

School Board Meeting:

May 24, 2010

Subject:

2009-10 Budget Amendments

Presenter:

Tina Burkholder

SUGGESTED SCHOOL BOARD ACTION:

Recommend board approval.

DESCRIPTION:

FUND 01 REVENUE – General Fund

The General Fund revenue adjustments consist of multiple entitlement adjustments to state aids and federal programs such as Title I and Special Education. The amendments could result from revised enrollment estimates, new MDE IDEAS revenue report, and proration on state aids. Originally the pupil units (WADM's) were estimated to be 6,797 for the 2009-10 school year. As the monthly enrollment reports have been coming in, the estimated pupil units have been adjusted down to 6,688. This affected the General Education state aid and the Operating Capital state aid.

Federal revenue entitlements were updated with prior year carryover entitlements from MDE. The Special Education stimulus funds were adjusted to request additional funds in the first year rather than waiting until 2010-11. Half of the Special Education stimulus dollars are for employee benefits. By requesting the funds earlier rather than later, the District experiences a positive cash flow to fund the projector/smart board projects in the school buildings over the 2010 summer.

Another major revenue adjustment was \$183,000 in Special Education 3rd party billing. The Special Education department has been very proactive in receiving additional revenue in this area. In the future, the additional revenue will help offset non-reimbursed special education costs such as employee benefits.

The district also received OPEB bond proceeds to fund our post-employment employee benefits. The bond proceeds had to first be recognized in each operating fund (General Fund, Food Service fund, and Community Service fund). Then a similar amount was transferred out and moved to the OPEB Trust fund.

FUND 01 EXPENDITURES – General Fund

The General Fund expenditure amendments consist of 2 salary projection updates: December 18th and April 15th. All employee groups have been settled, and the contingency positions were allocated. Salaries and benefits increased a cumulative total of \$66,538.

Adjustments of \$110,000 were made to the State Special Education programs. This included tuition billing operated by MDE and Transition Disabled payments to Functional Industries.

Some other adjustments included a decrease of \$112,210 for severance payments and retiree insurance costs, the removal of \$130,000 for short-term borrowing interest, and a reduction of \$356,440 in utility costs with stable rates and energy efficient efforts. Another \$100,730 was added to the transportation budget towards fuel costs and Special Education transportation.

The OPEB bond proceeds of \$9,758,440 to fund our post-employment employee benefits were also transferred out to the OPEB Trust fund. The amount is similar to the amount deposited, so there barely any affect on the fund balance totals.

FUNDS 2 & 4 – Food Service and Community Service

The only budget adjustments made to the Food Service and Community Service funds were the proceeds from the OPEB bond sale and the transfer out to the OPEB Trust fund (Fund 45).

FUND 5 – Capital Outlay fund

The revenue for the Capital Outlay fund was increased \$68,806. The Operating Capital state aid was adjusted down \$2,810 to reflect the reduced pupil counts estimated for the 2009-10 school year (WADM's). Other State Aid revenue was increased \$71,616 due to the new IDEAS schedule and entitlement reports which included Equity Aid and Deferred Maintenance (state aid). No budget adjustments were made to the expenditures.

FUND 7 – Debt Service fund

The revenue for the Debt Service fund was increased \$910,329. The interest revenue account was decreased \$25,000 due to smaller interest earning on investments. The 2008 Payable 2009 property tax levies were reduced in the amount of \$883,329 with the Alternate Facility debt excess costs. The property tax state aid credits were also reduced down \$2,000. No budget adjustments were made to the expenditures.

FUND 6 – Building Construction fund

The expenditures for the Building Construction fund was increased \$319,405 in the Buffalo Community Middle School roofing and track projects. Construction projects typically occur during the summer months. Expenditures made in June are for one school year while expenditures made in July and August are included in the next school year. The adjustment reflects costs made in the 2009-10 school year that were originally thought to occur in 2008-09. No budget adjustments were made to revenue budget.

FUND 45 – OPEB Trust fund

The revenue for the OPEB Trust fund was increased \$10,692,200 from the OPEB Bond Sale. No budget adjustments were made to the expenditures since the District did not use any dollars from the Trust to fund post-employment obligations.

Attachments:
2009-10 Budget Adjustments