

**School Board Meeting:** May 26, 20098  
**Subject:** 2008-09 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 the Title I, Special Education, and College in the Schools. The amendments also include getting a better handle on the state aids and levy and their relationship to each other, particularly with Operating Capital. It has both a state aid and levy component.

Originally we estimated the pupil units (WADM's) to be 6,679 for the 2008-09 school year. As the monthly enrollment reports have been coming in, we adjusted the estimated pupil units down to 6,626. This affected the General Education state aid and the Operating Capital state aid.

Another major revenue adjustment was \$210,000 in E-rate and Microsoft funds. School districts were entitled to funds from a Microsoft settlement. We allocated the funds to the individual schools and technology department. The funds were to be split between hardware and software. The settlement was on a reimbursement process. Our schools and technology department have spent their entitlement over the last two years, and we are submitting our claims for reimbursement.

Parking revenue was new in 2008-09. We were hoping to generate \$60,000 in parking revenue, but only received approximately \$54,000. Parking revenue is subject to sales tax, so \$3,500 has to be reported and sent to the MN Department of Revenue.

The district also received insurance proceeds to replace the BHS coils that had hail damage. A similar adjustment has been made on the expenditure side to reflect the project costs.

### ***FUND 01 EXPENDITURES – General Fund***

The General Fund expenditure amendments consist of 2 salary projection updates. The November 20<sup>th</sup> projection includes settled contracts for clerical and administrative employees, adjusted employee benefits, and removing the Special Education physical therapy position. The physical therapy position remained an independent contractor for the 2008-09 school year. An adjustment was also made to Special Education summer staffing which is not part of the salary projections. Most of the summer activity for Special Education is regulated by the student's IEP. The April 7<sup>th</sup> projection includes updates to employee benefits and assumes all contracts have been settled. An adjustment was also made to regular Summer School as a result of it being eliminated starting in the summer of 2009.

Another \$49,400 was added to the transportation budget towards fuel costs and the Integration billing. The Integration transportation billing switched from paying for students that are transported out of Buffalo schools to paying for students that attend Buffalo schools. After seeing the first couple invoices of the new billing, the budget was adjusted to reflect a new estimate.

Some other adjustments included an additional \$27,200 for severance payments, an extra \$25,000 in unemployment costs, and \$13,000 less for Wright Technical Center payments.

A budget adjustment of \$185,750 was made to insurance recovery for the BHS coil project that resulted from hail damage. This coincides with the revenue adjustment of \$125,000 plus the \$60,000 that was received last year.

### ***FUNDS 2 & 4 – Food Service and Community Service***

No budget adjustments were made to the Food Service or Community Service funds.

### ***FUND 5 – Capital Outlay fund***

The revenue for the Capital Outlay fund was increased \$83,489. The Operating Capital state aid was adjusted down \$1,931 to reflect the reduced pupil counts estimated for the 2008-09 school year (WADM's). Other State Aid revenue was increased \$85,420 due to the new IDEAS schedule and entitlement reports. No budget adjustments were made to the expenditures.

***FUND 7 – Debt Service fund***

The revenue for the Debt Service fund was increased \$21,870,000. The interest revenue account was increased \$70,000 due to the 2008 refunding bond proceeds held in escrow for a couple months earning interest. The 2008 refunding bond was approximately \$21 million to refund the 1999 bond. We also plan on transferring in \$800,000 from the Alternate Facilities fund. The remaining proceeds resulting from the ventilation projects being under budget will be transferred back to the Debt Service fund to reduce future property tax obligations. The expenditures for the Debt Service fund were increased \$20,805,000 to reflect 2008 refunding bond and the final 1999 bond payments.

***FUND 6 – Building Construction fund***

The revenue for the Building Construction fund was increased \$145,000 in the interest revenue account and the sale of real property. We delayed the BCMS roofing project this year, so the monthly cash balance was higher during the year to earn a little more interest revenue. We also sold the Montrose farm house property during the 2008-09 school year. The expenditures for the Building Construction fund were increased \$17,000 to reflect an interim arbitrage payment and some land purchase option costs pertaining to the Montrose Eden project.

***FUND 16 – Alternate Facilities fund***

The revenue for the Alternate Facilities fund was decreased \$110,000 in the interest revenue account. The majority of the bond proceeds were spent in the summer of 2008, so our monthly cash balance was lower during the remainder of the school year. Also the average interest rate was lower in 2008-09 than in 2007-08. The expenditures for the Alternate Facilities fund were increased \$800,000 to reflect a transfer out to the Debt Service fund. A similar adjustment is reflected in the Debt Service revenue.