

Our Community. Our Schools.

Exploring School
Finances



Always Begin with the WHY

OUR STUDENTS

Providing quality learning experiences so each of our students has the greatest possibility of reaching their individual potential in life.



Changes in District Leadership

The Past

Rapid depletion
of fund balance

The vast majority of funds
were spent on providing
services to our students

May 2017 - May 2020

6 finance directors
6 superintendents

Now

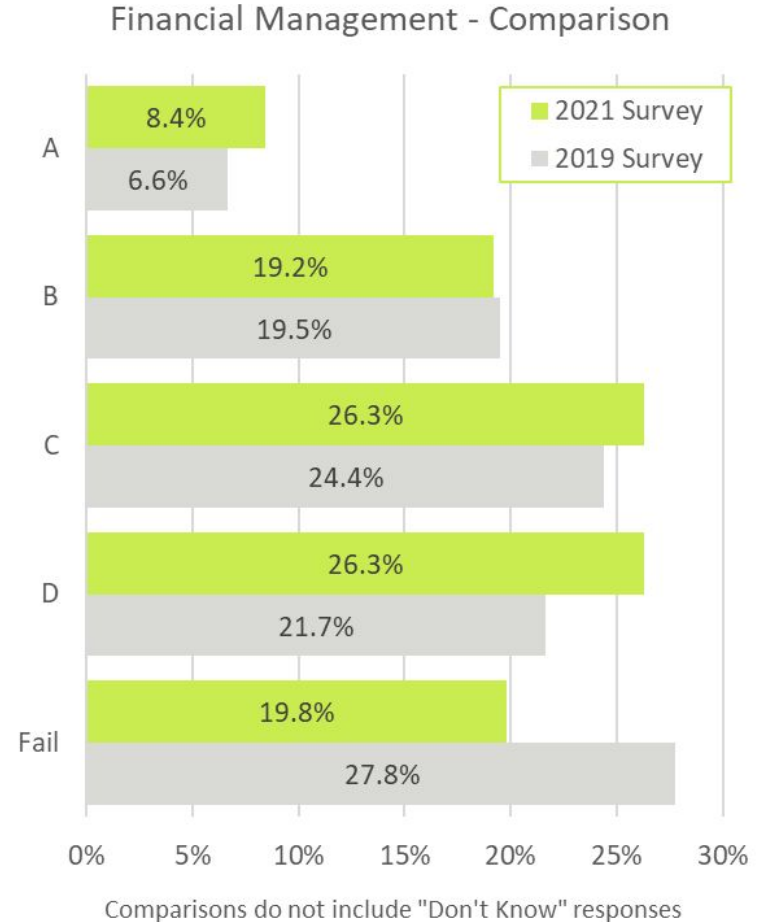
All 7 current school board
members began serving
after June 2018

Superintendent
Mike Redmond
hired November 1, 2018

Director of Finance &
Operations Bill Menozzi
hired January 1, 2020

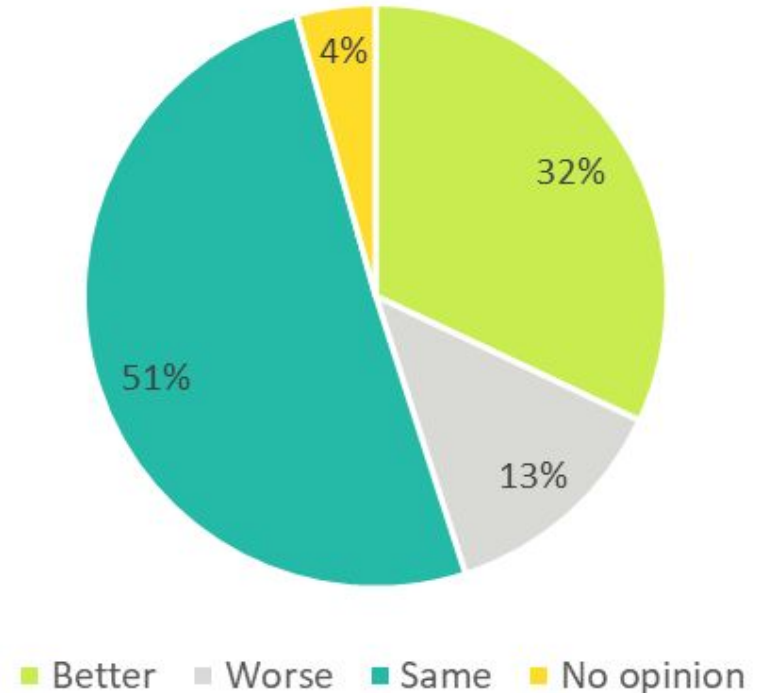
Community Survey: Financial Management

- Grades improved since 2019 survey
- Fewer failing grades; slightly more A grades



Community Survey: Financial Management Opinion

- 32% said their opinion was improving over past 12 months



Financial Leadership: Director of Finance & Operations

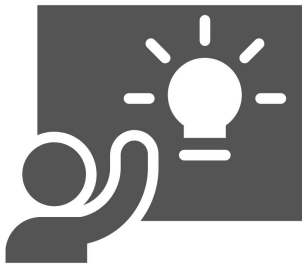
Bill Menozzi

- Certified Administrator of School Finance & Operations (SFO)
- 13+ years of school finance experience
- Deloitte audit segment
- MASBO, ASBO International
- Wife Greta, Tommy (9), Lauren (7)
- Proud hockey, baseball, football and softball coach



School District Finance

Financial Management Overview



All enrollment and budgetary decisions at Shakopee Public Schools seek to continue to support the mission of educating lifelong learners to succeed in a diverse world.

All enrollment and budgetary decisions are vetted through the lens of keeping expenditures and taxpayer burden to a minimum, while investing in the goals of academic excellence.

Finance Department Vision & Goals

Committed to
consistency, transparency,
timely and reliable
financial reporting and
communication.

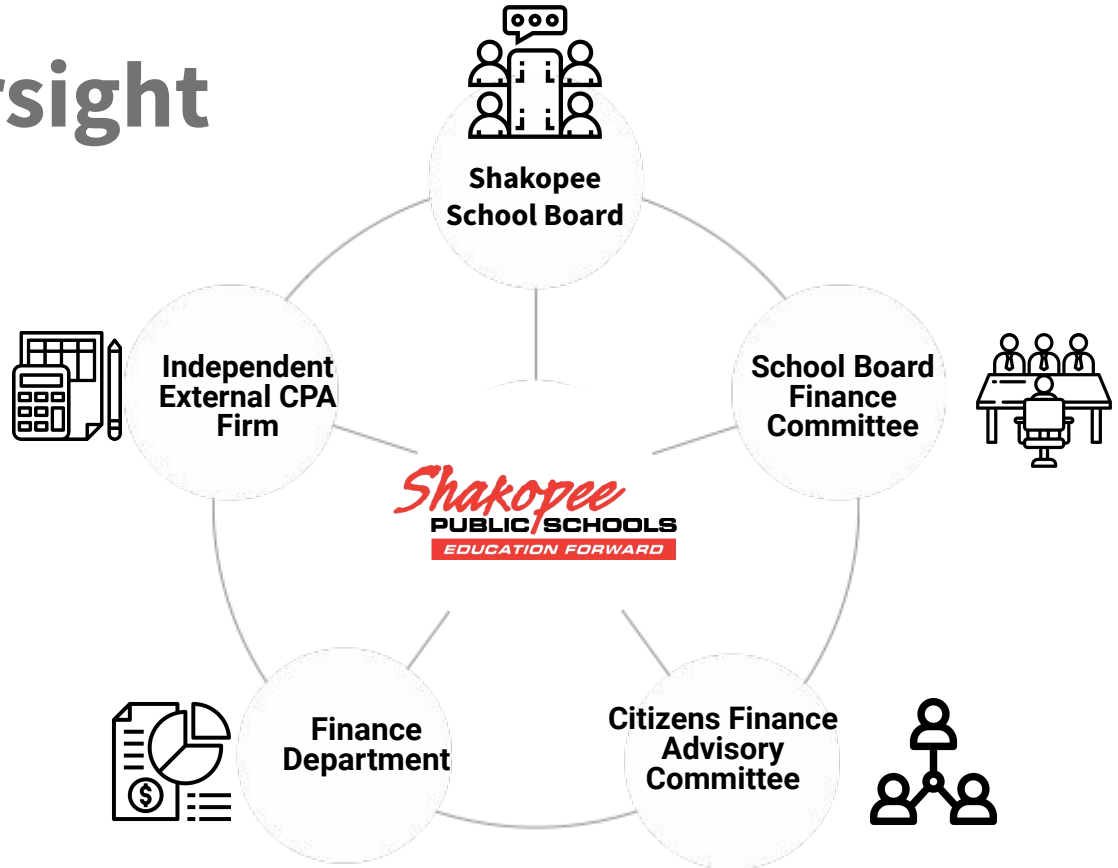


Received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International for our Certified Annual Financial Report for the year ended June 30, 2020.

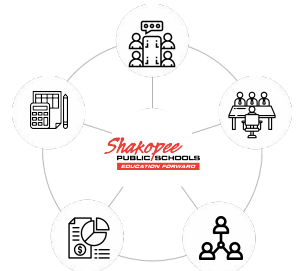
Less than 10% of school districts in Minnesota receive award.

The District intends to submit the necessary reports to be eligible for this award again for the year ended June 30, 2021.

Financial Oversight in Shakopee



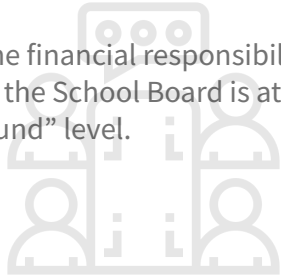
Financial Oversight in Shakopee



School Board Shakopee Public Schools

Provides leadership to the community on behalf of the school district.

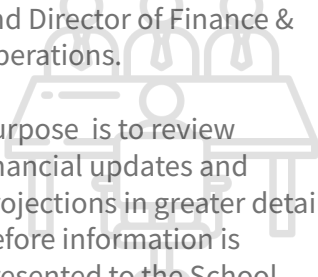
The financial responsibility of the School Board is at the “fund” level.



School Board Finance Committee

Committee of 3 School Board members, Superintendent, Assistant Superintendent and Director of Finance & Operations.

Purpose is to review financial updates and projections in greater detail before information is presented to the School Board as a whole.



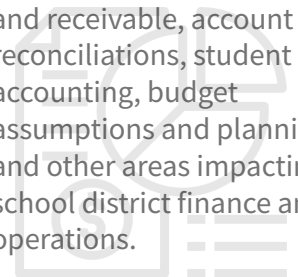
Citizens Finance Advisory Committee (CFAC)

Independent community members who function as an advisory committee to the School Board and Board Finance on financial matters, policy, and legislative issues impacting education.



School District Finance Department

School District employees working in the areas of payroll, accounts payable and receivable, account reconciliations, student accounting, budget assumptions and planning, and other areas impacting school district finance and operations.



Independent External CPA Firm

Citizens Finance Advisory Committee

10 Members

Jackie Haremza | RSM US LLP | National Finance Director

Adam Johnson | Scott County CDA | Finance Director

Steve Jones | Principal Financial Analyst | Scott County

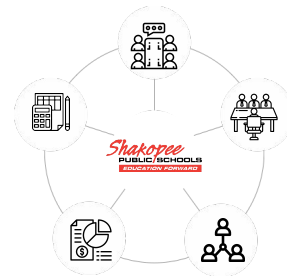
Tim Palya | Vomela Specialty Co. | Controller

Lindsey Puffer | Hometown Bank | Vice President

Joe Witt | Minnesota Bankers Association | President/CEO

Mike Warmka

District: Assistant Superintendent, Dave Orlowsky; School Board Treasurer & CFO of ECA Marketing, Joe Aldrich; and Director of Finance, Bill Menozzi



Focus

Financial policies & procedures

Community sounding board & communications link between the School Board/business & residential communities

Short- and long-range financial planning

Examination of local, state and federal revenue sources

Local, state and national analysis in finance and economic conditions

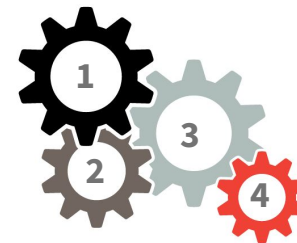
Legislative issues impacting education

Review District's Comprehensive Annual Financial Report

Financial Oversight in Shakopee

The budget in Shakopee Public Schools is a continuous **four-step process**.

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



SCHOOL YEAR A						SCHOOL YEAR B					
JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
School Board Finance Committee Monthly Meeting											
CFAC		CFAC		CFAC		CFAC		CFAC		CFAC	
			Property Tax Levy and Truth in Taxation Meeting								
Adopted Budget											
					Revised Budget						
			Annual Financial Report & Fiscal Audit								

Operating Budget

Approximately 60% of operating budget is spent on teacher salary and benefits. Another **20%** is spent on other **staff**, those providing services to our students and community.



Expenditure Analysis



Student Based

Other

000-199	Administration & District Support Services
200-299	Regular Instruction
300-399	Vocational Instruction
400-499	Special Education Instruction
600-699	Instructional Support Services
700-799	Pupil Support Services
800-899	Sites, Buildings, Equipment
900-999	Fiscal & Other

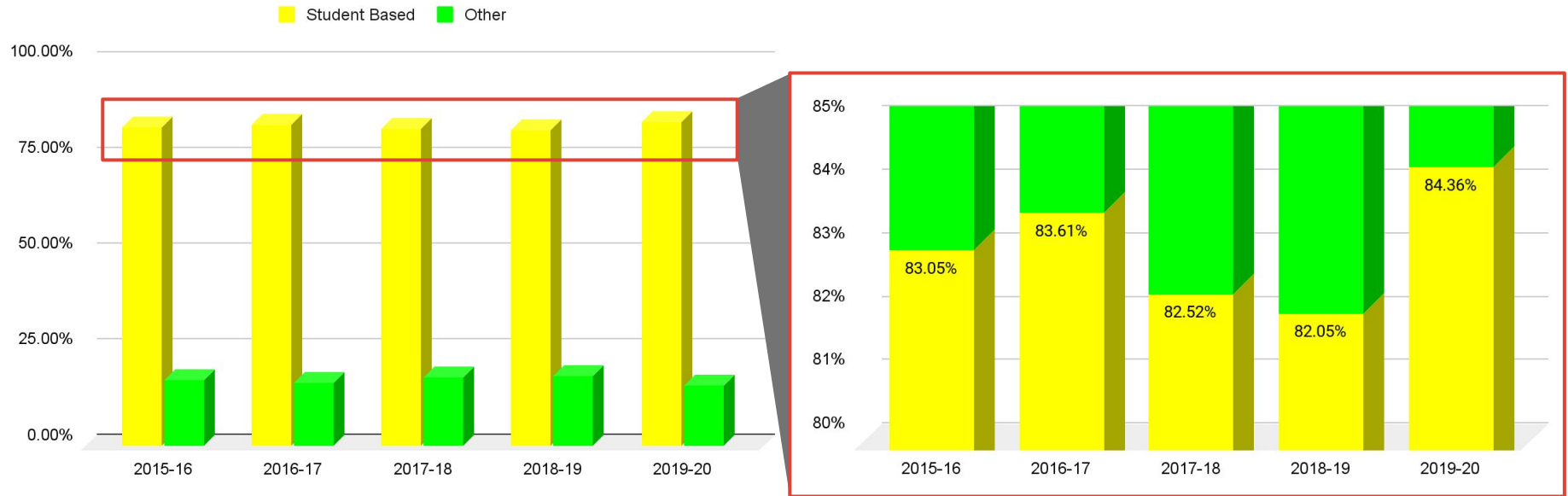
Source: Minnesota Funding Reports (MFR) MN Dept. of Education

Expenditure History

		ISD 720 2015-16	ISD 720 2016-17	ISD 720 2017-18	ISD 720 2018-19	ISD 720 2019-20
	Student Based	83.05%	83.61%	82.52%	82.05%	84.36%
	Other	16.95%	16.36%	17.68%	17.95%	15.64%
000-199	Administration & District Support Services	8.90%	8.41%	8.18%	7.68%	8.09%
200-299	Regular Instruction	46.14%	44.51%	44.42%	43.68%	43.85%
300-399	Vocational Instruction	0.84%	0.93%	0.68%	0.90%	0.95%
400-499	Special Education Instruction	19.36%	19.66%	19.26%	18.87%	19.54%
600-699	Instructional Support Services	8.53%	10.39%	9.77%	10.00%	11.10%
700-799	Pupil Support Services	8.17%	8.12%	8.39%	8.61%	8.93%
800-899	Sites, Buildings, Equipment	6.68%	6.67%	8.19%	9.01%	6.12%
900-999	Fiscal & Other	1.37%	1.29%	1.31%	1.25%	1.43%
Totals		100%	100%	100%	100%	100%

Source: Minnesota Funding Reports (MFR) MN Dept. of Education

Expenditure History



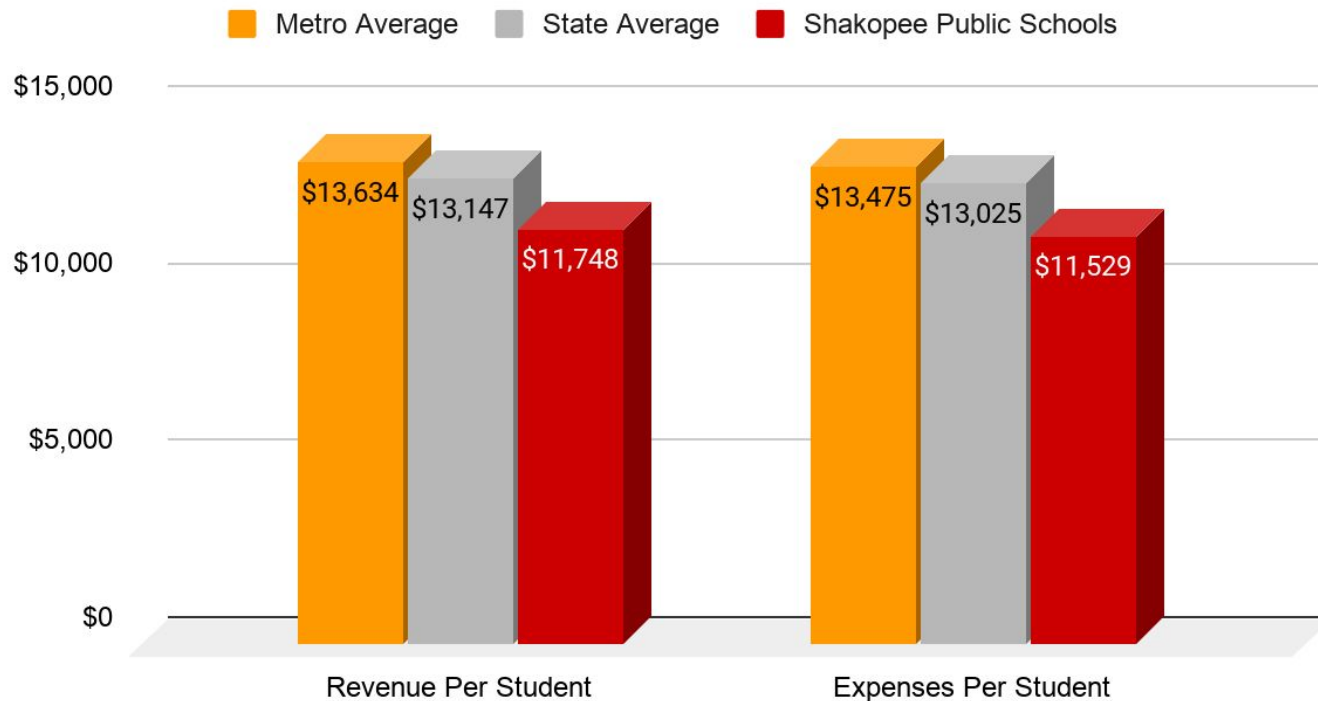
Source: Minnesota Funding Reports (MFR) MN Dept. of Education

Goal: 85%

Student Based Expenditures- District Comparison

	STUDENT BASED	OTHER
BLOOMINGTON	84.55%	15.45%
SHAKOPEE	84.36%	15.64%
ISD 191	82.45%	17.55%
ISD 196	82.02%	17.98%
FARMINGTON	82.00%	18.00%
ECC	81.97%	18.03%
LAKEVILLE	81.97%	18.03%
EDEN PRAIRIE	81.65%	18.35%
MINNETONKA	81.38%	18.62%
HOPKINS	80.49%	19.51%
PRIOR LAKE	80.08%	19.92%
EDINA	79.67%	20.33%

Comparison of Revenue & Expenses



Source: Bergen KDV,
District Audit 2019 Report
provided on November 23,
2020

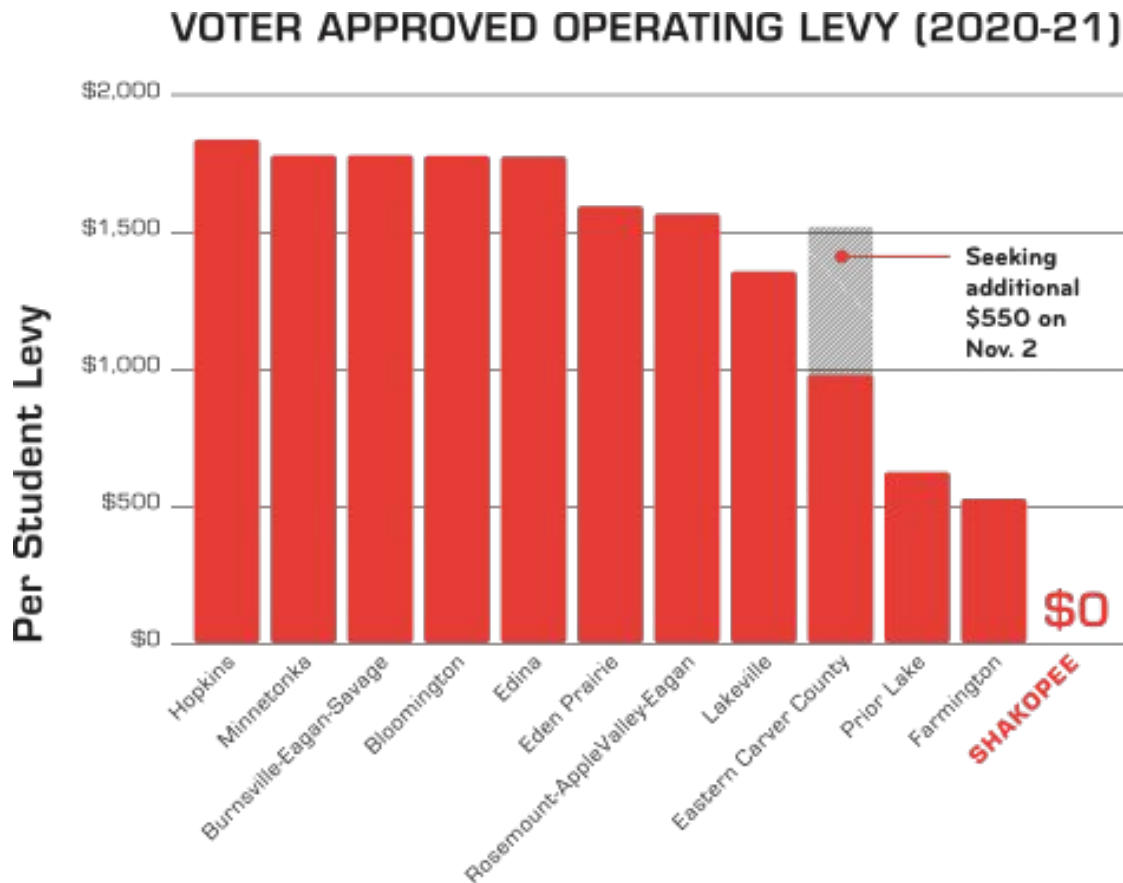
Value for Money

Prior to making \$7.5 million in budget cuts, Shakopee Public Schools was receiving **\$15.7 M per year less in revenue** than the metro average shown on the previous slide.

Though **spending over \$1900 less than the metro average per student**, our district was competing quite well in terms of providing services to our students and community.

Comparison of Revenue & Expenses

- Shakopee is the only metro school district without a voter approved operating levy
- Metro average = \$1,267 per pupil, per year
- If Shakopee had metro average operating levy = **\$11.03M revenue per year**





GENERAL
EDUCATION
AID

