

**School Board Meeting:**

**May 28, 2013**

**Subject:**

2012-13 Budget Amendments

**Presenter:**

**Gary Kawlewski**

---

**SUGGESTED SCHOOL BOARD ACTION:**

Recommend board approval.

**DESCRIPTION:**

***FUND 01 REVENUE – General Fund***

The General Fund revenue adjustments consist of multiple adjustments to property taxes, state aids, and federal programs such as Title I and Special Education. The amendments also 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 6,669 for the 2012-13 school year. As the monthly enrollment reports have been coming in, the estimated pupil units have been adjusted down to 6,652. This affected the General Education state aid and the Operating Capital state aid.

One major adjustment was made to property tax revenue for (\$2,150,000) but a similar adjustment in the opposite direction was made to state aid to reflect the State's property tax shift. Overall, the two adjustments were revenue neutral to the budget.

Federal revenue entitlements were updated with prior year carryover entitlements from MDE and updated entitlements for the current year.

Other budget adjustments were made to the wRight Choice program, additional interest earnings, and student activities.

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

The General Fund expenditure amendments consist of two salary projection updates: December 17<sup>th</sup> and April 29<sup>th</sup>. All employee groups are settled. Most of the Contingency positions are allocated. Salaries and benefits projections for non-federal programs decreased a cumulative total of \$135,679 whereas the salary and benefit projections for federal programs increased \$43,308 for a net budget revision decrease of \$92,371.

Funds for a roof replacement at the high school and additional technology infrastructure upgrades were added. The amount for the copier lease program was reduced and the cash flow borrowing line item was eliminated. Operations and maintenance budgets

2012-13 Budget Amendments

were reduced in aggregate although the line item for snow removal was increased. The district also had to add back costs for federal tuition based on a change in how the Minnesota Department of Education is handling tuition billing. Additionally, the costs of property and casualty insurance premiums are up slightly due to a change in market conditions.

***FUND 2 – Food Service fund***

We have seen a decrease in meals served as a result of recent changes at the federal level. Since this fund is an enterprise fund, less meals does equate to lower costs as well. However, we have experienced higher food costs due to demand and shipping expense. We have made reductions in other areas as well to try to keep the fund balanced. The food service staff members have worked hard to implement the changes made at the federal level and have done a great job in spite of all of the changes.

***FUND 4 – Community Service fund***

One major adjustment was made to property tax revenue for (\$285,000) but a similar adjustment in the opposite direction was made to state aid to reflect the State's property tax shift. Overall, the two adjustments were revenue neutral to the budget. Additionally, we have adjusted the revenue and expenditure budgets for Little KidKare as the day care center continues to grow.

***FUND 7 and 47 – Debt Service funds***

The revenue budget for the Debt Service fund remains basically the same with a slight adjustment down for interest earnings. On the expenditure side, we closed out the escrow account for the 2012A refunding bonds. Additionally, as a result of the alternative facility bonds for Parkside Elementary, we are able to have the continuing disclosure fee waived for this year.

***FUND 16– Building Construction fund***

All of the activity for the Parkside Elementary HVAC upgrades gets recorded in this fund. The revenues are updated to reflect a slightly higher issuance amount due to the changes in the budget of the project. The expenditures were updated to better reflect the portion of the project that will happen prior to June 30, 2013. The balance of the expenditures will be reflected in the 2013-14 budget.

***FUND 45 – OPEB Trust fund***

The revenue for the OPEB Trust fund is increased by \$600,000 to more accurately reflect the net appreciation expected in our OPEB Trust portfolio. The budget for expenditures is expected to remain the same for the year.

Attachments:

2012-13 Budget Adjustments