

Waconia Public Schools

Independent School District #110

Serving the Communities of Minnetrista, New Germany,
St. Bonifacius, Victoria and Waconia

2018-2019 Preliminary Budget

June 25, 2018

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**Waconia Public Schools
Independent School District #110
School Board and Administration
June 25, 2018**

School Board

Name	Board Term Expires	Board Position
Brian Rothstein	12/31/18	Chairperson
Tabitha Laumann	12/31/20	Vice-Chairperson
John Weinand	12/31/18	Director
Cathy Thom	12/31/20	Director
Mike Bullis	12/31/18	Director
Dana Geller	12/31/20	Director
Keith Griffin	12/31/18	Director

Administration

Patrick Devine	Superintendent
Todd Swanson	Director of Finance and Operations
Jessica Kilian	Clerk
District Offices:	Independent School District No. 110 Waconia Public Schools 512 Industrial Boulevard Waconia, MN 55387 (952) 442-0600

BUDGET OVERVIEW

THE DISTRICT

The legal name of the District is Independent School District Number 110 and is often referred to as Waconia Public Schools. The District, an outer ring Minneapolis suburban school district, serves a general population of approximately 15,000 and covers an area of about 99 square miles. The District owns and operates facilities in the city of Waconia. The District has one senior high school, one middle school, three elementary schools and one multipurpose facility which serve over 4,000 students.

The laws of the State of Minnesota give the authority to direct the District's business operations and educational functions to the District's School Board whose members are elected officials. The School Board has the authority to levy taxes, set fees, approve budgets, and staff positions along with other business and educational functions without prior approval from any other governmental unit. However, there are limits set in state statute. The amount of the levy components are either voter approved, derived from formulas set in statute or approved by the Minnesota Department of Education under guidelines set in statute. The School Board does have the authority to not levy the maximum levy permitted but in certain instances this causes a proportionate decrease in related state aid which is determined by the state legislature. The School Board does not have the authority to set the market value of property within the District nor to arbitrarily levy amounts needed to cover its expenditures. The expenditure budget must stay within predetermined revenue parameters determined through statutory formulas or reduce its fund balance or cut expenditures. The School Board can increase fees for those fees authorized in statute and seek grants. The School Board can issue debt with prior District voter approval. The Minnesota Department of Education does have some oversight responsibility over the District that is generally related to compliance and approval of certain laws and procedures. The School Board is responsible for the fiscal health of the District and the educational development of its students.

BUDGET POLICIES, DEVELOPMENT, ADMINISTRATION AND MANAGEMENT

The Waconia Public School District's fiscal year commences July 1 of each year, which is consistent with most school districts and is law in Minnesota. The School Board, by law, must have a budget adopted for the upcoming fiscal year prior to July 1. Budgeting is a difficult process since many decisions regarding revenue are determined by the state legislature, which often doesn't adjourn until the middle of May.

The budget sets forth the financial plan for the forthcoming fiscal year. It is based on the projected financial needs of the District to allocate limited resources in the best possible way to give the best educational opportunities to students. The budget process starts with the development of the plan and timeline with completion and adoption in June. The plan is disseminated to board members and administration and the preparation of the budget is implemented. The process begins in July of the preceding fiscal year as this is when tax levy planning starts. Several levy components such as the lease levy, Long-Term Facilities Maintenance and health & safety levy need to be completed in July so that the Department of Education has time to study and approve the amounts for the proposed levy process in September. The proposed tax levy is approved by the board in September so that the county has time to inform taxpayers of their total tax impact in November. Taxpayers have an opportunity to express their concerns about their tax burden

during hearings that take place in December. The board can then adjust the levy to reflect taxpayers concerns but must adopt the final levy in December. The board cannot increase the levy above the proposed amount without meeting certain exceptions such as a voter approved levy referendum. The administration reviews enrollment projections and determines staffing levels needed for the forthcoming year. A preliminary financial forecast is then prepared by the Director of Finance and Operations.

The budget process continues and involves staff at all levels as they inform administration of their needs and anticipated expenditures. These requests are then reviewed by their budget administrator who determines their appropriateness and if appropriate includes them in his/her budget. Each building principal is allocated an amount for supplies, materials and equipment, based on student enrollment of that building, which he/she must allocate to those accounts under his/her control. When each administrator has his/her budget assembled he/she forwards it to the business office where it is entered into the finance system.

The finance department staff, along with the Director of Finance and Operations, prepares the salary and benefits budget and updates this data to the financial system. Staff in the finance department review the data forwarded by each budget administrator and makes any necessary corrections. Preliminary budgets are compiled and presented to the School Board. The School Board considers these preliminary budgets, makes recommendations and changes, and adopts the final budget in June.

The budget is then implemented and administered. Administrators are responsible for approving purchase requisitions from their buildings or areas of responsibility. They must remain within the budget constraints and monitor their budgets from periodic reports they receive from the finance department. They also have the ability to review their budgets online through their computer terminal. The Director of Finance and Operations has responsibility for the financial integrity of the District. The availability of funds, the proper code classification, the maintenance of the coding structure and compliance with legal purchasing directives are all monitored by the finance department continuously. All bids must be authorized and approved by the School Board. The revenue and expenditure budgets are monitored and changed as conditions change. All revisions to the budget are approved by the School Board.

Independent auditors audit the District's financial operations annually. An audited Comprehensive Annual Financial Report is presented to the board annually which evaluates the District's results of operations. The District has a finance advisory committee which advises the board on financial matters.

FINANCIAL STRUCTURE

The financial activity of the District is accounted for in several funds. Each fund is an independent accounting entity having its own set of accounts, assets, liabilities, fund balances, revenues and expenditures. The District uses nine funds: General, Food Service, Community Service, Building Construction, Debt Service, Trust, Internal Service, OPEB Irrevocable Trust, and OPEB Debt Service.

FUND DESCRIPTION

GENERAL FUND

The General Fund is used to account for K-12 educational activities; instructional and student support programs; expenditures for the superintendent; administration; normal operations and maintenance; pupil transportation; capital expenditures; and legal expenditures not specifically designated to be accounted for in any other fund. A district may use General Fund revenues for capital purposes except when the requirements for a specific categorical revenue state that it may not be used for capital purchases.

Transportation Services

The General Fund is also used to show all financial activities of the District's pupil transportation program. Chargebacks must be made against other operating funds when appropriate.

Capital Expenditures

Revenue for total operating capital, the capital lease levy and revenue from bonds for certain capital facilities must be recorded in the reserve for operating capital in the General Fund. Revenue for Long-Term Facilities Maintenance must be recorded in the Reserves for these purposes in the General Fund.

Capital expenditures may be made from either the Unreserved General Fund, or from one of the appropriate reserves in the General Fund.

Miscellaneous General Provisions

If the unreserved fund balance in the Child Nutrition or Community Service Fund is in deficit, the deficit may be eliminated by a transfer from the General Fund (M.S. 121.912). See the following description of each fund to determine when a fund transfer is required. Such a transfer requires School Board action.

Extra-curricular activities under the control of the School Board must be recorded in the General Fund (M.S. 123.38, Subd. 2). If the extra-curricular activities are not under School Board control, only the direct salary costs and indirect costs for use of school facilities are to be recorded in this fund. Other revenues and expenditures for extra-curricular activities not under board control should not be reported as part of UFARS reporting (M.S. 123.38, Subd. 2b).

FOOD SERVICE FUND

The Food Service Fund is used to record financial activities of a school district's food service program. Food service includes activities for the purpose of preparation and service of milk, meals and snacks in connection with school and community service activities.

All expenditures relating to meal preparation must be recorded in the Food Service Fund. Eligible expenditures include application processing, meal accountability, food preparation, meal service and kitchen custodial service (M.S. 124.646, Subd. 4 (c)).

Generally excluded from the Food Service Fund are the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, or any other administrative costs that are the responsibility of the General Fund. These costs may only be included if a surplus exists in the Food Service Fund at the end of a fiscal year for three successive years. A district may then reclassify these costs for the third fiscal year, not to exceed the amount of the surplus in the Food Service Fund (M.S. 124.646, Subd. 4 (h)).

Capital expenditures may be made from the Food Service Fund only if (1) the Food Service Fund's year-end unreserved fund balance is greater than the cost of the equipment to be purchased, and (2) prior approval has been obtained from the Minnesota Children's Nutrition Section. If these conditions are not met, then the equipment may only be purchased from the General Fund (M.S. 124.646, Subd. 4 (d)).

If a deficit in the Child Nutrition Fund exists on June 30, and if that deficit is not eliminated by operations during the following year, it must then be eliminated by a permanent fund transfer from the General Fund. As an alternative to a fund transfer, a district may incur a deficit for up to three years without making the permanent transfer if the district submits to the Minnesota Children's Nutrition Section, by January 1 of the second fiscal year, a plan for eliminating the deficit at the end of the third fiscal year (M.S. 124.646, Subd. 4 (g)).

COMMUNITY SERVICE FUND

The Community Service Fund is used to record all financial activities of the Community Service program. The Community Service Fund is comprised of four components, each with its own fund balance. The four components are Community Service, Community Education, Early Childhood Family Education (ECFE), and School Readiness.

Community Education includes only those activities authorized in M.S. 124D.19. The focus of these activities is enrichment programs for any age level that are not part of the K-12 education program. This section may also be used for K-12 summer school enrichment activities which, although educational in nature, are not for credit and are not required for graduation. A district may spend up to 10 percent of its community education revenue (levy, aids and fees) to purchase or lease computers and related items, equipment for instructional programs and library books used exclusively for community education (M.S. 124D.20, Subd. 8). The fund balance for Community Education is recorded in Fund Balance Code 431, Reserved for Community Education.

Early Childhood Family Education includes only activities authorized in M.S. 124D.13. The focus of these activities is to improve parenting skills of new and expectant parents, and to provide learning experiences for parents and children. The fund balance for Early Childhood Family Education is recorded in Fund Balance Account Code 432, Reserved for Early Childhood Family Education.

School Readiness includes only activities authorized in M.S. 124D.16. The focus of these activities is to prepare children to enter kindergarten. The fund balance for School Readiness is recorded in Fund Balance Account Code 444, Reserved for School Readiness.

The Community Service Fund also includes other community programs such as All Day Kindergarten, Preschool Screening, Adult Farm Management, and Nonpublic Pupil Aid programs. The fund balance for these community programs is recorded in Fund Balance Account Code 464.

When federal monies are expended for community service purposes as part of a program primarily for elementary/secondary children, the General Fund is used. Federal programs such as Adult Basic Education, which are predominately or totally directed toward adult groups, are recorded in the appropriate account of the Community Service Fund.

Funds may be transferred from the General Fund to the Community Service Fund for the employer contributions for TRA and FICA-Medicare for members of TRA who are paid from the Community Service Fund and who are not paid for by a fully funded grant or special project. The funds transferred must be recorded in the specific program areas from which the employer contribution expenditures were incurred (M.S. 123B.79, Subd. 3).

BUILDING CONSTRUCTION FUND

The Building Construction Fund is used to record all operations of a district's building construction program that are funded by the sale of bonds or by capital loans. The district is utilizing this fund to account for the revenues and expenditures related to the bond issue approved by the voters in November of 2014. This fund is also used to account for any large scale, over \$500,000, construction related projects in the District.

Construction costs for buildings and additions consist of the following: expenditures for general construction; advertisement for contracts; payments on contracts for construction; installations of plumbing, heating, lighting, ventilating and electrical systems; expenditures for lockers, elevators, and other equipment; architectural and engineering services; travel expenses; paint and decorating expenses; and any other related costs. Include the costs of floating the bond issue in this fund by reclassification from the General Fund.

All revenues and expenditures for projects being funded under the Capital Loan Program must be reported in this fund. There can be no borrowing from the Building Construction Fund. Any cash balance or investment in a Building Construction Fund is held in trust for authorized building projects for which the bonds were sold and must not be used to support cash deficits in other funds (M.S. 123B.78).

DEBT SERVICE FUND

The Debt Service Fund is used to record revenue 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 revenue from such a tax and related state aid must be separately accounted for in a Debt Service Fund (M.S. 475.61).

When an excess is accumulated in a Debt Service Fund due to interest earnings, lower than anticipated tax delinquency, or excess building funds, the levy for debt service may be reduced in whole or part as dictated by fund balances and debt retirement requirements. When there are accumulations in the fund as the process of debt repayment nears an end; the accumulations should be used to reduce debt levies. When there is any balance left in the Debt Service Fund after all obligations have been discharged, such balance shall be permanently transferred to the General Fund, with an equal levy reduction (M.S. 475.61).

Net revenue is included in this fund (revenue minus operating expenditures) from rental or lease of property not currently being used for school purposes when there is outstanding debt on the property. The net revenue should be used to reduce the Debt Service Levy in accordance with Minn. Stat. § 123B.51, Subd. 4. Revenue from sale or reimbursement from loss of property shall be deposited in this fund if the property has outstanding bonds. Amounts in excess of the amount required to retire the bonds may remain in the Debt Service Fund or be deposited in the Balance Sheet Code 424, Restricted/Reserved for Operating Capital, in the General Fund according to Minn. Stat. § 123B.51, subdivision 6. There can be no borrowing from the Debt Service Fund. Any cash balance or investment in the Debt Service Fund is held in trust for the bondholders and must not be used to support cash deficits in other funds. Minn. Stat. § 123B.78, Subd. 4.

TRUST FUND

The Trust Fund is used to record the revenues and expenditures for trust agreements where the school board has accepted the responsibility to serve as trustee. The property in the trust agreement typically comes to the district by gift. For example, a community member may create a scholarship trust to be awarded to an outstanding student every year or the local parent group may establish a trust to purchase computer equipment.

INTERNAL SERVICE FUND

An internal service fund is used to account for the financing of goods or services provided by one department to another within the school district or to other governmental units on a cost-reimbursement basis. School districts are not required to use internal service funds. The most common use of an internal service fund by school districts is for self-insurance programs.

The Internal Service Fund is used to collect premiums and to pay invoices for the District's self-insured dental plan.

OPEB IRREVOCABLE TRUST FUND

This trust fund is used for reporting resources set aside and held in an irrevocable trust arrangement for post-employment benefits. District contributions to this fund must be expensed to an operating fund.

OPEB DEBT SERVICE FUND

Activity to record levy proceeds and the repayment of the OPEB bonds is accounted for in this fund.

Why is all of this important? - It is important to be aware of the fund structure because, ***with very few exceptions, money cannot be transferred from one fund to another.*** So, for example, raising school lunch prices is not a solution to a shortfall in the general fund. Similarly, money in the debt service fund or the construction fund cannot be used to pay teacher salaries.

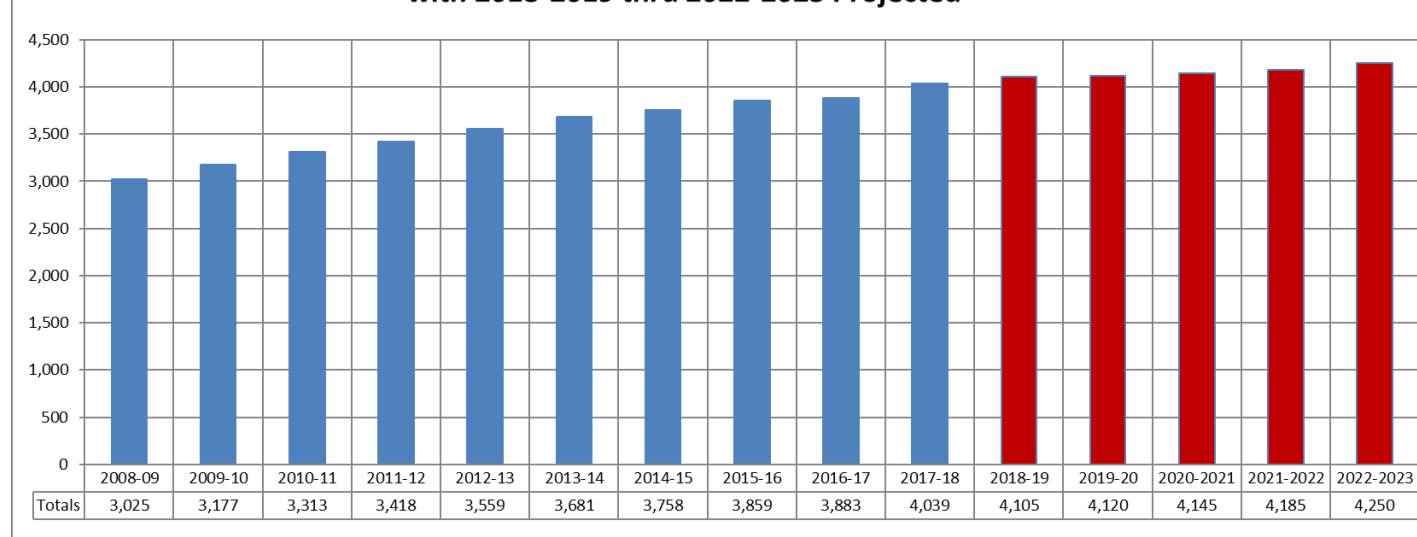
ENROLLMENTS

Enrollment in the Waconia Public Schools grew fairly rapidly in the past ten years. That growth slowed down in the 2016-2017 school year. District staff expected growth to pick back up in the fall of 2017 and it did. District staff is expecting moderate growth for the next five years but is watching the area for housing starts that would indicate a period of increased growth as well. Information regarding actual enrollment counts from the fall of 2008 to the fall of 2017 is provided in the tables below.

Waconia Public Schools - Enrollment Projection - Spring 2018

Grade	Fall Enrollment - Actuals										Projected				
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-2021	2021-2022	2022-2023
K	216	251	233	274	259	275	264	288	271	305	290	290	285	290	290
1	254	234	265	259	286	269	277	274	306	281	305	300	300	300	300
2	252	269	249	259	264	302	289	286	287	316	290	305	300	305	305
3	209	263	278	261	261	267	303	293	286	292	320	295	305	310	310
4	226	217	283	270	262	272	281	309	305	289	300	325	295	320	320
5	247	238	234	283	288	277	282	290	315	312	300	300	325	300	320
6	214	260	249	239	298	304	281	287	302	317	335	320	320	340	330
7	238	225	258	260	252	302	305	294	285	310	335	335	330	325	340
8	243	238	227	271	261	255	307	310	288	299	310	335	340	335	335
9	249	279	273	261	295	282	278	333	343	321	320	335	360	350	350
10	237	246	276	263	261	298	279	278	323	346	320	320	335	360	360
11	222	244	253	272	268	288	308	302	282	328	340	320	320	330	360
12	218	213	235	246	304	290	304	315	290	323	340	340	330	320	330
Totals	3,025	3,177	3,313	3,418	3,559	3,681	3,758	3,859	3,883	4,039	4,105	4,120	4,145	4,185	4,250

**Enrollment by Year - 2008-2009 thru 2017-2018 Actuals
with 2018-2019 thru 2022-2023 Projected**



The district has budgeted for 4,105 students in 2018-2019. A chart of the enrollment for the last two years along with the projected enrollment by grade for 2018-2019 is depicted on the next page.

Waconia Public Schools				
2018-2019 Preliminary Budget Enrollment				
Grade	(Oct. 1, 2016)	(Oct. 1, 2017)	Projected	One Year
Level	2016-2017	2017-2018	2018-2019	Difference
K	271	305	290	-15
1	306	281	305	24
2	287	316	290	-26
3	286	292	320	28
4	305	289	300	11
5	315	312	300	-12
6	302	317	335	18
7	285	310	335	25
8	288	299	310	11
9	343	321	320	-1
10	323	346	320	-26
11	282	328	340	12
12	290	323	340	17
Total	3,883	4,039	4,105	66

Budgeted revenues and expenses will be revised to reflect actual student enrollment periodically throughout the year.

Why Is This Important?

Because the principal source of revenue to the district is the “general education basic formula”. For 2018-2019, this formula will provide the District with \$6,312 in state aid for each “pupil unit”. (A “pupil unit” is essentially one child enrolled for the entire school year, but each child in grades 7-12 is counted as more than 1 pupil unit to account for expenses for co and extra-curricular programs). Currently pupils are weighted as “pupil units” according to the following:

Grade Level “Pupil Unit” Weight

Kindergarten – 1.0; Grades 1 to 6 - 1.0; Grades 7 to 12 - 1.2.

For example, since each high school student counts as 1.2 pupil units, the school district receives 1.2 X \$6,312 in general education basic revenue for each high school student, or \$7,574. The general education basic aid formula is the single largest source of revenue for Waconia Public Schools, providing an estimated \$30,307,622 in 2018-2019. This comprises 69% of the District’s total general fund revenue for the year.

General Fund

Purpose

The General Fund contains all revenue and expense for the general, day-to-day operations of the school district. This includes salaries and benefits for teachers, administrators, custodians, secretaries, and paraprofessionals; instructional supplies; technology; transportation; textbooks, and money spent to operate and repair district buildings.

In some ways, it is clearer to express the general fund in terms of what it does not cover. The general fund does not cover Food Service; Community Education (including Kids Company); debt service payments on bonds issued by the District; and the cost of major construction projects financed through the issuance of bonds.

The preliminary budget for 2018-2019 contains moderate changes in staffing and programs from the previous year. The 2018 Legislative Session had just finished when the budget was completed. Estimates are noted where applicable. At this point the district is including a 2.0% increase in basic aid funding for the 2018-2019 School Year. The table below outlines historical per-pupil-unit funding. Please note that a change in how pupil units were calculated results in a larger formula allowance than what can be explained by looking at the simple dollar increase alone. The percentage increase shows the true picture of what has changed in state funding.

School Year	Formula Allowance	% Change from Prior Year
2007-2008	\$5,074	2.0 % Increase in Funding Formula
2008-2009	\$5,124	1.0 % Increase in Funding Formula
2009-2010	\$5,124	0% - No Increase in Funding Formula
2010-2011	\$5,124	0% - No Increase in Funding Formula
2011-2012	\$5,174	1.0 % Increase in Funding Formula
2012-2013	\$5,224	1.0 % Increase in Funding Formula
2013-2014	\$5,302	1.5 % Increase in Funding Formula
2014-2015	\$5,831	1.9 % Increase in Funding Formula
2015-2016	\$5,947	2.0 % Increase in Funding Formula
2016-2017	\$6,067	2.0 % Increase in Funding Formula
2017-2018	\$6,188	2.0 % Increase in Funding Formula
2018-2019	\$6,312	2.0 % Increase in Funding Formula

Fund Balance Policy

The level of spending is set with a number of considerations in mind, but one of the chief considerations is to maintain an adequate level of reserves for unanticipated events. The district has a formal policy calling for an unrestricted balance in the general fund, including committed (restricted), assigned, and unassigned categories, equal to at least 5% of one year's expenditures. This balance could be considered to be the District's "savings account". Maintaining a prudent fund balance is important for the stability of the district, and is a key measure that bond rating agencies examine when assigning a credit rating to a district's bond sale.

The projected committed (restricted), assigned and unassigned general fund balance as of June 30, 2018 is projected to be \$1,375,017. This is 3.0% of the expenditure budget. The District is currently spending down part of its fund balance. This is part of a larger vision to spend down the fund balance in preparation for an operating referendum campaign in November of 2018. Having a large fund balance at the same time that the district is requesting voters to approve an operating levy was deemed to be counter-productive. Should the voters not approve the operating levy the school board will be required to make some large reductions to programs in the near future.

Unanticipated events that could occur that would require the District to dip into its unrestricted fund balance include:

- Property tax delinquencies and abatements
- Enrollment fluctuations
- Unanticipated price increases for essential purchases, e.g. fuel for heating and transportation
- State revenue reductions or “aid pro-rations”
- Severe weather

General Fund Revenue

Waconia Public Schools receives revenues from two primary sources: local property taxes and state funding. A relatively small amount of revenue is also received from the federal government; fees and charges, and interest income. Highlights for 2018-2019 include:

Waconia Public Schools will receive approximately \$41,696,008 to support the general operations of the district. This is a moderate increase of \$1,674,176 from the preceding year. The increase in revenue is primarily due to enrollment increases combined with a slight increase in state aids.

General Education Programs

General education revenue is a combination of several revenue categories that provide the major share of funding for school districts. Most of the general education revenue is for the general operation of the school district and is not designated by the state for a specific purpose. General education revenue is part aid and part levy, with the equity, transition, operating capital, alternative compensation and referendum portions of the general education program being equalized.

The basic general education formula for 2018-2019 is projected to be \$6,312 per pupil unit. State aid estimates are primarily based on session laws passed in 2018. The 2018 Legislative Session had just finished when the budget was completed.

Basic general education revenue plus several additional components (extended time, gifted and talented, basic skills, secondary sparsity, elementary sparsity, operating capital, transportation sparsity, equity revenue, training and experience, alternative compensation, transition, and referendum) make up total general education revenue. Operating capital revenue is treated as a separate component in putting together the budget for Waconia Public Schools.

Basic revenue is also referred to as basic formula, or formula revenue. Basic revenue is calculated as the basic formula allowance (\$6,312 for 2018-2019) times the district's adjusted marginal cost pupil units (AMCPU). AMCPU is calculated as the greater of the district's current year weighted students in average daily membership served in the district (adjusted pupil units) or the district's current year adjusted pupil units multiplied by 77 percent, plus the district's prior year weighted pupil count multiplied by 23 percent. This calculation allows districts that have declining adjusted pupil units to count 23 percent of the reduction in adjusted pupil units in their formulas for calculating current year revenue. [126C.10, 2]

Special Education

Special Education Mandate:

Local school districts are required by state law to provide appropriate and necessary special education to children with disabilities from birth to 21 years of age. Children with disabilities are defined in statute to include children who have a hearing impairment, visual disability, speech or language impairment, physical disability, mental disability, emotional behavioral disorder, specific learning disability, deaf/blind disability, or other health impairment. The definition of a child with a disability also includes every child under age five who needs special instruction and services, as determined by state standards, because the child has a substantial delay or an identifiable and known physical or mental condition. The mandate for service does not include pupils with short-term or temporary physical or emotional disabilities.

Special instruction and services for children with disabilities must be based on the assessment and individualized education program (IEP). The statutes and rules specify school district responsibilities for program decisions for children with disabilities and for the education of children who are placed outside the district where their parents reside. Districts are required to provide special education on a shared time basis to pupils enrolled in nonpublic schools.

Special Education Funding Formulas:

School districts receive state aid and some federal aid to pay for special education services. If these funds are insufficient to pay for the costs of the programs, districts must use other general fund revenue. (Minn. Statute 125A.75-125A.79)

The 2013 Omnibus Education Finance bill modified the way Minnesota's special education services are funded for fiscal year 2014 and later. Prior to the changes, Minnesota's special education formula was considered a partial cost reimbursement formula. As the following pages describe, this formula calculated each district's authorized spending on special education services (consisting primarily of the salary costs of special education teachers and aides providing services to students with IEPs) and reimbursed the district for a portion of those costs.

During the 2013 session, Gov. Mark Dayton proposed modifying the formula to base a portion of the funding on a "census style" of funding. Under a census-funding basis, a count (census) of different types of students is made and funding is assigned for each category of disability.

The 2013 Legislature included a modified version of the governor's funding proposal. The goal of the formula is to provide some special education funding based on student characteristics and to partially move away from a cost-reimbursement formula.

For fiscal years 2014 and 2015, the new formula was being phased in and combined elements of the cost-based special education aid formula with a cross-subsidy reduction aid based on the characteristics of the district.

Beginning in fiscal year 2016, a district is eligible for the sum of its special education-related transportation services, and the **lesser of**:

- (1) 50 percent of the district's nonfederal expenditures for the previous year;
- (2) 62 percent of the district's special education revenue computed under the old formulas; or
- (3) 56 percent of the sum of:
 - (a) the district's average daily membership times the sum of:
 - (i) \$450;
 - (ii) \$400 times the district's percent eligible for free and reduced price meals; and
 - (iii) .008 times the district's average daily membership;
 - (b) \$10,400 times the count of students with autism spectrum disorder, developmental delay, or severely multiply impaired;
 - (c) \$18,000 times the count of students who are deaf/hard of hearing or have an emotional behavioral disorder; and
 - (d) \$27,000 times the count of students who are developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, or deafblind.

Excess Cost Aid:

For fiscal year 2016 and later, a district's special education excess cost aid equals the greater of: (1) 56 percent of the difference between the district's unreimbursed special education expenditures and 7 percent of the district's general revenue; or (2) 62 percent of the difference between the district's unreimbursed special education revenue under the former formula and 2.6 percent of general revenue.

For years prior to fiscal year 2014, excess cost aid was designed to provide additional special education funding for districts that have extremely high levels of unreimbursed special education expenses. A school district's excess cost aid was capped in much the same manner as the regular special education aid for those years. Total statewide excess cost aid was limited to a fixed amount set in statute for fiscal years 2008 to 2011, was annually inflated by 2 percent for subsequent fiscal years, and was also adjusted for the change in pupil counts for each year. Each district's initial excess cost aid is based on the difference between unreimbursed special education costs and other general education revenue. For fiscal years 2009 to 2014, initial excess cost aid equaled the greater of (1) 75 percent of the difference between the district's unreimbursed special education cost and 4.36 percent of the district's general education revenue; or (2) zero.

A district's excess cost aid is its initial excess cost aid prorated to the state total excess cost aid by multiplying the district's initial excess cost aid by the ratio of the state total excess cost aid to initial (uncapped) state total excess cost aid.

Special Education Revenue Conclusion

Special Education funding is one of the most complex funding mechanisms used by the State of Minnesota. The new funding formulas have resulted in a large shift in mandated expenses for Waconia Public Schools. This funding shift will require ISD 110 to either make reductions in programs normally funded with general education revenue, increase operating revenue through an operating levy or a combination of both. Changes in the funding formula at the state level in the coming years may mitigate these adjustments or could potentially make them worse.

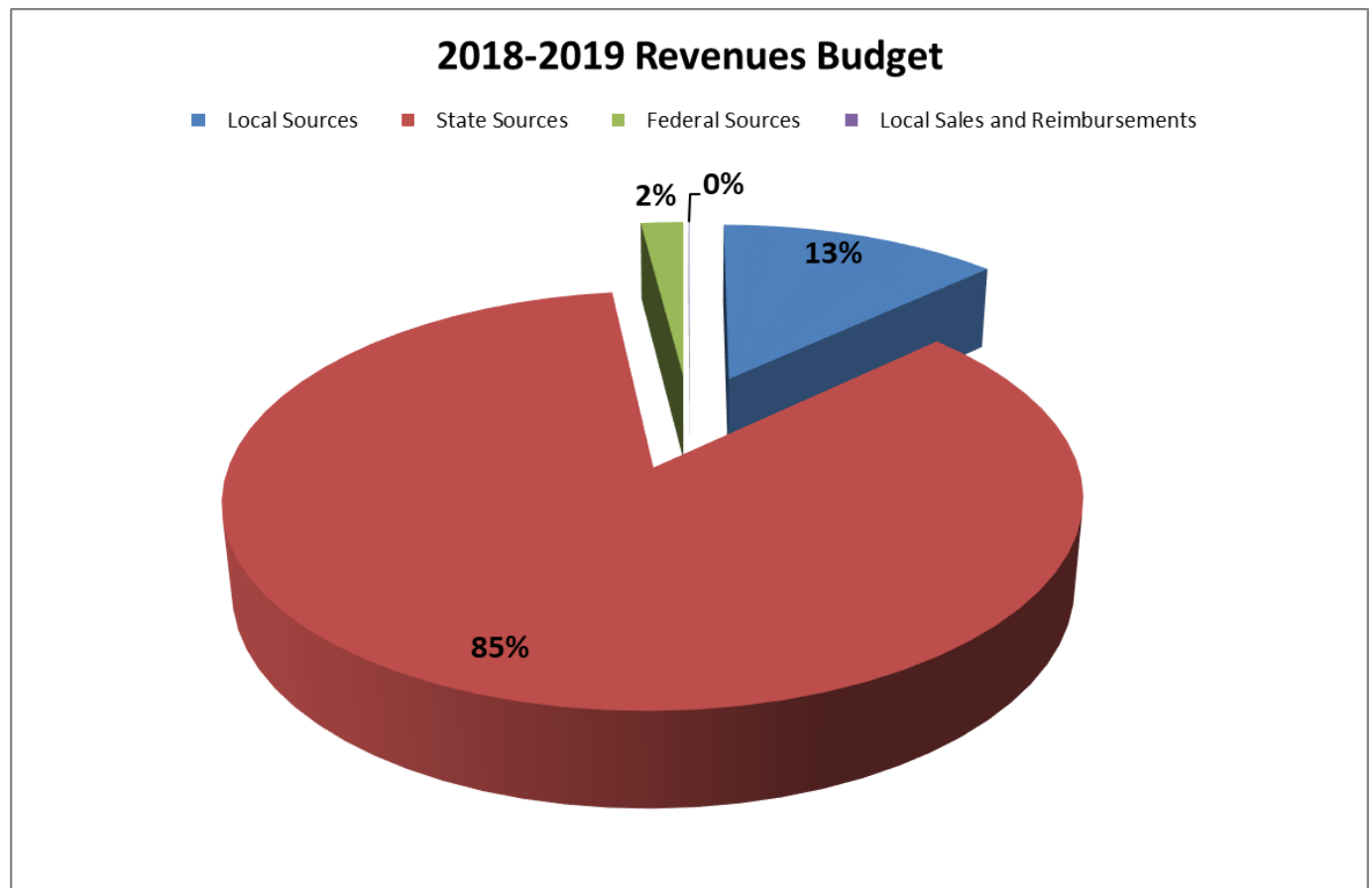
Federal Programs

Federal funding is generally provided to supplement the costs of providing instructional services in specific vocational, adult, and special education programs for educationally or economically disadvantaged students. Federal funds are a relatively modest revenue source for the general fund, but significant for target population groups. In FY 2018-2019, Waconia Public Schools will receive approximately \$861,259 in federal funding.

Where Does the Money Come From?

As the pie chart below shows, most general fund revenue for Waconia Schools is state aid 85%. The second largest portion - 13%, comes from local revenues, fees, admission charges, earnings on investments, and property taxes assessed on property within the District. Finally, federal aid provides 2% of general fund revenue. Both state aid and local property tax revenues are strictly controlled by the state.

REVENUES:	2017-2018	%	2018-2019	%
Local Sources	\$ 5,034,061	12%	\$ 5,681,898	13%
State Sources	36,055,365	86%	37,106,886	85%
Federal Sources	872,259	2%	861,259	2%
Local Sales and Reimbursements	15,000	0%	15,000	0%
TOTAL REVENUES	\$ 41,976,685	100%	\$ 43,665,043	100%



General Fund Expenditures

Allocations

Amounts distributed to schools and other offices for supplies and similar expenses remained the same as in the prior year.

Expenditures by Category 2018-2019

The school district budget consists of the following types of expenditures. About 80 cents of each dollar will be spent for salaries and employee benefits.

Salaries (\$27,215,555)

Regular salary related to personnel positions, extra-curricular assignments, overtime, substitute costs.

Employee Benefits (\$9,333,577)

Health, Dental, Life, Long-term disability, workers' compensation, retirement plans and recording of post-retirement benefits for current employees.

Purchased Services (\$5,390,135)

Includes utilities, consultants, postage, insurance, repair and maintenance services, transportation contracts, travel/conferences, payments to other districts and tuition.

Supplies & Materials (\$1,764,059)

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

Capital Expenditures (\$1,294,111)

Capital expenditures consist of expenditures for acquisition, additions, or improvement of a capital asset, which may include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, and equipment.

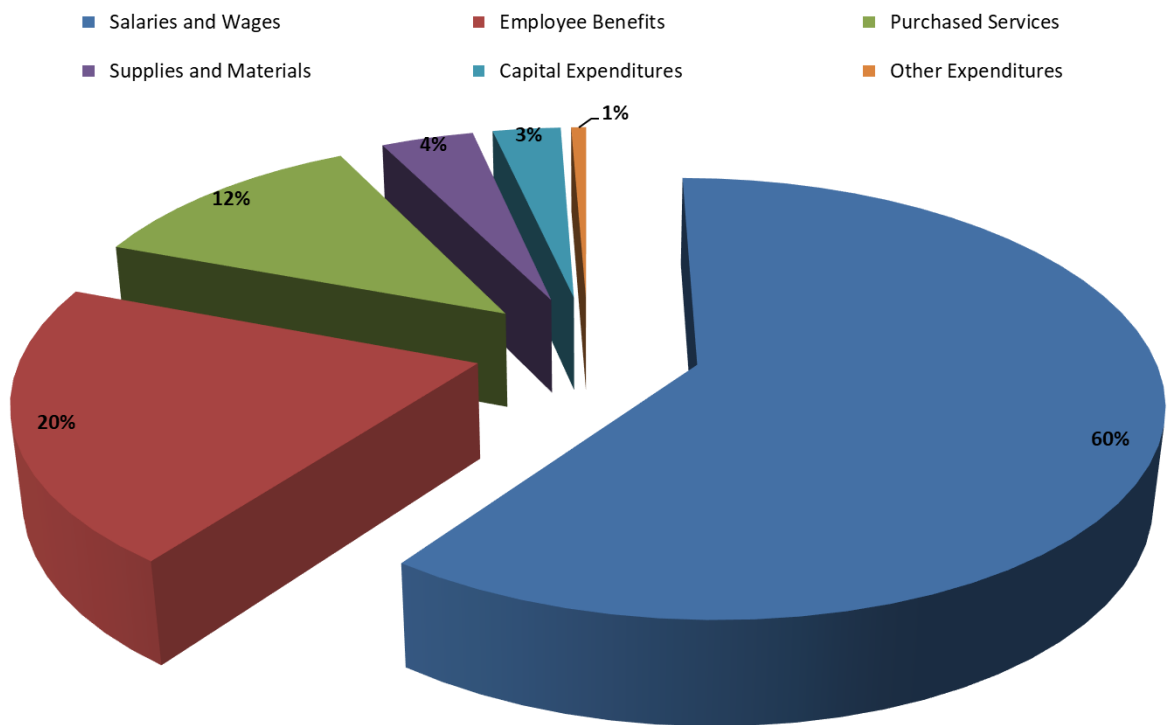
Miscellaneous and Other expenditures (\$284,117)

Includes all expenses that cannot be classified as above.

A graph of these expenses is included in the table and chart on the next page:

EXPENDITURES:	2017-2018	%	2018-2019	%
Salaries and Wages	\$ 26,550,957	61%	\$ 27,215,555	60%
Employee Benefits	9,107,655	21%	9,333,577	21%
Purchased Services	5,223,843	12%	5,390,135	12%
Supplies and Materials	1,720,303	4%	1,764,059	4%
Capital Expenditures	633,105	1%	1,294,111	3%
Other Expenditures	292,937	1%	284,117	1%
TOTAL EXPENDITURES	\$ 43,528,800	100%	\$ 45,281,554	100%

2018-2019 Expenditure Budget



Expenditures by Program

ADMINISTRATION: These programs include all costs for general administration, instructional administration and school site administration for the school district. Administrative services are defined as those provided by head administrators who are in charge of instructional or instruction-related units. This includes the school board, superintendent, principals, assistant superintendents, and directors of instructional areas. Included are the costs of their immediate offices, including those individuals in direct support of the administrator. This series does not include administrators of non-instructional activities such as the business manager, food service manager, or director of buildings and grounds.

DISTRICT SUPPORT SERVICES: Consists of activities related to general administrative support not listed above. This area covers federal programs, human resources, government relations, school elections, and miscellaneous district administration not otherwise classified.

ELEMENTARY AND SECONDARY REGULAR INSTRUCTION: Consists of all activities dealing directly with the teaching of pupils, the interaction between teachers and pupils in the classroom and co-curricular activities at the kindergarten, elementary and secondary levels.

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

SPECIAL EDUCATION INSTRUCTION: Activities providing learning experiences for pupils of any age who, because of certain atypical characteristics or conditions, need, or who would benefit by, educational programs different from those provided pupils in regular or vocational instruction.

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.

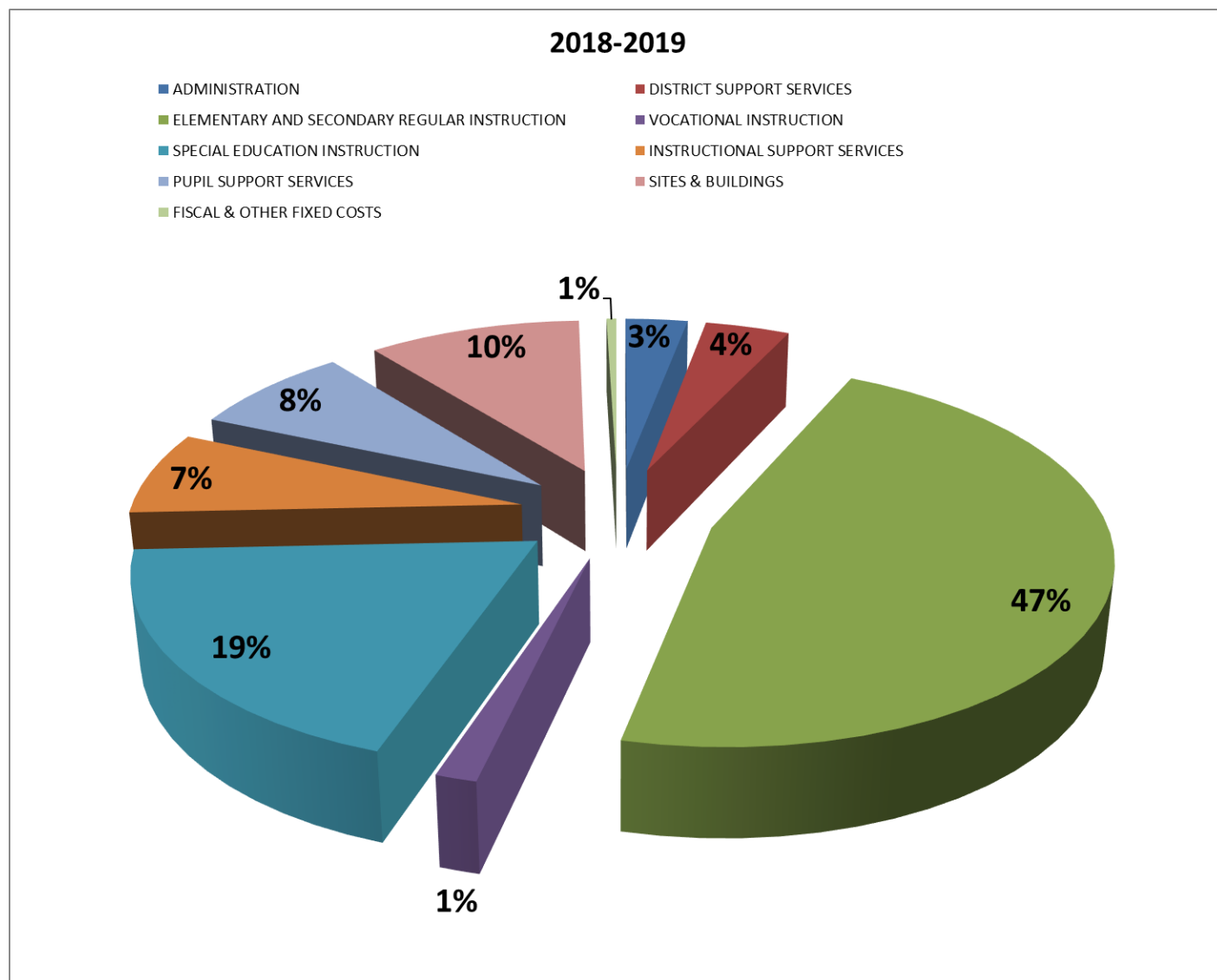
PUPIL SUPPORT SERVICES: Includes all services provided to pupils who do not qualify to be classified as instructional services (counseling/guidance, health, psychological, social work, transportation, other)

SITES & BUILDINGS: Activities related to the acquisition, operation, maintenance, repair and remodeling of all physical plant, facilities and grounds of the school district.

FISCAL & OTHER FIXED COSTS: Fiscal and fixed cost activities that are not recorded elsewhere.

Graphs of the various costs by program are provided below.

Program	2017-2018	%	2018-2019	%
ADMINISTRATION	\$ 1,320,919	3%	\$ 1,355,122	3%
DISTRICT SUPPORT SERVICES	1,813,293	4%	1,842,368	4%
ELEMENTARY AND SECONDARY REGULAR INSTRUCTION	20,527,204	47%	21,109,875	47%
VOCATIONAL INSTRUCTION	650,524	1%	657,131	1%
SPECIAL EDUCATION INSTRUCTION	8,474,184	19%	8,682,232	19%
INSTRUCTIONAL SUPPORT SERVICES	3,114,110	7%	3,256,893	7%
PUPIL SUPPORT SERVICES	3,491,785	8%	3,521,365	8%
SITES & BUILDINGS	3,926,781	9%	4,641,318	10%
FISCAL & OTHER FIXED COSTS	210,000	0%	215,250	0%
Totals	\$ 43,528,800	100%	\$ 45,281,554	100%



INDEPENDENT SCHOOL DISTRICT #110 Preliminary General Fund Budget Board Approval Date - June 25, 2018 2018-2019 School Year			
	2016-2017	2017-2018	2018-2019
	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 6,218,141	\$ 4,543,461	\$ 2,991,528
REVENUES:			
Local Sources	\$ 5,063,419	\$ 5,034,061	\$ 5,681,898
State Sources	34,032,407	36,055,547	37,106,886
Federal Sources	897,290	872,259	861,259
Local Sales and Reimbursements	-	15,000	15,000
Other Finance Sources	(4,574)	-	-
TOTAL REVENUES	\$ 39,988,542	\$ 41,976,867	\$ 43,665,043
EXPENDITURES:			
Salaries and Wages	\$ 24,913,383	\$ 26,550,957	\$ 27,215,555
Employee Benefits	8,609,462	9,107,655	9,333,577
Purchased Services	5,290,729	5,223,843	5,390,135
Supplies and Materials	1,698,923	1,720,303	1,764,059
Capital Expenditures	886,422	633,105	1,294,111
Debt Service	-	-	-
Other Expenditures	264,303	292,937	284,117
TOTAL EXPENDITURES	\$ 41,663,222	\$ 43,528,800	\$ 45,281,554
SURPLUS OR (DEFICIT)	(\$1,674,680)	\$ (1,551,933)	(\$1,616,511)
FUND BALANCE, JUNE 30	\$ 4,543,461	\$ 2,991,528	\$ 1,375,017
Analysis of Equity Balances as of:	6/30/2017	6/30/2018	6/30/2019
Nonspendable	92,523	25,000	25,000
Restricted/Reserved			
Staff Development	50,460	-	-
Deferred Maintenance	-	-	-
Learning and Development	-	-	-
Area Learning Center	6,862	-	-
Third Party Billing	18,409	-	-
Gifted and Talented	7,810	-	-
Basic Skills	84,073	-	-
Safe Schools	91,715	65,500	65,500
Operating Capital	1,856,557	1,525,288	1,097,548
Health and Safety	(267,682)	(22,121)	-
Long Term Facilities Maintenance	51,994	25,338	24,361
Assigned			
Pool Operations	-	-	-
Severance	250,000	150,000	50,000
Unassigned	2,300,740	1,222,523	112,608
Total Equity Balances	4,543,461	2,991,528	1,375,017

Capital Program and Long-Term Facilities Maintenance Programs

The Capital Program is slated for many changes with the addition of a new Long-Term Facilities Maintenance Program to be phased in over the next four years. This program was passed by the legislature and signed by the Governor June 13, 2015.

Long-term Facilities Maintenance Revenue may be used for the following purposes as defined in the law:

- Deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities
- Increasing accessibility of school facilities,
- Health and Safety projects under Minnesota Statutes, Section 123B.57, including health, safety and environmental management costs associated with implementing the district's health and safety program.

To qualify for Long-Term Facilities Maintenance Revenue school districts must have a ten year plan adopted by the school board. The application must be submitted to the Minnesota Department of Education by July 31, 2018 and should include the following components:

- A spreadsheet summarizing the total planned expenditures by category for each of the next ten years.
- For districts with indoor air quality, fire alarm and suppression and asbestos abatement projects costing \$100,000 or more per site in FY 2018 or 2019, a narrative describing each project in greater detail.
- For districts with deferred maintenance projects costing \$2,000,000 or more per site in FY 2018 or 2019, a narrative describing each project in greater detail.
- A spreadsheet showing how the district plans to fund its proposed expenditures with Long-Term Facilities Maintenance revenue over the next ten years.

The District's Long Term Facilities Maintenance Plan will be submitted to the school board for approval in July.

Food Service Fund

Wildcat Café is the District department that provides meal services and nutrition education services in Waconia Schools. Over 3,000 meals are served each day. Lunch prices for FY 2018-2019 will increase slightly as the result of federal regulations enacted as a result of the Healthy Hunger Free Kids Act.

Lunch prices are as follows:

2018-2019 - Elementary - \$2.80; Middle - \$2.95 Secondary \$3.10; Adult \$3.85

All revenues and expenses associated with the program must be accounted for in a separate fund. By law, these revenues can only be spent to provide school lunches and pay certain closely related expenses.

Revenues consist of:

Breakfast sales to students and adults

Lunch sales to students and adults

Ala-Carte sales to students and adults

Federal aid provided on each meal served

State aid provided on each meal served

Federal subsidies for food served to students from families with low incomes

Catering sales to groups using the schools

Expenses consist primarily of food, supplies, equipment, and labor costs.

The District continues to make improvements with farm to school initiatives which include edible classroom, staff training, and local purchasing including over 30 varieties of produce, honey, maple syrup, and eggs. The district writes grant every year for different opportunities. Most recently it was awarded a grant to purchase the first fresh pasta making machine to be utilized in a school lunch program in the United States. Two new popcorn makers and two new frozen yogurt machines will also be implemented to support the smart snack program under the Healthy Hunger Free Kids Act. Increased staff training will also be provided to all food service staff.

The food service fund budget for FY 2018-2019 shows revenue of \$2,343,845 and expenses of \$2,400,155. The fund balance is projected to be \$710,145 on June 30, 2019.

INDEPENDENT SCHOOL DISTRICT #110

Food Service Fund Preliminary Budget

Board Approval Date - June 25, 2018

2018-2019 School Year



	2016-2017	2017-2018	2018-2019
	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 1,091,731	\$ 884,034	\$ 766,455
REVENUES:			
Local Sources	\$ 5,980	\$ 8,000	\$ 8,000
State Sources	120,708	132,250	137,500
Federal Sources	525,525	575,000	625,000
Local Sales and Reimbursements	1,496,562	1,503,000	1,573,345
TOTAL REVENUES	\$ 2,148,775	\$ 2,218,250	\$ 2,343,845
EXPENDITURES:			
Salaries and Wages	\$ 722,813	\$ 728,810	\$ 747,031
Employee Benefits	347,814	363,994	373,099
Purchased Services	162,873	138,525	138,525
Supplies and Materials	1,004,143	1,036,250	1,086,250
Capital Expenditures	117,622	67,000	54,000
Other Expenditures	1,207	1,250	1,250
TOTAL EXPENDITURES	\$ 2,356,472	\$ 2,335,829	\$ 2,400,155
SURPLUS OR (DEFICIT)	\$ (207,697)	\$ (117,579)	\$ (56,310)
FUND BALANCE, JUNE 30	\$ 884,034	\$ 766,455	\$ 710,145

Community Service Fund

Community Education programs provide school district residents with the opportunity to use educational facilities and programs during non-school hours. Community Education programs are also available to K-12 students during the summer. Major programs include Kids Company, Youth Recreation, Rainbow Preschool, Early Childhood Family Education, and Youth and Family Enrichment.

The Community Education Department also schedules the use of the district's facilities outside of school hours, including athletic facilities.

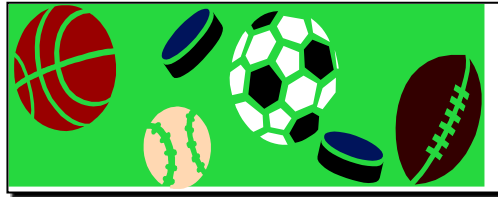
Fiscal Year 2018-2019 revenue is budgeted at \$2,971,909 and expenditures are budgeted at \$2,982,688.

INDEPENDENT SCHOOL DISTRICT #110

Community Education Fund Preliminary Budget

Board Approval Date - June 25, 2018

2018-2019 School Year



	2016-2017	2017-2018	2018-2019
	Audited Actuals	Revised Budget	Preliminary Budget
TOTAL FUND BALANCE, JUNE 30	\$ 585,872	\$ 575,120	\$ 566,254
REVENUES:			
Local Sources	\$ 2,505,979	\$ 2,556,284	\$ 2,592,906
State Sources	374,386	378,686	379,003
Federal Sources	-	-	-
Local Sales and Reimbursements	-	-	-
TOTAL REVENUES	\$ 2,880,365	\$ 2,934,970	\$ 2,971,909
EXPENDITURES:			
Salaries and Wages	\$ 1,604,707	\$ 1,648,007	\$ 1,653,007
Employee Benefits	497,171	483,416	483,416
Purchased Services	502,542	491,461	546,441
Supplies and Materials	255,883	285,020	271,692
Capital Expenditures	438	35,132	27,332
Other Expenditures	30,376	800	800
TOTAL EXPENDITURES	\$ 2,891,117	\$ 2,943,836	\$2,982,688
SURPLUS OR (DEFICIT)	\$ (10,752)	\$ (8,866)	(10,779)
FUND BALANCE, JUNE 30	\$ 575,120	\$ 566,254	\$ 555,475
Analysis of Equity Balances as of:	6/30/2017	6/30/2018	6/30/2019
Nonspendable	6,673	4,500	5,000
Reserved for Community Education	431,393	435,000	430,000
Reserved for ECFE	41,424	40,000	40,000
Reserved for School Readiness	40,120	38,500	38,000
Reserved/Restricted	512,937	513,500	508,000
Reserved for Other Purposes	55,510	48,254	42,475
Total Equity Balances	\$ 575,120	\$ 566,254	\$ 555,475

Debt Service Fund

The debt service fund is designated to account for revenues and expenditures associated with redemption of bonds issued by the school district. These bonds were issued to finance the acquisition, improvement and equipping of the district's buildings. By state law, debt service revenues and expenditures must be maintained in a separate fund.

Revenue consists of local taxes levied to pay the obligations, plus interest earnings on the balance in the fund. Expenses consist of principal and interest on bonds, plus a small amount for bank fees, service fees, and etc.

The debt service fund budget for FY 2018-2019 shows revenue of \$8,319,974 and expenses of \$8,341,732. The fund balance is projected to be \$1,993,538 on June 30, 2019. The schedule of bond payments and maturities is included below.

Waconia Public Schools - ISD110
Debt Service Schedule - Preliminary Budget
Payment Schedule by Fiscal Year

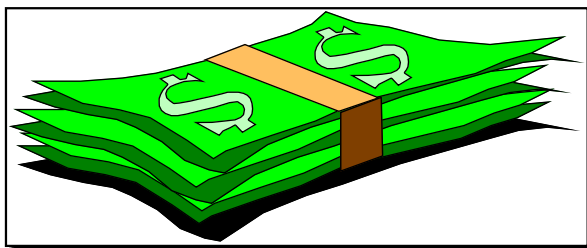
Payment Year	All Buildings - Additions and Improvements									
	GO Refunding Building Bonds - 2009	GO Refunding Building Bonds - 2015A	GO Building Bonds - 2015B	GO Refunding Building Bonds - 2015C	GO Tax Abatement Bonds - 2017B	GO Facilities Maintenance Bonds - 2016A	Capital Facility Bonds - 2013	Certificates of Participation - 2017A (WLC)	GO Facilities Maintenance Bonds - 2017C	Totals
	Principal & Interest	Principal & Interest	Principal & Interest	Principal & Interest	Principal & Interest	Principal & Interest	Principal & Interest	Principal & Interest	Principal & Interest	Principal & Interest
2018-2019	2,186,775	1,311,150	2,481,606	682,725	415,223	270,800	140,975	234,062	618,416	8,341,732
2019-2020	2,195,275	1,905,750	2,481,606	672,725	413,400	102,500	138,475	235,462	619,100	8,764,293
2020-2021	2,243,806	1,972,000	2,481,606	662,575	417,500	547,500	140,975	236,712	621,950	9,324,625
2021-2022	1,311,975	2,655,750	2,481,606	912,275	416,400	653,600	143,375	237,812	618,550	9,431,343
2022-2023		3,737,250	2,481,606	1,261,275	415,200	862,400	140,675	238,762	620,800	9,757,968
2023-2024		3,734,750	2,481,606	1,262,400	413,900	751,800	142,975	234,562	623,200	9,645,193
2024-2025		3,734,500	2,481,606	1,230,000	412,500	733,100		233,962	619,400	9,445,068
2025-2026		2,366,000	4,511,606		416,000	884,500		238,162	620,600	9,036,868
2026-2027			7,055,706		414,300	542,600		236,962	621,000	8,870,568
2027-2028			7,051,656		412,500	322,200		236,762	620,800	8,643,918
2028-2029			7,053,556		417,150	306,000		236,400	620,200	8,633,306
2029-2030			7,051,106		416,350			236,300	619,150	8,322,906
2030-2031			7,054,306		415,250			236,050	622,650	8,328,256
2031-2032			7,052,856		413,850			235,650	620,550	8,322,906
2032-2033			7,051,756		417,150			234,730	618,000	8,321,636
2033-2034			7,050,856					238,650		7,289,506
2034-2035			7,053,056					237,250		7,290,306
2035-2036			7,052,900					237,000		7,289,900
2036-2037			7,051,962					236,250		7,288,212
2037-2038			7,051,962							7,051,962
2038-2039			7,051,975							7,051,975

INDEPENDENT SCHOOL DISTRICT #110

Debt Service Fund Preliminary Budget

Board Approval Date - June 25, 2018

2018-2019 School Year



	2016-2017	2017-2018	2018-2019
	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 1,457,167	\$ 1,835,588	\$ 2,015,296
REVENUES:			
Local Sources	\$ 6,654,694	\$ 6,807,197	\$ 8,156,206
State Sources	121,315	154,567	163,768
Sale of Bonds	67,170	-	-
TOTAL REVENUES	\$ 6,843,179	\$ 6,961,764	\$ 8,319,974
EXPENDITURES:			
Debt Service Expenditures	\$ 6,464,758	\$ 6,782,056	8,341,732
Refunded Bond Escrow Payment	-	-	-
TOTAL EXPENDITURES	\$ 6,464,758	\$ 6,782,056	\$ 8,341,732
SURPLUS OR (DEFICIT)	\$ 378,421	\$ 179,708	\$ (21,758)
FUND BALANCE, JUNE 30	\$ 1,835,588	\$ 2,015,296	\$ 1,993,538

Trust Fund

The Trust Fund is used to record the revenues and expenditures for trust agreements where the school board has accepted the responsibility to serve as trustee. The property in the trust agreement typically comes to the district by gift. For example, a community member may create a scholarship trust to be awarded to an outstanding student every year or the local parent group may establish a trust to purchase computer equipment. Trust funds are composed of two types: expendable and nonexpendable. Expendable trust funds are used where both principal and earnings may be spent. Nonexpendable trust funds are used to account for trusts which require that only earnings and not principal be spent.

The trust fund budget for FY 2018-2019 shows revenue of \$25,000 and expenses of \$25,000. The fund balance is projected to be \$103,419 on June 30, 2019.

INDEPENDENT SCHOOL DISTRICT #110

Trust Fund Preliminary Budget

Board Approval Date - June 25, 2018

2018-2019 School Year



	2016-2017	2017-2018	2018-2019
	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 107,542	\$ 103,419	\$ 103,419
REVENUES			
Local Sources:	\$ 36,429	\$ 25,000	\$ 25,000
TOTAL REVENUES	\$ 36,429	\$ 25,000	\$ 25,000
EXPENDITURES			
Scholarships	\$ 40,552	\$ 25,000	\$ 25,000
TOTAL EXPENDITURES	\$ 40,552	\$ 25,000	\$ 25,000
PROJECTED SURPLUS OR (DEFICIT)	\$ (4,123)	\$ -	\$ -
PROJECTED FUND BALANCE, JUNE 30	\$ 103,419	\$ 103,419	\$ 103,419

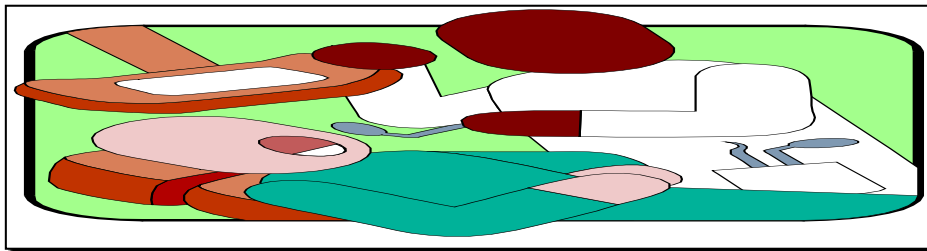
Internal Service Fund

An internal service fund is used to account for the financing of goods or services provided by one department to another within the school district or to other governmental units on a cost-reimbursement basis. School districts are not required to use internal service funds. The most common use of an internal service fund by school districts is for self-insurance programs.

The Internal Service Fund is used to collect premiums and to pay invoices for the District's self-insured dental plan.

The internal service fund budget for FY 2018-2019 shows revenue of \$330,000 and expenses of \$380,000. The fund balance is projected to be \$301,028 on June 30, 2019.

INDEPENDENT SCHOOL DISTRICT #110 Dental Benefits Internal Service Fund Preliminary Budget Board Approval Date - June 25, 2018 2018-2019 School Year



	2016-2017	2017-2018	2018-2019
	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 378,446	\$ 401,028	\$ 351,028
REVENUES			
Local Sources:	\$ 303,164	\$ 330,000	\$ 330,000
TOTAL REVENUES	\$ 303,164	\$ 330,000	\$ 330,000
EXPENDITURES			
Dental Claims Paid	\$ 280,582	\$ 380,000	\$ 380,000
TOTAL EXPENDITURES	\$ 280,582	\$ 380,000	\$ 380,000
PROJECTED SURPLUS OR (DEFICIT)	\$ 22,582	\$ (50,000)	\$ (50,000)
PROJECTED FUND BALANCE, JUNE 30	\$ 401,028	\$ 351,028	\$ 301,028

OPEB Irrevocable Trust Fund

This trust fund is used for reporting resources set aside and held in an irrevocable trust arrangement for post-employment benefits. District contributions to this fund must be expensed to an operating fund.

INDEPENDENT SCHOOL DISTRICT #110

OPEB Irrevocable Trust Fund Preliminary Budget

Board Approval Date - June 25, 2018

2018-2019 School Year



	2016-2017	2017-2018	2018-2019
	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 2,547,167	\$ 2,440,886	\$ 2,335,886
REVENUES			
Local Sources:	\$ 128,466	\$ 130,000	\$ 130,000
TOTAL REVENUES	\$ 128,466	\$ 130,000	\$ 130,000
EXPENDITURES			
Employee Insurances	\$ 234,747	\$ 235,000	\$ 235,000
TOTAL EXPENDITURES	\$ 234,747	\$ 235,000	\$ 235,000
PROJECTED SURPLUS OR (DEFICIT)	\$ (106,281)	\$ (105,000)	\$ (105,000)
PROJECTED FUND BALANCE, JUNE 30	\$ 2,440,886	\$ 2,335,886	\$ 2,230,886

OPEB Debt Service Fund

Activity to record levy proceeds and the repayment of the OPEB bonds is accounted for in this fund.
The debt service schedule for this fund is listed below.

Waconia Public Schools - #110
Other Post Employment Benefits Debt Service Schedule
Payment Schedule by Fiscal Year

Payment Year	Total Principal & Interest
2012-2013	352,113
2013-2014	356,088
2014-2015	353,088
2015-2016	354,588
2016-2017	349,625
2017-2018	348,400
2018-2019	349,800
2019-2020	0

The OPEB Debt Service Fund budget for FY 2018-2019 shows revenue of \$347,262 and expenses of \$349,800. The fund balance is projected to be \$71,000 on June 30, 2019.

INDEPENDENT SCHOOL DISTRICT #110
OPEB Debt Service Fund Preliminary Budget
Board Approval Date - June 25, 2018
2018-2019 School Year



	2016-2017	2017-2018	2018-2019
	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 84,677	\$ 76,438	\$ 73,538
REVENUES:			
Local Sources	\$ 336,050	\$ 342,560	\$ 344,497
State Sources	5,337	2,940	2,765
TOTAL REVENUES	\$ 341,387	\$ 345,500	\$ 347,262
EXPENDITURES			
Bond Payments and Expenses	\$ 349,626	\$ 348,400	\$ 349,800
TOTAL EXPENDITURES	\$ 349,626	\$ 348,400	\$ 349,800
PROJECTED SURPLUS OR (DEFICIT)	\$ (8,239)	\$ (2,900)	\$ (2,538)
PROJECTED FUND BALANCE, JUNE 30	\$ 76,438	\$ 73,538	\$ 71,000

Note: The payment in 2018-2019 is the last payment for this fund.

Building Construction Fund

The Building Construction Fund is used to record all operations of a district's building construction program that are funded by the sale of bonds or by capital loans. This fund is being used to track the progress of the construction program passed by voters in November of 2014. It is also being used to track the progress of other District large scale construction projects including re-roofing projects at Bayview, Southview and the High School during the summer of 2018.

INDEPENDENT SCHOOL DISTRICT #110

Construction Fund Preliminary Budget

Board Approval Date - June 25, 2018

2018-2019 School Year



	2016-2017	2017-2018	2018-2019
	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 38,981,123	\$ 10,154,422	\$ 2,749,367
REVENUES:			
Local Sources	\$ 239,097	\$ 225,000	\$ 15,000
State Sources	-	-	-
Federal Sources	-	-	-
Other Local	8,872,050	12,600,000	-
TOTAL REVENUES	\$ 9,111,147	\$ 12,825,000	\$ 15,000
EXPENDITURES:			
Construction Expenditures	37,937,848	20,230,055	2,764,367
TOTAL EXPENDITURES	\$ 37,937,848	\$ 20,230,055	\$ 2,764,367
SURPLUS OR (DEFICIT)	(\$28,826,701)	\$ (7,405,055)	\$ (2,749,367)
FUND BALANCE, JUNE 30	\$ 10,154,422	\$ 2,749,367	\$ -