SUMMARY BUDGET

2024-2025

6/17/2024

Budget Timeline
Fiscal Year 2024-2025

February 2024

- Minnesota legislative session began their work February 12th – non-funding year
- Enrollment projections and trends presented to board
- School Board discussion on budget assumptions, parameters and timelines
- Staffing process begins and allocations are distributed
- Preliminary budget assumptions are developed

March 2024

- General fund financial update & projections
- Budget assumptions are presented
- School sites submit a draft version of staffing

April 2024

- Budget development process continues
- Other funds financial update & projections presented

May 2024

- Budget development process continues
- Minnesota legislative session adjourns May 20th

June 2024

- School board adopts the FY 2024-2025 budget

June 17, 2024

ROCKFORD AREA SCHOOLS
BUDGET SUMMARY - ALL FUNDS
2024-2025

	REVENUE	EXPENDITURES	
General Fund	$21,947,440	$22,125,064	(Note 1)
Nutrition Service Fund	1,220,473	1,075,930	
Community Service Fund	1,472,446	1,481,895	(Note 1)
Building Construction Fund	5,000	3,676,545	(Note 2)
Debt Service Fund	5,187,248	4,915,541	
Total All Funds	$29,832,607	$33,274,975	

Note 1: Unreserved fund balance in these funds will provide resources.
Note 2: Bond reserves will provide resources for the Building Construction Fund.

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General Fund

Budget Assumptions

Enrollment

The table below shows the actual Average Daily Membership (ADM) for 2022-23, the budgeted ADM for 2023-24 and the projected ADM for 2024-25.

Grade	2022-23 Actual	2023-24 Revised Budget	2024-25 Projected
ECSE (1)	10	13	10
K-4	568	569	527
5-8	495	463	477
9-12	460	512	472
Total	1,534	1557	1,485

(1) ECSE = Early Childhood Special Education

Revenue

1. Property Tax Levy – Property taxes are budgeted based on the 2023 Payable 2024 tax levy. The levy was approved by the School Board on December 18, 2023.

2. State Aids – The following primary state funding sources have been budgeted:
    a. General Education Revenue – the budget is based on $7,281 per pupil unit, which is a 2% increase over the 2023-24 level of $7,138.
    b. Compensatory Revenue – the budget is based on the MDE's entitlement report, which is based on the October 1, 2023 Free/Reduced student count.
    c. Special Education Revenue – the budget is based on the special education formula and projected operating expenditures.
    d. Other State Funding – budgets have been projected based on the approved state funding formulas, projected enrollment and MDE estimates.

3. Federal Revenues – The district receives funding for Title I, Title II, Title III and Special Education. The district has budgeted for all federal programs at a similar or slightly lower level as 2023-24. The additional one-time federal funding received as a result of the COVID-19 Pandemic has been fully spent and is no longer available.

4. Local Revenues – The primary source of revenue in this area is participation and admission fees. Revenue is based on the fees approved by the School Board. Other sources include, interest revenue, E-Rate, and third-party billing revenue.

Expenditures

1. Salaries and Employee Benefits – Employee compensation is based on current collective bargaining agreements and estimates are used for any contracts that are currently in negotiations.

2. Other Line Items (Purchase services, supplies, etc.) – Budgets were held constant to the extent possible or reduced. Some budgets for programs and services were subject to a larger budget increase due to inflation, market demands, or previously agreed agreements.

ROCKFORD AREA SCHOOLS
GENERAL FUND

General Description

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 purposes except when the requirements for a specific categorical revenue state that it may not be used for capital purchases. The General Fund is used to account for all revenues and expenditures of the school district not accounted for elsewhere.

Legislation

The Minnesota Reading to Ensure Academic Development Act, known as the READ Act, was passed and signed into law on May 24, 2023. The goal of this legislation is to have every child reading at or above grade level every year, beginning in kindergarten, and to support multilingual learner and students receiving special education services in achieving their individualized reading goals. The READ Act replaces Read Well by Third Grade (RWBTG) in Minnesota Statutes 2022, section 120B.12, effective July 1, 2023. Extends the statewide compensatory revenue hold harmless beyond fiscal year 2027.

Budget Information

	2023-2024 Amended Budget	2024-2025 Proposed Budget	% Of Budget
Revenue:			
Property Tax Levy	$ 3,566,057	$ 3,595,994	16.4%
State Aids	18,043,103	17,492,702	79.7%
Federal Revenues	369,744	319,744	1.5%
Local Revenues	629,000	539,000	2.5%
Total Revenue	$ 22,607,904	$ 21,947,440	100.0%
Expenditures:			
Salaries	$ 11,663,696	$ 11,571,465	52.3%
Benefits	4,249,426	3,982,110	18.0%
Purchased Services	5,736,438	5,533,411	25.0%
Supplies & Materials	934,015	685,163	3.1%
Capital Expenditures	294,723	313,828	1.4%
Other	115,751	39,087	0.2%
Total Expenditures	$ 22,994,049	$ 22,125,064	100.0%
Excess Revenue Over Expenditures	$ (386,145)	$ (177,624)	
Beginning Fund Balance	4,232,821	3,846,676	
Ending Fund Balance	$ 3,846,676	$ 3,669,052	

	6/30/2024 Beginning Fund Balance	Adopted Budget		Fund Balance Buildup/(Usage)	6/30/2025 Ending Fund Balance
		2024-25 Revenues	2023-24 Expenditures		
General Fund					
Unassigned	**2,051,047**	**19,531,893**	**19,428,788**	**103,105**	**2,154,152**
Assigned:					
Q Comp Program	242,396	400,002	400,002	-	242,396
Future Capital	352,451	-	-	-	352,451
Machine Shop	953	-	-	-	953
Scholarships	12,441	-	-	-	12,441
	-	-	-	-	-
	-	-	-	-	-
Assigned	**608,241**	**400,002**	**400,002**	**-**	**608,241**
Restricted:					
Student Activities	119,163	201,963	201,963	-	119,163
Gifted & Talented	-	21,172	21,172	-	-
Career & Tech Program	-	70,381	70,381	-	-
Learning & Development	-	333,522	333,522	-	-
Basic Skills	-	728,749	728,749	-	-
Medical Assistance	55,299	-	-	-	55,299
Staff Development	345,446	237,302	237,302	-	345,446
Operating Capital	472,136	145,584	430,043	(284,459)	187,677
Long-Term Facilities Maintenance	195,344	276,872	273,142	3,730	199,074
Total Restricted	**1,187,388**	**2,015,545**	**2,296,274**	**(280,729)**	**906,659**
Total General Fund	**3,846,676**	**21,947,440**	**22,125,064**	**(177,624)**	**3,669,052**
Unassigned Fund Balance %	***8.92%***				***9.74%***
Food Service					
Restricted	447,168	1,220,473	1,075,930	144,543	591,711
Total Food Service	**447,168**	**1,220,473**	**1,075,930**	**144,543**	**591,711**
Community Education					
Restricted:					
Regular Community Education	38,726	768,907	785,817	(16,910)	21,816
Early Childhood Family Education	73,904	107,479	133,473	(25,994)	47,910
School Readiness	20,707	379,847	367,937	11,910	32,617
Adult Basic Education	-	15,000	500	14,500	14,500
Restricted for Community Education	282,059	201,213	194,168	7,045	289,104
Nonspendable	-	-	-	-	-
Total Community Education	**415,396**	**1,472,446**	**1,481,895**	**(9,449)**	**405,947**
Building Projects Fund					
Capital Projects Levy	-	-	-	-	-
Long Term Facilities Maintenance	1,997,027	5,000	2,002,027	(1,997,027)	-
Restricted Fund Balance	1,674,518	-	1,674,518	-	-
Total Capital Projects	**3,671,545**	**5,000**	**3,676,545**	**(1,997,027)**	**-**
Debt Service					
Restricted:					
General Debt Service	372,729	5,187,248	4,915,541	271,707	644,436
Total Debt Service	**372,729**	**5,187,248**	**4,915,541**	**271,707**	**644,436**
Total All Funds	**8,753,514**	**29,832,607**	**33,274,975**	**(1,767,850)**	**5,311,146**

ROCKFORD AREA SCHOOLS
NUTRITION SERVICE FUND

General Description

The nutrition service fund is used to record financial activities of the school district's food service program. This includes activities for the purpose of preparation and service of milk, meals and snacks in connection with the school and community service activities. Expenditures include application processing, meal accountability, food preparation, meal service and kitchen custodial service.

Legislation

A fund balance calculation change was granted for 2024-2025 to allow up to six months of fund balance reserve. This calaculation will be reviewed annually for future years by MDE. Capital items not allowed in the past such as lunchroom tables, chairs, used by pupils can now be purchased in FY2024-2025 with food service funds.

Budget Information	2023-2024 Amended Budget	2024-2025 Proposed Budget	% Of Budget
Revenue:			
Local Sales	$ 130,532	$ 154,274	12.6%
State Aids	329,789	571,506	46.8%
Federal Aids	403,082	410,958	33.7%
Commodities	57,000	83,735	6.9%
Total Revenue	$ 920,403	$ 1,220,473	100.0%
Expenditures:			
Purchased Services	$ 0	$ 486,756	45.2%
Food & Milk	859,651	471,197	43.8%
Commodities	57,000	83,735	7.8%
Supplies & Other	3,752	34,242	3.2%
Total Expenditures	$ 920,403	$ 1,075,930	100.0%
Excess Revenue Over Expenditures	$ 0	$ 144,543	
Beginning Fund Balance	447,168	447,168	
Ending Fund Balance	$ 447,168	$ 591,711	

ROCKFORD AREA SCHOOLS
COMMUNITY SERVICE FUND

General Description

The Community Service Fund is used to record financial activities of the school district's community service program. The fund is comprised of five components, each with its own fund balance. Community Education includes programs and services for any age level that are not part of the K-12 education program. Early Childhood Family Education includes activities to improve parenting skills of new and expectant parents and to provide learning experiences for parents and their pre-school children. School Readiness Education includes social services, a development and learning plan, health referral services, a nutrition component and parental involvement. Adult Basic Education includes all activities in adult basic education and adult high school graduation programs.

Legislation

There were no financial changes from the 2024 legislature.

Budget Information

	2023-2024 Amended Budget	2024-2025 Proposed Budget	% Of Budget
Revenue:			
Property Tax Levy	$ 122,166	$ 124,354	8.4%
State Aids	173,030	162,257	11.0%
Local Revenues	1,043,278	1,185,835	80.5%
Total Revenue	$ 1,338,474	$ 1,472,446	100.0%
Expenditures:			
Salaries & Benefits	$ 976,101	$ 1,243,595	83.9%
Other Purchased Services	129,577	184,000	12.4%
Supplies & Other	160,889	43,000	2.9%
Capital	5,000	11,300	0.8%
Total Expenditures	$ 1,271,567	$ 1,481,895	100.0%
Excess Revenue Over Expenditures	$ 66,907	$ (9,449)	
Beginning Fund Balance	348,489	415,396	
Ending Fund Balance	$ 415,396	$ 405,947	

ROCKFORD AREA SCHOOLS
COMMUNITY SERVICE FUND - REVENUE

REVENUE BY PROGRAM:		2023-2024 Amended Budget	2024-2025 Proposed Budget	% Of Budget
000	Community Education - District-wide	$ 187,000	$ 195,000	13.2%
321	Community Education	753,522	743,836	50.5%
362	Youth Programs	0	10,071	0.7%
322	Adult Education	11,078	15,000	1.0%
798	School Age Care	0	15,000	1.0%
325	Early Childhood Family Education	102,927	105,600	7.2%
328	Home Visiting	0	1,879	0.1%
337	Pathways II	0	37,500	2.5%
344	School Readiness	283,947	342,347	23.3%
354	Early Childhood Screening	0	6,213	0.4%
	Total Revenue	$ 1,338,474	$ 1,472,446	100.0%

ROCKFORD AREA SCHOOLS
COMMUNITY SERVICE FUND - EXPENDITURES

EXPENDITURE BY PROGRAM:		2023-2024 Amended Budget	2024-2025 Proposed Budget	% Of Budget
000	Community Education - District-wide	$ 0	$ 188,160	12.7%
321	Community Education	860,789	785,817	53.0%
362	Youth Programs	0	0	0.0%
322	Adult Education	11,078	500	0.0%
798	School Age Care	0	0	0.0%
325	Early Childhood Family Education	115,753	133,473	9.0%
328	Home Visiting	0	0	0.0%
337	Pathways II	0	0	0.0%
344	School Readiness	283,947	367,937	24.8%
354	Early Childhood Screening	0	6,008	0.4%
	Total Expenditures	$ 1,271,567	$ 1,481,895	100.0%

ROCKFORD AREA SCHOOLS
BUILDING CONSTRUCTION FUND

General Description

The Building Construction Fund is used to record all operations of the district's building construction program that are funded by the sale of bonds, capital loans, or Long-Term Facilities Maintenance program if bonds are sold or a single project exceeds $2 million.

Legislation

There were no financial changes from the 2024 legislative session.

Budget Information

	2023-2024 Amended Budget	2024-2025 Proposed Budget	% Of Budget
Revenue:			
Bond Investment Interest	$ 10,000	$ 5,000	100%
Total Revenue	$ 10,000	$ 5,000	100%
Expenditures:			
Capital Improvements	$ 2,000,000	$ 3,676,545	100%
Total Expenditures	$ 2,000,000	$ 3,676,545	100%
Excess Revenue Over Expenditures	$ (1,990,000)	$ (3,671,545)	
Beginning Fund Balance	5,661,545	3,671,545	
Ending Fund Balance	$ 3,671,545	$ 0	

June 17, 2024

ROCKFORD AREA SCHOOLS
BUILDING CONSTRUCTION FUND

	Amended Budget 2023-2024	Projected Budget 2024-2025
Revenue:		
Bond Investment Interest	$ 10,000	$ 5,000
Total Revenue	$ 10,000	$ 5,000
Expenditures:		
Long term facility maintenance projects	$ 2,000,000	$ 3,676,545
	-	-
Total Expenditures	$ 2,000,000	$ 3,676,545

ROCKFORD AREA SCHOOLS
DEBT SERVICE FUND

General Description

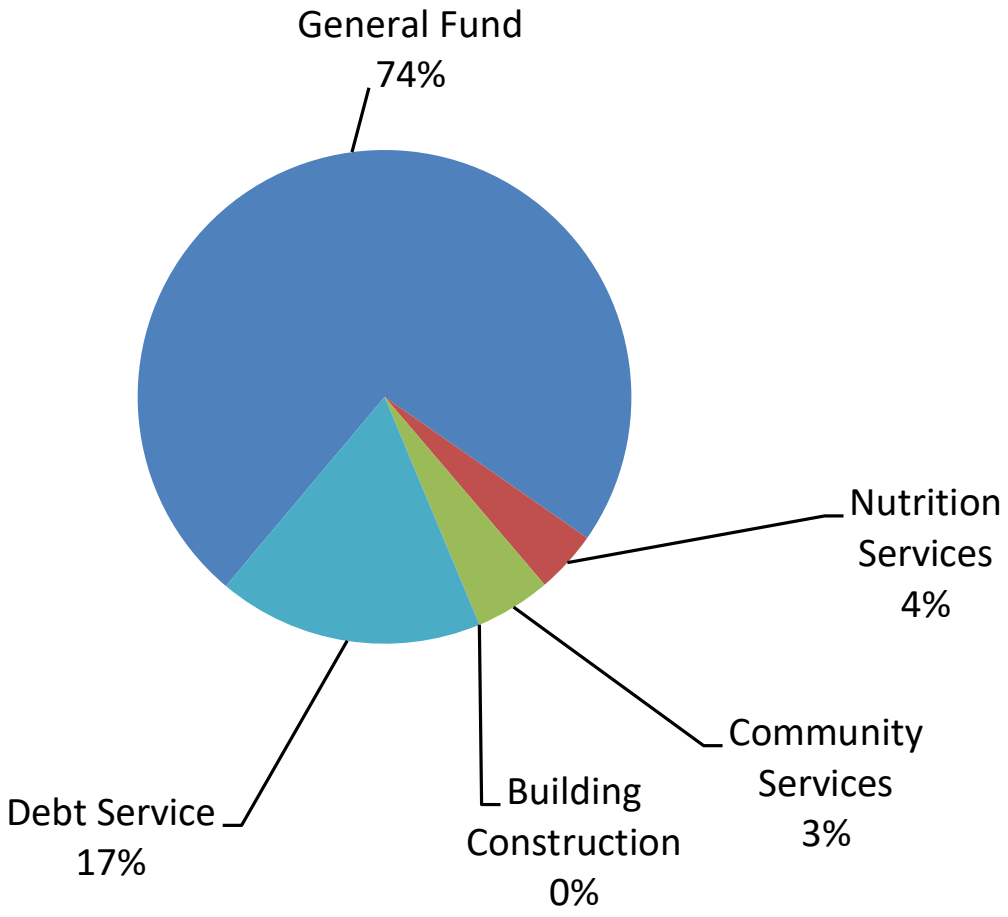
The Debt Service Fund is used to record revenues and expenditures for a school district's outstanding bonded indebtedness, whether for building construction or operating capital, and whether for initial or refunding bonds. When a bond issue is sold, the school board must levy a direct general tax upon the property of the district for the payment of principal and interest on such bonds as due. The amount levied is 105% of the principal and interest due on such bonds, which allows for delinquencies. When an amount is accumulated in the Restricted Debt Service Fund due to interest earnings, lower than anticipated tax delinquency, or excess building funds, the accumulations must be used to reduce debt levies.

Legislation

There were no financial changes from the 2024 legislative session.

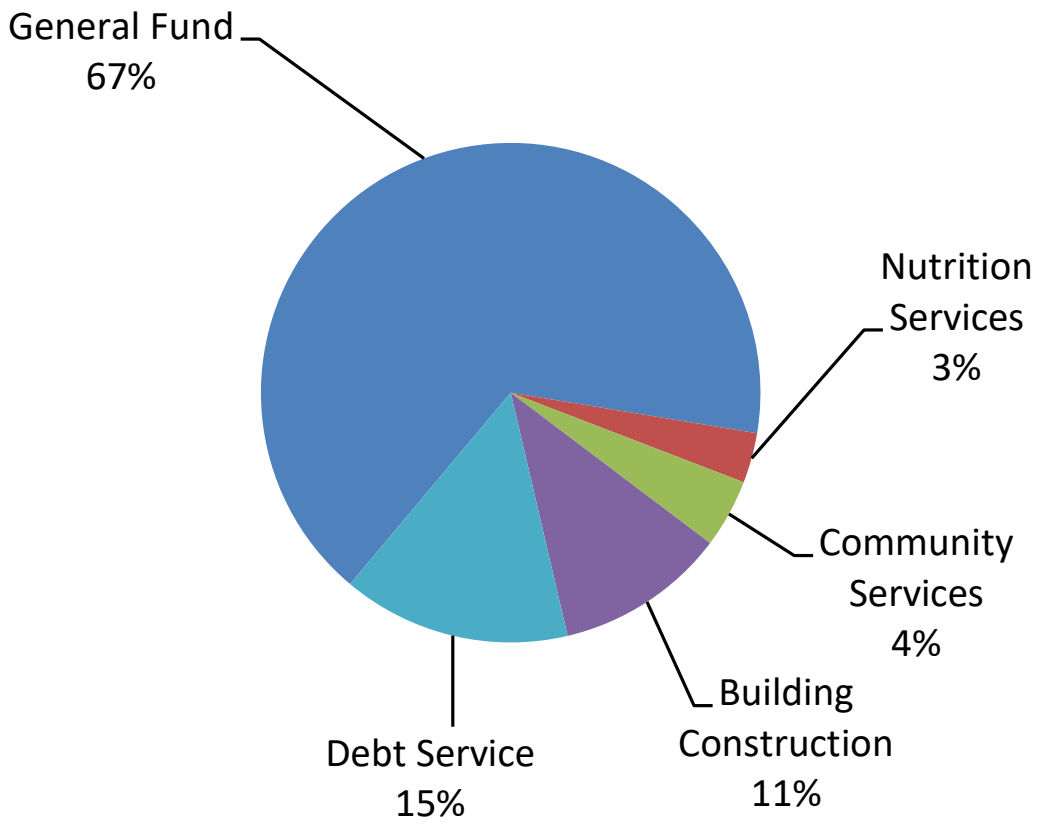
Budget Information		2023-2024 Amended Budget		2024-2025 Proposed Budget	% Of Budget
Revenue:					
Local Property Taxes	$	4,913,549	$	5,028,448	96.9%
State Aids		182,434		158,800	3.1%
Total Revenue	$	5,095,983	$	5,187,248	100.0%
Expenditures:					
Principal Payments		4,103,000		4,173,000	84.9%
Interest Payments		795,319		737,541	15.0%
Other Bond Charges		5,000		5,000	0.1%
Total Expenditures	$	4,903,319	$	4,915,541	100.0%
Excess Revenue Over Expenditures	$	192,664	$	271,707	
Beginning Fund Balance		180,065		372,729	
Ending Fund Balance	$	372,729	$	644,436	

Revenues - All Funds
2024-2025



Total Revenues: $ 29,832,607

Expenditures - All Funds
2024-2025



Total Expenditures: $ 33,274,975