

Quarterly Budget Update FY17

Michael Baumann

Executive Director of Business Services

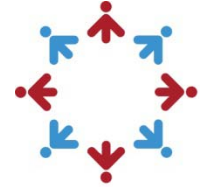
Jaber Alsiddiqui

Controller



February 28, 2017

Agenda

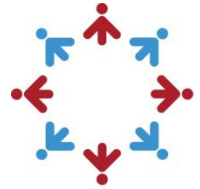


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- General Fund
 - Food Service Fund
 - Community Service Fund
 - Building Construction Fund
 - Debt Service Fund
 - Trust and Agency Fund
 - Internal Service Fund

Summary of General Fund

	Adopted FY17 Budget	Projected FY17	Difference
Beginning Fund Balance	\$13,885,199	\$17,856,414	\$3,971,215
Revenue			
Property Taxes	26,008,341	26,008,341	0
Other Local	2,774,234	4,036,234	1,262,000
State	91,870,789	94,583,502	2,712,713
Federal	2,644,881	3,054,619	409,738
Total Revenues	\$123,298,245	\$ 127,682,696	\$4,384,451
Salary & Wages	\$ 74,148,577	\$ 72,790,321	-1,358,256
Employees Benefits	29,355,268	30,889,766	1,534,498
Purchase of Services	14,313,893	15,066,762	752,869
Supplies & Materials	3,802,048	4,252,178	450,130
Capital Expenditures	6,001,301	6,001,301	0
Other Expenditures	1,125,099	1,693,827	568,728
Total Expenditures	\$128,746,186	\$130,694,155	\$1,947,969
Ending Fund Balance	\$8,437,258	\$14,844,955	\$6,407,697

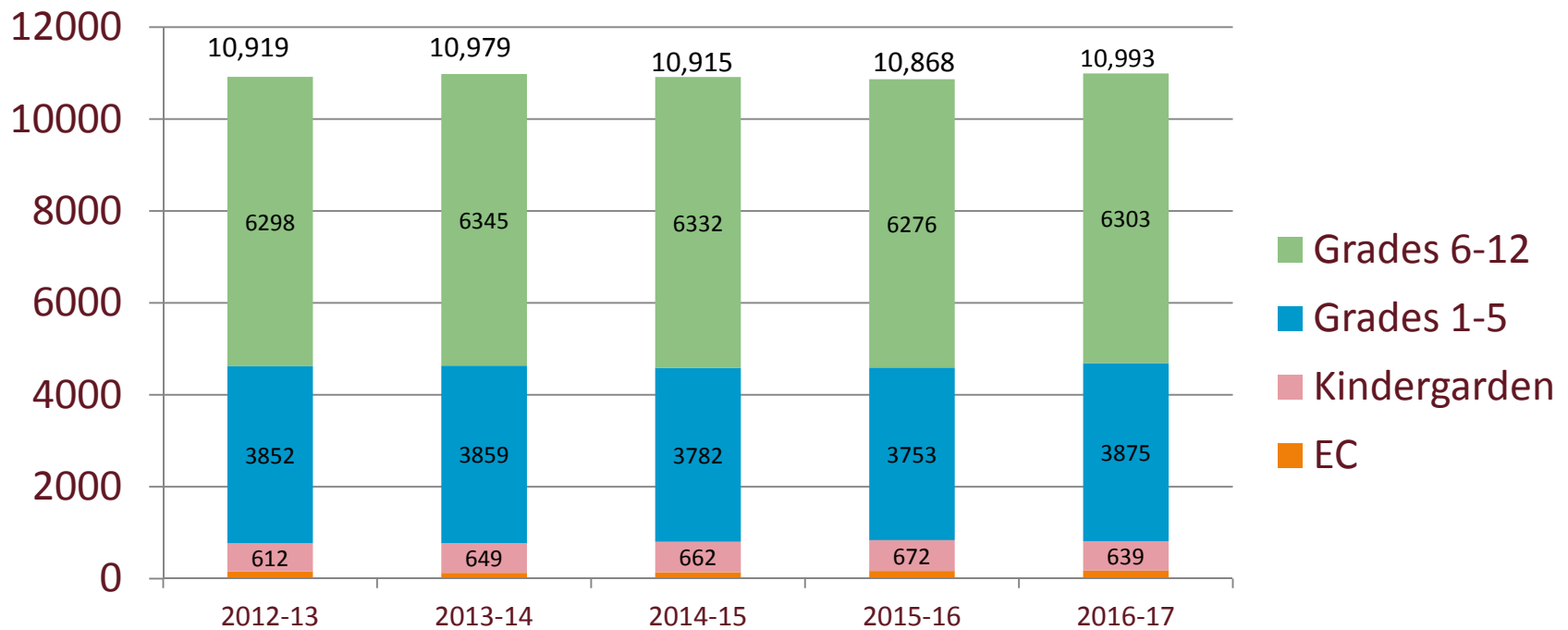
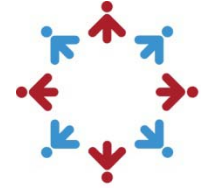
Analysis of General Fund Revenue



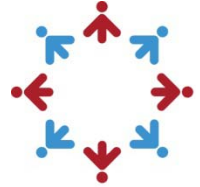
Revenue

- FY17 revenue is projected to be \$4.4 million, or 3.6% higher than adopted budget. The following factors are major contributors to the increase:
 - Enrollment increase by 125 students is projected to generate additional 1.2 million.
 - Updated federal revenue from MDE added \$.4 million.
 - Revenue recognition from the TRA contribution of \$1.3 million that will be recorded at the end of the fiscal year. This same amount will be added to the expenditure.
 - Recognition of schools fundraising activities recognition in the amount of \$1.3 million.

Enrollment Trend



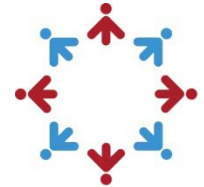
Analysis of General Fund Expenditure



Expenditure

- Total expenditure is projected to be \$2.0 million, or 1.5% higher than adopted budget.
- Salaries are projected to be under budget by \$1.4 million.
- The benefits increase reflects the recognition from the TRA contribution entry that will be recorded at the end of the fiscal year.
- Electricity and payment to post secondary colleges are projected to be higher than budget amount.
- Other expenditures recognizes the cost of fundraising activities at the schools.

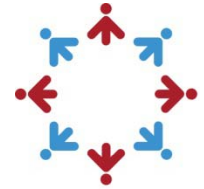
Analysis of General Fund



Fund Balance

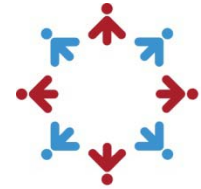
- The ending fund balance from FY16 was \$4.0 million higher than projected. This amount and the favorable net variance between revenue and expenditure contributed to additional \$6.4 million to the total fund balance.
- The unassigned fund balance is projected to be at 9.5%. This percent exceeds district policy's minimum fund balance of 5%.

Referendum Update



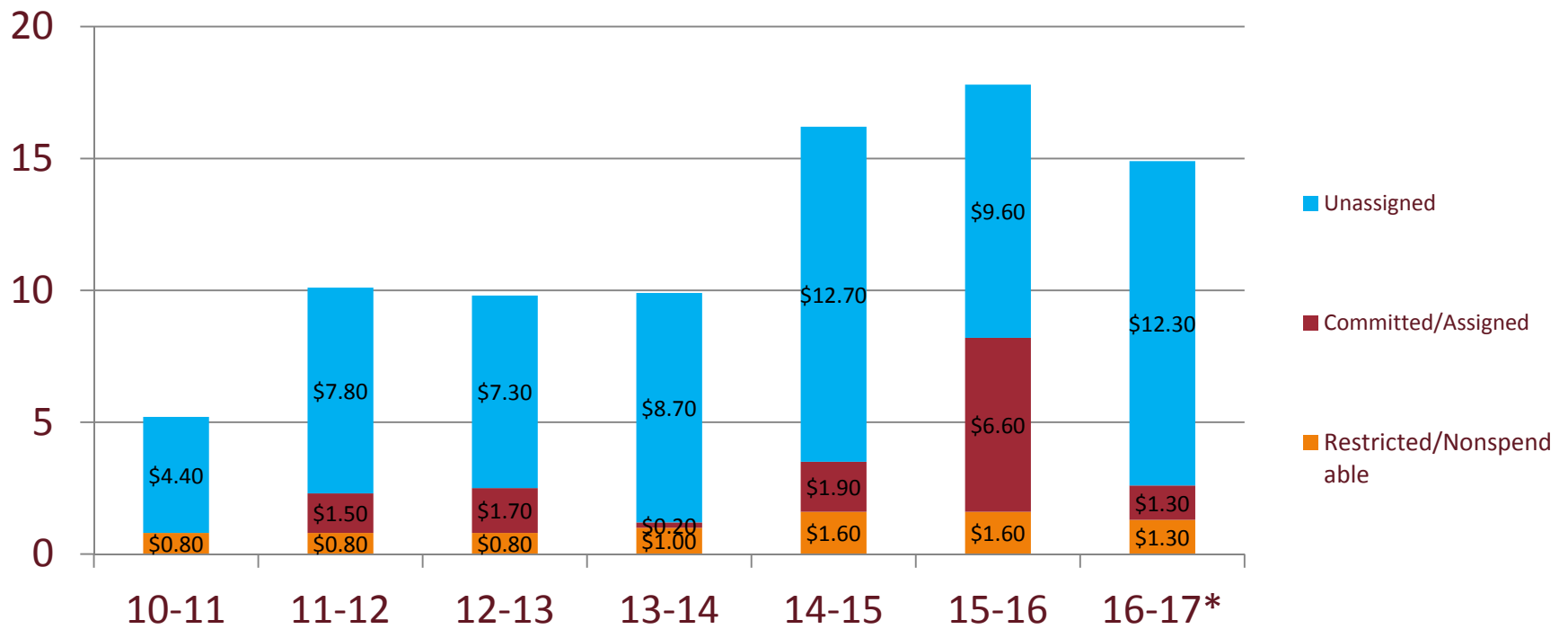
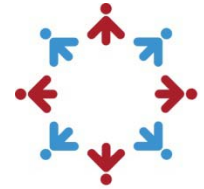
Referendum Initiative	Original Budget	Projected Expenditure	Projected Balance
Capital Referendum IT	\$1,500,000	\$1,409,087	\$90,913
Capital Referendum SEM	100,000	100,000	\$0
Capital Referendum STEM	350,000	303,606	\$46,394
Total Capital Referendum	\$1,950,000	\$1,812,693	\$137,307
Operating Referendum 5th Grade Band	182,745	195,727	-12,982
Operating Referendum Career & Trade	94,679	103,360	-8,681
Operating Referendum Elementary Art	398,282	401,185	-2,903
Operating Referendum Secondary Teachers	495,990	465,709	30,281
Total Operating Referendum	\$1,171,696	\$1,165,981	\$5,715
Total All Referendum	\$3,121,696	\$2,978,674	\$143,022

Projected Fund Balance



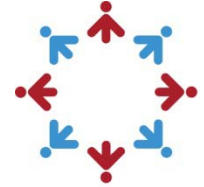
	Audited 15-16	Adopted 16-17	Projected 16-17
Non-spendable	\$306,414	\$185,338	\$300,000
Restricted	1,277,022	681,427	1,000,000
Assigned for Next Year's Operation	5,447,941	0	0
Assigned for Carry-over	1,182,450	1,000,000	1,000,000
Assigned for Capital Referendum	0	0	137,307
Assigned for Operating Referendum	0	0	5,715
Unassigned	9,642,587	6,570,493	12,401,933
Total Fund Balance	\$17,856,414	8,437,258	14,844,955
Unassigned FB % of GF Expenditure	8.2%	5.4%	9.5%

Fund Balance History



* Projected

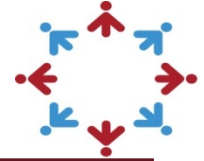
Revenue Projection of Food Service Fund



Description	Actual FY16	Adopted FY17	Projected FY17	Budget to Projected
Student Meals	\$2,365,329	\$2342106	\$2,392,922	\$50,186
Ala Carte	1,365,600	1,339,823	1,400,000	60,177
Other Local	21,175	4,225	4,225	0
State	221,239	260,801	232,519	-28,282
Federal	1,279,634	1,330,717	1,301,961	-28,756
Total Revenues	\$5,252,977	\$5,277,672	\$5,331,627	\$53,955

- Overall, revenue is projected to be higher than budget by \$53,955, or 1%.
- A la carte and student meals are projected to be higher by \$110,000. This amount is offset by reduction in state and federal aid by \$57,000.

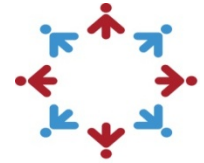
Expenditure Projection of Food Service Fund



Description	Actual FY16	Adopted FY17	Projected FY17	Budget to Projected
Salary and Wages	\$1,948,572	\$1,920,216	\$1,920,216	\$0
Employees Benefits	487,853	500,610	500,610	0
Purchase of Services	173,771	190,050	180,000	-10,050
Supplies and Materials	2,364,712	2,435,946	2,435,946	0
Capital Expenditures	202,073	197,500	266,000	68,500
Other Expenditures	276,018	182,500	275,500	93,000
Total Expenditures	\$5,452,999	\$5,426,822	\$5,557,272	\$151,450

- Total projected expenditure is higher than budget by approximately 151,450, or 2.8%. The main reasons are the additional cost in capital expenditure from the purchase of the freezer at CLEC, and an increase in chargeback that was implemented in FY16.

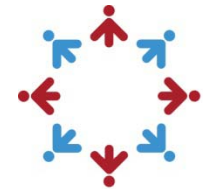
Food Service Fund Summary



Description	Actual FY16	Adopted FY17	Projected FY17	Change in Fund Balance
Beginning Fund Balance	\$1,738,249	\$1,851,733	\$1,538,227	-\$313,506
Total Revenue	5,252,977	5,277,672	5,331,627	53,955
Total Expenditure	5,452,999	5,426,822	5,557,272	151,450
Ending Fund Balance	\$1,538,227	\$1,702,583	\$1,413,379	-\$289,204

- A reduction in the beginning fund balance for the year and the changes in revenue and expenditure resulted in a total reduction in fund balance by \$289,204 from original budget. With this reduction, Food Service fund will have a fund balance of over 25% of its projected expenditure. This amount is below the maximum level allowed by federal guidelines.

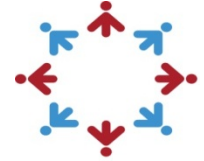
Revenue Projection of Community Service Fund



Description	Actual FY16	Adopted FY17	Projected FY17	Budget to Projected
Property Taxes	918,510	1,000,900	1,007,000	6,100
Other Local	4,460,284	4,289,400	4,368,200	78,800
State	736,135	811,400	809,200	-2,200
Federal	6,995	7,000	12,600	5,600
Total Revenues	\$6,121,924	\$6,108,700	\$6,197,000	\$88,300

- Total revenue is projected to increase by \$88,300. The Increase includes growth in revenue for Small Wonders Preschool, Wonder Zone preschool-age child care and Kid Zone school-age care. It is partially offset by a decrease in revenue for Summer Adventures as well as Giant Step Theatre which is not holding performances in 2016-17.

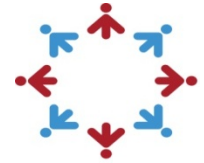
Expenditure Projection of Community Service Fund



Description	Actual FY16	Adopted FY17	Projected FY17	Budget to Projected
Salary and Wages	\$3,515,179	\$3,487,150	\$3,498,400	\$11,250
Employees Benefits	1,402,162	1,304,975	1,336,470	31,495
Purchase of Services	632,065	728,000	753,130	25,130
Supplies and Materials	167,757	216,490	220,180	3,690
Capital Expenditures	37,751	75,580	225,680	150,100
Other Expenditures	193,069	206,450	161,450	-45,000
Total Expenditures	\$5,947,983	\$6,018,645	\$6,195,310	\$176,665

- Total expenditure is projected to increase by \$176,665. The Increase includes growth in staffing and benefits in Small Wonders Preschool, Wonder Zone preschool-age child care and Kid Zone school-age care. Additional expenditure is planned within the equipment budgets of General Community Education and Early Childhood Family Education to partially cover technology replacement, potential expansion of the playground at CLEC and costs associated with building transitions at the CEB, ALC and CLEC.

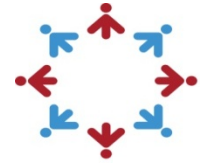
Community Service Fund Summary



Description	Actual FY16	Adopted FY17	Projected FY17	Change in Fund Balance
Beginning Fund Balance	\$639,752	\$455,752	\$813,692	\$357,940
Total Revenue	6,121,924	6,108,700	\$6,197,000	88,300
Total Expenditure	5,947,983	6,018,645	6,195,310	176,665
Ending Fund Balance	\$813,692	\$545,807	\$815,382	\$269,575

The fund balance is projected to be at \$815,382 at the end of 2016-17, or \$693,483 excluding the reserves for severance obligations. This amount, excluding reserves for severance, represents 11.2% of total expenditures. The Community Service fund balance is restricted for categorical programs.

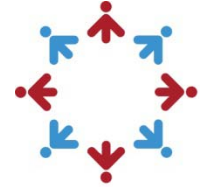
Building Construction Fund Summary



Description	Actual FY16	Adopted FY17	Projected FY17	Change in Fund Balance
Beginning Fund Balance	\$4,568,282	\$7,037,440	\$7,130,485	\$93,045
Total Revenue & Other Sources	6,276,131	7,500	20,000	\$12,500
Total Expenditure	\$3,713,928	4,302,590	2,905,367	(\$1,397,223)
Ending Fund Balance	\$7,130,485	\$2,742,350	\$4,245,118	\$1,502,768

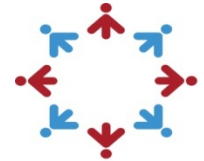
- Fund balance is projected to be at \$4,245,118 that will be used to complete FY17 and FY18 projects in fiscal year 2018.

Expenditure and Fund Balance Projection of Building Construction Fund



COMPLETED PROJECTS	DECIPTION	PROJECT BUDGET	TOTAL EXPENDED	REMAINING PROJECT FUNDS
Century MS	Gym Floor Refinishing	\$27,000	\$11,550	\$15,450
Century MS	Roof Replacement	1,975,000	1,404,000	571,000
Crystal Lake EC, Orchard	Exterior Entrance Replacem	230,000	208,264	21,736
JFK ES	Electrical Panel Board Replacem	25,000	16,076	8,924
JFK ES	Paving Replacement	580,000	275,000	305,000
Lake Marion ES	BAS & Boiler Burner Replacem	530,000	257,019	272,981
Lakeville North HS	Boiler Burner Replacement	150,000	55,000	95,000
Lakeville North HS	Roof Replacement	420,000	328,997	91,003
Kenwood Trail MS	Gym Floor Refinishing	30,000	23,400	6,600
McGuire MS	Pool Lighting Replacement	95,000	127,839	-32,839
McGuire MS	Fire Panel Replacement	225,000	108,222	116,778
District Wide	Project Management	90,000	90,000	0
JFK ES	Wash Fountain & Faucet Replac	85,000	0	85,000
PROJECTS COMPLETED IN PREVIOUS FUNDING CYCLE				
JFK ES	Hydronic System Replacement	175,000	0	175,000
McGuire MS	Circulation Pump Replacement	25,000	0	25,000
Unprogrammed:				138,000
Total		\$ 4,662,000	\$ 2,905,367	\$ 1,894,633

Debt Service Fund Summary

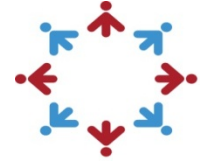


Description	Actual FY16	Adopted FY17	Projected FY17	Change in Fund Balance
Beginning Fund Balance	\$3,131,005	\$3,913,023	\$65,256,407	\$61,343,384
Total Revenue & Other Sources	81,967,441	17,024,280	17,024,280	\$0
Total Expenditure	19,842,039	17,370,372	79,456,314	\$62,085,942
Ending Fund Balance	\$65,256,407	\$3,566,931	\$2,824,373	-\$742,558

- Debt service expenditures represents the payment of principals and interests on outstanding bonds plus the repayment of the 2006D refunding issue.

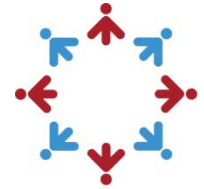
Outstanding Bonds

June 30, 2017



Bond Issues	Total Principals	Total Interests
Refunding Series 2008B	\$2,215,000	\$110,750
Taxable (QSCBs) Series 2010A	8,800,000	3,759,800
Alternative Facilities Series 2012B	7,720,000	1,697,550
Refunding Series 2012D	41,240,000	6,696,250
Alternative Facilities Series 2014A	5,065,000	1,078,625
Alt. Fac. Refunding Series 2015A	2,410,000	142,300
Refunding Series 2016A	48,140,000	12,144,500
Facilities Maintenance Series 2016B	5,660,000	1,904,000
Total All Bonds	\$121,250,000	\$27,533,775

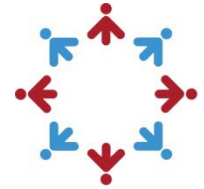
Revenue Projection of Trust and Agency Fund



Description	Actual FY16	Adopted FY17	Projected FY17	Budget to Projected
Flex Spending	\$550,056	\$600,000	\$600,000	\$0
SORLA	81,953	92,000	90,000	-2,000
Scholarship	119,529	300	110,300	110,000
Total Revenues	\$751,538	\$692,300	\$800,300	\$108,000

- The revenue Trust & Agency fund covers the following activities:
 - Reimbursement of health care and dependent care flex expenses to employees.
 - South of the River Learning Academy (SORLA).
 - Scholarship donations.

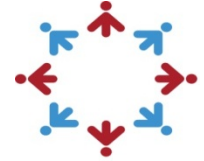
Expenditure and Fund Balance Projection of Trust and Agency Fund



Description	Actual FY16	Adopted FY17	Projected FY17	Budget to Projected
Flex Spending	\$534,611	\$700,000	\$600,000	\$0
SORLA	62,635	\$87,200	80,000	-7,200
Scholarship	115,606	1,000	120,000	119,000
Total Expenditures	\$712,852	\$788,200	\$800,000	\$11,800

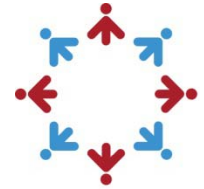
- Flex spending expenditure is projected is projected to be equal to revenue.
- The expenditure for SORLA is projected to be below budget by \$7,200.
- The budget for the scholarship is presented in net revenue against expenditure.

Trust & Agency Fund Summary



Description	Actual Fund Balance FY16	Adopted Fund Balance FY17	Projected Fund Balance FY17	Change in Fund Balance
Flex Spending	\$133,472	\$68,027	\$133,472	\$0
SORLA	32,171	30,753	42,171	10,000
Scholarship	170,217	164,894	160,517	-9,700
Total Fund Balance	\$335,860	\$263,674	\$336,160	\$300

Summary Projection of Internal Service Fund



Description	Actual FY16	Adopted FY17	Projected FY17	Budget to Projected
Beginning Net Position	\$529,932	\$438,988	\$544,454	\$105,466
Dental Self Insurance Revenue	1,190,993	1,289,509	1,200,000	-89,509
Dental Claim Expenses	1,176,471	1,300,000	1,200,000	-100,000
Ending Net Position	\$544,454	\$428,497	\$544,454	\$115,957

- The revenue for the Internal Service fund represents the charges for services for the dental insurance. Both revenue and expenditures are expected to be stabilized over last year's amounts.

Quarterly Budget Update FY17

QUESTIONS?

Michael Baumann
Executive Director of Business Services

Jaber Alsiddiqui
Controller

Board of Education Meeting
February 28, 2017

