



TO: Board of Education

FROM: Brady Hoffman, Director of Business Services

DATE: June 22, 2015

AGENDA: Action

RE: Approval of 2015-2016 Adopted Budget

RECOMMENDATION:

For the Board of Education approve the 2015-2016 Adopted Budget as follows:

Fund	Revenues	Expenditures
General	\$43,299,246	\$43,396,307
Food Service	2,011,530	2,052,048
Community Service	2,158,181	2,132,692
Capital Projects	25,000	7,641,826
Debt Services	5,386,250	5,240,362
	52,880,207	60,463,235
Total Governmental	52,880,207	60,463,235
Employee Benefit Trust	240,000	240,000
OPEB Trust	672,015	672,015
	672,015	672,015
All Funds	\$53,792,222	\$61,375,250

Budget Summary

General Fund

The General Fund is used to record the financial activities of a school district that are not included elsewhere. This includes education activities, district instructional and student support programs, pupil transportation, capital expenditures, and legal school district expenditures not specifically designated to be account for in any other fund.

General Fund Summary:

Revenues	\$43,299,249
Expenditures	<u>43,396,307</u>
Projected Variance	<u>(\$97,061)</u>
Projected Unassigned Fund Balance %	10.69%

Adopted Budget Assumptions:

- Fiscal Year 2015-2016 average daily memberships (ADMs) are projected to be 3,862. This is an increase of 23 ADMs over the fiscal year 2014-2015 projected ADMs.
- General education funding, on a per pupil basis, is projected to be \$5,948 (2% increase over fiscal year 2014-2015). Pupil units will be calculated using a weighting factor of 1.0 for grades K-6 and 1.2 for grades 7-12.
- The district has two operating referendums. The total operating referendum is \$981.47 per adjusted pupil unit consisting of \$423.12 authorized through FY19 and \$558.35 authorized through FY23.
- The State Special Education Aid formula is in a transformation year to a new funding formula that is more “census-based”. Funding will be distributed, in part, based on overall district average daily membership served, poverty concentration, district size, and the average costs of educating students with different primary disabilities. Revenues are budgeted to increase approximately \$200,000.
- Includes additional expenditures for the operational needs of the new performing arts center addition (i.e. custodial, utilities, supervision, etc).

Summary:

The District is projecting an unassigned fund balance of 11.32% at June 30, 2015. Based on the fiscal year 2015-2016 adopted budget, the District will end the fiscal year with and unassigned fund balances of approximately 10.69%. The adopted budget will be revised later in the year to adjust for known legislative changes, updated enrollments, staffing, and audited fund balances.

Food Service Fund

The food service fund is used to record financial activities of the school district’s food service program. The adopted budget shows a deficit of \$40,518 for the 2015-2016 fiscal year. This spend down of fund balance is intentional as it includes one-time purchased to expand the serving area at Pine Bend to accommodate increases in enrollment. Student meal prices are being held flat with no increase for the 2015-2016 school year as a result of the Federal Paid Lunch Equity calculation. Meal prices for the 2015-2016 school year are as follows:

	<u>Breakfast</u>	<u>Lunch</u>
Elementary	\$1.10	\$1.80
Middle School	\$1.10	\$1.90
High School	\$1.10	\$1.95

Community Service Fund

The community service fund is used to record financial activities of the school district’s community service programs. The adopted budget projects a surplus of \$25,489 for the 2015-2016 fiscal year resulting in an ending fund balance of \$37,602.

Capital Projects Fund

The capital projects fund accounts for the activity related to the school building bonds approved by the voters in November 2013. The current year budget shows the planned spend down of the bond proceeds of \$7,616,826.

Debt Service Fund

The Debt Service Fund is used to record revenues and expenditures for the school district's outstanding bonded indebtedness. 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 amount levies is 105% of the principal and interest due on such bonds, which allows for delinquencies. When an excess is accumulated in the debt service fund due to interest earnings, lower than anticipated tax delinquency, or excess building funds, the excess must be used to reduce debt levies. The adopted budget projects a surplus of \$145,888.

Employee Benefit and OPEB Trust

The employee benefit trust fund is used to account for the funds held by the district for its employees participating in the flexible benefit plan. The OPEB trust fund accounts for the payment and financing of the districts OPEB liabilities.