

Independent School District #2689
FY2025 Amended Budget General Fund Revenue and Expenses
February 17th, 2025

FY2025 Projected Amended Budget Revenue	\$16,481,235.00
FY2025 Projected Amended Budget Expenditures	<u>(\$17,345,025.00)</u>
FY2025 Projected Deficit	<u><u>(\$863,790.00)</u></u>

FY2025 Projected Original Budget Revenue	\$15,452,490.00
FY2025 Projected Original Budget Expenditures	<u>(\$16,973,703.00)</u>
FY2025 Projected Deficit	<u><u>(\$1,521,213.00)</u></u>

FY2025 Budget Amendment									
Closing Educational Opportunity Grant									
The grant had not been approved prior to the June 2024 board meeting when the budget was adopted.									
Revenue	01	005	000	264	000	370	\$99,185.53	Increase	
Expenditure	01	005	640	264	000	405	\$17,809.94	Increase	Viewpoint, Amplify Software
Expenditure	01	102	201	264	000	405	\$1,615.00	Increase	NWEA
Expenditure	01	103	203	264	000	405	\$8,358.00	Increase	NWEA
Expenditure	01	300	207	264	000	405	\$4,958.00	Increase	NWEA
Expenditure	01	300	211	264	000	405	\$6,689.00	Increase	NWEA
Expenditure	01	005	020	261	000	366	\$12,755.59	Increase	Travel Aurora Institute
Expenditure	01	005	640	264	000	305	\$47,000.00	Increase	Knowledge Works Estimate

FY2025 Budget Amendment
ESSER III Covid Funds

E-01-300-850-014-160-520	\$64,540.00	Increase
R-01-005-000-014-160-400	\$64,540.00	Increase

The final payments for the Gym Air Handler were not made until FY2025. When the original budget was approved in June of 2024, we were under the assumption that it would be completed in June of 2024.

The expense and revenue is increasing by the same dollar amount.

FY2025 Budget Amendment

Finance 619 Federal Flow Thru Dollars

R01-005-420-000-619-405 Reduce \$5000.00

The original estimate for this was \$30,000.00.

Finance 620 Federal Flow Thru Dollars

R01-005-420-000-620-405 Increase \$5,234.00

The original estimate for this was \$2,000.00

The Estimate for the Finance 619 and 620 revenue was prepared in June of 2024. The budget amendment is still bases on an estimate, a better estimate.

The final entitlement will not be known until the spring of 2025. This is federal money.

An estimate has to be made for the FY2025 budget in June of 2024.

The actual entitlement will not be known until the spring of 2025.

FY2025 Budget Amendment
General Education and Basic Skills Revenue Adjustment

When the General Education revenue is determined for the FY2025 original budget the student count for FY2025 is an estimate based on the FY2024 student numbers. When I update the FY2025 General Education Revenue estimate in January of 2025 I base the FY2025 student numbers on the Fall 2024-2025 MARSS submission. I initially dropped the student count by 16.31 in the original budget. I dropped the student count by another 12.84 students based on updated information. However, I had underestimated the EL student count by 50 students so the EL aid which is part of the restricted basic skills has increased based upon the updated student numbers.

R01-005-000-000-000-211	\$35,284.00	Reduce Gen Ed Aid
R01-005-000-000-302-211	\$976.00	Reduce Operating Capital
R01-005-000-000-316-211	\$2,148.00	Reduce Staff Development Aid
R01-005-000-000-317-211	\$78,107.00	Increase Basic Skills Aid
R01-005-000-000-330-211	\$6,410.00	Increase Learning and Development Aid
R01-005-000-000-388-211	\$191.00	Reduce Gifted and Talented Aid

FY2025								
Budget Amendment								
Miscellaneous Grants								
Prairielands Teen Tober Grant								
Games for the High School Library								
Supplies for Game Nights								
Revenue	01	300	620	268	000	099	\$483.00	Increase
Expense	01	300	620	268	000	430	\$483.00	Increase
Prairieland Craft Grant								
Crafting Activities Library								
Revenue	01	300	620	266	000	099	\$578.00	Increase
Expense	01	300	620	266	000	430	\$578.00	Increase
Arts in the School Grant SWMN Art Council								
Band								
Revenue	01	300	258	267	000	099	\$3,960.00	Increase
Expense	01	300	258	267	000	305	\$3,960.00	Increase
SWHHS Opioid Settlement								
10th Grade Health Class Books								
Revenue	01	300	240	265	000	099	\$5,000.00	Increase
Expense	01	300	240	265	000	460	\$5,000.00	Increase
Collection Development Grant								
Spanish Language Reading Materials								
Revenue	01	300	620	263	000	099	\$500.00	Increase
Expense	01	300	620	263	000	470	\$500.00	Increase

FY2025 Budget Amendments								
Miscellaneous Items								
Insurance PortaPotties								
Expense to Repair Vandalism								
Revenue	01	005	810	000	000	625	\$1,448.00	Increase
Expense	01	005	810	000	000	510	\$6,752.00	Increase
Fast Bridge Testing Not included in original budget part of three year contract obligated to pay								
Expense	01	300	211	173	000	406	\$2,595.00	Increase
Expense	01	103	201	173	000	406	\$779.00	Increase
Expense	01	103	203	173	000	406	\$3,833.00	Increase
Expense	01	207	203	173	000	406	\$1,990.00	Increase
Missed on Original budget Choir Open PO								
Expense	01	300	258	234	000	305	\$5,000.00	Increase

**FY2025 Budget Amendment
Read Act**

Read Act Literacy Aid

This was not included in the budget because there was not enough information about this funding prior to the June 2024 School Board Meeting. This is one time money that has to be assigned to a reserved fund balance until it is spent.

R01-005-000-000-356-300	\$43,415.00
E01-103-640-000-356-405	\$1,000.00

Read Act Teacher Compensation for Professional Development

This is also one time money that has to be assigned to a reserved fund balance until it is spent. All expenses must be included in an approved MOU.

R01-005-000-000-357-300	\$39,198.00
E01-103-640-000-357-185	\$5,000.00
E01-103-640-000-357-210	\$383.00
E01-103-640-000-357-218	\$437.00

Read Act Literacy Incentive Aid

I had already budgeted the revenue in this area for \$52,862.00. This is ongoing revenue but the amount that is not spent has to be assigned to a reserved fund balance.

**FY2025 Budget Amendment
Special Education Revenue Amendment**

Special Education funding is extremely complex.

FY2024

The initial calculation is based on the lowest of one of three options. The options for FY2024 are based on the numbers from FY2023.

However, to make things more complex there is also a hold harmless calculation for FY2024 based on FY2024 numbers.

To complicate matters more, the tuition adjustment is handled at the state level. This means that the amount that we pay the ELC or other schools for special education services and the amount we receive from other schools if the student is not our resident is deducted from the hold harmless calculation. The tuition adjustment directly affects the amount of special education aid that we will receive.

The hold harmless amount increases the lower the tuition adjustment is. Pipestone Area Schools usually receives the hold harmless amount not the less of the three options.

The final tuition billing process was not final when we prepared the 6.30.2024 receivable for the audit. It is really hard to predict the tuition billing, impossible. I emailed the state on January 15th, 2025 and asked them if the FY2024 tuition billing on the Department of Education website was final and they told me it should be close.

FY2019 Net Tuition Billing	(\$486,844.18)
FY2020 Net Tuition Billing	(\$583,987.15)
FY2021 Net Tuition Billing	(\$292,793.84)
FY2022 Net Tuition Billing	(\$543,128.26)
FY2023 Net Tuition Billing	(\$516,296.54)
FY2024 Net Tuition Billing	(\$401,147.10)

I used \$500,000 for the guess on the Tuition Adjustment for the FY2024 Sped Education Receivable. I used \$500,000.00 to be conservative. Therefore the 6.30.2024 receivable in the audit was understated by approximately \$315,000.00. This revenue will be recorded in FY2025.

FY2025

I reviewed the special education calculation that I used for the FY2025 budget. As you can imagine there are many unknowns in this calculation. The first of the three options noted above would be based on the FY2024 actual information. I can come up with a good estimate for this but we do not know the final FY2024 special ed expenditures in June of 2024 when the FY2025 budget is presented.

The hold harmless calculation is based on the FY2025 special education expenditures. I have a better estimate of the FY2025 expenditures in January 2025 as compared to June of 2024. I have used \$500,000.00 for the tuition adjustment for FY2025 too be conservative.

Based on the adjusted calculation for FY2025 I could increase the FY2025 budget by \$332,610.00. However, due to the many unknowns I recommend that the special education revenue estimate for FY2025 only be increased by \$250,000.00.

Budget Amendment proposed below:

6.30.2024 Sped Receivable understated	\$315,000.00
FY2025 Revised Estimate	\$250,000.00
Total	<u>\$565,000.00</u> R01-005-420-000-000-360

FY2025 Budget Amendment

Title II

The Budget was changed after the June 2025 original budget was approved by the school board.

Revenue	01	005	204	000	414	400	\$8,317.00	Increase
Expense	01	005	204	000	414	303	(\$22,750.00)	Decrease
Expense	01	103	204	000	414	185	\$34,250.00	Increase
Expense	01	103	204	000	414	210	\$2,620.00	Increase
Expense	01	103	204	000	414	218	\$2,997.00	Increase
Expense	01	103	204	000	414	270	\$270.00	Increase

Title III

Revenue	01	005	205	000	417	400	\$8,062.00	Increase
Expense	01	300	219	000	317	141	(\$22,336.00)	Decrease
Expense	01	103	205	000	417	141	\$22,336.00	Increase
Expense	01	103	205	000	417	430	(\$7,624.00)	Decrease
Expense	01	300	205	000	417	366	\$350.00	Increase

Perkins Funding

Revenue	01	005	000	000	628	405	\$7,800.00	Increase
Expense	01	300	341	000	628	466	\$7,800.00	Increase

FY25 Amended Budget						
Voluntary Prekindergarten						
Fund 01				FY2025 Amended	FY2025 Original	Difference
Aid				\$218,967.00	\$0.00	\$218,967.00
Total Projected Revenue				\$218,967.00	\$0.00	\$218,967.00
Salaries and Benefits				\$79,356.00	\$0.00	\$79,356.00
Postage				\$0.00	\$0.00	\$0.00
Instructional Supplies				\$3,500.00	\$0.00	\$3,500.00
Entry Fees				\$0.00	\$0.00	\$0.00
Transportation				\$36,180.00	\$0.00	\$36,180.00
Total Projected Expenditures				\$119,036.00	\$0.00	\$119,036.00
Projected Revenue Over Expenditures				\$99,931.00	\$0.00	\$99,931.00
06.30.2024 Positive Fund Balance				\$0.00		
FY25 Projected Revenue over Expenses				\$99,931.00		
Projected 06.30.2025 Positive Fund Balance				\$99,931.00		
VPK funding covers the 4 and 5 year old preschool classes. Per the Minnesota Department of Education the revenue and expenditures pertaining to VPK have to be recorded in Fund 01. I have set the revenue and expenditures up so they close to an assigned fund balance.						
Prior to this time, the 4 and 5 year old classes and the 3 and 4 year old classes were all included under the Learning Readiness umbrella.						

FY25 Amended Budget						
Early Childhood Family Education						
				FY2025 Amended	FY2025 Original	Difference
Levy				\$45,169.00	\$45,169.00	\$0.00
Aid				\$9,614.00	\$9,614.00	\$0.00
Tuition				\$0.00	\$0.00	\$0.00
Other				\$0.00	\$0.00	\$0.00
Total Projected Revenue				\$54,783.00	\$54,783.00	\$0.00
Salaries and Benefits				\$30,198.00	\$25,995.00	\$4,203.00
Postage				\$800.00	\$800.00	\$0.00
Instructional Supplies				\$8,000.00	\$21,000.00	(\$13,000.00)
Entry Fees				\$750.00	\$750.00	\$0.00
Transportation				\$600.00	\$600.00	\$0.00
Total Projected Expenditures				\$40,348.00	\$49,145.00	(\$8,797.00)
Projected Revenue Over Expenditures				\$14,435.00	\$5,638.00	\$8,797.00
06.30.2024 Positive Fund Balance				\$310,530.00		
FY25 Projected Revenue over Expenses				\$14,435.00		
Projected 06.30.2025 Positive Fund Balance				\$324,965.00		

FY 25 Amended Budget						
Learning Readiness 3 and 4year Olds						
				FY2025 Amended	FY2025 Original	Difference
State Aid				\$47,863.00	\$47,863.00	\$0.00
Pathway II Scholarships				\$34,364.00	\$34,364.00	\$0.00
Tuition				\$0.00	\$62,611.00	\$0.00
Total Projected Revenue				\$82,227.00	\$144,838.00	(\$62,611.00)
Salaries and Benefits				\$54,974.00	\$145,626.00	(\$90,652.00)
Instructional Supplies				\$12,500.00	\$0.00	\$12,500.00
Postage				\$250.00	\$250.00	\$0.00
Travel				\$0.00	\$0.00	\$0.00
General Supplies				\$100.00	\$0.00	\$100.00
Entry Fees Student Travel				\$0.00	\$0.00	\$0.00
Instructional Software License				\$0.00	\$0.00	\$0.00
Transportation				\$17,820.00	\$75,000.00	(\$57,180.00)
Total Projected Expenditures				\$85,644.00	\$220,876.00	(\$135,232.00)
Projected Expenditures over Revenue				\$3,417.00	\$129,576.57	(\$126,159.57)
06.30.2024 Negative Fund Balance				(\$461.00)		
FY25 Projected Expenditures over Revenue				(\$3,417.00)		
06.30.2025 Projected Positive Fund Balance				(\$3,878.00)		