

MEMORANDUM

TO: NWABSD Board of Education Members

DATE: January 21, 2025

NUMBER: 25-071

FR: Office of the Superintendent

SUBJECT: Approval of FY25
General Fund Budget
Revision #2

ABSTRACT:

The School Board shall establish and maintain a balanced budget.

ISSUE:

At issue is the approval of the FY25 General Fund Budget Revision #2

BACKGROUND AND/OR PERTINENT INFORMATION:

Approved Budget Revisions:

- **Original Budget:**
 - Approved at the April 30, 2024, Regular School Board meeting
 - Revenue: \$63,879,260
 - Expenditures: \$66,535,595
- **Revision #1:**
 - Approved at the August 27, 2024, meeting
 - Revenue: \$67,624,192
 - Expenditures: \$67,510,831
- **Revision #2 (Presented for Review):**
 - **Revenues:** \$79,634,230
 - **Expenditures:** \$80,953,218
 - **Transfer In (Other Funds):** \$1,500,000
 - **Transfers Out (Other Funds):** \$3,005,214 (no change)

Revenue Adjustments in Revision #2:

- **Increase in Budgeted Revenue:**
 - FY 25 e-rate funding commitment: **\$12,247,725**
- **Decreases in Budgeted Revenue:**
 - Actual student counts from the fall OASIS report, approximately 60 less students: **(\$1,863,494)**
 - Quality Schools funding adjustment: **(\$4,353)**
 - FY25 Impact Aid adjustment based on FY24 receipts: **(\$34,392)**
 - **Total Revenue Decrease: (\$1,902,239)**

Transfers In:

- Transfer **\$1,500,000** from the CIP reserved Local Share to the General Fund for projected to actual FY25 Foundation funding.
 - Current balance in CIP reserved Local Share: **\$4,080,144**

Expenditure Adjustments:

- **Reallocation of Funds:** Adjusted to reflect actual expenditures and corrections with no fiscal impact.

- **Increase in E-rate Service Costs:** Additional cost of **\$13,285,657**

ALTERNATIVES:

1. Approve Revision #2 of the FY25 General Fund Operating Budget as presented;
2. Disapprove Revision #2 of the FY25 General Fund Operating Budget as presented;
3. Take no action.

ADMINISTRATION'S RECOMMENDATION:

The administration recommends the Board approve Revision #2 of the FY25 General Fund Operating Budget as presented.

**Northwest Arctic Borough School District
FY25 Budget**

	FY25	FY25	Changes	NOTES
	<u>Current Budget</u>	<u>Budget REVISION #2</u>		
<u>REVENUE</u>				
Other Local Revenue	\$2,100,000	\$2,100,000	\$0	
Earnings on Investments	\$770,000	\$770,000	\$0	
Donations/Contributions	\$0	\$0	\$0	
Borough Appropriation	\$8,068,263	\$8,068,263	\$0	
E-rate Program	\$7,205,220	\$19,452,945	\$12,247,725	corrected to reflect FY25 e-rate revenue
State Foundation	\$42,933,418	\$41,069,924	(\$1,863,494)	based on final Jan 2025 OASIS report
Quality Schools	\$110,278	\$105,925	(\$4,353)	corrected from OASIS report
TRS On-behalf	\$2,505,160	\$2,505,160	\$0	
PERS On-behalf	\$447,788	\$447,788	\$0	
Revenue - Other State Sources	\$7,791	\$1,672,343	\$1,664,552	BAG award not previously included
Impact Aid Program	\$3,476,274	\$3,441,882	(\$34,392)	FY24 actual receipts
TOTAL REVENUES	\$67,624,192	\$79,634,230	\$12,010,038	
<u>TRANSFERS IN</u>				
District Technology Fund	\$0	\$0	\$0	
Locally Funded Maintenance CIP Fund	\$0	\$0	\$0	
Teacher housing CIP Fund	\$0	\$0	\$0	
Kivalina District Contribution	\$0	\$0	\$0	
NW Magnet School Expansion	\$0	\$0	\$0	
Magnet School Dormitory	\$0	\$0	\$0	
ATC Capital Reserve	\$0	\$0	\$0	
CIP Reserved Local Share	\$0	\$1,500,000	\$1,500,000	projected to actual Foundation funding
TOTAL TRANSFERS IN	\$0	\$1,500,000	\$1,500,000	
<u>EXPENSES</u>				
Certificated Salaries	\$15,429,407	\$15,544,407	\$115,000	FY25 Quality Schools allocation
Non-Certificated Salaries	\$9,347,698	\$9,312,698	(\$35,000)	FY25 Quality Schools allocation
Leave Pay Out	\$285,000	\$285,000	\$0	
Board Stipends	\$87,750	\$87,750	\$0	
Employee Benefits	\$12,645,809	\$12,662,084	\$16,275	FY25 Quality Schools allocation
TRS On-behalf	\$2,505,160	\$2,505,160	\$0	
PERS On-behalf	\$447,788	\$447,788	\$0	
SUBTOTAL: Personnel	\$40,748,612	\$40,844,887	\$96,275	
Professional & Technical Services	\$4,842,647	\$4,840,647	(\$2,000)	
Staff Travel	\$424,000	\$428,000	\$4,000	FY25 Quality Schools allocation
Board Travel	\$108,852	\$83,852	(\$25,000)	reallocating funds for Board rep student travel
Student Travel	\$1,144,775	\$1,169,775	\$25,000	adding Board rep student travel
Utility Services	\$8,410,727	\$21,696,384	\$13,285,657	corrected to reflect FY25 e-rate expenses
Energy-includes electricity & fuel	\$4,323,719	\$4,323,719	\$0	
Other Purchased Services	\$4,470,556	\$4,470,556	\$0	
Property & Liability Insurance	\$1,350,000	\$1,396,452	\$46,452	projected to actual insurance premiums
Supplies, Materials & Media	\$1,754,263	\$1,765,266	\$11,003	FY25 Quality Schools allocation
Tuition	\$40,000	\$40,000	\$0	
Dues & Fees	\$87,680	\$88,680	\$1,000	
Inventoried Equipment	\$55,000	\$55,000	\$0	
Indirect Cost Recovery	(\$250,000)	(\$250,000)	\$0	
SUBTOTAL: Non-Personnel	\$26,762,219	\$40,108,331	\$13,346,112	
TOTAL EXPENSES	\$67,510,831	\$80,953,218	\$13,442,387	
<u>TRANSFERS OUT</u>				
Food Service Fund	\$1,200,000	\$1,200,000	\$0	
ATC	\$1,105,214	\$1,105,214	\$0	
Star of the Northwest - Magnet School	\$100,000	\$100,000	\$0	
Teacher Housing Fund	\$450,000	\$450,000	\$0	
Special Revenue Fund	\$150,000	\$150,000	\$0	
TOTAL TRANSFERS OUT	\$3,005,214	\$3,005,214	\$0	
INCREASE (DECREASE)-UNRESERVED FE	(\$2,891,853)	(\$2,824,202)		
FY24 Fund Balance	\$10,927,573	\$10,927,573		From FY24 Audit - page 8
Decrease in Fund Balance	\$2,891,853	\$2,824,202		
Estimated Prepaid & Inventory for FY25	\$2,800,000	\$2,800,000		
Projected FY25 Fund Balance	\$5,235,720	\$5,303,371		