

Waconia Public Schools

Independent School District #110

Serving the Communities of Minnetrista, New Germany,

St. Bonifacius, Victoria and Waconia

2022-2023

Preliminary Budget

May 23, 2022

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**Waconia Public Schools
Independent School District #110
School Board and Administration
May 23, 2022**

School Board

Name	Board Term Expires	Board Position
Dana Geller	12/31/24	Chairperson
Jackie Johnson	12/31/22	Vice-Chairperson/Clerk
Luke DeBoer	12/31/24	Treasurer
Alycia Myers	12/31/24	Director
Mike Bullis	12/31/22	Director
Rachel Myers	12/31/22	Director
Brian Rothstein	12/31/22	Director

Administration

Patrick Devine	Superintendent
Todd Swanson	Director of Finance and Operations (May 13, 2022)
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 23,000 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 serves 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 to the end 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 May or 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 School 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 in 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 May or 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 finance department continuously monitors the availability of funds, the proper code classification, the maintenance of the coding structure and compliance with legal purchasing directives. 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 that 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).

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 Department of Education - Food and Nutrition Services when applicable. 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 Food Service 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 Department of Education - Food and Nutrition Services, 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 for Waconia is currently 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).

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.

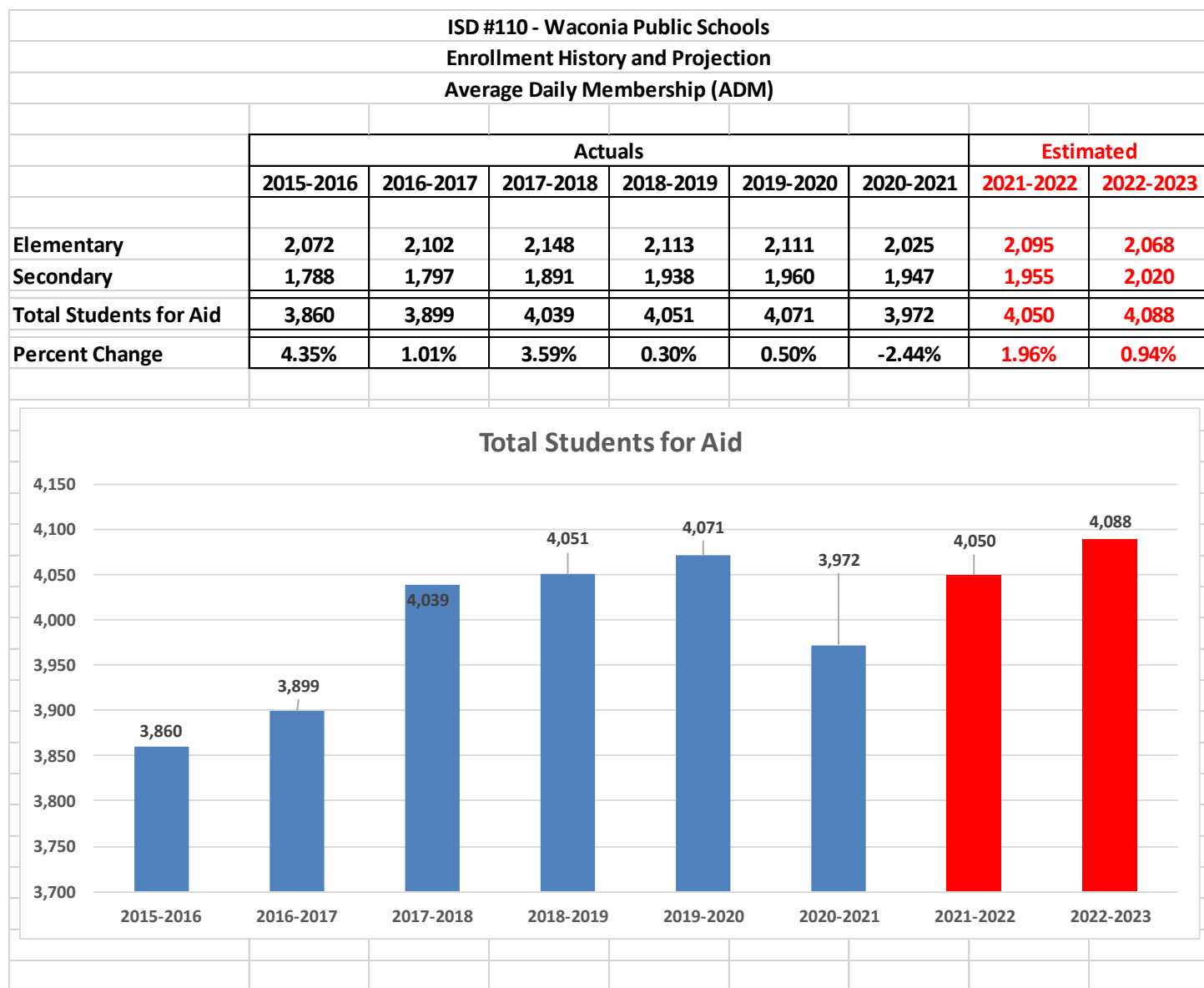
The Internal Service Fund is used to collect premiums and to pay invoices for the District's self-insured dental plan.

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.

ENROLLMENTS

Enrollment is a critical factor in determining revenue with approximately 95% of General Fund revenue being determined by enrollment. The following chart shows that the number of students has increased slightly over the last six years. The District is conservatively estimating average daily membership of 4,050 in the 2021-2022 school year and 4,088 in the 2022-2023 school year.



The district had budgeted for 4,088 students in the 2020-2021 school year. Due to the COVID-19 pandemic, that number was revised downward to 3,970 ADM. The district is conservatively estimating that enrolled students will rebound slightly to 4,050 students in the 2021-2022 school year and 4,088 students in the 2022-2023 school year. 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 2022-2023, this formula will provide the District with \$6,863 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 $1.2 \times \$6,863$ in general education basic revenue for each high school student, or \$8,236. The general education basic aid formula is the single largest source of revenue for Waconia Public Schools, providing an estimated \$32,976,307 in 2022-2023. This comprises 64% of the District’s total general operating 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 2022-2023 contains moderate changes in staffing and programs from the previous year. The district is including a 2.00% increase in basic aid funding for the 2022-2023 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
2011-2012	\$5,174	1.00 % Increase in Funding Formula
2012-2013	\$5,224	1.00 % Increase in Funding Formula
2013-2014	\$5,302	1.50 % Increase in Funding Formula
2014-2015	\$5,831	1.90 % Increase in Funding Formula
2015-2016	\$5,947	2.00 % Increase in Funding Formula
2016-2017	\$6,067	2.00 % Increase in Funding Formula
2017-2018	\$6,188	2.00 % Increase in Funding Formula
2018-2019	\$6,312	2.00 % Increase in Funding Formula
2019-2020	\$6,438	2.00 % Increase in Funding Formula
2020-2021	\$6,567	2.00 % Increase in Funding Formula
2021-2022	\$6,728	2.45 % Increase in Funding Formula
2022-2023	\$6,863	2.00 % 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 unassigned balance in the general fund 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 unassigned general fund balance as of June 30, 2022 is projected to be a **negative \$2,984,300**. The District is currently in statutory operating debt. The District is working with the state on a plan to reduce this negative fund balance within the next five years and regain its financial health. The District has taken three large steps on that road. The first step was the passage of the \$525 per pupil referendum in the fall of 2018 by the voters in the district. The second step was a reduction in spending of approximately \$1.38 million enacted in the Spring of 2019 and additional reductions in the Spring of 2020. The third step was the passage of a \$410 per pupil referendum in fall of 2020. This has led to a budget that is projecting a surplus for the 2020-2021, 2021-2022 and 2022-2023 school years. The administration and the school board is committed to the process and is currently exploring all options in regards to improving the district's financial health.

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"
- Changes in the way the state allocates revenues to pay for required Special Education services
- Severe weather
- COVID-19 Pandemic Effects on the State Budget

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.

Waconia Public Schools will receive approximately \$52,342,052, excluding COVID-19 revenues, to support the general operations of the district. This is an increase of \$1,573,834, excluding COVID-19 revenues, from the preceding year. The increase in revenue is primarily due to the increases in revenue on the state aid formula, an increase in the property tax levy and an increase in the projected growth in enrollment.

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 2022-2023 is \$6,863 per pupil unit. State aid estimates are primarily based on session laws passed in 2021. The 2022 Legislative Session had not 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, long term facilities maintenance, transportation sparsity, equity revenue, training and experience, alternative compensation, transition, and referendum) make up total general education revenue. Operating capital and long term facilities maintenance revenue are treated as separate components 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 (\$6,863 for 2022-2023) 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]

The district has included in its budget step and lane costs for teachers of \$1,134,000 for the 2022-2023 school year. Negotiations for teachers are in process and the estimated costs are based on a 2.0% increase in year two of the contract. Federal revenue due to COVID has had a dramatic effect on the District's budget in the 2020-2021 and 2021-2022 school years. Revenues and expenses totaling \$1,274,185 were utilized to deal with the COVID-19 pandemic in the 2020-2021 school year. An estimated \$1,170,840 of revenues and expenses are projected to deal with the COVID-19 pandemic in the 2021-2022 school year. By contrast, the revenue and expenditure COVID-19 pandemic budgets for the 2022-2023 school year are estimated at \$370,605. Another budgetary consideration for the district includes Special Education Cross Subsidy revenue changes. There was an estimated 1.24% increase in this formula for the 2021-2022 school year but nothing additional for the 2022-2023 school year at this time, pending legislative changes.

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 IEP's) 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 Summary

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 additional operating levy or a combination of both. Changes in the funding formula at the state level in the current year appear to give some relief from the problem. More help is needed at the legislative level in the coming years in order to get this funding mechanism corrected.

Federal Programs

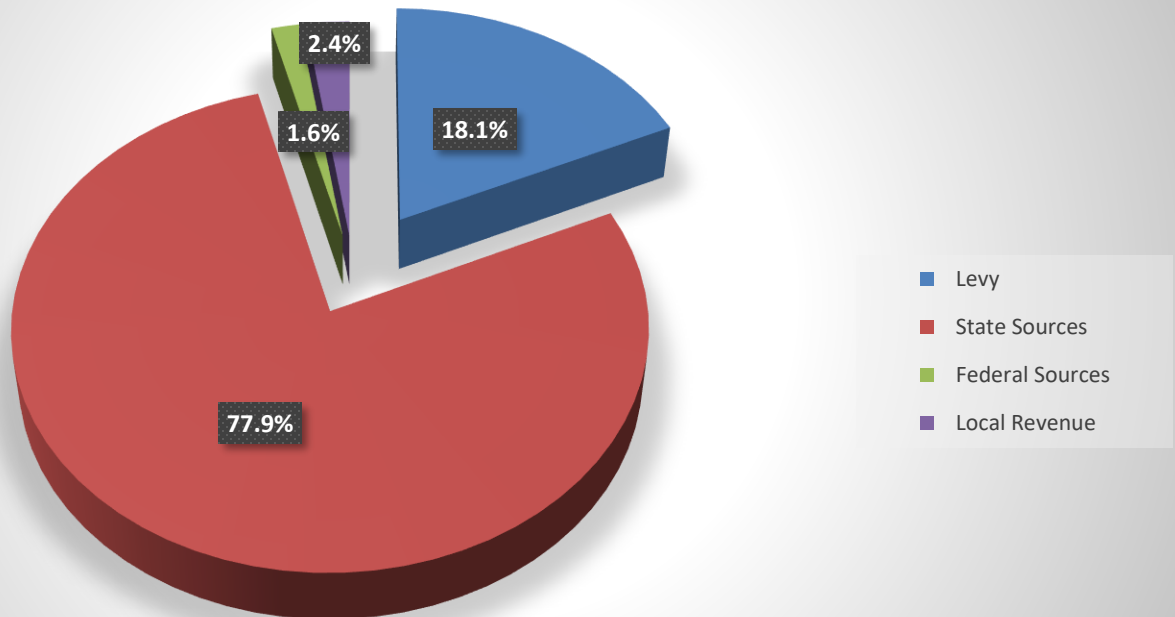
Federal funding is generally provided to supplement the costs of providing instructional services in specific vocational, adult, and special education programs for educationally or economically disadvantaged students. Federal funds are a relatively modest revenue source for the general fund, but significant for target population groups. In FY 2022-2023, Waconia Public Schools is budgeted to receive approximately \$454,636 in non-COVID-19 federal funding.

Where Does the Money Come From?

As the pie chart below shows, most general fund revenue for Waconia Schools is state aid 80.5%. The second largest portion – 18.6%, comes from local revenues, fees, admission charges, earnings on investments, and property taxes assessed on property within the District. Finally, federal aid provides 1% of general fund revenue. Both state aid and local property tax revenues are strictly controlled by the state.

REVENUES:	2021-2022	%	2022-2023	%
Levy	\$ 9,005,325	17.2%	\$ 9,550,538	18.1%
State Sources	39,769,178	76.0%	41,047,444	77.9%
Federal Sources	1,625,476	3.1%	825,241	1.6%
Local Revenue	1,896,009	3.6%	1,289,434	2.4%
TOTAL REVENUES	\$ 52,295,988	100.0%	\$ 52,712,657	100.0%

2022-2023 Revenues by Source Code Budget



General Fund Expenditures by Object Code

Allocations

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

Expenditures by Category 2022-2023

The school district budget consists of the following types of expenditures. About 81 cents of each dollar will be spent for salaries and employee benefits.

Salaries (\$30,396,356)

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

Employee Benefits (\$11,072,314)

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

Purchased Services (\$6,482,299)

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

Supplies & Materials (\$1,894,422)

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

Capital Expenditures (\$1,290,909)

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.

Debt Service Expenses (\$136,287)

Debt service expenses relate mainly to the costs of the short term borrowing the district is undertaking at this time.

Miscellaneous and Other expenditures (\$392,101)

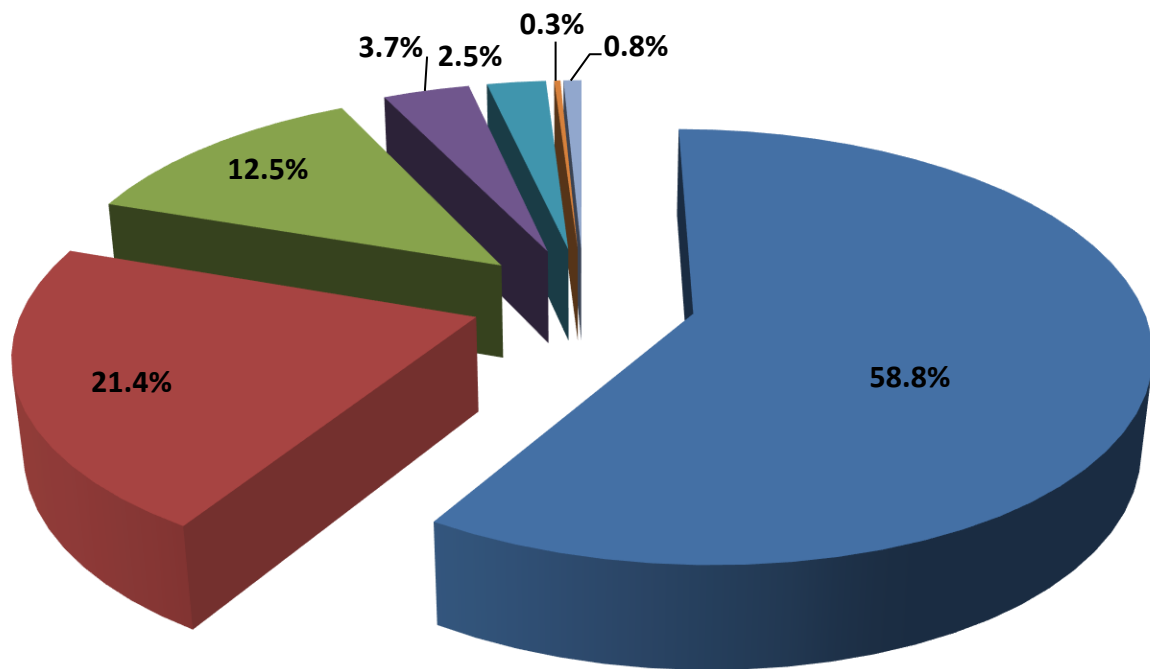
Includes all expenses that cannot be classified as above.

General Fund Expenditures by Object Code

EXPENDITURES:	2021-2022	%	2022-2023	%
Salaries and Wages	\$ 29,297,583	57.1%	\$ 30,396,356	58.8%
Employee Benefits	10,951,351	21.4%	11,072,314	21.4%
Purchased Services	6,606,285	12.9%	6,482,299	12.5%
Supplies and Materials	2,614,049	5.1%	1,894,422	3.7%
Capital Expenditures	1,288,398	2.5%	1,290,909	2.5%
Debt Service Expenditures	136,287	0.3%	136,287	0.3%
Other Expenditures	393,786	0.8%	392,101	0.8%
TOTAL EXPENDITURES	\$ 51,287,739	100.0%	\$ 51,664,688	100.0%

2022-2023 Expenditures by Object Code Budget

- Salaries and Wages
- Employee Benefits
- Purchased Services
- Supplies and Materials
- Capital Expenditures
- Debt Service Expenditures
- Other Expenditures



General Fund Expenditures by Program Code

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 that 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.

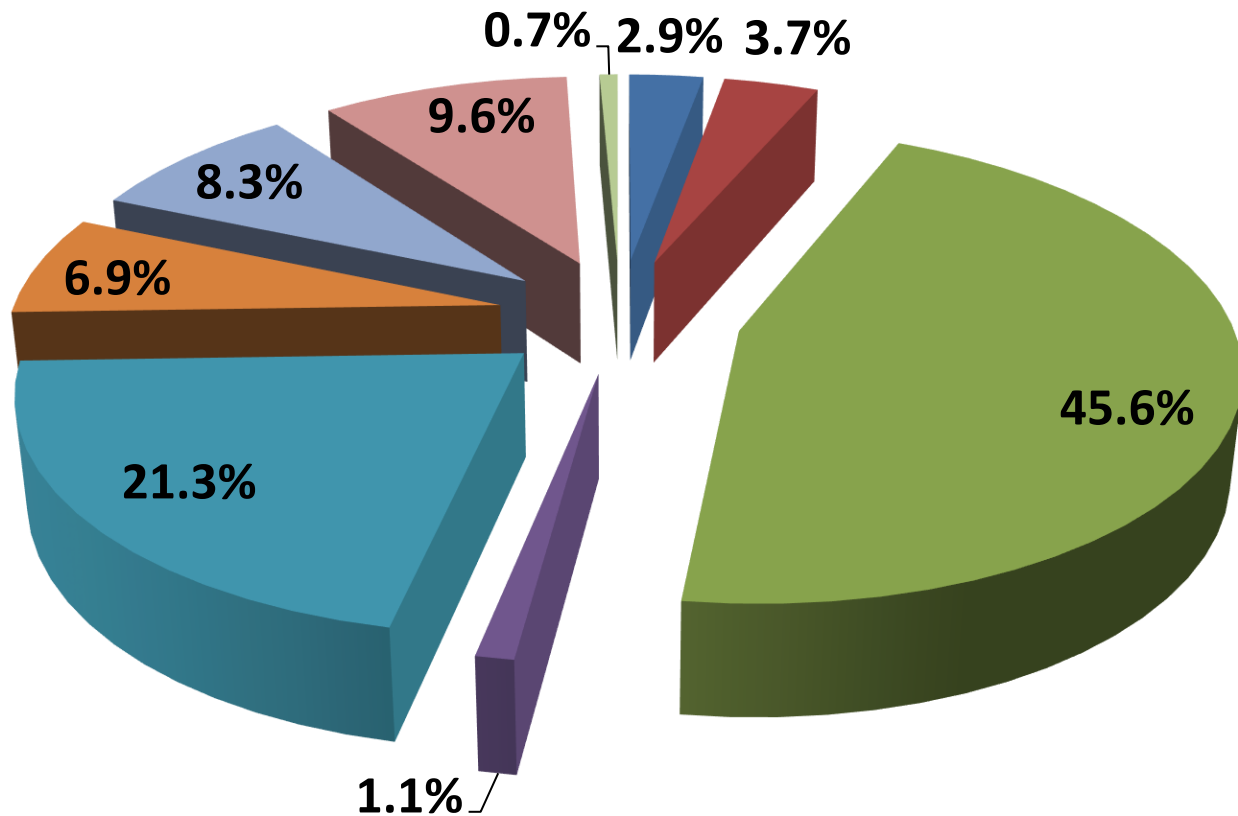
FISCAL & OTHER FIXED COSTS: Fiscal and fixed cost activities that are not recorded elsewhere.

Expenditures by Program Code

EXPENDITURES:	2021-2022	%	2022-2023	%
ADMINISTRATION	\$ 1,457,523	2.8%	\$ 1,479,002	2.9%
DISTRICT SUPPORT SERVICES	1,869,479	3.6%	1,897,927	3.7%
ELEMENTARY AND SECONDARY REGULAR INSTRUCTION	23,129,917	45.1%	23,568,029	45.6%
VOCATIONAL INSTRUCTION	544,745	1.1%	552,670	1.1%
SPECIAL EDUCATION INSTRUCTION	10,213,505	19.9%	10,995,494	21.3%
INSTRUCTIONAL SUPPORT SERVICES	3,891,607	7.6%	3,562,867	6.9%
PUPIL SUPPORT SERVICES	4,580,082	8.9%	4,308,269	8.3%
SITES & BUILDINGS	5,240,381	10.2%	4,939,930	9.6%
FISCAL & OTHER FIXED COSTS	360,500	0.7%	360,500	0.7%
TOTAL EXPENDITURES	\$ 51,287,739	100.0%	\$ 51,664,688	100.0%

2022-2023 Expenditures by Program Code Budget

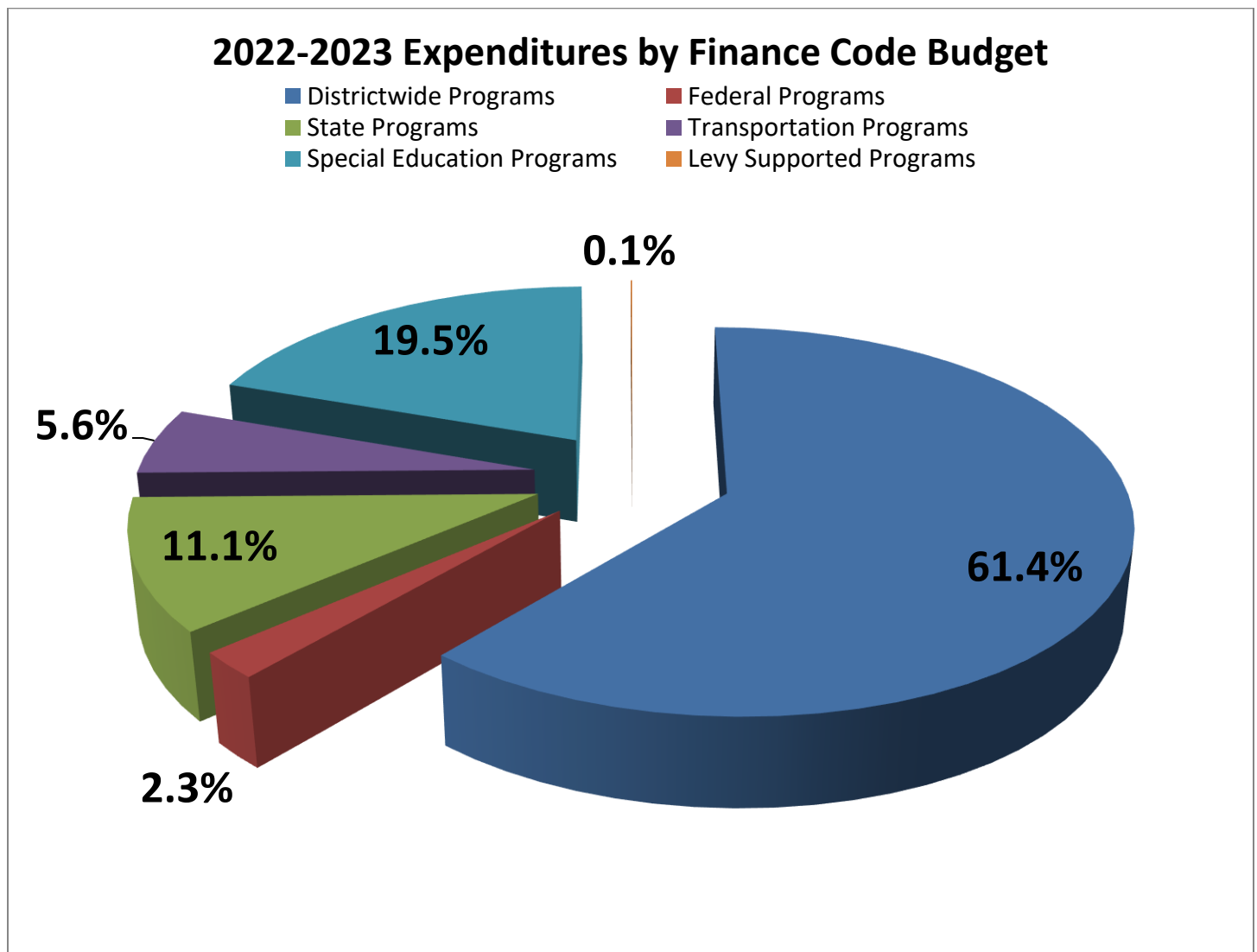
- ADMINISTRATION
- ELEMENTARY AND SECONDARY REGULAR INSTRUCTION
- SPECIAL EDUCATION INSTRUCTION
- PUPIL SUPPORT SERVICES
- FISCAL & OTHER FIXED COSTS
- DISTRICT SUPPORT SERVICES
- VOCATIONAL INSTRUCTION
- INSTRUCTIONAL SUPPORT SERVICES
- SITES & BUILDINGS



Expenditures by Finance Code

The finance code dimension is generally used to define specific local, federal or state projects. The majority of a districts expenditures will not have a specified finance code.

EXPENDITURES:	2021-2022	%	2022-2023	%
Districtwide Programs	\$ 31,534,158	61.5%	\$ 31,709,683	61.4%
Federal Programs	1,641,976	3.2%	1,165,965	2.3%
State Programs	5,602,921	10.9%	5,736,184	11.1%
Transportation Programs	2,846,411	5.5%	2,917,687	5.6%
Special Education Programs	9,627,273	18.8%	10,100,169	19.5%
Levy Supported Programs	35,000	0.1%	35,000	0.1%
TOTAL EXPENDITURES	\$ 51,287,739	100.0%	\$ 51,664,688	100.0%



Capital Program and Long-Term Facilities Maintenance Programs

The Capital Program has undergone many changes with the addition of a new Long-Term Facilities Maintenance Program that 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, 2022 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 2021 or 2022, a narrative describing each project in greater detail.
- For districts with deferred maintenance projects costing \$2,000,000 or more per site in FY 2021 or 2022, 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.

INDEPENDENT SCHOOL DISTRICT #110

Preliminary General Fund Budget - Operating Fund

**Revenues and Expenditures by Object - Operating Capital Program Only
2022-2023 with Comparative Information for years 2018-2019 through 2020-2021**

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited Actuals	Audited Actuals	Audited Actuals	Revised Budget	Preliminary Budget
Revenues and Other Sources:					
Local Property Tax Levies	\$ 711,409	\$ 536,456	\$ 658,767	\$ 795,909	\$ 829,262
Other Local and County Revenues	21,559	112,374	65,712	24,000	24,000
State Sources	693,528	679,297	638,974	624,139	607,030
Federal Sources	-	-	-	-	-
Sales and Other Financing Sources	500,000	-	-	-	-
Total Revenues and Other Sources	\$ 1,926,496	\$ 1,328,127	\$ 1,363,453	\$ 1,444,048	\$ 1,460,292
Expenditures and Other Uses:					
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Benefits	-	-	-	-	-
Purchased Services	170,716	137,849	76,809	121,778	121,778
Supplies and Materials	232,715	223,987	144,150	262,713	260,213
Capital Expenditures	2,916,455	629,950	979,010	872,987	917,987
Debt Service	81,287	81,287	81,287	81,287	81,287
Other Expenditures and Financing Uses	58,007	68,267	79,004	94,912	94,912
TOTAL EXPENDITURES	\$ 3,459,180	\$ 1,141,340	\$ 1,360,260	\$ 1,433,677	\$ 1,476,177
Surplus or (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (1,532,684)	\$ 186,787	\$ 3,193	\$ 10,371	\$ (15,885)
Fund Balance at the Beginning of the Year	\$ 1,533,114	\$ 430	\$ 187,217	\$ 190,410	\$ 200,781
Reserved for Operating Capital	430	187,217	190,410	200,781	184,896
Fund Balance at the End of the Year	\$ 430	\$ 187,217	\$ 190,410	\$ 200,781	\$ 184,896

INDEPENDENT SCHOOL DISTRICT #110
Preliminary General Fund Budget - Operating Fund
Revenues and Expenditures by Object - LTFM Program Only
2022-2023 with Comparative Information for years 2018-2019 through 2020-2021

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited Actuals	Audited Actuals	Audited Actuals	Revised Budget	Preliminary Budget
Revenues and Other Sources:					
Local Property Tax Levies	\$ 416,616	\$ 406,450	\$ 179,176	\$ 334,719	\$ 462,551
Other Local and County Revenues	165,112	102,286	122,647	134,247	61,218
State Sources					
Federal Sources					
Sales and Other Financing Sources	-	-	-	-	-
Total Revenues and Other Sources	\$ 581,728	\$ 508,736	\$ 301,823	\$ 468,966	\$ 523,769
Expenditures and Other Uses:					
Salaries and Wages	\$ 40,900	\$ 52,275	\$ 53,321	\$ 55,412	\$ 55,454
Employee Benefits	13,501	8,000	8,160	8,160	8,160
Purchased Services	214,018	137,999	94,178	127,915	228,600
Supplies and Materials	21,299	23,324	10,990	26,500	26,500
Capital Expenditures	646,175	286,635	110,049	245,449	204,949
Debt Service	-	-	-	-	-
Other Expenditures and Financing Uses	-	680	594	685	-
TOTAL EXPENDITURES	\$ 935,893	\$ 508,913	\$ 277,292	\$ 464,121	\$ 523,663
Surplus or (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (354,165)	\$ (177)	\$ 24,531	\$ 4,845	\$ 106
Fund Balance at the Beginning of the Year	\$ 357,321	\$ 3,156	\$ 2,979	\$ 27,510	\$ 32,355
Reserved for LTFM	3,156	2,979	27,510	32,355	32,461
Fund Balance at the End of the Year	\$ 3,156	\$ 2,979	\$ 27,510	\$ 32,355	\$ 32,461

INDEPENDENT SCHOOL DISTRICT #110

Preliminary General Fund Budget - Operating Fund

Revenues and Expenditures by Object - Excluding Operating Capital and LTFM

2022-2023 with Comparative Information for years 2018-2019 through 2020-2021

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited Actuals	Audited Actuals	Audited Actuals	Revised Budget	Preliminary Budget
Revenues and Other Sources:					
Local Property Tax Levies	\$ 3,413,685	\$ 5,838,912	\$ 6,186,304	\$ 7,874,697	\$ 8,258,725
Other Local and County Revenues	1,281,920	1,047,003	1,052,046	1,373,032	1,204,216
State Sources	35,267,013	36,976,245	38,105,731	39,145,039	40,440,414
Federal Sources	854,789	865,974	2,073,894	1,625,476	825,241
Sales and Other Financing Sources	(2,747)	4,958	9,456	364,730	-
Total Revenues and Other Sources	\$ 40,814,660	\$ 44,733,092	\$ 47,427,431	\$ 50,382,974	\$ 50,728,596
Expenditures and Other Uses:					
Salaries and Wages	\$ 27,872,819	\$ 27,350,460	\$ 27,514,505	\$ 29,242,171	\$ 30,340,902
Employee Benefits	9,621,835	10,004,564	10,682,091	10,943,191	11,064,154
Purchased Services	6,188,432	5,527,036	5,704,431	6,356,592	6,131,921
Supplies and Materials	1,572,869	1,183,367	1,820,029	2,324,836	1,607,709
Capital Expenditures	26,773	6,067	103,091	169,962	167,973
Debt Service	47,934	181,602	124,158	55,000	55,000
Other Expenditures and Financing Uses	277,660	261,808	253,749	298,189	297,189
TOTAL EXPENDITURES	\$ 45,608,322	\$ 44,514,904	\$ 46,202,054	\$ 49,389,941	\$ 49,664,848
Surplus or (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (4,793,662)	\$ 218,188	\$ 1,225,377	\$ 993,033	\$ 1,063,748
Fund Balance at the Beginning of the Year	\$ (1,596,748)	\$ (6,412,536)	\$ (6,194,343)	\$ (4,968,968)	\$ (3,975,935)
Nonspendable	90,882	40,035	142,221	50,000	50,000
Restricted/Reserved					
Staff Development	-	-			
Area Learning Center	-	-	2,728	-	-
Third Party Billing - Medical Assistance	6,985	8,583	63,767	15,500	15,500
Gifted and Talented	-	-	-	-	-
Basic Skills	230	-	-	-	-
Safe Schools	15,813	15,664	16,468	6,613	6,613
Other Purposes		-	13,318	-	-
Unassigned	(6,526,446)	(6,258,625)	(5,207,470)	(4,048,048)	(2,984,300)
Fund Balance at the End of the Year	\$ (6,412,536)	\$ (6,194,343)	\$ (4,968,968)	\$ (3,975,935)	\$ (2,912,187)

INDEPENDENT SCHOOL DISTRICT #110

Preliminary General Fund Budget - Operating Fund

Expenditures by Object Detail - Excluding Operating Capital and LTFM

2022-2023 with Comparative Information for years 2018-2019 through 2020-2021

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited	Audited	Audited	Revised	Preliminary
	Actuals	Actuals	Actuals	Budget	Budget
Expenditures and Other Uses:					
Licensed Teaching and Support Staff	\$ 18,728,499	\$ 18,496,216	\$ 18,565,839	\$ 20,078,904	\$ 20,883,033
Extra Curricular	742,863	571,231	624,685	644,905	618,394
Administration	2,373,214	2,415,102	2,430,505	2,439,065	2,487,845
Substitute Teachers	509,014	419,324	430,057	524,475	542,835
Clerical	1,595,316	1,578,870	1,469,730	1,682,407	1,808,794
Paraprofessionals	2,293,630	2,286,459	2,442,737	2,140,041	2,214,941
Maintenance and Custodial	1,336,144	1,340,992	1,378,864	1,392,320	1,420,166
Other Salaries and Wages	294,139	242,266	172,087	340,054	364,894
Total Salaries and Wages	27,872,819	27,350,460	27,514,504	29,242,171	30,340,902
Retirement Programs	4,664,702	4,668,524	4,857,965	4,981,120	5,087,571
Active Employee Insurance Benefits	4,798,117	5,096,422	5,654,927	5,760,071	5,774,583
Workers Compensation	156,089	217,980	169,199	192,000	192,000
Unemployment Compensation	2,927	21,638	-	10,000	10,000
Total Employee Benefits	9,621,835	10,004,564	10,682,091	10,943,191	11,064,154
Professional Service Fees	685,003	476,706	418,029	461,582	457,882
Special Ed Litigation & Tuition Bill Payments	-	1,157	340,145	4,000	320,000
Other Professional Services	94,015	87,573	77,087	98,300	98,300
Technology and Communications	144,497	150,913	240,521	297,446	290,339
Officials	38,032	32,704	34,293	48,207	48,207
Postage	22,564	15,577	15,227	18,195	18,195
Utilities	793,599	755,222	665,355	608,438	608,438
Property and Liability Insurance	108,257	128,183	243,338	243,500	243,500
Maintenance and Repairs	424,526	193,541	285,754	677,272	317,272
Transportation	3,063,274	2,985,259	2,626,802	2,968,017	2,922,303
Travel and Conferences	202,103	165,904	99,586	288,225	235,155
Rental and Leases	31,701	19,610	14,687	-	-
Advertising	8,589	6,668	6,034	6,250	6,250
Special Ed Contracted Services	572,272	508,019	637,573	637,160	566,080
Total Purchased Services	6,188,432	5,527,036	5,704,431	6,356,592	6,131,921
Instructional Supplies	481,690	318,688	419,548	614,983	568,553
Maintenance Supplies	219,932	212,452	116,951	233,600	234,600
Fuel for Heat, Gas and Oil	327,918	257,672	290,381	303,000	303,500
Textbooks and Workbooks and Tech Devices	78,900	41,547	180,971	498,687	36,837
Instructional Media Supplies	34,477	19,438	21,257	67,189	21,852
License Agreements	193,679	160,959	200,197	245,520	220,520
Other Supplies	236,273	172,611	590,724	361,857	221,847
Total Supplies and Materials	1,572,869	1,183,367	1,820,029	2,324,836	1,607,709
Site and Grounds Improvements	4,649	-	-	-	-
Equipment	5,850	1,917	9,449	19,318	17,288
Technology Hardware, Software and Repairs	16,274	4,150	(524)	5,644	5,685
Capital Leases	-	-	94,166	145,000	145,000
Total Capital Expenditures	26,773	6,067	103,091	169,962	167,973
Debt Service Expenses	47,934	181,602	124,159	55,000	55,000
Dues and Memberships	73,583	66,716	63,278	81,667	80,667
Miscellaneous	133,457	132,514	128,511	154,522	154,522
Total Other Expenditures	254,974	380,832	315,948	291,189	290,189
Permanent Transfers	70,620	62,578	61,960	62,000	62,000
TOTAL EXPENDITURES	\$ 45,608,322	\$ 44,514,904	\$ 46,202,054	\$ 49,389,941	\$ 49,664,848

INDEPENDENT SCHOOL DISTRICT #110

Preliminary General Fund Budget - Operating Fund

**Revenues and Expenditures by Program - Excluding Operating Capital and LTFM
2022-2023 with Comparative Information for years 2018-2019 through 2020-2021**

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited Actuals	Audited Actuals	Audited Actuals	Revised Budget	Preliminary Budget
Revenues and Other Sources:					
Local Property Tax Levies	\$ 3,413,685	\$ 5,838,912	\$ 6,186,304	\$ 7,874,697	\$ 8,258,725
Other Local and County Revenues	1,281,920	1,047,003	1,052,046	1,373,032	1,204,216
State Sources	35,267,013	36,976,245	38,105,731	39,145,039	40,440,414
Federal Sources	854,789	865,974	2,073,894	1,625,476	825,241
Sales and Other Financing Sources	(2,747)	4,958	9,456	364,730	0
Total Revenues and Other Sources	\$ 40,814,660	\$ 44,733,092	\$ 47,427,431	\$ 50,382,974	\$ 50,728,596
Expenditures and Other Uses:					
District & School Administration	\$ 1,358,492	\$ 1,401,451	\$ 1,442,509	\$ 1,457,524	\$ 1,479,002
District Support Services	1,998,527	1,812,142	1,811,139	1,863,479	1,881,927
Elementary and Secondary Regular Instruction	21,403,469	20,788,760	21,272,358	22,588,389	23,051,501
Vocational Education Instruction	588,219	569,607	584,005	544,745	552,670
Special Education Instruction	9,115,206	9,280,146	9,810,623	10,213,505	10,995,494
Community Education and Services	-	-	-	-	-
Instructional Support Services	2,933,764	2,824,279	2,938,916	3,691,607	3,362,867
Pupil Support Services	4,203,475	3,978,447	3,796,084	4,580,082	4,308,269
Sites & Buildings	3,780,358	3,487,710	4,116,964	4,090,110	3,672,618
Fiscal & Other Fixed-Cost Programs	226,812	372,362	429,456	360,500	360,500
TOTAL EXPENDITURES	\$ 45,608,322	\$ 44,514,904	\$ 46,202,054	\$ 49,389,941	\$ 49,664,848
Surplus or (Deficit) of Revenues and Other Sources					
Over (Under) Expenditures and Other Uses	\$ (4,793,662)	\$ 218,188	\$ 1,225,377	\$ 993,033	\$ 1,063,748

INDEPENDENT SCHOOL DISTRICT #110

Preliminary General Fund Budget - Operating Fund

**Expenditures by Program Detail - Excluding Operating Capital and LTFM
2022-2023 with Comparative Information for years 2018-2019 through 2020-2021**

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited Actuals	Audited Actuals	Audited Actuals	Revised Budget	Preliminary Budget
Board of Education	\$ 70,184	\$ 57,961	\$ 77,340	\$ 102,586	\$ 103,216
Office of the Superintendent	309,443	308,151	303,300	291,569	296,944
School Administration	978,865	1,035,339	1,061,869	1,063,369	1,078,842
Total District and School Administration	1,358,492	1,401,451	1,442,509	1,457,524	1,479,002
General Administrative Support	714,413	543,873	529,769	548,004	542,962
Other Administrative Support	178,427	180,083	193,900	180,341	182,598
Administrative Technology Services	345,301	344,254	340,856	341,858	349,071
Business Support Services	760,386	743,932	746,614	793,276	807,296
Total District Support Services	1,998,527	1,812,142	1,811,139	1,863,479	1,881,927
Kindergarten Education	1,200,804	1,267,927	1,668,734	1,462,409	1,500,234
Elementary Education	7,196,192	7,194,048	7,652,076	7,719,565	7,866,720
Title II, Part A	42,844	45,268	43,071	38,548	39,556
Title IV, Part A	-	14,225	15,775	10,000	10,000
Secondary Education	1,186,899	1,120,830	1,251,593	1,415,299	1,248,187
Art	524,314	520,767	479,906	519,179	532,123
Business	84,747	87,716	93,751	95,228	97,676
Title I	71,726	71,778	77,095	66,165	68,070
Assurance of Mastery	48,889	48,856	357	11,051	11,401
Gifted and Talented	63,365	62,416	57,964	57,733	59,209
English Learner	149,197	156,629	172,637	175,719	175,711
Language Arts	1,843,157	1,833,459	1,470,255	1,879,483	2,015,120
Title II, Part B	60,959	53,207	4,557	5,620	5,620
Foreign Language	845,891	869,124	845,555	954,360	980,165
Health, Physical Education and Recreation	1,195,210	1,121,500	1,163,517	1,191,647	1,223,359
Family Living Science	60,265	100,480	105,732	103,877	106,627
Industrial Education	128,291	128,032	129,472	188,472	193,263
Mathematics	1,579,293	1,626,498	1,635,475	1,729,552	1,776,315
Computer Science/Technology Education	107,591	105,536	105,714	20,238	20,370
Music	981,782	875,329	836,433	922,934	947,911
Natural Sciences	1,083,474	992,408	1,011,767	1,130,552	1,161,528
Social Studies	1,062,337	1,074,632	1,179,285	1,238,767	1,271,934
Total Regular Instruction	19,517,227	19,370,665	20,000,721	20,936,398	21,311,099
Extracurricular Activities	1,886,242	1,418,095	1,271,639	1,651,991	1,740,402
Agriculture Education	84,164	93,426	88,830	80,408	82,621
Family and Consumer Science	119,993	92,220	84,691	113,986	116,748
Business and Office Education	107,178	104,418	95,419	93,028	95,206
Trade & Industrial Education	276,884	279,543	315,064	257,323	258,095
Total Career & Technical Education Instruction	588,219	569,607	584,004	544,745	552,670

General Special Education	172	1,157	1,665	5,400	5,000
Speech/Language Impaired	365,840	343,846	538,492	635,057	646,267
Developmental Cognitive Disabilities: Mild-Moderate	592,104	681,926	593,959	673,957	690,169
Developmental Cognitive Disabilities: Moderate-Severe	221,892	269,109	374,027	461,623	470,537
Physically Impaired	76,647	140,517	118,466	129,656	132,850
Deaf/Hard of Hearing	278,835	252,750	194,917	217,517	222,567
Visually Impaired	11,915	14,198	13,240	7,420	7,420
Specific Learning Disability	1,433,477	1,331,131	1,455,994	1,557,389	1,600,153
Emotional/Behavioral Disorder	709,025	851,622	1,047,018	1,031,655	1,286,763
Deaf - Blind	11,362	13,313	13,871	14,121	14,519
Other Health Disabilities	959,235	808,279	733,923	719,066	737,621
Autism Spectrum Disorders	1,644,162	1,762,155	1,696,858	1,783,692	1,828,396
Developmentally Delayed	856,420	1,027,690	1,000,191	1,112,161	1,125,622
Traumatic Brain Injury	16,868	49,621	54,264	49,939	51,051
Severely Multiply Impaired	244,266	225,373	170,923	208,777	213,988
Special Education - Three or More Disabilities	1,435,875	1,261,077	1,536,691	1,417,075	1,768,849
Special Education - ADSIS Programs	257,111	246,382	266,122	189,000	193,722
Total Special Education Instruction	9,115,206	9,280,146	9,810,621	10,213,505	10,995,494
General Instructional Support	720,891	729,972	729,320	771,103	1,009,183
Curriculum Development	678,065	677,984	630,446	721,585	651,973
Library Media Center	455,133	442,253	440,992	577,990	541,065
Instruction-Related Technology	827,821	811,772	995,207	1,330,061	911,180
Staff Development	251,854	162,298	142,952	290,868	249,466
Total Instructional Support Services	2,933,764	2,824,279	2,938,917	3,691,607	3,362,867
Secondary Counseling and Guidance Services	561,208	584,390	634,548	618,852	634,460
Elementary Counseling and Guidance Services	143,483	159,361	160,516	169,671	174,218
School Security & Safety	199,972	94,168	73,738	177,561	180,010
Health Services	361,391	215,404	340,211	728,830	479,467
Pupil Transportation	2,914,884	2,900,967	2,563,787	2,863,168	2,818,114
Other Pupil Support Services	22,537	24,157	23,284	22,000	22,000
Total Pupil Support Services	4,203,475	3,978,447	3,796,084	4,580,082	4,308,269
Operations & Maintenance	3,768,784	3,470,832	3,954,877	3,972,110	3,622,618
Capital Facilities	11,574	16,878	162,087	118,000	50,000
Total Sites, Building & Equipment	3,780,358	3,487,710	4,116,964	4,090,110	3,672,618
Retirement of Nonbonded Obligations	47,934	181,602	124,158	55,000	55,000
Property & Liability Insurance	108,257	128,182	243,338	243,500	243,500
Transfer Between Funds (ECFE)	70,621	62,578	61,960	62,000	62,000
Total Fiscal and Other Fixed Cost Programs	226,812	372,362	429,456	360,500	360,500
Total Expenditures and Other Uses	\$ 45,608,322	\$ 44,514,904	\$ 46,202,054	\$ 49,389,941	\$ 49,664,848

INDEPENDENT SCHOOL DISTRICT #110

Preliminary General Fund Budget - Operating Fund

**Revenues and Expenditures by Finance Code - Excluding Operating Capital and LTFM
2022-2023 with Comparative Information for years 2018-2019 through 2020-2021**

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited Actuals	Audited Actuals	Audited Actuals	Revised Budget	Preliminary Budget
Revenues and Other Sources:					
Districtwide Revenues	\$ 32,296,403	\$ 35,430,666	\$ 35,784,054	\$ 39,447,475	\$ 40,356,795
Federal Supported Programs	770,175	803,632	2,073,893	1,625,476	825,241
State Supported Programs	2,661,983	2,339,486	2,132,534	2,154,839	2,112,887
Transportation	120,554	127,745	149,433	151,916	130,320
Special Education	4,965,545	5,990,520	7,222,517	7,027,225	7,278,122
Levy Supported Programs	-	41,043	65,000	(23,957)	25,231
Total Revenues and Other Sources	\$ 40,814,660	\$ 44,733,092	\$ 47,427,431	\$ 50,382,974	\$ 50,728,596
Expenditures and Other Uses:					
Districtwide Expenditures	\$ 29,053,561	\$ 28,349,306	\$ 28,601,689	\$ 31,550,658	\$ 31,726,183
Federal Supported Programs	766,343	803,806	2,060,569	1,625,476	1,149,465
State Supported Programs	4,433,299	3,778,643	3,884,274	3,705,123	3,736,344
Transportation	3,166,082	3,058,053	2,610,700	2,846,411	2,917,687
Special Education	8,189,037	8,484,053	9,019,591	9,627,273	10,100,169
Levy Supported Programs	-	41,043	25,231	35,000	35,000
TOTAL EXPENDITURES	\$ 45,608,322	\$ 44,514,904	\$ 46,202,054	\$ 49,389,941	\$ 49,664,848
Surplus or (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ (4,793,662)	\$ 218,188	\$ 1,225,377	\$ 993,033	\$ 1,063,748

Food Service Fund

Café #110 is the District department that provides meal services and nutrition education services in Waconia Schools. Over 3,000 meals are normally served each day. With the exception of Guest/Adult pricing, lunch prices for FY 2022-2023 will remain unchanged. Guest/Adult pricing is based on a mandated pricing per the MN Department of Education and that information is not available at time of print.

Lunch prices are as follows:

2022-2023 - Elementary - \$2.85; Middle - \$3.00 Secondary \$3.15; Guest/Adult \$4.00

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 grants every year for different opportunities. Most recently it was awarded a grant to purchase bulk milk dispensers in the 2019-2020 school year to move away from carton milk and give students an opportunity to take as much milk as they would like. That program worked very well and we are very pleased with the results. The District was awarded a large grant to add an additional freezer at the High School site in the summer of 2020. Increased staff training will also be provided to all food service staff. The COVID-19 pandemic is projected to have a significant one-time negative impact on the Food Service fund balance for the 2019-2020 school year. By contrast, a decision by the federal government to allow school districts to feed more students than we have usually provided due to the COVID-19 pandemic has resulted in increased revenues and expenditures in both the 2020-2021 and 2021-2022 school years.

Waconia's Food Service fund balance is out of compliance with U.S. Department of Agriculture 7 CFR 210.14 and 210.09. Per these regulations, the district must reduce excess funds. Some of this reduction is reflected in the 2021-2022 budget for capital expenditures. The district should anticipate an additional reduction during the 2022-2023 school year.

INDEPENDENT SCHOOL DISTRICT #110

Food Service Fund Preliminary Budget

Board Approval Date - March 28, 2022

2022-2023 with Comparative Information for years 2018-2019 through 2020-2021



	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited Actuals	Audited Actuals	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 790,374	\$ 775,274	\$ 585,054	\$ 1,520,909	\$ 1,558,785
REVENUES:					
Local Sources	\$ 16,140	\$ 11,880	\$ 778	\$ 1,000	\$ 1,000
State Sources	121,380	91,702	64,322	32,500	115,500
Federal Sources	572,397	783,281	2,919,172	3,009,000	571,000
Local Sales and Reimbursements	1,691,919	1,241,240	146,969	190,000	1,682,750
TOTAL REVENUES	\$ 2,401,836	\$ 2,128,103	\$ 3,131,241	\$ 3,232,500	\$ 2,370,250
EXPENDITURES:					
Salaries and Wages	\$ 816,978	\$ 864,298	\$ 771,120	\$ 836,271	\$ 853,069
Employee Benefits	385,176	429,565	433,541	440,353	442,822
Purchased Services	162,713	131,202	88,581	117,500	117,500
Supplies and Materials	1,015,888	859,561	788,903	1,265,500	1,051,500
Capital Expenditures	32,408	26,657	112,940	532,500	25,000
Other Expenditures	3,773	7,040	301	2,500	2,500
TOTAL EXPENDITURES	\$ 2,416,936	\$ 2,318,323	\$ 2,195,386	\$ 3,194,624	\$ 2,492,391
SURPLUS OR (DEFICIT)	\$ (15,100)	\$ (190,220)	\$ 935,855	\$ 37,876	\$ (122,141)
FUND BALANCE, JUNE 30	\$ 775,274	\$ 585,054	\$ 1,520,909	\$ 1,558,785	\$ 1,436,644

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, Wildcat 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.

The COVID-19 pandemic impacted the Community Service Fund severely and resulted in the reduction of staff and programs for both the 2019-2020 and the 2020-2021 school years. A return to pre-COVID levels of revenues and expenditures had begun to occur in these programs for the 2021-2022 school year and is expected to continue for 2022-2023 school year.

Fiscal Year 2022-2023 revenue is budgeted at \$3,158,933 and expenditures are budgeted at \$2,985,126.

INDEPENDENT SCHOOL DISTRICT #110
Community Education Fund Preliminary Budget
Board Approval Date - March 28, 2022
2022-2023 with Comparative Information for years 2018-2019 through 2020-2021



	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited Actuals	Audited Actuals	Audited Actuals	Revised Budget	Preliminary Budget
TOTAL FUND BALANCE, JUNE 30	\$ 580,795	\$ 602,832	\$ 394,769	\$ 395,717	\$ 599,479
REVENUES:					
Local Sources	\$ 2,838,230	\$ 2,265,793	\$ 2,176,919	\$ 2,647,369	\$ 2,674,268
State Sources	402,880	406,078	433,146	430,958	422,665
Federal Sources	-	-	85,230	-	-
Local Sales and Reimbursements	1,004	-	-	-	-
Other Financing Sources	70,621	62,578	62,353	62,000	62,000
TOTAL REVENUES	\$ 3,312,735	\$ 2,734,449	\$ 2,757,648	\$ 3,140,327	\$ 3,158,933
EXPENDITURES:					
Salaries and Wages	\$ 1,795,776	\$ 1,735,695	\$ 1,639,172	\$ 1,684,858	\$ 1,729,506
Employee Benefits	576,333	570,467	536,868	550,219	561,432
Purchased Services	642,026	452,753	412,419	432,125	432,125
Supplies and Materials	269,229	176,781	145,407	224,373	218,873
Capital Expenditures	4,087	3,672	19,339	40,690	38,690
Other Expenditures	3,247	3,144	3,495	4,300	4,500
TOTAL EXPENDITURES	\$ 3,290,698	\$ 2,942,512	\$ 2,756,700	\$ 2,936,565	\$ 2,985,126
SURPLUS OR (DEFICIT)	\$ 22,037	\$ (208,063)	\$ 948	\$ 203,762	\$ 173,807
FUND BALANCE, JUNE 30	\$ 602,832	\$ 394,769	\$ 395,717	\$ 599,479	\$ 773,286

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.

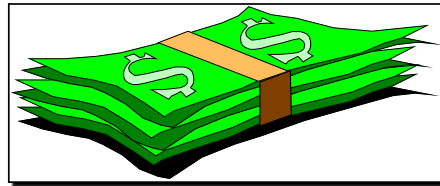
The debt service fund budget for FY 2022-2023 shows revenue of \$9,704,648 and expenses of \$9,527,369. The fund balance is projected to be \$1,835,873 on June 30, 2023. The schedule of bond payments and maturities is included below.

INDEPENDENT SCHOOL DISTRICT #110

Debt Service Fund Preliminary Budget

Board Approval Date - March 28, 2022

2022-2023 with Comparative Information for years 2018-2019 through 2020-2021



	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited Actuals	Audited Actuals	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 1,976,208	\$ 1,477,124	\$ 1,182,969	\$ 1,492,366	\$ 1,658,594
REVENUES:					
Local Sources	\$ 7,106,470	\$ 8,341,311	\$ 8,665,597	\$ 9,133,582	\$ 9,231,875
State Sources	492,268	626,057	724,600	437,265	472,773
Sale of Bonds	-	-			
Other Financing Sources	7,496,592	(48)	73,956		
TOTAL REVENUES	\$ 15,095,330	\$ 8,967,320	\$ 9,464,153	\$ 9,570,847	\$ 9,704,648
EXPENDITURES:					
Debt Service Expenditures	\$ 8,354,414	\$ 9,261,475	\$ 9,154,756	\$ 9,404,619	\$ 9,527,369
Other Financing Uses	7,240,000	-			
TOTAL EXPENDITURES	\$ 15,594,414	\$ 9,261,475	\$ 9,154,756	\$ 9,404,619	\$ 9,527,369
SURPLUS OR (DEFICIT)	\$ (499,084)	\$ (294,155)	\$ 309,397	\$ 166,228	\$ 177,279
FUND BALANCE, JUNE 30	\$ 1,477,124	\$ 1,182,969	\$ 1,492,366	\$ 1,658,594	\$ 1,835,873

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 2022-2023 shows revenue of \$9,500 and expenses of \$9,500. The fund balance is projected to be \$29,100 on June 30, 2023.

INDEPENDENT SCHOOL DISTRICT #110

Trust Fund Preliminary Budget

Board Approval Date - March 28, 2022

2022-2023 with Comparative Information for years 2018-2019 through 2020-2021



	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited Actuals	Audited Actuals	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 103,605	\$ 115,015	\$ 110,194	\$ 27,100	\$ 29,100
REVENUES					
Local Sources:	\$ 26,982	\$ 9,873	\$ 9,049	\$ 11,500	\$ 9,500
TOTAL REVENUES	\$ 26,982	\$ 9,873	\$ 9,049	\$ 11,500	\$ 9,500
EXPENDITURES					
Scholarships	\$ 15,572	\$ 14,694	\$ 92,143	\$ 9,500	\$ 9,500
TOTAL EXPENDITURES	\$ 15,572	\$ 14,694	\$ 92,143	\$ 9,500	\$ 9,500
PROJECTED SURPLUS OR (DEFICIT)	\$ 11,410	\$ (4,821)	\$ (83,094)	\$ 2,000	\$ -
PROJECTED FUND BALANCE, JUNE 30	\$ 115,015	\$ 110,194	\$ 27,100	\$ 29,100	\$ 29,100

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 2022-2023 shows revenue of \$447,500 and expenses of \$423,500. The fund balance is projected to be \$270,049 on June 30, 2023.

INDEPENDENT SCHOOL DISTRICT #110
Dental Benefits Internal Service Fund Preliminary Budget
Board Approval Date - March 28, 2022
2022-2023 with Comparative Information for years 2018-2019 through 2020-2021



	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited Actuals	Audited Actuals	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 346,554	\$ 287,104	\$ 292,030	\$ 242,049	\$ 246,049
REVENUES					
Local Sources:	\$ 374,880	\$ 391,593	\$ 370,835	\$ 427,500	\$ 447,500
TOTAL REVENUES	\$ 374,880	\$ 391,593	\$ 370,835	\$ 427,500	\$ 447,500
EXPENDITURES					
Dental Claims Paid	\$ 434,330	\$ 386,667	\$ 420,816	\$ 423,500	\$ 423,500
TOTAL EXPENDITURES	\$ 434,330	\$ 386,667	\$ 420,816	\$ 423,500	\$ 423,500
PROJECTED SURPLUS OR (DEFICIT)	\$ (59,450)	\$ 4,926	\$ (49,981)	\$ 4,000	\$ 24,000
PROJECTED FUND BALANCE, JUNE 30	\$ 287,104	\$ 292,030	\$ 242,049	\$ 246,049	\$ 270,049

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 - March 28, 2022

2022-2023 with Comparative Information for years 2018-2019 through 2020-2021



	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
	Audited Actuals	Audited Actuals	Audited Actuals	Revised Budget	Preliminary Budget
FUND BALANCE, JUNE 30	\$ 2,339,148	\$ 2,139,334	\$ 1,987,554	\$ 1,751,701	\$ 1,596,701
REVENUES					
Investment Income: (Net of Fees)	\$ 43,787	\$ 79,834	\$ 55,323	\$ 75,000	\$ 75,000
TOTAL REVENUES	\$ 43,787	\$ 79,834	\$ 55,323	\$ 75,000	\$ 75,000
EXPENDITURES					
Employee Insurances	\$ 243,601	\$ 231,614	\$ 291,176	\$ 230,000	\$ 230,000
TOTAL EXPENDITURES	\$ 243,601	\$ 231,614	\$ 291,176	\$ 230,000	\$ 230,000
PROJECTED SURPLUS OR (DEFICIT)	\$ (199,814)	\$ (151,780)	\$ (235,853)	\$ (155,000)	\$ (155,000)
PROJECTED FUND BALANCE, JUNE 30	\$ 2,139,334	\$ 1,987,554	\$ 1,751,701	\$ 1,596,701	\$ 1,441,701