



## Guide to Early Childhood Family Education and School Readiness Program Finance Data Reports

The early Childhood Program Finance Data Reports provide annual revenue and expenditure data for all school districts participating in Minnesota's Early Childhood Family Education (ECFE) and School Readiness programs. The purpose of the reports is to make financial and administrative data for these early learning programs more accessible to the public, and to assist school districts in program planning and budgeting. The reports are found in the following spreadsheet documents posted on the Minnesota Department of Education's (MDE) Website: FY 2003 through FY 2006; FY 2007; FY 2008 and FY 2009.

Questions about the financial data in these reports may be directed to Lisa DeRemee, MDE Program Finance Division: e-mail [lisa.deremee@state.mn.us](mailto:lisa.deremee@state.mn.us) or telephone 651-582-8467. Questions concerning the ECFE Annual Report (ED-01611-xx), the School Readiness Annual Report (ED-02408-xx), the biennial School Readiness Program Plan (ED-02353-xx), and other program requirements may be directed to Eileen Nelson, MDE Early Learning Services Division: e-mail [eileen.nelson@state.mn.us](mailto:eileen.nelson@state.mn.us), or telephone 651-582-8464.

### Data Sources

The ECFE and School Readiness Reports are organized in two parts:

**Part I** consists of administrative and funding data maintained by MDE's Early Learning Services and Program Finance Divisions. The data includes: whether the district filed an Annual Report and/or School Readiness Biennial Program Plan<sup>1</sup>; population data used by the statutory formula that sets program funding; the maximum amount of funding generated by the formula; and the adjusted amount of formula funding, reflecting reductions for districts with an excess fund balance<sup>2</sup>.

**Part II** presents detailed information on districts' ECFE and School Readiness program revenue, expenditures, and reserve account fund balances, as reported by school districts to MDE through the Uniform Financial Accounting and Reporting Standards (UFARS) system. Revenue is reported by funding source (UFARS source code) and expenditures by type (UFARS object code). Detailed descriptions of UFARS codes can

---

<sup>1</sup> Submission and approval of a biennial School Readiness Program Plan is required for receipt of state aid. See Minnesota Statutes Section 124D.16, subdivision 2.

<sup>2</sup> State law limits ECFE and School Readiness three-year average reserve fund balances to 25% of the prior year's revenue. See Minnesota Statutes Section 124D.135, subdivision 8 and Section 124D.16, subdivision 6.

be found in the UFARS Manual, which is posted on the MDE Website site at <http://education.state.mn.us>; select Accountability Programs > Program Finance > Financial Management > UFARS.

ECFE financial data includes all revenues and expenditures reported in Fund 04 and recorded with Finance codes 325 (ECFE) or 328 (Home Visiting), as well as revenues and expenditures recorded with any other Finance code in combination with Program code 580 (ECFE). School Readiness financial data includes all Fund 04 revenues and expenditures recorded with Finance code 344, as well as revenues and expenditures recorded with both Program 582 (School Readiness) and any Finance code other than Fin 344.

ECFE and School Readiness reserve account data from UFARS includes the accounts' closing fund balances for the prior fiscal year, as well as the beginning and closing fund balances for the reporting fiscal year. In addition, an *expected* reserve account closing fund balance is shown, calculated equal to annual revenue plus permanent transfers, minus annual expenditures, plus the prior fiscal year's closing fund balance.

This calculation may not always agree with the closing fund balance reported on UFARS. Differences can exist when a district makes a prior period adjustment(s) to its beginning fund balance; to highlight such adjustments, the beginning fund balance for the reporting year is shown alongside the prior fiscal year's closing fund balance. UFARS coding errors and omissions may also explain variances between the reported and expected closing fund balances; for example, when a district does not use the required UFARS Finance and/or Program codes to record its ECFE or School Readiness revenue, that activity will not be included.

Finally, the expected ECFE or School Readiness reserve closing fund balance may not agree with the closing fund balance reported on UFARS if a district uses Community Education revenue for ECFE and/or School Readiness. Community Education revenue and expenditures are recorded with Finance 321 and tie to the Community Education reserve account. Activity recorded with both Finance 321 and Program 580 (ECFE) or Finance 321 and Program 582 (School Readiness) is included in these reports for the purpose of providing a complete picture of the annual resources budgeted and expended for these early learning programs.