.8%	\$8,000	0.0%
State Sources	\$4,952	0.5%	\$4,692	0.5%	\$4,951	5.5%
Total Revenue	\$961,129	100.0%	\$954,635	100.0%	\$957,011	0.2%
Principal	\$880,000	90.9%	\$885,000	92.0%	\$886,929	0.2%
Interest and Fiscal						
Charges	\$88,223	9.1%	\$77,155	8.0%	\$76,651	-0.7%
Total Expenditures	\$968,223	100.0%	\$962,155	100.0%	\$963,580	0.1%

Budgeted Fund  
Balance on  
June 30, 2020: \$235,789

Budgeted Fund  
Balance on  
June 30, 2021: \$229,220

To conclude, the following information provides the background and recommendations for the FY 21 general fund budget. The general fund budget contained within this budget document represents the approved plan as seen below. This summary was a compilation of budget work and feedback beginning in November 2019, and identified \$3,569,496 in cost containment. The current pandemic has created much uncertainty for all areas within school districts; yet, we believe the plan represents a balanced and prudent approach to the district's financial planning, based on what we know today. The plan stabilizes the district's budget for FY 21, and we remain committed to our fiduciary responsibilities by aligning its revenues to expenses for the future.

#### **Mankato Area Public Schools -- Summary Budget Adjustment Options**

**FY 21 Approved by School Board on May 18, 2020**

<b>Budget Area and Base Recommendation</b>	<b>Adjustment Recommendation</b>	<b>Percent of Total Adjustment</b>	<b>Percent of Overall Budget</b>
Administration and District Support Services <ul style="list-style-type: none"> <li>Supplies</li> <li>Conversion to MAPS online courses</li> </ul>	\$274,250	7.1%	6%
Instruction <ul style="list-style-type: none"> <li>11.62 Classroom FTE</li> <li>7.6 Non-classroom FTE</li> <li>Extended Time Salary</li> </ul>	\$1,640,750 \$234,000	48.6%	48%
Special Education <ul style="list-style-type: none"> <li>Supplies</li> </ul>	\$50,000	1.3%	20%
Instructional Support <ul style="list-style-type: none"> <li>3.5 Instructional Support FTE</li> <li>New Staff Orientation</li> <li>Assessment</li> <li>Curricular Resources</li> <li>Leadership PD</li> <li>Reduction in substitute teaching expense</li> <li>Extended Time Salary</li> <li>Use PD allocation to pay for one day of workshop week</li> </ul>	\$781,417 \$100,000 \$66,000 \$335,079	33.2%	7%
Pupil Support Services <ul style="list-style-type: none"> <li>Supplies</li> <li>1.0 FTE</li> </ul>	\$99,750	2.6%	8%
Site and Buildings <ul style="list-style-type: none"> <li>Custodial &amp; Maintenance Overtime</li> <li>Electrical Services</li> <li>Supplies</li> </ul>	\$267,000	6.9%	7%
Capital/Other Fixed <ul style="list-style-type: none"> <li>Supplies</li> </ul>	\$11,250	0.3%	5%

<b>Total Cost Containment</b>	\$3,859,496	100%	100%
<b>Anticipated but unknown expenses (i.e., special education, etc.)</b>	\$290,000		
<b>Total Net FY 21 Budget Adjustment</b>	\$3,569,496		

Below is the updated total general fund forecast based on the FY 20 and FY 21 budgets. This forecast also assumes an increase to all revenues at 2.50 percent and all expenditures at 3.50 percent in future years. The impact of COVID 19 has made school financial planning an extremely fluid process. This forecast will be updated in the fall of 2020. That updated forecast will reflect actual fall enrollment, FY 20 audit results, property tax revenues, and current information on the state's budget forecast and probable legislative decisions involving school funding for FY22 and beyond.

	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25
(in millions)								
<b>Base Revenue</b>	\$95.518	\$99.326	\$104.586	\$108.205	\$110.910	\$113.683	\$116.525	\$119.438
<b>Operating Revenue (Without LOR)</b>	\$3.336	\$6.694	\$6.828	\$6.964	\$7.104	\$7.246	\$7.391	\$7.539
<b>Total Revenue</b>	\$98.854	\$106.020	\$111.414	\$115.169	\$118.014	\$120.929	\$123.916	\$126.977
<b>Total Expenditures</b>	\$103.068	\$106.850	\$113.286	\$114.938	\$118.961	\$123.124	\$127.434	\$131.894
<b>Fund Balance Change</b>	-\$4.214	-\$0.830	-\$1.872	\$0.231	-\$0.947	-\$2.196	-\$3.518	-\$4.917
<b>Fund Balance</b>	\$9.854	\$9.024	\$7.152	\$7.383	\$6.436	\$4.241	\$0.722	-\$4.195
<b>Percent</b>	9.56%	8.45%	6.31%	6.42%	5.41%	3.44%	0.57%	-3.18%

### Total General Fund Balance

