

Mahtomedi Public Schools

Preliminary Budget 2016-2017

Rochel Manders
June 23, 2016 Board Meeting

2016 Legislative Session

- ▶ Supplemental Budget Bill:
 - Provides no new state funding for special education cross-subsidy or basic formula increase
 - Includes \$27.1 million for pre-K programs
 - Capped amount and must apply for funding
 - Based on concentration of free and reduced students and proximity of Parent Aware programs to the district

School Finance Funds

- ▶ General
 - ▶ Food Service
 - ▶ Community Education
 - ▶ Debt Service
 - ▶ OPEB Debt Service
 - ▶ **Building Construction Fund**
 - ▶ Internal Service Proprietary fund
 - ▶ OPEB Trust Fiduciary fund
- Operating funds
- Non Operating funds
-
- ```
graph LR; G[General] --- OF[Operating funds]; FS[Food Service] --- OF; CE[Community Education] --- OF; DS[Debt Service] --- NOF[Non Operating funds]; OPEB[OPEB Debt Service] --- NOF; BC[Building Construction Fund] --- NOF; IS[Internal Service] --- PF[Proprietary fund]; OT[OPEB Trust] --- FF[Fiduciary fund];
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# General Fund–Legislative Changes FY 16–17

## ▶ Basic formula

- Increase of 2%
  - \$119/pupil (from \$5,948 to \$6,067)
  - \$400,000

## ▶ Long Term Facilities Maintenance Revenue

- Replaces deferred maintenance and H&S revenue
- Increase of \$268,000
  - Scheduled larger maintenance projects
  - Moved expenses from operating capital
  - Increased operating capital expenses for curriculum

# General Fund Budget

## PRELIMINARY BUDGET 2016-2017

### PROJECTED REVENUES, EXPENDITURES AND FUND BALANCE BY FUND

|                                        | PROJECTED<br>Fund<br>Balance<br>06/30/16 | Revenue<br>Budget<br>2016-2017 | Expenditure<br>Budget<br>2016-2017 | Change in<br>Fund<br>Balance<br>2016-2017 | PROJECTED<br>Fund<br>Balance<br>06/30/17 |       |
|----------------------------------------|------------------------------------------|--------------------------------|------------------------------------|-------------------------------------------|------------------------------------------|-------|
| General Fund                           |                                          |                                |                                    |                                           |                                          |       |
| Unassigned                             | \$3,502,980                              | \$34,777,675                   | \$35,019,036                       | (\$241,361)                               | \$3,261,619                              | 8.60% |
| Restricted                             |                                          |                                |                                    |                                           |                                          |       |
| Restricted – Capital Projects Levy     | \$0                                      | \$580,493                      | \$580,493                          | \$0                                       | \$0                                      |       |
| Restricted – Health & Safety           | \$8,522                                  | \$0                            | \$0                                | (\$8,522)                                 | \$0                                      |       |
| Restricted – Deferred Maintenance      | (\$1,500)                                | \$0                            | \$0                                | \$1,500                                   | (\$0)                                    |       |
| Restricted – LT Facilities Maintenance | \$0                                      | \$567,858                      | \$567,858                          | (\$1,500)                                 | (\$1,500)                                |       |
| Restricted – Operating Capital         | \$481,602                                | \$923,152                      | \$1,145,877                        | (\$214,203)                               | \$267,399                                |       |
|                                        | \$488,624                                | \$2,071,503                    | \$2,294,228                        | (\$222,725)                               | \$265,899                                |       |
| Assigned                               |                                          |                                |                                    |                                           |                                          |       |
| Assigned – Subsequent Year Budget      | \$359,181                                | \$0                            | \$0                                | \$0                                       | \$359,181                                |       |
| Assigned – Building Donations          | \$233,212                                | \$233,570                      | \$240,720                          | (\$7,150)                                 | \$226,062                                |       |
| Assigned – Student Activity Accounts   | \$224,406                                | \$305,000                      | \$381,000                          | (\$76,000)                                | \$148,406                                |       |
| Assigned – Severance                   | \$411,850                                | \$0                            | \$0                                | \$0                                       | \$411,850                                |       |
|                                        | \$1,228,649                              | \$538,570                      | \$621,720                          | (\$83,150)                                | \$1,145,499                              |       |
| General Fund                           | \$5,220,253                              | \$37,387,748                   | \$37,934,984                       | (\$547,236)                               | \$4,673,017                              |       |

# General Fund Budget Comparison

|                     | <b>2015-2016</b><br><b><u>Revised</u></b> | <b>2016-2017</b><br><b><u>Preliminary</u></b> | <b><u>Change</u></b> |
|---------------------|-------------------------------------------|-----------------------------------------------|----------------------|
| <b>Revenue</b>      | 36,289,553                                | 37,387,748                                    | 1,098,195            |
| <b>Expenditures</b> | 36,431,952                                | 37,934,984                                    | 1,503,032            |
| <b>Total</b>        | (142,399)                                 | (547,236)                                     | (404,837)            |

# General Fund Revenues

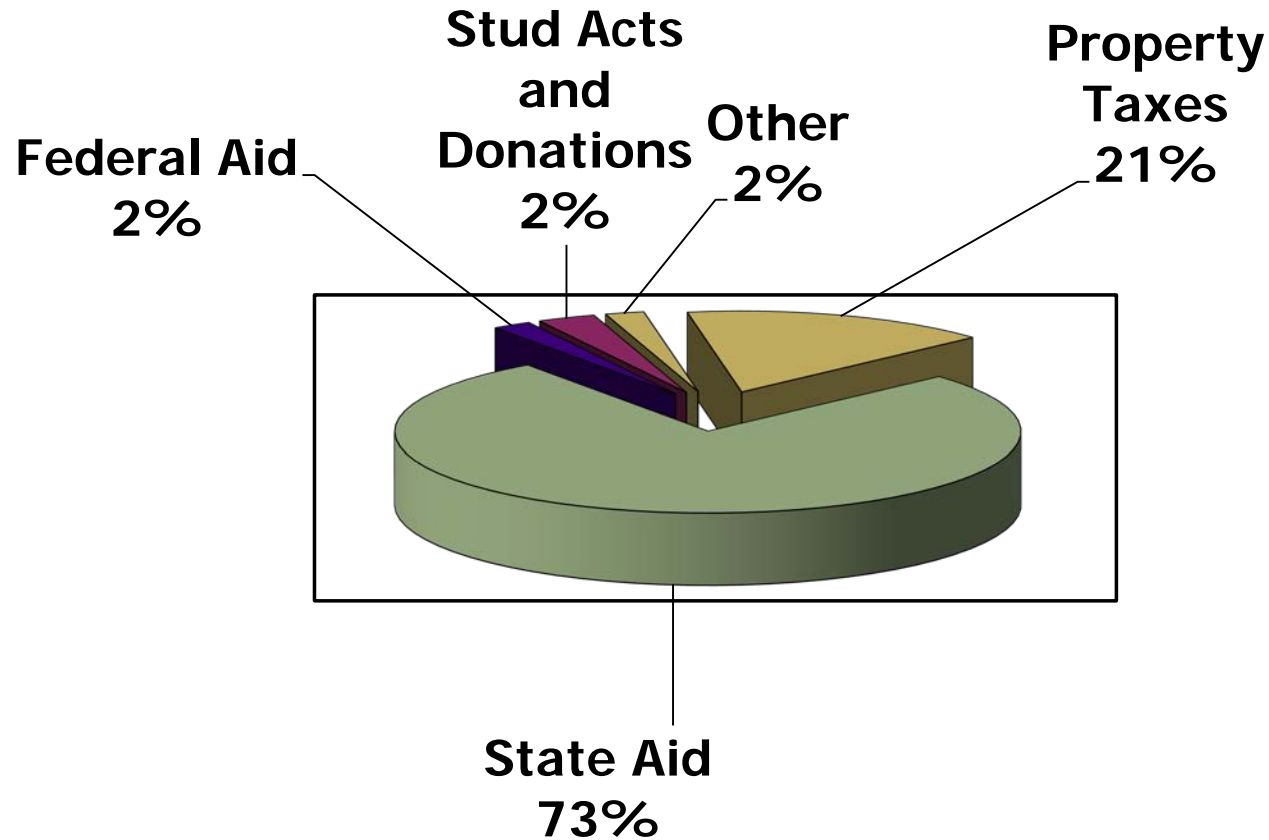
|                                                       | <b>2015-2016</b><br><b><u>Revised</u></b> | <b>2016-2017</b><br><b><u>Preliminary</u></b> | <b><u>Change</u></b> |
|-------------------------------------------------------|-------------------------------------------|-----------------------------------------------|----------------------|
| <b>General Ed</b>                                     | 22,560,081                                | 22,933,373                                    | 373,292              |
| <b>Other State: Q-comp,<br/>Integration, Literacy</b> | 1,183,302                                 | 1,366,852                                     | 183,550              |
| <b>Special Ed</b>                                     | 2,751,853                                 | 3,090,000                                     | 338,147              |
| <b>Federal</b>                                        | 716,768                                   | 747,772                                       | 31,004               |
| <b>Levy</b>                                           | 7,685,444                                 | 7,993,233                                     | 307,789              |
| <b>Misc: fees, rentals, gate<br/>receipts</b>         | 750,822                                   | 717,950                                       | (32,872)             |
| <b>Student Activities</b>                             | 387,000                                   | 305,000                                       | (82,000)             |
| <b>Donations</b>                                      | 254,283                                   | 233,570                                       | (20,713)             |
| <b>Total</b>                                          | <b>36,289,553</b>                         | <b>37,387,750</b>                             | <b>1,098,197</b>     |

# General Fund Expenditures

|                           | <b>2015-2016</b>      | <b>2016-2017</b>          |                      |
|---------------------------|-----------------------|---------------------------|----------------------|
|                           | <b><u>Revised</u></b> | <b><u>Preliminary</u></b> | <b><u>Change</u></b> |
| <b>Salaries</b>           | 20,993,937            | 21,895,771                | 901,834              |
| <b>Benefits</b>           | 7,774,473             | 8,302,904                 | 528,431              |
| <b>Purchased Services</b> | 4,292,891             | 4,624,577                 | 331,686              |
| <b>Supplies</b>           | 1,131,468             | 1,133,215                 | 1,747                |
| <b>Capital</b>            | 1,202,676             | 1,171,296                 | (31,380)             |
| <b>Other</b>              | 180,002               | 185,501                   | 5,499                |
| <b>Student Activities</b> | 357,000               | 381,000                   | 24,000               |
| <b>Donations</b>          | 499,505               | 240,720                   | (258,785)            |
| <b>Total</b>              | <b>36,431,952</b>     | <b>37,934,984</b>         | <b>1,503,032</b>     |

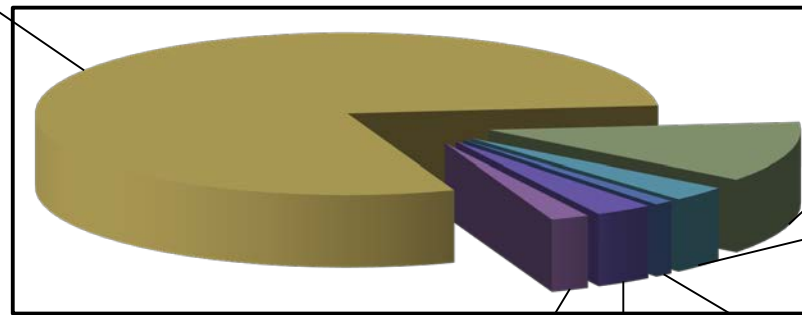


# General Fund by Revenue Source



# General Fund by Expense Object

**Salaries & Benefits**  
80%



**Purchased Services**  
12%

**Supplies**  
3%

**Misc**  
.5%

**Stud Act and Donations**  
1.5%

**Capital**  
3%

# Food Service Fund

- ▶ Thirteenth year of Stillwater contract for services
  
- ▶ Price Increase due to Paid Lunch Equity Calc
  - Pricing requirements must be met based on a federal standard compared to district average price
    - School breakfast will remain the same at \$1.30 (elem) and \$1.40 (sec)
    - School lunch will increase \$.10 to \$2.50 (elem) and \$2.80 (sec)
    - Milk will remain the same at \$.50/carton

# Food Service Fund Budget

|                   | PROJECTED       |                  |                  | Change in        | PROJECTED       |
|-------------------|-----------------|------------------|------------------|------------------|-----------------|
|                   | Fund            | Revenue          | Expenditure      | Fund             | Fund            |
|                   | Balance         | Budget           | Budget           | Balance          | Balance         |
|                   | <u>06/30/16</u> | <u>2016-2017</u> | <u>2016-2017</u> | <u>2016-2017</u> | <u>06/30/17</u> |
| Food Service Fund | \$335,023       | \$1,484,100      | \$1,437,715      | \$46,385         | \$381,408       |

# Community Education Fund

The Community Education Fund is used to record all financial activities associated with the various community service programs such as:

- ▶ ECFE
- ▶ School Readiness PS <sub>2</sub>
- ▶ Senior
- ▶ Adult Enrichment
- ▶ Elem and Sec Enrichment
- ▶ Summer Recreation <sub>3</sub>
- ▶ School Age Childcare <sub>1</sub>

# Community Education Fund Budget

|                        |  |  | PROJECTED       |                  |                  | Change in        | PROJECTED       |
|------------------------|--|--|-----------------|------------------|------------------|------------------|-----------------|
|                        |  |  | Fund            | Revenue          | Expenditure      | Fund             | Fund            |
|                        |  |  | Balance         | Budget           | Budget           | Balance          | Balance         |
|                        |  |  | <u>06/30/16</u> | <u>2016-2017</u> | <u>2016-2017</u> | <u>2016-2017</u> | <u>06/30/17</u> |
| Community Service Fund |  |  | \$577,009       | \$1,926,794      | \$1,741,130      | \$185,664        | \$762,673       |

# Community Education

Community education department plans to use some of the fund balance on:

- ▶ Field improvements
- ▶ DEC gymnasium upgrades

# Building Construction Fund

The Building Construction Fund is used to record all operations of a district's building construction program that are funded by the sale of bonds or capital loans.

- ▶ Abatement bond project for parking lots, sidewalks and exterior lighting
- ▶ Temporary fund during construction



# Debt Service Funds

The Debt Service Fund is used to record revenues and expenditures for the school district's outstanding bonded indebtedness and includes:

- ▶ School building bonds
- ▶ School refunding bonds

The OPEB Debt Service Fund is used to record revenues and expenditures for the bonds issued for the school district's severance liability under GASB 45.

- ▶ Other Post Employment Benefits bonds
  - ▶ Severance pay for teachers hired prior to July 1, 1988

# Debt Service Funds Budget

|                            | PROJECTED       |                  |                  | Change in        | PROJECTED       |
|----------------------------|-----------------|------------------|------------------|------------------|-----------------|
|                            | Fund            | Revenue          | Expenditure      | Fund             | Fund            |
|                            | Balance         | Budget           | Budget           | Balance          | Balance         |
|                            | <u>06/30/16</u> | <u>2016-2017</u> | <u>2016-2017</u> | <u>2016-2017</u> | <u>06/30/17</u> |
| Non Operating Funds        |                 |                  |                  |                  |                 |
| Building Construction Fund | \$0             | \$7,993,621      | \$4,179,600      | \$3,814,021      | \$3,814,021     |
| Debt Service Fund          | \$2,093,329     | \$4,931,844      | \$4,903,484      | \$28,360         | \$2,121,689     |
| OPEB Debt Service Fund     | \$60,310        | \$338,325        | \$329,333        | \$8,992          | \$69,302        |
|                            |                 |                  |                  |                  |                 |
| Total Non Operating Funds  | \$2,153,639     | \$13,263,790     | \$9,412,417      | \$3,851,373      | \$6,005,012     |

# Internal Service Fund

The Internal Service Fund is used to record revenues and expenditures for the school district's high deductible medical insurance plan.

- ▶ Plan changing in FY 2016–17
  - Two tiers
    - District paid HRA
    - Fully insured
  - Offer employees opportunities to save more funds to be used later

# Internal Service Fund Budget

|                   |                       | PROJECTED       |                  |                  | Change in        | PROJECTED       |
|-------------------|-----------------------|-----------------|------------------|------------------|------------------|-----------------|
|                   |                       | Fund            | Revenue          | Expenditure      | Fund             | Fund            |
|                   |                       | Balance         | Budget           | Budget           | Balance          | Balance         |
|                   |                       | <u>06/30/16</u> | <u>2016-2017</u> | <u>2016-2017</u> | <u>2016-2017</u> | <u>06/30/17</u> |
| Proprietary Funds |                       |                 |                  |                  |                  |                 |
|                   | Internal Service Fund | (\$354,709)     | \$5,222,000      | \$5,040,000      | \$182,000        | (\$172,709)     |

# OPEB Trust Fund

The OPEB Trust Fund is used to record revenues and expenditures for the school district's irrevocable trust.

- ▶ Fund established in FY 2008–09
  - Funds pre July 1, 1988 teacher severance

# OPEB Trust Fund Budget

|                 |                                             | PROJECTED       |                  |                  | Change in        | PROJECTED       |
|-----------------|---------------------------------------------|-----------------|------------------|------------------|------------------|-----------------|
|                 |                                             | Fund            | Revenue          | Expenditure      | Fund             | Fund            |
|                 |                                             | Balance         | Budget           | Budget           | Balance          | Balance         |
|                 |                                             | <u>06/30/16</u> | <u>2016-2017</u> | <u>2016-2017</u> | <u>2016-2017</u> | <u>06/30/17</u> |
| Fiduciary Funds |                                             |                 |                  |                  |                  |                 |
|                 | Post-Employ Benefits Irrevocable Trust Fund | \$1,781,344     | \$35,000         | \$387,459        | (\$352,459)      | \$1,428,885     |

# COMMENTS AND QUESTIONS

For questions and/or comments please  
contact:

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