



## ***Independent School District No. 877 2019-20 End of Year Financial Report School Board Workshop – Oct. 12, 2020***

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This document recaps the district's preliminary financial results for the year ended June 30, 2020. The main highlights by fund are as follows:

- General Fund
    - Total adjusted ADM student totals went down 81 from 5,800 to 5,719 for the year.
    - Revenues net of other funding sources were over budget by \$361,084.
    - Expenditures for all categories came in more favorably than anticipated due to the pandemic by \$2,011,783. This affected all expenditure categories resulting in increased carryover amounts, lower than budgeted utility costs and contingency savings.
  - The Food Service Fund showed a profit from operations of \$308,682.
  - The Community Service Fund increased its deficit by \$91,973 to an overall deficit of \$125,356.
  - The Building Construction Fund decreased \$766,585 for completed construction.
  - The HRA Trust fund increased by \$226,523.
  - The OPEB Trust decreased in value by \$347,575 and funded \$727,880 of retiree costs that would have otherwise come out of the General fund.
  - The Debt Service fund balance increased overall by \$18,462.
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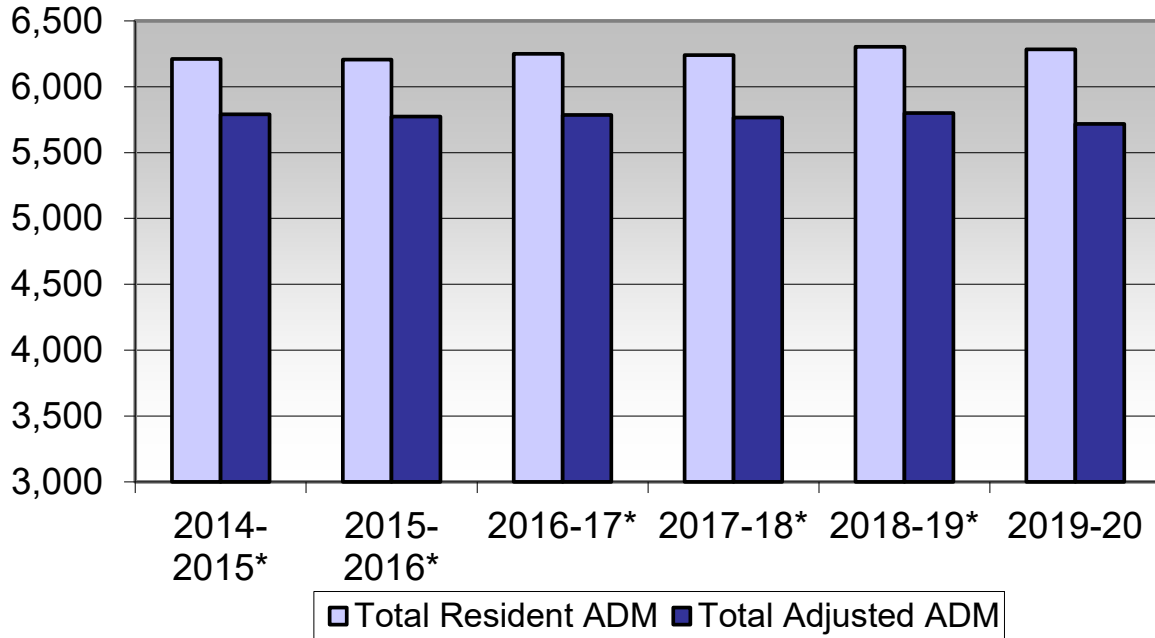
Average Daily Membership

Resident ADM includes all resident students who are enrolled in the district, educated in another district for which tuition is paid, or attending another district under enrollment options. Adjusted ADM includes resident students attending the district, nonresident enrollment options students and nonresident tuition students. History shows that we tend to service fewer students than reside in our community. We saw our resident ADM totals decrease by 18. Our total adjusted ADM decreased by 81 from last year.

	2014-15*	2015-16*	2016-17*	2017-18*	2018-19	2019-20	Change From Prior Year
<b>Total Resident ADM</b>	6,212	6,206	6,251	6,240	6,303	6,285	(18)
<b>Residents Out</b>	810	837	902	931	980	1,007	27
<b>Residents attending here</b>	5,402	5,369	5,348	5,309	5,323	5,278	(45)
<b>Non-Residents in</b>	319	340	365	381	410	368	(42)
<b>Tuition out</b>	70	65	73	76	67	72	6
<b>Total Adjusted ADM</b>	5,791	5,774	5,786	5,766	5,800	5,719	(81)
<b>Net Loss</b>	491	497	537	550	570	639	69

\*Source: School District Profiles

**Average Daily Membership**



\*Source: School District Profiles

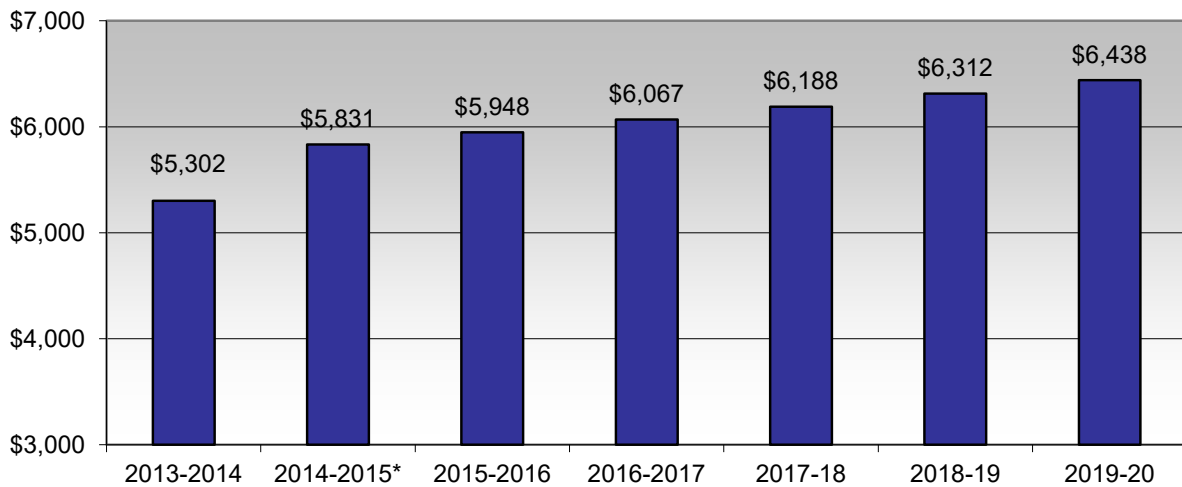
General Education Revenue

The largest source of revenue for the district is basic General Education Revenue. Total basic General Education Revenue is calculated by multiplying the formula allowance by the number of pupil units for which a school is entitled. Pupil units are calculated using a weighting system applied to the average daily membership (WADM's). The legislature has increased the formula as shown in the chart and graph below.

	2014-15*	2015-16	2016-17	2017-18	2018-19	2019-20
<b>General Education Formula Allowance</b>	\$ 5,831	\$ 5,948	\$ 6,067	\$ 6,188	\$ 6,312	\$ 6,438
<b>Percent Increase From Prior Year</b>	9.98%	2.01%	2.00%	1.99%	2.00%	2.00%

\*The 2013 Legislature changed pupil unit weighting and increased the formula. The net increase in \$ per student was \$79 or 1.5%

**General Education Aid Per Pupil**



\*The 2013 Legislature changed pupil unit weighting and increased the formula. The net increase in \$ per student was \$79 or 1.5%

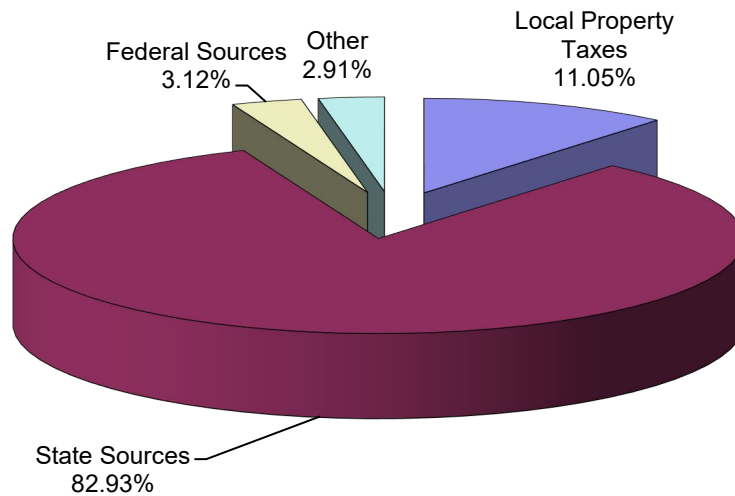
General Fund - Revenue

In the General Fund, revenues net of other funding sources came in over budget by \$361,084, which is a .53% variance. We recognized more tax revenue than anticipated due to higher fiscal disparities tax payments and regular collections coded to the general fund. General education revenue came in higher than budget due to higher than projected pupil counts. Federal revenue was close to the budget target but varied by category. We saw increases due to use of the CARES Act funding during the spring months of the pandemic but saw lower amounts in other categories due to lower than projected spending. Other local sources were higher than budget due to better than projected interest earnings.

In comparison to last year, total General Fund revenue net of other funding sources increased by \$884,183. Revenue from Local Property Taxes was higher by \$540,453 primarily due to the increase in the equalization factor for many of the district's state revenues. Revenue from state sources was higher by \$248,077 due to an increase in the general education revenue formula, lower pupil units, higher special education aid, and a one-time increase in aid for Safe Schools. Revenue from Federal Sources increased \$325,674 due to increased reimbursement of higher expenditure amounts for the Montrose Elementary STEAM grant, lower entitlements, and the addition of the CARES act funding. Local sources decreased \$230,021 from decreased interest earnings, lower student activity fundraising and donations, lower activity participation fees, and an increase in third party billing revenue.

	2018-2019 Actual	2019-2020 Revised Budget	2019-2020 Actual	\$ Budget Variance	% Budget Variance	Difference Prior Year
<b>Revenue</b>						
Local Property Taxes	\$7,016,659	\$7,418,516	\$7,557,111	\$138,595	1.87%	\$540,453
State Sources	\$56,485,820	\$56,676,566	\$56,733,896	\$57,330	0.10%	\$248,077
Federal Sources	\$1,809,493	\$2,101,957	\$2,135,167	\$33,210	1.58%	\$325,674
Other	\$2,217,809	\$1,855,839	\$1,987,787	\$131,948	7.11%	(\$230,021)
<b>Total</b>	<b>\$67,529,780</b>	<b>\$68,052,878</b>	<b>\$68,413,962</b>	<b>\$361,084</b>	<b>0.53%</b>	<b>\$884,183</b>

2019-2020 General Fund Revenue By Source



General Fund – Expenditures by Object

In the General Fund, expenditures net of other funding uses were under budget by \$2,011,783 or 2.90%. The budget savings are primarily from the following areas:

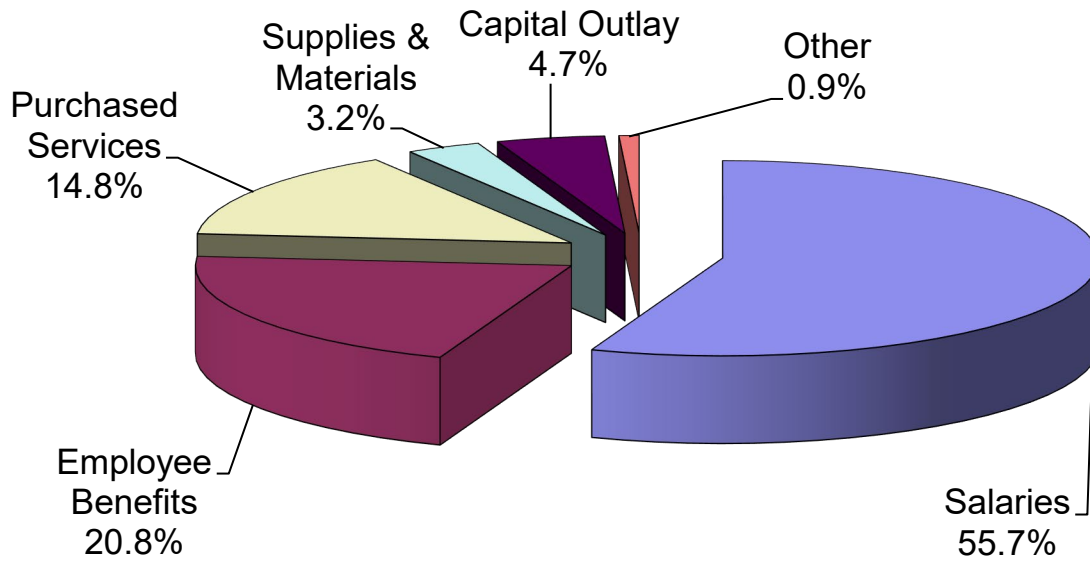
- Lower than anticipated substitute costs
- Lower than anticipated costs for PPD stipends, Achievement and Integration extended time, and special ed extended time payments
- Worker's compensation retention refund not known until after the budget revision
- Lower than anticipated health insurance costs
- Lower Social Security, Medicare, TRA and PERA payments due to wage savings
- Retiree insurance costs budgeted for this year but will be paid in the following year
- Utilities costs were under budget by \$162,481
- Capital and LTFM under spent in purchased services but over in capital projects due to projects completed in June 2020 scheduled for July and August 2020
- Transportation costs \$181,767 under budget
- Lower than budgeted tuition payments of \$121,540
- Lower than budgeted travel budgets
- Lower than budgeted cost for materials and capital for the MESI grant
- Lower than budgeted expenditures for principals and Teaching and Learning resulting in an increase in the assigned balance for carryover
- Superintendent contingency budget underspent

The General Fund expenditures net of other uses decreased \$1,531,248 or -2.22% from the previous year. The decrease was primarily due to \$1.5 million in budget modifications made for the 2019-20 fiscal year, contract increases for staff, and significant underspending of many expenditure categories due to the pandemic. This is the seventh year of using the OPEB Trust and the Trust paid for a net cost of \$727,880 that would have otherwise been in the General Fund.

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	2018-2019 Actual	2019-2020 Revised Budget	2019-2020 Actual	\$ Budget Variance	% Budget Variance	Change From Prior Year	% Change from Prior Year
<b>Expenditures</b>							
Salaries	\$37,638,672	\$37,895,640	\$37,522,395	\$373,245	-0.98%	(\$116,277)	-0.31%
Employee Benefits	\$14,326,980	\$14,490,525	\$14,053,710	\$436,815	-3.01%	(\$273,270)	-1.91%
Purchased Services	\$10,272,057	\$10,820,858	\$9,952,115	\$868,743	-8.03%	(\$319,942)	-3.11%
Supplies & Materials	\$3,254,715	\$2,675,873	\$2,162,818	\$513,055	-19.17%	(\$1,091,897)	-33.55%
Capital Outlay	\$2,780,454	\$2,849,892	\$3,138,813	(\$288,921)	10.14%	\$358,360	12.89%
Other	\$668,087	\$688,711	\$579,865	\$108,846	-15.80%	(\$88,222)	-13.21%
<b>Total</b>	<b>\$68,940,964</b>	<b>\$69,421,499</b>	<b>\$67,409,716</b>	<b>\$2,011,783</b>	<b>-2.90%</b>	<b>(\$1,531,248)</b>	<b>-2.22%</b>

**2019-20 General Fund Expenditures By Object**





General Fund - Fund Balance

With total revenues ending at \$68,414,578 and total expenditures at \$67,409,716, the General Fund's overall fund balance increased \$1,004,862 to \$15,699,861 as of June 30, 2020. The Unassigned/Nonspendable fund balance increased \$1,631,531. To be consistent in our reporting, the district's fund balance policy is calculated with the Non-spendable and Unassigned Fund Balance totals.

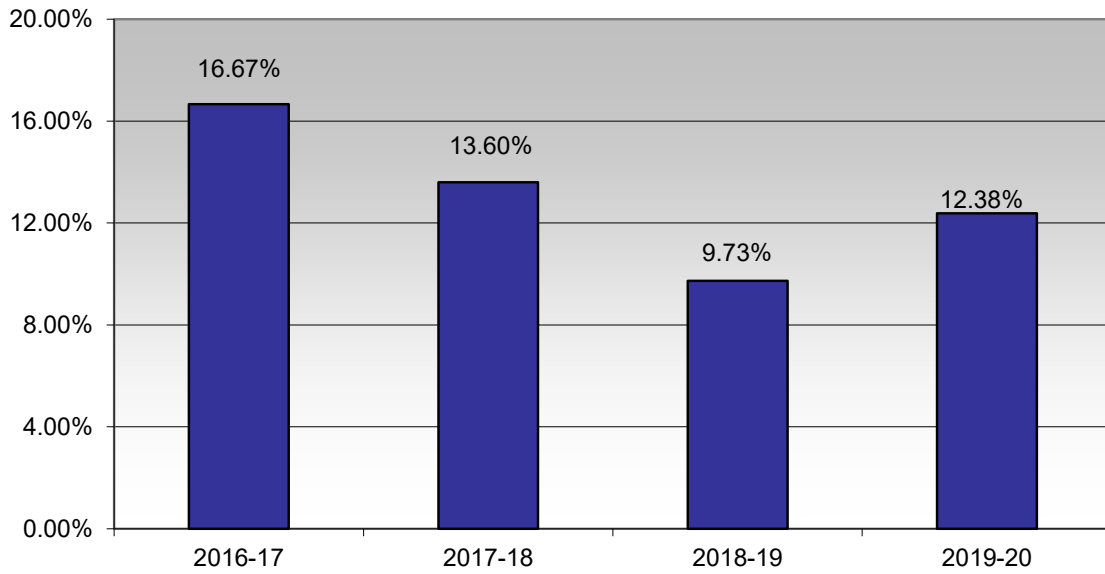
	2016-17	2017-18	2018-19	2019-20	Change from Prior Year
<b>Restricted Fund Balance</b>					
Health & Safety	(\$16,495)	\$0	\$0	\$0	\$0
Operating Capital	\$698,826	\$734,140	\$733,445	\$1,015,094	\$281,649
Staff Development	\$10,568	\$0	\$0	\$0	\$0
Teacher Development	\$103,247	\$103,247	\$103,096	\$0	(\$103,096)
Medical Assistance	\$89,096	\$124,412	\$217,324	\$308,929	\$91,605
Long-term Facilities Maintenance	\$104,729	(\$150,913)	(\$71,833)	(\$115,278)	(\$43,444)
Deferred Maintenance	\$0	\$0	\$0	\$0	\$0
	<u>\$989,971</u>	<u>\$810,886</u>	<u>\$982,032</u>	<u>\$1,208,745</u>	<u>\$226,713</u>
<b>Committed Fund Balance</b>					
Severance Ins Premiums	\$3,495,768	\$3,420,225	\$3,340,760	\$2,615,036	(\$725,723)
<b>Assigned Fund Balance</b>					
Carryover	\$342,530	\$301,526	\$587,621	\$904,294	\$316,674
Student Activities-Fund 9	\$399,324	\$360,853	\$389,588	\$403,589	\$14,001
Student Activities-Fund 51			\$28,484	\$26,151	(\$2,333)
Dental Insurance	\$181,325	\$221,656	\$194,973	\$261,023	\$66,050
Capital/Technology	\$1,058,629	\$1,459,667	\$1,833,715	\$1,833,715	\$0
PPD			\$66,719	\$105,022	\$38,302
Third Party Special Ed	\$560,353	\$560,353	\$560,353	\$0	(\$560,353)
	<u>\$2,542,161</u>	<u>\$2,904,056</u>	<u>\$3,661,452</u>	<u>\$3,533,793</u>	<u>(\$127,659)</u>
<b>Nonspendable Fund Balance</b>	\$369,130	\$504,348	\$574,149	\$559,231	(\$14,917)
<b>Unassigned Fund Balance</b>	<u>\$9,973,931</u>	<u>\$8,430,221</u>	<u>\$6,136,607</u>	<u>\$7,783,055</u>	<u>\$1,646,448</u>
<b>Total NonSpendable/Unassigned fund Balance</b>	<u>\$10,343,061</u>	<u>\$8,934,570</u>	<u>\$6,710,756</u>	<u>\$8,342,287</u>	<u>\$1,631,531</u>
<b>Total Fund Balance</b>	<u>\$17,370,962</u>	<u>\$16,069,736</u>	<u>\$14,694,999</u>	<u>\$15,699,861</u>	<u>\$1,004,862</u>

General Fund - Fund Balance

The unassigned/unrestricted fund balance increased by \$1,631,531 to \$8,342,287 as of June 30, 2020, which is 12.38% of total expenditures. This is a 2.64% increase from the prior year. The increase is due primarily to the move to distance learning for the district due to the COVID-19 pandemic for the last quarter of the school year. This resulted in significant underspending in most non-salary and non-benefit categories. We also saw a significant reduction in substitute costs as well. The district also transferred the existing assigned fund balance for third party billing of \$560,353 and \$725,723 of the committed for severance balance as part of the 19-20 budget modification program to the unassigned fund balance. That plan also included program modifications of approximately \$1.5 million to attain the unassigned fund balance as shown. The fund balance percentage is slightly outside the parameters of our fund balance policy of 8-12%.

	2016-17	2017-18	2018-19	2019-20	Change from Prior Year
<b>Nonspendable Fund Balance</b>	\$369,130	\$504,348	\$574,149	\$559,231	(\$14,917)
<b>Unassigned Fund Balance</b>	\$9,973,931	\$8,430,221	\$6,136,607	\$7,783,055	\$1,646,448
	<u>\$10,343,061</u>	<u>\$8,934,570</u>	<u>\$6,710,756</u>	<u>\$8,342,287</u>	<u>\$1,631,531</u>
<b>Total General Fund Expenditures</b>	<u>\$62,048,814</u>	<u>\$65,672,888</u>	<u>\$68,940,964</u>	<u>\$67,409,716</u>	<u>(\$1,531,248)</u>
<b>Fund Balance as a % of Total General Fund Expenditures</b>	<u>16.67%</u>	<u>13.60%</u>	<u>9.73%</u>	<u>12.38%</u>	<u>2.64%</u>

**Fund Balance as a % of  
Total General Fund Expenditures**



Food Service – Fund 02

In the Food Service Fund, revenues exceeded expenditures causing the fund balance to increase by \$308,682. Food Service revenues were over budget by \$466,274 and the expenditures were over budget by \$101,027. The Food Service Fund had increases in the local, state and federal meal reimbursement rates to increase revenue. Due to the pandemic, the regular program ran fewer days, 122 vs 168 for the prior year. The program did see a higher daily average in both breakfast and lunch counts. The summer food service program started on March 16, 2020. The actual counts exceeded the budgeted counts by 89,216 meals between breakfast and lunch through June 30, 2020. We were also able to use \$41,667 of CARES Act funding to offset expenses in the program which also helped to increase federal revenue.

The school year program total meals went down 182,975 in total from the prior year moving from 715,931 to 532,956. The program ran 46 less days than the prior year due to the pandemic. The meals per day for lunch were up 44 from the prior year and the breakfast meals per day went up 63. The Summer Food Program total meals went from 21,441 to 310,940 total meals, an increase of 289,499 from the prior year. Ala carte sales were down by \$71,141 due to fewer days of operation. The number of free and reduced meals in 2019-20 was 32.63% of the meals served versus 34.14% of the meals served in 2018-2019. Food service revenues from all sources were up \$370,924 from the previous year. Expenditures were up by \$212,397 from the previous year. Labor costs in total were \$40,258 higher than the prior year due to contract increases and increased staffing due to the pandemic. All other costs were \$172,139 higher than the prior year.



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<b>Fund 02</b>	<b>2018-19 Actual</b>	<b>2018-19 Revised Budget</b>	<b>2019-20 Actual</b>	<b>\$ Budget Variance</b>	<b>% Budget Variance</b>	<b>Change from Prior Year</b>
<b>Revenue</b>						
State Sources	\$173,700	\$171,020	\$205,326	(\$34,306)	-20.06%	\$31,627
Federal Sources	\$1,153,799	\$1,080,095	\$1,911,720	(\$831,625)	-77.00%	\$757,921
Sales to Students/Adults	\$1,733,115	\$1,714,149	\$1,314,491	\$399,658	23.32%	(\$418,624)
<b>Total</b>	<b>\$3,060,614</b>	<b>\$2,965,264</b>	<b>\$3,431,538</b>	<b>(\$466,274)</b>	<b>-15.72%</b>	<b>\$370,924</b>
<b>Expenditures</b>						
Salaries	\$1,036,628	\$1,054,317	\$1,089,994	(\$35,677)	-3.38%	\$53,366
Employee Benefits	\$527,243	\$539,787	\$514,136	\$25,651	4.75%	(\$13,108)
Purchased Services	\$142,837	\$170,800	\$157,721	\$13,079	7.66%	\$14,885
Supplies & Materials	\$1,184,110	\$1,217,963	\$1,309,795	(\$91,832)	-7.54%	\$125,685
Capital Outlay	\$11,891	\$30,000	\$43,297	(\$13,297)	-44.32%	\$31,406
Other	\$7,749	\$8,961	\$7,912	\$1,049	11.71%	\$163
<b>Total</b>	<b>\$2,910,458</b>	<b>\$3,021,828</b>	<b>\$3,122,855</b>	<b>(\$101,027)</b>	<b>-3.34%</b>	<b>\$212,397</b>
<b>Fund Balance</b>	<b>\$621,743</b>	<b>\$565,179</b>	<b>\$930,425</b>	<b>\$308,682</b>	<b>\$365,246</b>	

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**Meal Counts**

	2018-19 Actual	2019-20 Revised Budget	2019-20 Actual	Budget Variance	% Budget Variance	Change from Prior Year
<b>School Year Program</b>						
<b>School Days</b>	168	122	122	-	0.00%	(46)
Lunch	564,736	415,431	415,431	-	0.00%	(149,305)
Breakfast	151,195	117,525	117,525	-	0.00%	(33,670)
<b>Total</b>	<b>715,931</b>	<b>532,956</b>	<b>532,956</b>	-	<b>0.00%</b>	<b>(182,975)</b>
<b>Meals per Day</b>						
Lunch	3,362	3,405	3,405	-	0.00%	44
Breakfast	900	963	963	-	-	63
<b>Total</b>	<b>4,261</b>	<b>4,368</b>	<b>4,368</b>	-	<b>0.00%</b>	<b>107</b>
<b>Summer Food Program</b>						
<b>Program Days</b>	52	106	106	-	0.00%	54
Lunch	13,159	114,100	158,274	44,174	38.72%	145,115
Breakfast	8,282	107,624	152,666	45,042	41.85%	144,384
<b>Total</b>	<b>21,441</b>	<b>221,724</b>	<b>310,940</b>	<b>89,216</b>	<b>40.24%</b>	<b>289,499</b>
<b>Meals per Day</b>						
Lunch	253	1,076	1,493	417	38.72%	1,240
Breakfast	159	1,015	1,440	425	41.85%	1,281
<b>Total</b>	<b>412</b>	<b>2,092</b>	<b>2,933</b>	<b>842</b>	<b>40.24%</b>	<b>2,521</b>

Community Service – Fund 04

The Community Service Fund saw decreases in all fund balance categories except the School Readiness and Adult Basic Education categories due to the pandemic. Revenues came in over budget by \$10,768 or -.32% while expenditures were under budget by \$26,006 or .74%. Revenue was down from the prior year in property taxes, state aid and in tuition and fees. We did see \$57,037 from the CARES Act funding in the federal revenue category. We saw slight increases in expenditures from all programs of \$27,779 from last year. The total Community Service Fund balance was a negative \$125,356 or a decrease of \$91,973 on June 30, 2020.

Fund 04	2019-2020		2019-2020 Actual	\$ Budget Variance	% Budget Variance	Change From Prior Year
	2018-2019 Actual	Revised Budget				
<b>Revenue</b>						
Local Property Taxes	\$488,808	\$459,798	\$451,126	\$8,672	1.89%	(\$37,682)
State Sources	\$545,951	\$539,442	\$529,259	\$10,183	1.89%	(\$16,692)
Federal Sources	\$0	\$0	\$57,037	(\$57,037)	0.00%	\$57,037
Tuition, Fees, & Misc.	\$2,652,538	\$2,370,377	\$2,342,963	\$27,414	1.16%	(\$309,575)
<b>Total</b>	<b>\$3,687,297</b>	<b>\$3,369,617</b>	<b>\$3,380,385</b>	<b>(\$10,768)</b>	<b>-0.32%</b>	<b>(\$306,912)</b>
<b>Expenditures</b>						
Salaries	\$2,254,068	\$2,248,730	\$2,266,031	(\$17,301)	-0.77%	\$11,963
Employee Benefits	\$741,145	\$807,204	\$791,459	\$15,745	1.95%	\$50,314
Purchased Services	\$280,536	\$281,773	\$264,021	\$17,752	6.30%	(\$16,515)
Supplies & Materials	\$158,489	\$154,257	\$145,890	\$8,367	5.42%	(\$12,599)
Capital Outlay	\$4,563	\$2,500	\$1,457	\$1,043	41.72%	(\$3,106)
Other	\$5,777	\$3,900	\$3,500	\$400	10.26%	(\$2,277)
<b>Total</b>	<b>\$3,444,578</b>	<b>\$3,498,364</b>	<b>\$3,472,358</b>	<b>\$26,006</b>	<b>0.74%</b>	<b>\$27,779</b>
<b>Fund Balance Change</b>						
	<b>Beg. Balance</b>	<b>Proj. Balance</b>	<b>Actual Balance</b>	<b>Net Change</b>		
Community Education	(\$115,528)	(\$225,946)	(\$226,840)	(\$111,312)		
ECFE	\$122,452	\$121,952	\$114,542	(\$7,910)		
School Readiness	(\$8,566)	(\$19,740)	\$19,935	\$28,500		
Adult Basic Education	\$12,345	\$12,349	\$12,345	\$0		
Unassigned/Nonspendable	(\$44,087)	(\$50,746)	(\$45,338)	(\$1,251)		
<b>Fund Balance Totals</b>	<b>(\$33,383)</b>	<b>(\$162,130)</b>	<b>(\$125,356)</b>	<b>(\$91,973)</b>		

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Building Construction – Fund 6

The Building Construction Fund tracks the revenues and expenditures from the bond issue passed on November 4, 2014. The project started in 2014-15 and will be completed in 2020-21. Revenues for this year represented the advertising donations, Erate funds, and interest earned during the year and totaled \$111,837. Expenditures for work completed as of the end of the year totaled \$878,422. The total Building Construction Fund balance was \$144,490 on June 30, 2020, which was a decrease of \$766,585.

<b>Fund 6</b>	<b>2018-2019 Actual</b>	<b>2019-2020 Revised Budget</b>	<b>2019-2020 Actual</b>	<b>\$ Budget Variance</b>	<b>% Budget Variance</b>	<b>Change From Prior Year</b>
<b>Revenue</b>						
Interest Revenue	\$57,180	\$5,863	\$8,604	\$2,741	46.76%	(\$48,575)
Other	\$93,869	(\$67,027)	\$72,858	\$139,885	-208.70%	(\$21,011)
Donations	\$39,125	\$30,375	\$30,375	\$0	0.00%	(\$8,750)
Bond Proceeds	\$0	\$0	\$0	\$0	0.00%	\$0
<b>Total</b>	<b>\$190,174</b>	<b>(\$30,789)</b>	<b>\$111,837</b>	<b>\$142,626</b>	<b>-463.24%</b>	<b>(\$78,337)</b>
<b>Expenditures</b>						
Construction Costs	\$1,281,799	\$880,286	\$878,422	(\$1,864)	-0.21%	(\$403,377)
<b>Total</b>	<b>\$1,281,799</b>	<b>\$880,286</b>	<b>\$878,422</b>	<b>(\$1,864)</b>	<b>-0.21%</b>	<b>(\$403,377)</b>
	<b>Beg. Balance</b>	<b>Proj. Balance</b>	<b>Actual Balance</b>	<b>Net Change</b>		
<b>Fund Balance</b>	<b>\$911,075</b>	<b>\$0</b>	<b>\$144,490</b>	<b>(\$766,585)</b>		



Health Reimbursement Account Trust – Fund 18

The district created a sunset clause in the teachers' contract and the administrators' contract, and some individual contracts for recently hired positions. Individuals hired after the sunset date in their respective contracts are no longer eligible for the grandfathered post-retirement insurance benefits. The new provisions require the district to make an up-front contribution to the employee's HRA account upon hire and an annual contribution to the employee's HRA account for each year of service. Each contract has a contribution limit for the individual employee. These funds are held in an irrevocable trust with Mid-America through National Insurance Services. The employees have to meet certain vesting requirements before they can access these funds. As a result of these contract provisions, we are required to show the cumulative balance of contributions plus any accrued interest in these trust accounts for those individuals eligible for this new program. The actual payments to the trust are already included in the General Fund expenditures shown previously in this report. This will also be the case in future years. The balances shown represent cumulative contributions and interest earned on those individual accounts as of the end of the fiscal year. The balance in the accounts was \$2,077,527 on June 30, 2020, which was an increase of \$226,523.

<b>Fund 18</b>	<b>2018-2019 Actual</b>	<b>2019-2020 Revised Budget</b>	<b>2019-2020 Actual</b>	<b>\$ Budget Variance</b>	<b>% Budget Variance</b>	<b>Change From Prior Year</b>
<b>Revenue</b>						
Interest Revenue	\$25,822	\$20,000	\$34,935	\$14,935	74.68%	\$9,113
District Contributions	\$214,264	\$192,034	\$191,588	(\$446)	-0.23%	(\$22,676)
<b>Total</b>	<b>\$240,087</b>	<b>\$212,034</b>	<b>\$226,523</b>	<b>\$14,489</b>	<b>6.83%</b>	<b>(\$13,563)</b>
<b>Expenditures</b>						
Transfers Out	\$0	\$0	\$0	\$0	0.00%	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00%</b>	<b>\$0</b>
<b>Fund Balance</b>	<b>Beg. Balance</b>	<b>Proj. Balance</b>	<b>Actual Balance</b>	<b>Net Change</b>		
	\$1,851,004	\$2,063,038	\$2,077,527	\$226,523		

OPEB Irrevocable Trust Fund – Fund 45

During the 2009-2010 school year, the district issued \$10.845 million in OPEB Bonds and at the same time, created an irrevocable trust with Bremer Bank to fund the district's post-employment benefits. The debt payments and property tax levy revenue are recorded in Debt Service Fund 47, and the trust activity is recorded in Fund 45.

The district started using the Trust in the 2012-2013 year to cover post-employment obligations and has done so each year since. The interest earnings and dividends recognized each year represent the change in the financial markets and any distributions out of the Trust. Retiree contributions represent the employee share of retiree insurance costs. At the time of the final budget adoption, the portfolio had significantly decreased with little indication the markets would recover. The markets recovered enough by the end of the fiscal year to show an increase in the market value of the portfolio. This is the seventh year of using the OPEB Trust and the Trust paid for a net cost of \$727,880 that would have otherwise been in the General Fund. The amount held in trust for OPEB as of June 30, 2020 was \$12,999,797 and decreased in total value by \$347,575.

<b>Fund 45</b>	<b>2018-2019 Actual</b>	<b>2019-2020 Revised Budget</b>	<b>2019-2020 Actual</b>	<b>\$ Budget Variance</b>	<b>Change From Prior Year</b>
<b>Revenue</b>					
Interest and Dividends	\$923,065	(\$500,000)	\$451,936	\$951,936	(\$471,128)
Retiree Contributions	\$316,811	\$342,248	\$326,259	(\$15,989)	\$9,449
Investment Expenses	(\$71,094)	(\$75,000)	(\$71,632)	\$3,368	(\$537)
<b>Total</b>	<b>\$1,168,781</b>	<b>(\$232,752)</b>	<b>\$706,564</b>	<b>\$939,316</b>	<b>(\$462,217)</b>
<b>Expenditures</b>					
Health Insurance	\$697,708	\$649,274	\$724,328	\$75,054	\$26,621
Life Insurance	\$27,723	\$21,546	\$23,401	\$1,855	(\$4,322)
Dental Insurance	\$52,046	\$52,969	\$59,334	\$6,365	\$7,287
Contributions to HRA	\$341,836	\$252,782	\$247,077	(\$5,705)	(\$94,759)
<b>Total</b>	<b>\$1,119,312</b>	<b>\$976,571</b>	<b>\$1,054,139</b>	<b>\$77,568</b>	<b>(\$65,173)</b>
<b>Net Assets</b>	<b>Beg. Balance \$13,347,372</b>	<b>Proj. Balance \$12,138,049</b>	<b>Actual Balance \$12,999,797</b>	<b>Net Change (\$347,575)</b>	

Debt Service – Funds 07 & 47

The Debt Service Fund balances for Funds 07 and 47 increased \$18,462 overall and are \$1,453,486 in total as of June 30, 2020. The principal and interest payments went down \$6,059,449 from last year due to the refunding bond payment of the bond issue refunded in May 2018 and paid in July 2019. The budget variance in revenue is primarily due to decreased interest earnings, a shift between aid and levy for state aid credits, and lower than projected miscellaneous tax collections.

School districts are required to levy 105% of their annual debt payments to cover possible delinquent property taxes. When the fund balance reaches a certain point, the State calculates a debt excess fund balance figure and reduces the tax levy by that amount on the next year's property tax levy. All of the funds in the restricted fund balance total are restricted to meet future debt obligations of the district.

Funds 07 & 47	2019-2020		2019-2020 Actual	\$ Budget Variance	Change From Prior Year
	2018-2019 Actual	Revised Budget			
<b>Revenue</b>					
Local Property Taxes	\$7,206,492	\$7,263,786	\$7,237,746	(\$26,040)	\$31,254
State Sources	\$289,864	\$273,021	\$273,026	\$5	(\$16,838)
Interest Revenue	\$94,484	\$47,242	\$64,097	\$16,855	(\$30,387)
Transfer In	\$0	\$0	\$0	\$0	\$0
Bond Proceeds	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$7,590,840</b>	<b>\$7,584,049</b>	<b>\$7,574,869</b>	<b>(\$9,180)</b>	<b>(\$15,971)</b>
<b>Expenditures</b>					
Principal & Interest	\$13,609,756	\$7,550,308	\$7,550,308	(\$1)	(\$6,059,449)
Other	\$6,350	\$7,125	\$6,100	(\$1,025)	(\$250)
Bond Refunding	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$13,616,106</b>	<b>\$7,557,433</b>	<b>\$7,556,408</b>	<b>(\$1,026)</b>	<b>(\$6,059,699)</b>
	<b>Beg. Balance</b>	<b>Proj. Balance</b>	<b>Actual Balance</b>	<b>Net Change</b>	
Restricted for Bond Refunding	\$0	\$0	\$0	\$0	
Restricted Fund Balance	\$1,435,024	\$1,461,640	\$1,453,486	\$18,462	
<b>Total Fund Balance</b>	<b>\$1,435,024</b>	<b>\$1,461,640</b>	<b>\$1,453,486</b>	<b>\$18,462</b>	