



**2019 – 2020 REVISED BUDGET
GENERAL FUND
EXECUTIVE SUMMARY
JULY 1, 2019 THROUGH JUNE 30, 2020
MAHTOMEDI PUBLIC SCHOOLS
ISD 832**



DECEMBER 12, 2019

DISTRICT OFFICIALS

School Board

Dr. Lucy Payne
Julie McGraw
Stacey Stout
Mike Chevalier
Kevin Donovan
Judy Schwartz

Chairperson
Vice Chairperson/Clerk
Treasurer
Director
Director
Director

Administrative Staff

Barb Duffrin
Lynne Viker
Bill Menozzi
Tony Pierce
Dr. Cathy Wyland
Patrick Crothers
Nicole Flesner
Alice Seuffert

Superintendent of Schools
Assistant Superintendent of Learning
Director of Business Services
Director of Student Support Services
Director of Community Education
Technology Coordinator
Human Resources Supervisor
Communications Specialist

Building Principals

Scott Briske
Susan Prather
Dr. Mike Neubeck
Kathe Nickleby

Wildwood Elementary
OH Anderson Elementary
Mahtomedi Middle School
Mahtomedi High School

BELIEF STATEMENTS

Everyone needs to give and receive love.

Integrity is critical to trusting relationships.

Success does not demand perfection.

Joy must be part of the human experience.

Diversity strengthens community and individuals.

All people deserve compassion and unconditional acceptance.

Change is necessary for growth.

All voices deserve to be honored.

Each person has immeasurable worth.

Each person has the desire and capacity to learn and grow.

Everyone has the right to be and feel safe.

Hope motivates people to persist.

MISSION

The mission of the Mahtomedi School District, the unified community of courageous hearts and curious minds dedicated to inspiring personal excellence, is to ensure that each student is a bold agent of learning who successfully pursues their passions while advancing the greater good, through a vital system distinguished by:

- environments that inspire curiosity
- an inclusive learning community
- an array of exceptional learning experiences
- teaching and learning that imparts a global view
- culture of empathy that empowers the whole person

REVISED BUDGET OVERVIEW

The revised budget presented includes an analysis of the actual financial condition of the School District at June 30, 2019, and a comparison between the preliminary and revised estimated positions at June 30, 2020.

The budget was prepared in accordance with generally accepted accounting principles (GAAP). The main purpose of the revised budget is to update and include estimates used in the preliminary budget process. These include estimates in enrollment, staffing data, contract settlements, and other factors that were not known during the preliminary budget process. At times these updates can have a significant impact on revised budget projections for the current year.

Minnesota education laws that are known as of the date of this publication were used as the basis for building the 2019-2020 revised budget which includes a 2% increase in the general education state aid funding formula. Additionally, budget projections related to the 2019 Legislative session for the special education cross-subsidy reduction aid, as well as special education cap adjustments, were used in the revised budget estimates.

Our continued effort to increase financial transparency and accountability to all stakeholders, combined with the increasing complexity of funding public education in Minnesota and our challenge to do more with less makes the district budget publication one of the most useful documents in public school administration. This budget depicts the priorities of the School Board, building and district administration, staff, and the community as a whole.

BUDGET PROCESS

The budget in Mahtomedi Schools is a continuous four-step process:

Each step requires School Board approval and is open for public inspection and comment.

1. Property Tax Levy –

The budget process begins with submission of the final certified property tax levy to the home county auditor and Minnesota Department of Education. The School Board certifies the final levy for the next fiscal year before the end of the calendar year.

2. Preliminary Budget –

The School Board approves a preliminary budget before the start of the school year on July 1. Approval includes analysis and assumptions on staffing needs, enrollment, legislative impact, and other revenue and expenditure estimates.

3. Revised Budget –

The School Board approves a final (revised) budget each year in December or January based on information and estimates not previously known during the preliminary budget process.

4. Annual Financial Report & Fiscal Audit –

The final step includes closing the books and preparing financial statements for review and audit by an independent external CPA firm. The School Board typically reviews the audit report in October or November.

MAHTOMEDI PUBLIC SCHOOLS
Independent School District 832
Mahtomedi, MN

**2018-2019 REVISED BUDGET
GENERAL FUND**

		2018-2019 Revised Budget		2018-2019 Actual Amounts		2019-2020 Preliminary Budget		2019-2020 Revised Budget		Difference
General Fund Revenues	\$	39,376,301	\$	39,874,939	\$	41,346,510	\$	41,850,006	\$	503,496
General Fund Expenditures	\$	40,114,968	\$	40,003,030	\$	41,249,553	\$	41,554,373	\$	304,820
Surplus (Deficit)	\$	(738,667)		(128,091)		96,957		295,633		

MAHTOMEDI PUBLIC SCHOOLS
Independent School District 832
Mahtomedi, MN

FUND BALANCE REPORT
GENERAL FUND

FUND DETAIL -- FUND BALANCE

	June 30, 2019 Fund Balance (Audited)	2019-2020 Revenue Budget Revised	2019-2020 Expenditure Budget Revised	2019-2020 Surplus (Deficit)	June 30, 2020 Fund Balance Estimate
General Fund	4.1%				4.7%
Unassigned Fund Balance	1,683,097	37,152,082	36,899,499	252,583	1,935,680
Non Spendable Fund Balance	182,562	-	-	-	182,562
Assigned - Building Donations	170,857	340,000	340,000	-	170,857
Assigned - Student Activities	217,009	420,000	420,000	-	217,009
Assigned - Subsequent Year Budget	76,181	-	-	-	76,181
Assigned - Severance	411,850	-	-	-	411,850
Assigned - Q Comp	31,491	870,127	881,941	(11,814)	19,677
Subtotal Assigned	907,388	1,630,127	1,641,941	(11,814)	895,574
Restricted - Capital Projects Levy	112,295	675,094	717,429	(42,335)	69,960
Restricted - Operating Capital	196,170	1,164,142	1,158,973	5,169	201,339
Restricted - LTFM	95,949	1,228,561	1,136,530	92,031	187,980
Subtotal Restricted	404,414	3,067,797	3,012,932	54,865	459,279
Total General Fund	3,177,461	41,850,006	41,554,372	295,634	3,473,095

MAHTOMEDI PUBLIC SCHOOLS
Independent School District 832
Mahtomedi, MN

**2018-2019 REVISED BUDGET
GENERAL FUND NARRATIVE**

The following narrative provides a brief explanation of the larger variances from the 2019-20 preliminary budget to the revised budget for both general fund revenues and expenditures. This is not intended as a comprehensive list of all changes, rather an overview of the larger items.

GENERAL FUND REVENUES

Increase in general fund revenue largely due to increases in state special education aid related to the 2019 legislative session. The 2019 Legislature established special education cross subsidy reduction aid in attempt to address the growing amount of general fund revenue used to fund special education costs. Additionally, the special education growth cap was adjusted for fiscal year 2020 and eliminated for fiscal year 2021.

The end result of the 2019 legislative session led to additional special education revenue for Mahtomedi Schools, which is reflected in the revised budget. K-12 enrollment is consistent with preliminary estimates and did not require updating.

GENERAL FUND EXPENDITURES

Increase in general fund expenditures largely due to updated cost estimates related to contractual obligations. Smaller variances by budget program relate to budget updates for 2019-20 staffing needs.

ENROLLMENT HISTORY & PROJECTIONS

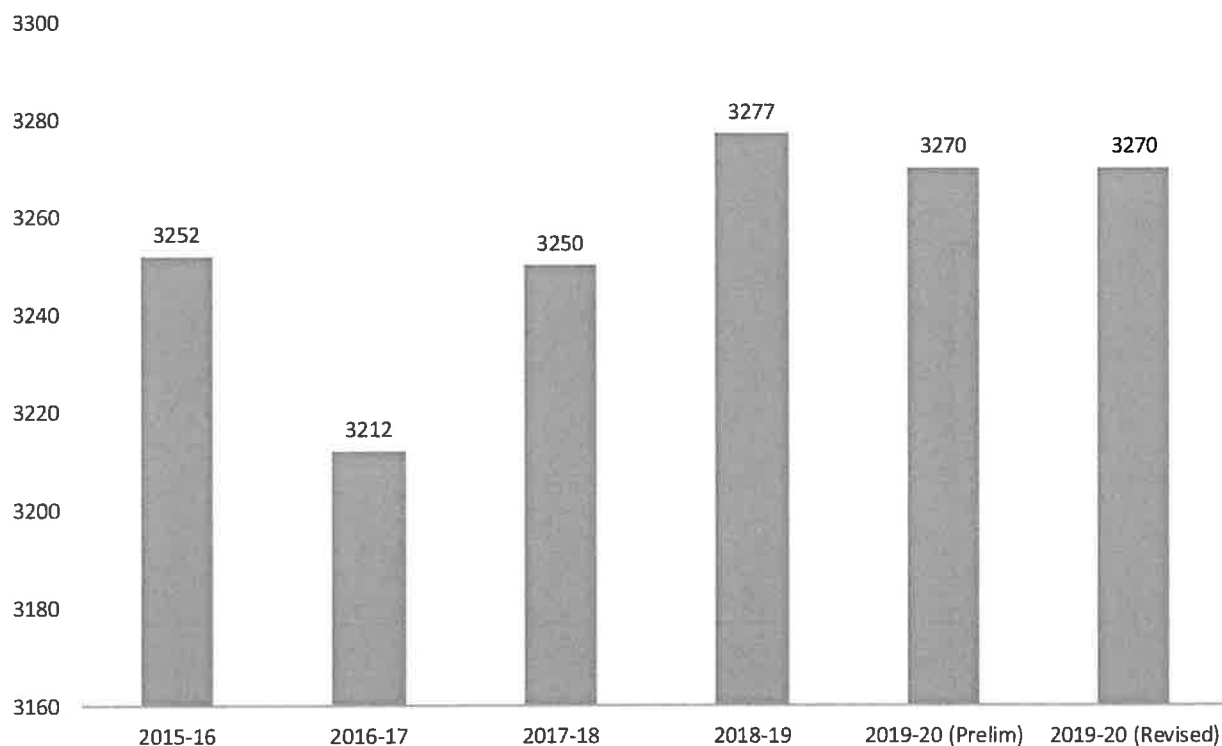
Enrollment projections at Mahtomedi Schools are an integral part of adopting a sustainable and accurate general fund budget. Maintaining level enrollment is predicated upon acceptance and attendance of open enrolled students in order to maintain grade levels K-12 with the previous school year.

Mahtomedi Schools generally enrolls approximately 180 – 190 kindergarten students and has approximately 280 – 300 graduating seniors. Monitoring resident grade progression ratios and balancing with open enrollment in order to maintain this enrollment model is an important part of the budgeting process.

Enrollment history for the previous four years, 2019-20 enrollment target, and revised 2019-20 enrollment projections are included below.

Enrollment projections below do not include PSEO and ECSE students.

K-12 STUDENTS



GENERAL FUND

The General Fund is the primary operating budget for general, day-to-day operations of the school district. It is used to account for all revenues and expenditures for educational activities, district instructional and student support programs, district administration, normal operations and maintenance, pupil transportation, capital expenditures, and other school district expenditures not accounted for in another fund.

The general fund includes expenditures funded with the long-term facilities maintenance, operating capital, and capital projects levy programs. It is important to note that these categorical expenditures can fluctuate considerably from year to year and can impact the overall view of the district's funding picture.

	2018-2019 Revised Budget	2018-2019 Actual Amounts	2019-2020 Preliminary Budget	2019-2020 Revised Budget	Increase (Decrease) Budget
Revenues					
Local Tax	\$ 8,418,983	\$ 8,388,598	\$ 9,460,334	\$ 9,383,972	\$ (76,362)
State Aid	28,784,063	29,176,582	29,646,419	30,299,990	\$ 653,571
Federal Aid	708,000	734,243	823,170	726,000	\$ (97,170)
Other Local Revenue	1,465,255	1,575,516	1,416,587	1,440,044	\$ 23,457
Total Revenues	39,376,301	39,874,939	41,346,510	41,850,006	503,496
Expenditures					
Salaries	22,465,202	21,987,187	23,201,102	22,983,580	\$ (217,522)
Benefits	8,511,594	8,484,486	8,822,855	8,980,164	\$ 157,309
Purchased Services	5,518,742	5,751,403	5,660,204	5,911,510	\$ 251,306
Supplies & Materials	1,061,232	1,023,044	968,874	1,017,229	\$ 48,355
Capital	1,464,903	1,488,864	1,496,224	1,545,624	\$ 49,400
Misc./Other	1,093,295	1,268,047	1,100,295	1,116,265	\$ 15,970
Total Expenditures	40,114,968	40,003,031	41,249,554	41,554,372	304,818
Surplus (Deficit)	\$ (738,667)	\$ (128,092)	\$ 96,956	\$ 295,634	\$ 198,678

FUND BALANCE POLICY

The School Board has adopted policy 714 related to school district fund balances.

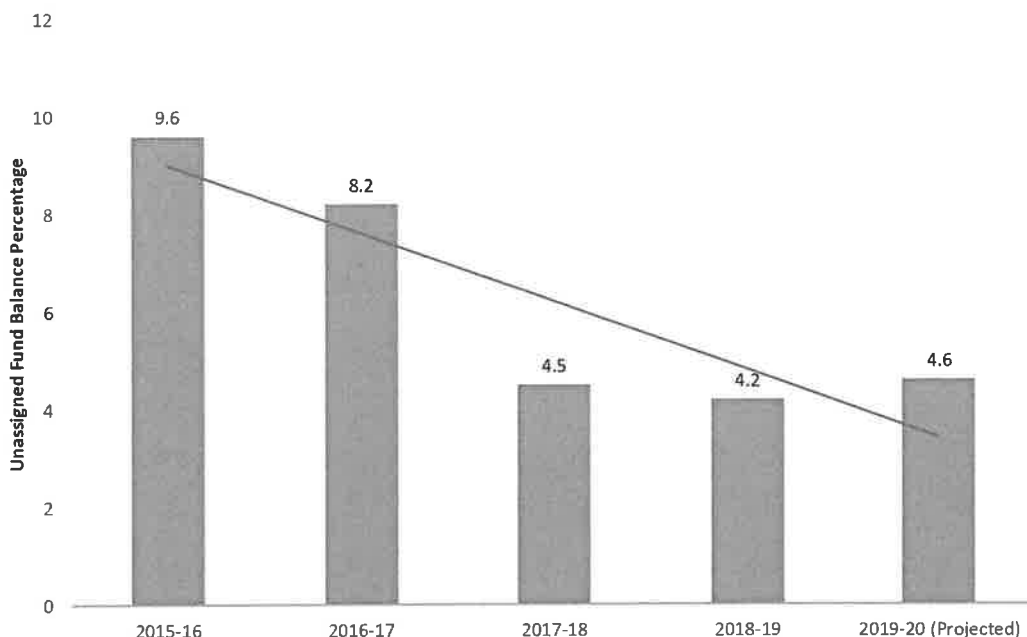
The school board shall strive to maintain a minimum unassigned general fund balance of 8% of the total general fund expenditures. If the fund balance falls below 8%, the school board shall implement a procedure to stabilize the district's financial position. This may involve, but is not limited to:

- A. No new programs will be added at the district level unless matched by a like revenue source.*
- B. Allocations such as textbooks, supplies, etc., shall be frozen; and*
- C. The district will review other measures which will not immediately affect delivery of programs but could have a cost savings. The district may take measures to either generate additional revenues or reduce expenditures through budget cuts or a combination of both.*

The general fund unassigned fund balance as of June 30, 2019 was 4.2% and is projected to increase to 4.7% as of June 30, 2020.

In accordance with fund balance policy, budget items such as classroom supplies, materials and membership dues have not been increased for the 2019-20 budget. All budget appropriations set forth by the School Board lapse at year end.

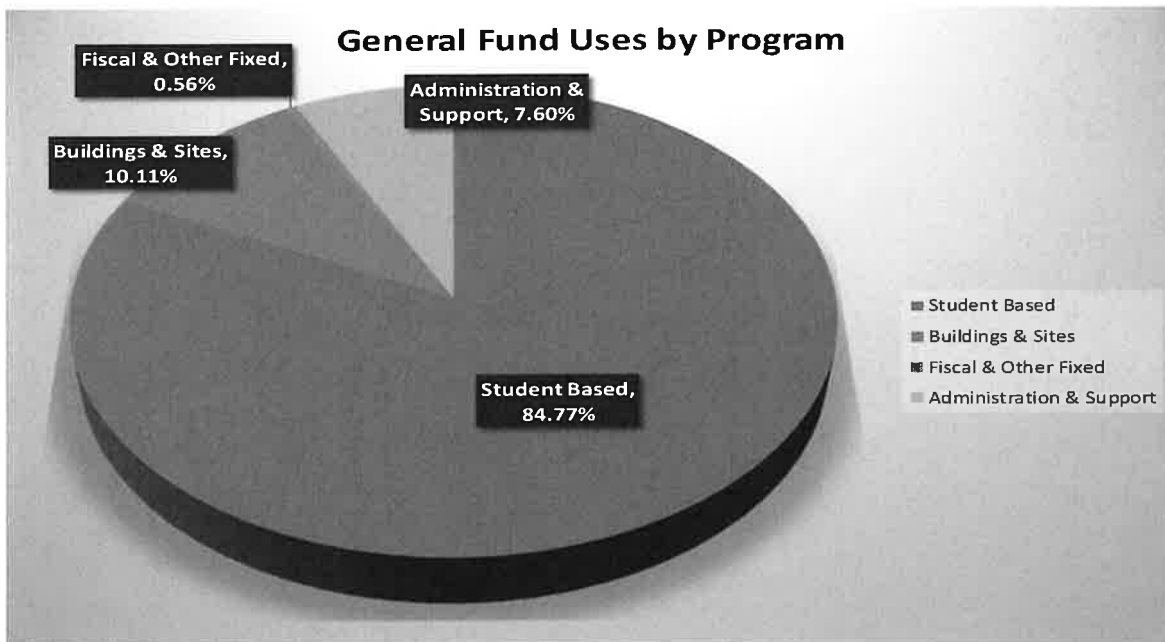
UNASSIGNED FUND BALANCE



MAHTOMEDI PUBLIC SCHOOLS
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GENERAL FUND
2019-2020 Expenditures by Program

Program Code	Program Description	2018-2019	2018-19	2019-2020	2019-2020	Increase
		Revised Budget	Actual Amounts	Preliminary Budget	Revised Budget	(Decrease) Budget
000-099	Administration	\$ 1,752,765	\$ 1,736,780	\$ 1,946,075	\$ 1,894,005	\$ (52,070)
100-199	District Support Services	1,281,715	1,440,144	1,266,830	1,266,103	\$ (727)
200-299	Regular Instruction	19,674,539	19,667,515	20,194,961	20,364,369	\$ 169,408
300-399	Vocational Instruction	711,432	743,060	857,865	937,092	\$ 79,227
400-499	Special Education Instruction	7,528,266	7,343,457	7,480,208	7,511,873	\$ 31,665
600-699	Instructional Support Services	1,649,112	1,644,018	1,755,275	1,699,985	\$ (55,290)
700-799	Pupil Support Services	3,322,381	3,338,856	3,436,102	3,444,225	\$ 8,123
800-899	Sites & Buildings	3,958,069	3,958,735	4,087,237	4,202,221	\$ 114,984
900-999	Fiscal & Other Fixed Costs	236,690	130,465	225,000	234,500	\$ 9,500
GRAND TOTAL		\$ 40,114,969	\$ 40,003,030	\$ 41,249,553	\$ 41,554,373	\$ 304,820



EXPENDITURES BY OBJECT

Mahtomedi Public School's budget consists of the following types of expenditures:

Salaries: Regular salaries related to personnel positions, extra-curricular assignments, overtime, and substitute costs.

Employee Benefits: Health, dental, life, long-term disability, workers' compensation, retirement plans and recording of post-employment benefits for current employees. The recent renewal rates of the district's health insurance plan is a concern from a long term budgeting standpoint.

Purchased Services: Includes insurance, repair and maintenance services, postage, consultants, transportation contracts, travel and conferences, payments to other school districts and tuition.

Supplies & Materials: Textbooks, instructional supplies, office and custodial supplies, computer software, and related copier costs. Includes fuel for buildings.

Capital: Replacement and additional equipment, facilities repair and maintenance, district vehicles, and computer equipment.

Miscellaneous & Other Expenditures: Includes all expenditures that cannot be classified elsewhere.

EXPENDITURES BY PROGRAM

Administration: Costs for general and instructional administration. This includes the school board, superintendent, principals, assistant/associate principals and director level positions.

District Support Services: Generally administrative support not listed under administration. This includes federal programs, human resources, school elections, and miscellaneous administration not covered elsewhere.

Elementary & Secondary Regular Instruction: All activities dealing directly with the teaching of pupils, the interaction between teachers and students in the classroom and co-curricular activities K-12.

Vocational Instruction: Courses and activities which develop skills, knowledge, attitudes and behavioral characteristics for students seeking career exploration and employability.

Special Education Instruction: Activities promoting learning experiences for pupils with certain characteristics or conditions who need or would benefit from educational programs that are different from those provided to pupils in regular or vocational education.

Instructional Support Services: Activities for assisting the instructional staff with the content and process of providing learning experiences for pupils in kindergarten through twelfth grade.

Pupil Support Services: Includes all services provided to pupils who do not qualify to be classified as instructional services. Counseling, guidance, health, social work, transportation.

Sites & Buildings: Acquisition, operation, maintenance, repair and betterment of physical plant, facilities and grounds of the school district.

Fiscal & Other Fixed Costs: Fiscal and fixed cost activities not recorded elsewhere. Property and workers compensation insurance.

SUMMARY

In accordance with Minnesota Statute 123B.77 Mahtomedi Schools approved the preliminary budget for the 2018-2019 fiscal year on June 27, 2019. The general fund **preliminary** budget included revenue estimates of \$41,346,510 and expenditures of \$41,249,553. The projected surplus in the preliminary budget was \$97,000.

The general fund **revised** budget includes revenue estimates of \$41,850,006 and expenditures of \$41,554,373. The projected surplus in the preliminary budget is \$295,000. Of the \$295,000 projected surplus, approximately \$250,000 is attributed to the general unassigned fund.

The School Board has established fund balance policy 714 which states that the School Board shall strive to maintain a minimum unassigned fund balance of 8 percent of general fund expenditures.

As shown on the fund balance report page of this publication, the District is estimated to increase the unassigned general fund balance from 4.0 percent at June 30, 2-19 to 4.6 percent at June 30, 2020.

This budget publication, in conjunction with the supplementary finance documents requires many hours of preparation, review, and deliberation by the School Board, finance committee, building and district administration, and the business office. Thank you to all those involved for their efforts on behalf of our students in preparing and reviewing this important budget document.

Respectfully



Bill Menozzi
Director of Business Services
Mahtomedi Public Schools
1520 Mahtomedi Avenue
Mahtomedi, MN 55115

