

 Division of School Finance 400 NE Stinson Blvd Minneapolis, MN 55413		Long-Term Facility Maintenance Ten-Year Expenditure Application (LTFM) - Fund 01 and Fund 06 Projects Only										ED - 02478-08	
Instructions: Enter estimated, allowable LTFM expenditures (Fund 01 and/or Fund 06 only) under Minnesota Statutes 2021, section 123B.595, subd. 10. Enter by Uniform Financial and Accounting Reporting Standards (UFARS) finance code and by fiscal year in the cells provided.													
<b>District Info.</b> District Name: Medford District Number: 763 District Contact Name: Mark Rislau, Superintendent Contact Phone #: 507-214-6322		<b>Enter Information</b> Date: 7.13.22 Email: <a href="mailto:mrisklau@medfordrigers.org">mrisklau@medfordrigers.org</a>											
<b>Fiscal Year (FY) Ending June 30</b>													
		2022 (base year)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
<b>Health and Safety - this section excludes project costs in Category 2 of \$100,000 or more for which additional revenue is requested for Finance Codes 358, 363 and 366.</b>													
<b>Finance Code</b>		<b>Category (1)</b>											
347 Physical Hazards		\$0	\$0	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$0	\$0	
348 Other Hazardous Materials		\$0	\$0	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$0	\$0	
352 Environmental Health and Safety Management		\$0	\$0	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$0	\$0	
358 Asbestos Removal and Encapsulation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
363 Fire Safety		\$0	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$0	\$0	
366 Indoor Air Quality		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Health and Safety Capital Projects</b>		\$0	\$0	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$0	\$0	
<b>Health and Safety - Projects Costing \$100,000 or more per Project/Site/Year</b>													
<b>Finance Code</b>		<b>Category (2)</b>											
358 Asbestos Removal and Encapsulation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
363 Fire Safety		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
366 Indoor Air Quality		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Health and Safety Capital Projects \$100,000 or More</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Remodeling for Approved Voluntary Pre-K under Minnesota Statutes, section 124D.151</b>													
<b>Finance Code</b>		<b>Category (3)</b>											
355 Remodeling for prekindergarten (Pre-K) instruction approved by the commissioner		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Remodeling for Approved Voluntary Pre-K Projects</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Accessibility</b>													
<b>Finance Code</b>		<b>Category (4)</b>											
367 Accessibility		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Accessibility Projects</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Deferred Capital Expenditures and Maintenance Projects</b>													
<b>Finance Code</b>		<b>Category (5)</b>											
358 Building Envelope		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
369 Building Hardware and Equipment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
370 Electrical		\$0	\$0	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$0	\$0	
379 Interior Surfaces		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
380 Mechanical Systems		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
381 Plumbing		\$0	\$0	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$0	\$0	
382 Professional Services and Salary		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
383 Roof Systems		\$0	\$0	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$354,750	\$354,750	
384 Site Projects		\$0	\$97,825	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Total Deferred Capital Expense and Maintenance</b>		\$0	\$97,825	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$354,750	\$354,750	
<b>Total Annual 10-Year Plan Expenditures</b>		\$0	\$97,825	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$354,750	\$354,750	
<b>Fund Balance Section</b>													
		<b>Fund 01</b>											
Beginning Fund Balance 01-467-XX		\$52,137	\$52,137	\$0	\$10,539	\$23,575	\$34,244	\$48,039	\$66,356	\$89,511	\$107,271	\$48,370	
LTFM Fiscal Year Revenue - Levy		\$0	\$30,125	\$29,869	\$32,885	\$31,594	\$33,596	\$36,710	\$40,040	\$36,326	\$203,694	\$210,966	
LTFM Fiscal Year Revenue - AID if Applicable		\$0	\$15,563	\$15,670	\$15,151	\$14,075	\$15,199	\$16,607	\$18,115	\$16,434	\$92,155	\$95,449	
LTFM Fiscal Year Revenue Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LTFM Transfer IN from Fund 06 if applicable (see transfer guidance tab)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LTFM Transfer OUT from Fund 01 if applicable (see transfer guidance tab)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LTFM Transfer OUT if applicable - Special Legislation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LTFM Estimated Fiscal Year Expenditures		\$0	\$97,825	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$354,750	\$354,750	
<b>Ending Fiscal Year Fund Balance 01-467-XX</b>		\$52,137	\$0	\$10,539	\$23,575	\$34,244	\$48,039	\$66,356	\$89,511	\$107,271	\$48,370	\$35	
		<b>Fund 06</b>											
Beginning Fund Balance 06-467-XX		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LTFM Fiscal Year Bonded Revenue		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LTFM Fiscal Year Revenue Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LTFM Transfer IN from Fund 01 if applicable (see transfer guidance tab)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LTFM Transfer OUT from Fund 06 if applicable (see transfer guidance tab)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Transfers		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
LTFM Estimated Fiscal Year Expenditures		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
<b>Ending Fiscal Year Fund Balance 06-467-XX</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
End of worksheet													

## Long-Term Facilities Maintenance Expenditure Categories used in the Excel Spreadsheet Template

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**Category 1: Health and Safety Expenditures by Uniform Financial and Accounting Reporting Standards (UFARS) Finance Codes 347, 349, 352, 358, 363 and 366 (this section excludes project costs of \$100,000 or more for which additional revenue is requested for Finance Codes 358, 363 and 366).**

projects for Fiscal Year (FY) 2023 and FY 2024. The later years can be a rough estimate. Fiscal 2022 is an estimate of what the **final** UFARS expenditures will be. Once the FY 2022 audited financial data is complete and final UFARS data has been submitted, enter the actual FY 2022 Health and Safety (H&S) expenditures on the Health and Safety Data Submission System Category 1 excludes projects costing \$100,000 or more for asbestos removal or encapsulation fire safety, and indoor air quality as they are entered under Category 2 as listed below. Also enter FY 2022, FY 2023 and FY 2024 totals per finance code in the Health and Safety Data Submission on the Minnesota Department of Education (MDE) website (MDE homepage > Districts, Schools and Educators > Business and Finance > Data Submissions, then select the Health and Safety category) so hold harmless revenue calculates properly on the levy.

**Category 2: Health and Safety Expenditures by UFARS Finance Code for Asbestos Removal and Encapsulation, Fire Safety and Indoor Air Quality projects costing \$100,000 or more per Project, per Site, per Year.**

A district enters totals by finance code for individual projects that cost \$100,000 or more per site, per year for asbestos removal and encapsulation, fire safety, or indoor air quality as they generate additional revenue. Also, enter FY 2022, FY 2023 and FY 2024 H&S projects costing \$100,000 or more **on a separate line** in the Health and Safety Data Submission System on the MDE website (the project description should include the site name and whether it is financed by “pay-as-you-go” or bonded dollars).

**Category 3: Remodeling for Approved Voluntary Prekindergarten (VPK) Program**

If the district has an approved VPK program include planned expenditures for remodeling projects.

**Category 4: Americans with Disabilities Act (ADA) Accessibility Projects**

Enter approved project costs to increase accessibility to school facilities. The project shall conform to both the district’s ADA/Section 504 disabled access transition plan and the current ADA Accessibility Guidelines for Buildings and Facilities, as well as applicable state and local building and fire codes.

**Category 5: Deferred Maintenance Projects by UFARS Finance Code.**

Facility deferred maintenance projects are broken into nine finance codes. Each code represents a component grouping of a building designed to ease assignment of a project into the proper code. The code breakdown is also meaningful for comparison of costs among school districts and to the Minnesota legislature to assess school facility costs and the ongoing need for facility funding.

## Additional Documentation

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### **Category 2 Asbestos Removal and Encapsulation, Fire Safety and Indoor Air Projects \$100,000 or over per Project, per Site, per Year**

For districts with asbestos removal and encapsulation, fire safety and indoor air quality projects costing \$100,000 or more per project, per site, per year for FY 2023 or FY 2024 the ten-year plan includes a narrative describing the scope and cost of the project in greater detail. Individual project approval is required as these projects generate additional revenue.

- a. For **asbestos removal and encapsulation projects**, give a description of the type and amount of asbestos and the scope of the project including an engineer or contractor estimate of the cost -**narrative from contractor/professional engineer - on company letterhead and signed by a company contractor/engineer.**
- b. For **fire safety projects**, include a project description and an estimate of the cost **from the professional engineer.** If a building permit has been pulled for other school construction projects, the building inspector has jurisdiction over the review of the fire suppression rework, but the State Fire Marshal should be contacted for final review and approval; otherwise, the fire suppression rework requires an order from the state fire marshal, schools division. If replacing a fire alarm system which is inoperable, **submit State Fire Marshal orders to substantiate.** Voice activated systems cannot be installed in existing systems unless their are Fire Marshal orders authorizing replacement due to in operable system.
- c. For **indoor air quality projects**, describe which American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Indoor Air Quality (IAQ) standards are not being met and indicate how the project will result in meeting ASHRAE standards and include an estimate of cost from the project engineer. Also, include a floor plan to reflect classrooms affected and a report listing cubic feet per minute (CFM) ratings (current and projected ratings at completion of project) - **narrative from professional engineer on company letterhead and signed by professional engineer.**

### **Category 3 Approved Voluntary Prekindergarten (VPK) Program - Remodeling Costs**

For districts with an approved voluntary prekindergarten program under section 124D.151, a narrative describing the project to remodel existing instructional space to accommodate kindergarten instruction. In the narrative, describe the square footage and use of the existing instructional space, changes to be made to the facility, and the final square footage and features of the prekindergarten instructional space, for example, bathroom space, play area, and small group instruction space. This narrative may be the same narrative submitted to MDE as part of the application to obtain approval for the voluntary prekindergarten program under section 124D.151.

### **Category 5 Deferred Maintenance Projects costing \$2,000,000 per Project, per Site, per Year**

For districts with deferred maintenance projects for FY 2023 or FY 2024 costing \$2,000,000 or more per project, per site, per year, a narrative describing each project in greater detail is required. In the narrative, discuss the deferred capital and maintenance criteria that make the project eligible for Long-Term facilities maintenance revenue and the work necessary to prevent further erosion of facilities. Describe the scope of work in sufficient detail to indicate the change in condition of the facility and provide an indication of the improvement to useful life. Indicate the level of deferred maintenance work needed for the facility before and after the project will be completed. Include an architect or consultant cost estimate detailing categories of work and associated cost including an estimate of fees - **narrative from professional engineer/architect.**

## Updating the Health and Safety Database

The Minnesota Department of Education (MDE) will continue to use the existing Health and Safety (H&S) database (located on the MDE website under MDE > Districts, Schools and Educators > Business and Finance > Data Submissions, select Health and Safety) to drive levy processing for fall levies. Districts enter summary data by finance code, consistent with the summary data for Fiscal Year (FY) 2022, FY 2023 and FY 2024 included on the district's ten-year plan expenditure spreadsheet. Detailed information by project will still be required for asbestos removal and encapsulation, fire safety and indoor air quality projects costing \$100,000 or more per project, per site, per year since those generate additional revenue over and above the Long-Term Facilities Maintenance (LTFM) formula allowance. Do not enter information for deferred maintenance or accessibility finance codes. The Health and Safety amounts provide an accurate calculation of the hold harmless revenue estimate on the levy and aid entitlement reports, and either add to revenue or show complete information for persons who seek levy information.

When comfortable with data and assumptions, a district should **enter the total health and safety cost from the expenditure spreadsheet in the hold harmless section of the revenue spreadsheet and the Health and Safety Data Submission System**. Hold harmless revenue depends on the year's H&S costs plus deferred maintenance revenue for districts that did not qualify for alternative facilities revenue. Hold harmless for an alternative facilities school district is health and safety plus an amount to fund the other ten-year plan projects. For FY 2022 and later, MDE is asking school districts to enter **totals by finance code** from the expenditure spreadsheet in the **Health and Safety Data Submission System** (instructions on how to enter H&S data on the data submissions website may be found on the LTFM webpage under MDE > Districts, Schools and Educators > Business and Finance > School Finance > Facilities and Technology > Long-Term Facilities Maintenance, then select "Health and Safety Website Instructions" (these instructions may also be found on the Health and Safety Data Submission System). MDE uses the submission system to load the prior law calculation H&S amount into the Levy Limitation and Certification system and LTFM Aid Entitlement system. Without this step, the levy shows zero in the health and safety line under the old law revenue and the calculation is inaccurate. An alternative facilities school district should not include the amount in both the Health and Safety Data Submission System and in the revenue amount entered for deferred maintenance ten-year plan projects levy as the H&S levy will be doubled. In the Health and Safety Data Submission System, enter the H&S finance totals, six in all (if all are included in the ten-year planned projects) from the expenditure spreadsheet plus separately enter each individual project (asbestos removal and encapsulation, fire safety or indoor air quality) costing \$100,000 or

**Note:** School Districts should continue to update H&S expenditures in the Health and Safety Data Submission system on a regular basis to accurately cost estimate decreases or increases for applicable fiscal years.

Make sure to update the system for final, audited UFARS H&S financial data (reference the 21-22 UFARS Turnaround Report titled **Expenditure by Finance Code Report** on the Minnesota Funding Reports (MFR) webpage located at Data Center > Data Reports and Analytics, locate the School Finance Reports section, select Minnesota Funding Reports (MFR). Enter your school name, view all reports, select UFARS Turnaround Reports category, select 21-22 school year, under Report select "All" and then List Reports.

## Long-Term Facilities Maintenance

Scenario	Project Description
<b>A - Fund 01</b>	Project(s) between \$100,000 to \$1,999,999 per site for finance codes 358, 363 and 366 funded on a pay as you go basis with excess funds remaining.
<b>B - Fund 06</b>	Project(s) \$2 million or more per site for Finance Codes 358, 363 and 366, funded with pay as you go (no debt issued) project is completed with excess funds remaining.
<b>C - Fund 06</b>	Project(s) between \$100,000 to \$1,999,999 per site for Finance Codes 358, 363 and 366, funded with debt, with excess funds remaining.

<b>D - Fund 06</b>	Project(s) \$2,000,000 or more per site for Finance Codes 358, 363 and 366, funded with debt with excess funds remaining.
<b>E - Fund 01</b>	Funding in Fund 01 has accumulated over time providing for a project <b>over</b> \$2 million per site.
<b>F - Fund 06</b>	Project(s) \$2 million or more per site funded with pay as you go (no debt issued), project is completed with excess funds remaining.

<b>G - Fund 06</b>	Project(s) <b>under</b> \$2 million per site funded with debt issued, project is completed with excess funds remaining.
<b>H - Fund 06</b>	Project(s) \$2 million or more per site funded with debt, project is completed with excess funds remaining.
<a href="#">Long-Term Facilities Maintenance Guide for Transfers</a>	
end of worksheet	

## ce (LTFM) Fund Transfers as of 12/29/16

Conclusion	Minnesota Statutes	Funds
No fund transfer required. MDE will adjust revenues based on the lesser of actual expenditures or approved costs.	123B.595 (reserve)	
Funds must be transferred from Fund 01 to Fund 06 <b>in the amount of the payments for the project.</b> At the completion of the project any amount that was transferred in excess of expenditures must be returned to Fund 01. MDE will adjust revenues in the general fund based on the lesser of final expenditures or approved costs.	123B.595 (reserve)	1 to 6 to 1
At the conclusion of the project, if the district does not have further approved LTFM projects in Finance Codes 358, 363, and 366 that can be funded under the language of the bond issue, the district should transfer the excess funds from Fund 06 to Fund 07. Districts with additional approved LTFM projects in Finance Codes 358, 363 or 366 that can be funded under the language of the bond issue should retain the excess in the LTFM Restricted/Reserved Balance Sheet Account 467, Fund 06 and incorporate the excess funds into the calculation of the next LTFM bond issue for Finance Codes 358, 363 and 366. LTFM revenue is computed based on actual debt service payments.	475.61 (transfer)	6 to 7



<p>At the conclusion of the project, if the district does not have further approved LTFM projects in finance codes 358, 363, and 366 that can be funded under the language of the bond issue, the district should transfer the excess funds from Fund 06 to Fund 07. Districts with additional approved LTFM projects in finance codes 358, 363 or 366 that can be funded under the language of the bond issue should retain the excess in the LTFM Restricted/Reserved 467 Fund 06 and incorporate the excess funds into the calculation of the next LTFM bond issue for finance codes 358, 363 and 366. LTFM revenue is computed based on actual debt service payments.</p>	<p>475.61 (transfer)</p>	<p>6 to 7</p>
<p>Funds must be transferred from Fund 01 to Fund 06 <b>in the amount of the payments for the projects</b>. At the completion of the project any amount that was transferred in excess of final expenditures must be returned to Fund 01.</p>	<p>123B.595 (reserve)</p>	<p>1 to 6 to 1</p>
<p>Funds must be transferred from Fund 01 to Fund 06 <b>in the amount of the payments for the projects</b>. At the completion of the project any amount that was transferred in excess of final expenditures must be returned to Fund 01.</p>	<p>123B.595 or MN Laws 2015, 1st SS, Ch 3, Art 7, Sec 19</p>	<p>1 to 6 to 1</p>

<p>At the conclusion of the project, if the district does not have further approved LTFM projects that can be funded under the language of the bond issue, the district should transfer the excess funds from Fund 06 to Fund 07. Districts with additional approved LTFM projects that can be funded under the language of the bond issue should retain the excess in the LTFM Restricted/Reserved Balance Sheet Account 467, Fund 06 and incorporate the excess funds into the calculation of the next LTFM bond issue. LTFM revenue is computed based on actual debt service payments.</p>	<p>123B.595 (reserve) or 475.61 (transfer), 475.65</p>	<p>6 to 7</p>
<p>At the conclusion of the project, if the district does not have further approved LTFM projects that can be funded under the language of the bond issue, the district should transfer the excess funds from Fund 06 to Fund 07. Districts with additional approved LTFM projects that can be funded under the language of the bond issue should retain the excess in the LTFM Restricted/Reserved Balance Sheet Account 467, Fund 06 and incorporate the excess funds into the calculation of the next LTFM bond issue. LTFM revenue is computed based on actual debt service payments.</p>	<p>123B.595 (reserve) or 475.61 (transfer), 475.65</p>	<p>6 to 7</p>

**RESTRICTED GRID CODES**

<b>Program Code(s)</b>	<b>Finance Codes</b>	<b>Object Code</b>	<b>Source Code</b>
865 and 867	358, 363 and 366	910	649
866	358, 363 & 366	910	649

867	358, 363 and 366	910	649
Fund 01-865 Fund 06-867	All Finance Codes, except 358, 363 and 366	910	649
867	All Finance Codes, except 358, 363 and 366	910	649

865	All Finance Codes, except 358, 363 and 366	910	649
867	All Finance Codes, except 358, 363 and 366	910	649

**Journal Entry**

**No Entry Required**

**Entry 1:**

Debit Expense    01-005-865-3XX-910-000  
Credit Revenue    06-005-867-000-649-000

**Correcting Entry to Return Funds:**

Debit Revenue    06-005-867-000-649-000  
Credit Expense    01-005-865-3XX-910-000

Debit Expense    06-005-866-3XX-910-000  
Credit Revenue    07-005-000-000-649-000

Debit Expense 06-005-867-3XX-910-000  
Credit Revenue 07-005-000-000-649-000

**Entry 1:**

Debit Expense 01-005-865-3XX-910-000  
Credit Revenue 06-005-867-000-649-000

**Correcting Entry to Return Funds:**

Debit Revenue 06-005-867-000-649-000  
Credit Expense 01-005-865-3XX-910-000

**Entry 1:**

Debit Expense 01-005-865-3XX-910-000  
Credit Revenue 06-005-867-000-649-000

**Correcting Entry to Return Funds:**

Debit Revenue 06-005-867-000-649-000  
Credit Expense 01-005-865-3XX-910-000

Debit Expense 06-005-865-3XX-910-000  
Credit Revenue 07-005-000-000-649-000

Debit Expense 06-005-865-3XX-910-000  
Credit Revenue 07-005-000-000-649-000