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MINNESOTA DEPARTMENT OF

*Children
Families &
Learning*

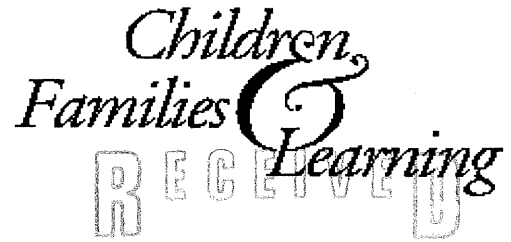
**DISTRICTS WITH
1999
STATUTORY
OPERATING
DEBT**

as of June 30, 1999

**REPORT
TO THE
LEGISLATURE**

**as required by
Minn. Stat. § 123B.83,
Subd. 3**

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**DISTRICTS WITH
1999
STATUTORY
OPERATING
DEBT**

As of June 30, 1999

FOR MORE INFORMATION CONTACT:

Dick Guevremont, Coordinator
Financial Management & Accountability
Office of Management Assistance
T: (651) 582-8788
FAX: (651) 582-8803
E-MAIL: dick.guevremont@state.mn.us

**REPORT
TO THE
LEGISLATURE**

1500 Highway 36 West
Roseville, Minnesota 55113

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March 2000

**as required by
Minn. Stat. § 123B.83,
Subd. 3**

**MINNESOTA DEPARTMENT OF CHILDREN, FAMILIES & LEARNING
F.Y. 2000 LEGISLATIVE REPORTS: ESTIMATED COST OF PREPARATION**

Minnesota Statutes § 3.197 requires the following:

"A report to the legislature must contain, at the beginning of the report, the cost of preparing the report, including any costs incurred by another agency or another level of government."

The following provides estimated costs incurred in the preparation of this report.

This report required the collection of information which the Department of Children, Families & Learning does not collect as part of its normal business functions. It was therefore necessary to gather and analyze information in order to prepare this report. The cost of preparing this report includes estimates of the Department of Children, Families & Learning information collection costs.

Special funding was not appropriated to cover the costs of preparing this report.

TOTAL ESTIMATED COST FOR PREPARING THIS REPORT \$504.00

March 24, 2000

**Financial Management and Accountability
Office of Agency Finance and Management Services**

**Report on Minnesota School Districts and Charter Schools With Excess
Net Negative Unappropriated Operating Fund Balances at the End of Fiscal Year 1999**

Minn. Stat. § 123B.83, subd.3 (1999) states:

If a school district does not limit its expenditures in accordance with this section, the commissioner may so notify the appropriate committees of the legislature by no later than January 1 of the year following the end of the fiscal year.

This report is to so notify the legislative committees.

In addition to this report, the Department will be providing a more extensive report on the financial condition of public schools. Public schools have until November 30 to have their audited data for the previous fiscal year reported to the Department (Minn. Stat. § 123B.77, Subd. 3 (1999)). The list of districts and charter schools in this report has been established through Uniform Financial Accounting and Reporting Standards (UFARS) reporting verified by audit reports.

In the terminology of the statute, districts and charter schools exceed their expenditure limitations when their Net Unappropriated Operating Fund Balance (NUOFB) at year end (June 30) is a negative amount which exceeds 2 ½% of their operating expenditures. Districts who exceed this operating debt limitation are termed to be in Statutory Operating Debt (SOD).

Minn. Stat. § 126C.01, subd. 11 provides a new measure of NUOFB which limits the reserved operating balances. The law excludes the following reserves: statutory operating debt reduction, bus purchase, severance pay, taconite, reemployment insurance, maintenance levy reduction, operating capital, health and safety, disabled accessibility, and encumbrances.

Summary

At the end of Fiscal Year 1998 there were ten districts and six charter schools reported as having statutory operating debt using the NUOFB measure. For Fiscal Year 1999 the numbers increase to twenty school districts (including nine from the previous year) and twelve charter schools (including two from the previous year).

Of the twelve charter schools in SOD, all but three are in their first or second year of operation. One charter school on the list in F.Y. 1998 closed in F.Y. 1999. Therefore, there are eleven school districts and ten charter schools on the F.Y. 1999 SOD list that were not on the F.Y. 1998 SOD list. One school district and three charter schools on the

SOD list in F.Y. 1998 are not in SOD for F.Y. 1999. It should be noted that the number of school districts decreased by two (349 to 347) from F.Y. 1998 to F.Y. 1999 while the number of charter schools increased by eleven (29 to 40) for the same period.

Summary of Tables

Table 1: Districts and charter schools with net negative unappropriated operating fund balance exceeding 2 ½% of yearly operating expenditures at the end of Fiscal Year 1999.

1. As of June 30, 1999 there are eighteen independent school districts, one common school district, one enhanced paired district and twelve charter school districts that have net negative unappropriated operating fund balances exceeding 2½% of total Fiscal Year 1999 operating expenditures.
2. Ten of the eighteen school districts, the one enhanced paired and ten of the twelve charter schools are new to the list for Fiscal Year 1999.

Table 2: Districts and charter schools with net negative unappropriated operating fund balance exceeding 2 ½% of yearly operating expenditures at the end of either Fiscal Year 1998 and/or Fiscal Year 1999.

1. This table shows statutory operating debt information for a total number of 37 school districts and charter schools.
2. The total number of school districts and charter schools in SOD at the end of F.Y. 1998 was sixteen.
3. The total number of school districts and charter schools in SOD at the end of F.Y. 1999 was thirty-two.

Table 1
Minnesota Department of Children, Families & Learning

Districts & Charter Schools With Negative Net Unappropriated Operating Fund Balance Exceeding 2 1/2% of Yearly Operating Expenditures: F.Y. 1999

District Number	District Name	Operating Expenditures	Maximum Deficit	Net Unappropriated Operating Fund Balance	Percent Deficit	Per Audit	First Year in S.O.D.
0004-01	McGregor	4,677,919	(116,948)	(138,040)	-2.95%	x	1996
0015-01	St. Francis	38,498,518	(962,463)	(1,760,637)	-4.57%	x	1999
0021-01	Audubon	2,271,698	(56,792)	(144,481)	-5.04%	x	1999
0197-01	West St. Paul-Mendota Heights	37,723,310	(943,083)	(1,532,216)	-4.06%	x	1999
0256-01	Red Wing	23,477,843	(586,946)	(969,490)	-4.13%	x	1998
0277-01	Westonka	17,615,942	(440,399)	(650,582)	-3.69%	x	1998
0294-01	Houston	3,098,930	(77,473)	(313,414)	-10.11%	x	1998
0316-01	Coleraine	11,396,639	(284,916)	(781,787)	-6.86%	x	1996
0323-02	Franconia	211,425	(5,286)	(30,105)	-14.24%	x	1994
0604-01	Mentor	1,108,153	(27,704)	(226,024)	-20.40%	x	1999
0623-01	Roseville	58,357,302	(1,458,933)	(1,897,292)	-3.25%	x	1999
0656-01	Fairbault	30,832,831	(770,821)	(1,601,705)	-5.19%	x	1999
0712-01	Mountain Iron-Buhl	5,147,564	(128,689)	(1,163,045)	-22.59%	x	1999
0719-01	Prior Lake	26,851,515	(671,288)	(680,532)	-2.53%	x	1998
0806-01	Elgin-Millville	3,491,009	(87,275)	(333,634)	-9.56%	x	1998
0840-01	St. James	9,206,423	(230,161)	(300,469)	-3.26%	x	1999
2397-01	Lesueur-Henderson	8,576,968	(214,424)	(399,685)	-4.66%	x	1998
2534-01	Bird Island-Olivia-Lake	7,242,507	(181,063)	(262,997)	-3.63%	x	1999
2536-01	Granada Huntley-East Chain	2,768,120	(69,203)	(130,535)	-4.72%	x	1999
3001-05	BDRSH: Enhanced Pair Dst.	7,820,798	(195,520)	(544,938)	-6.97%	x	1999
4002-07	Toivola-Meadowlands	693,174	(17,329)	(39,984)	-5.77%	x	1977
4003-07	New Heights	853,515	(21,338)	(126,203)	-14.79%	x	1998
4023-07	Success Academy	2,768,203	(69,205)	(855,582)	-30.91%	x	1999
4025-07	Cyber Village Academy	532,581	(13,315)	(147,041)	-27.61%	x	1998
4027-07	Higher Ground Academy	95,041	(2,376)	(3,133)	-3.30%		1999
4028-07	Eci' Nomp Woonspe	287,891	(7,197)	(13,625)	-4.73%		1999
4031-06	Minnesota Technology	791,093	(19,777)	(105,670)	-13.37%	x	1999
4035-07	Early Learning Charter	735,724	(18,393)	(143,723)	-19.53%	x	1999
4036-07	Face to Face Academy	485,740	(12,144)	(58,115)	-11.96%	x	1999
4038-07	Sojourner Truth Academy	203,287	(5,082)	(104,042)	-51.18%	x	1999
4040-07	Martin Hughes Charter	409,198	(10,230)	(219,873)	-53.73%	x	1999
4042-07	Twin Cities Academy	273,861	(6,847)	(93,369)	-34.09%	x	1999

Table 2
Minnesota Department of Children, Families & Learning
Districts and Charter Schools with Net Negative Unappropriated Operating Fund Balance
Exceeding 2 ½% of Yearly Operating Expenditures at the End of Either Fiscal Year 1998 and/or Fiscal Year 1999

District Number	District UFARS Data 6/30/98					District UFARS Data 6/30/99			
	District Name	Operating Expenditures	Maximum Deficit	Net Unapprop. Op. Fund Bal.	Percent Deficit	Operating Expenditures	Maximum Deficit	Net Unapprop. Op. Fund Bal.	Percent Deficit
0004-01	McGregor	4,139,987	(103,500)	(331,008)	-8.00%	4,677,919	(116,948)	(138,040)	-2.95%
0015-01	St. Francis	36,418,362	(910,459)	1,049,485	2.88%	38,498,518	(962,463)	(1,760,637)	-4.57%
0021-01	Audubon	2,175,286	(54,382)	94,242	4.33%	2,271,698	(56,792)	(144,481)	-5.04%
0197-01	West St. Paul-Mendota Ht	39,014,271	(975,357)	(228,866)	-0.59%	37,723,310	(943,083)	(1,532,216)	-4.06%
0239-01	Rushford-Peterson	4,296,730	(107,418)	(226,822)	-5.28%	4,608,765	(115,219)	(90,342)	-1.96%
0256-01	Red Wing	23,290,397	(582,260)	(630,763)	-2.71%	23,477,843	(586,946)	(969,490)	-4.13%
0277-01	Westonka	17,510,531	(437,763)	(610,273)	-3.49%	17,615,942	(440,399)	(650,582)	-3.69%
0294-01	Houston	3,177,704	(79,443)	(130,874)	-4.12%	3,098,930	(77,473)	(313,414)	-10.11%
0316-01	Coleraine	10,991,582	(274,790)	(589,844)	-5.37%	11,396,639	(284,916)	(781,787)	-6.86%
0323-02	Franconia	162,738	(4,068)	(18,563)	-11.41%	211,425	(5,286)	(30,105)	-14.24%
0604-01	Mentor	1,036,346	(25,909)	27,531	2.66%	1,108,153	(27,704)	(226,024)	-20.40%
0623-01	Roseville	55,301,835	(1,382,546)	1,066,819	1.93%	58,357,302	(1,458,933)	(1,897,292)	-3.25%
0656-01	Fairbault	30,584,794	(764,620)	(692,008)	-2.26%	30,832,831	(770,821)	(1,601,705)	-5.19%
0712-01	Mountain Iron-Buhl	5,038,030	(125,951)	400,505	7.95%	5,147,564	(128,689)	(1,163,045)	-22.59%
0719-01	Prior Lake	26,392,466	(659,812)	(787,407)	-2.98%	26,851,515	(671,288)	(680,532)	-2.53%
0806-01	Elgin-Millville	3,457,151	(86,429)	(115,071)	-3.33%	3,491,009	(87,275)	(333,634)	-9.56%
0840-01	St. James	8,513,885	(212,847)	(24,182)	-0.28%	9,206,423	(230,161)	(300,469)	-3.26%
2397-01	Lesueur-Henderson	7,950,707	198,768	392,790	-4.94%	8,576,968	(214,424)	(399,685)	-4.66%
2534-01	Bird Island-Olivia-Lake	6,553,742	(163,844)	635,840	9.70%	7,242,507	(181,063)	(262,997)	-3.63%
2536-01	Granada Huntley-East Chai	2,668,065	(66,702)	85,686	3.21%	2,768,120	(69,203)	(130,535)	-4.72%
3001-05	BDRSH: Enhanced Pair Dst	7,330,702	(183,268)	211,384	2.88%	7,820,798	(195,520)	(544,938)	-6.97%
4002-07	Toivola-Meadowlands	692,174	(17,304)	(39,984)	-5.77%	663,589	(16,590)	(21,253)	-3.30%
4003-07	New Heights	838,382	(20,960)	(152,980)	-18.25%	853,515	(21,338)	(126,203)	-14.79%
4004-07	Cedar Riverside	735,358	(18,384)	(18,894)	-2.57%	683,989	(17,100)	107,704	15.75%
4010-07	Frederick Douglas	224,515	(5,613)	(52,901)	-23.56%	Closed in 1999			
4014-07	Right Step Academy	1,485,093	(37,127)	(52,901)	-14.74%	1,464,509	(36,613)	35,802	2.44%
4023-07	Success Academy	838,791	(20,970)	169,355	20.19%	2,768,203	(69,205)	(855,582)	-30.91%
4025-07	Cyber Village Academy	236,725	(5,918)	(62,821)	-26.54%	532,581	(13,315)	(147,041)	-27.61%

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		Operating Expenditures	Maximum Deficit	Net Unapprop. Op. Fund Bal.	Percent Deficit	Operating Expenditures	Maximum Deficit	Net Unapprop. Op. Fund Bal.	Percent Deficit
4027-07	Higher Ground Academy	8,741	(219)	31,259	357.63%	95,041	(2,376)	(3,133)	-3.30%
4028-07	Eci' Nomp Woonspe	125,925	(3,148)	21,778	17.30%	287,891	(7,197)	(13,625)	-4.73%
4029-07	New Spirit School	93,581	(2,340)	(2,574)	-2.75%	1,005,560	(25,139)	76,610	7.62%
4031-06	Minnesota Technology					791,093	(19,777)	(105,670)	-13.37%
4035-07	Early Learning Charter					735,724	(18,393)	(143,723)	-19.53%
4036-07	Face to Face Academy					485,740	(12,144)	(58,115)	-11.96%
4038-07	Sojourner Truth Academy					203,287	(5,082)	(104,042)	-51.18%
4040-07	Martin Hughes Charter					409,198	(10,230)	(219,873)	-53.73%
4042-07	Twin Cities Academy					273,861	(6,847)	(93,369)	-34.09%

