

# BOARD REPORT

TO: Board of Education  
FROM: Heather Aune, Director of Business Services  
DATE: Monday, November 23, 2020



TOPIC/PURPOSE OF REPORT: 2020-2021 Budget Revisions

REFERENCE TO POLICY/STRATEGIC PLAN: Board Policy 701.1

RECOMMENDED BOARD ACTION: Action Item

DATE FOR BOARD ACTION: Monday, November 23, 2020

## **REPORT**

These budget revisions have been reviewed with the finance committee and at the November 9 Board Work Session.

## **RECOMMENDATION:**

That the Board of Education approves the 2020-2021 Revised Budget as follows:

<b>Fund</b>	<b>Revenues</b>	<b>Expenditures</b>
General	\$47,925,272	\$48,926,736
Student Activities (General)	\$49,275	\$49,275
Subtotal	\$47,974,547	\$48,976,011
Food Service	1,223,513	1,780,529
Community Service	1,385,914	1,781,198
Debt Services	4,315,905	4,547,268
<b>Total Governmental</b>	<b><u>54,899,879</u></b>	<b><u>57,085,006</u></b>
Employee Benefit Trust	0	0
OPEB	250,000	434,682
OPEB Trust	496,920	528,615
<b>All Funds</b>	<b><u>\$55,646,799</u></b>	<b><u>\$58,048,303</u></b>

**Recommendation Summary:**

**General Fund**

- Includes all CARES Act funding awarded to the District to date
- Projected additional costs due to COVID and staffing
- Reduction in ADM as compared to the original projections
- Accounting for building/department level carryovers
- Not included: Fund Balance transfer to Food Service and Community Education Fund Balances

The reduction in ADM This decrease in enrollment is not unique to our district but seen across many Minnesota School Districts. Predicting enrollment is always challenging but the drop in enrollment this year was unexpected.

Prior projected deficit spending = -\$204,004  
Revised projected deficit spending = -\$1,001,464

Revised budget after these 1st quarter adjustments:

General Fund Revenue = \$47,925,272  
General Fund Expenditures = \$48,926,736  
Revised Deficit Spending = -\$1,001,464

**Food Service Fund**

- Staffing adjustments based on participation
- Projection of increased participation due to increased parameters: 7 days of meals instead of 5 each week, evening pick up options, Open to all age 18 and under
- Not included: Transfer from General Fund Balance

Prior projected deficit spending = -\$182,746  
Revised projected deficit spending = -\$557,016

Revised budget after these 1st quarter adjustments:

Food Service Fund Revenue = \$1,223,513  
Food Service Fund Expenditures = \$1,780,529  
Revised Deficit Spending = -\$557,016

### **Community Service Fund**

- Staffing adjustments based on participation in preschool and childcare
- CARES Act Revenue: Coronavirus Relief Funds cover a small portion of the childcare costs.
- Grant proceeds of \$3,000 per site per month Sept-Dec
- Not included: Transfer from General Fund Balance
- Not included: Possible additional CARES Act funds from Dakota County

Prior projected deficit spending = -\$132,601

Revised projected deficit spending = -\$395,283

Revised budget after these 1st quarter adjustments:

Community Education Fund Revenue =	\$1,385,914
Community Education Fund Expenditures =	<u>\$1,781,198</u>
Revised Deficit Spending =	-\$395,283

### **Flex Fund 08**

- During the 2019-20 audit it was determined that the flex account activity should stay within fund 01
- Reduced to zero

### **Possible 3<sup>rd</sup> Quarter Adjustments in the Spring of 2021 will include:**

- Salary and Benefit adjustments
- Interest, Facility Rental, Parking Fees, and Athletic Fee revenue adjustments
- General Revenue Adjustments based on any ADM changes
- Any aid adjustments from the state and federal government