

# Quarterly Budget Update FY16

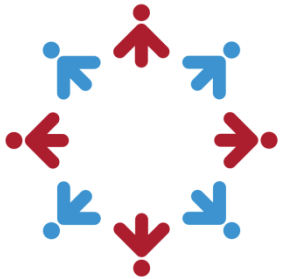
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Michael Baumann

Executive Director of Business Services

Jaber Alsiddiqui

Controller

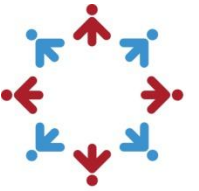


Lakeville  
AREA PUBLIC SCHOOLS

January 26, 2016

# Agenda

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

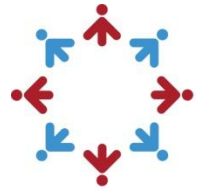
# Summary of General Fund



	Adopted Budget 15-16	Projected 15-16	Difference
<b>Beginning Fund Balance</b>	\$11,621,434	\$16,230,243	\$4,608,809
<b>Revenue</b>			
Property Taxes	\$20,586,435	\$20,586,435	\$0
Other Local	2,999,971	2,763,000	-236,971
State	89,426,728	89,434,923	\$8,195
Federal	2,536,600	2,671,933	\$135,333
<b>Total Revenues</b>	<b>\$115,549,734</b>	<b>\$115,456,291</b>	<b>-\$93,443</b>
Salary & Wages	\$69,024,768	\$69,809,810	\$785,042
Employees Benefits	26,415,558	27,234,180	818,622
Purchase of Services	13,302,551	13,090,464	-212,087
Supplies & Materials	3,473,039	3,473,039	\$0
Capital Expenditures	3,056,033	3,064,133	8,100
Other Expenditures	1,129,709	1,129,709	0
<b>Total Expenditures</b>	<b>\$116,401,658</b>	<b>\$117,801,335</b>	<b>\$1,399,677</b>
<b>Ending Fund Balance</b>	<b>\$10,769,510</b>	<b>\$13,885,199</b>	<b>\$3,115,689</b>

# Analysis of General Fund

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## Revenue

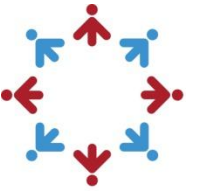
- Preliminary fall enrollment shows a slight decrease from projection by 22 students. This enrollment change has no material impact on the General Education revenue.
- FY16 revenue is projected to be \$.1 million, or .08% lower than adopted budget.
- Major factors of the decline are the miscellaneous revenue related to the annual chargeback to Community Education and Food Service funds, and an increase in Title I revenue.

## Expenditure

- Total expenditure is projected to be \$1.4 million, or 1.2% higher than adopted budget.
- Major changes in expenditures are in the salary and benefits line items.

# Analysis of General Fund

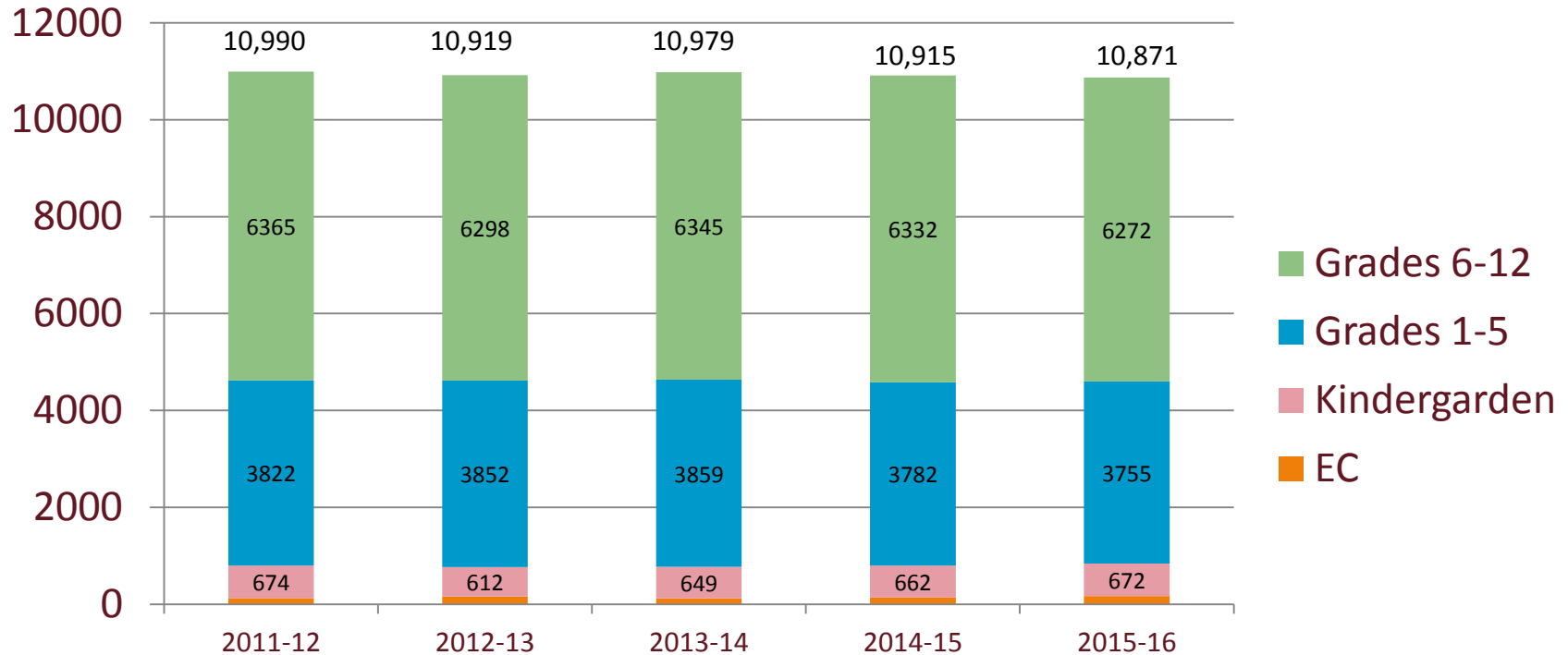
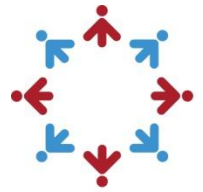
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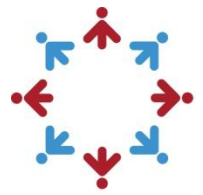
## Fund Balance

- The beginning balance from FY16 is \$4.6 higher than projected.
- The increase in the beginning fund balance and favorable variances in both revenue and expenditure in FY15 resulted in a projected total fund balance of \$13.9 million.
- The unassigned fund balance is projected to be at 10.1%. This percent exceeds district policy's maximum fund balance by \$2.37 million.

# Enrollment Trend

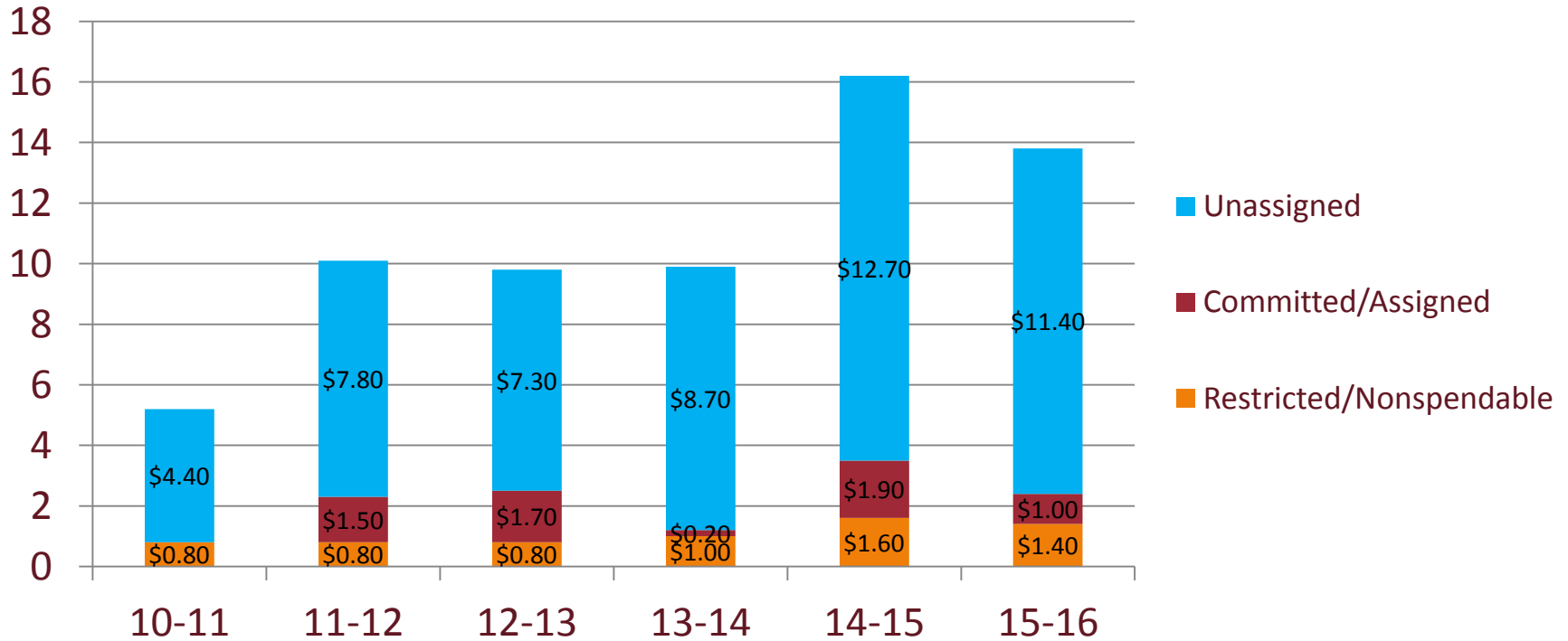
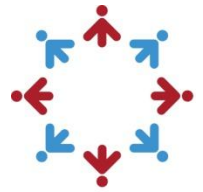


# Projected Fund Balance



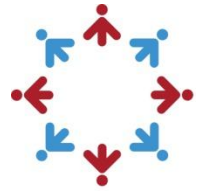
	Actual 14-15	Adopted 15-16	Projected 15-16
Nonspendable	\$185,338	\$280	\$185,338
Assigned for Next Year Operations	851,924	0	0
Restricted for Safe School Levy	53,472	42,173	0
Restricted for Operating Capital	79,839	0	0
Restricted for Staff Development	1,181,427	386,394	1,181,427
Restricted for Health & Safety	79,701	0	80,000
Assigned for Carry-over	1,108,548	0	1,000,000
Unassigned	12,689,994	10,340,663	11,438,434
<b>Total Fund Balance</b>	<b>\$16,230,243</b>	<b>\$10,769,510</b>	<b>\$13,885,199</b>
% of General Fund, excluding categorical Funding	12.0%	9.0%	10.1%

# Fund Balance History





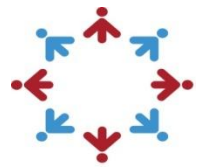
# Revenue Projection of Food Service Fund



Description	Actual FY15	Adopted FY16	Projected FY16	Budget to Projected
Student Meals	\$1,965,330	\$2,156,903	\$2,301,541	\$144,638
Ala Carte	1,772,026	1,571,702	1,339,823	-231,879
Other Sales	108,813	93,406	42,037	-51,369
Other Local	3,607	11,000	3,600	-7,400
State	175,247	214,291	259,104	44,813
Federal	1,248,092	1,244,429	1,243,080	-1,349
<b>Total Revenues</b>	<b>\$5,273,115</b>	<b>\$5,291,731</b>	<b>\$5,189,185</b>	<b>-\$102,546</b>

- Overall, revenue is projected to be below budget by \$102,000, or 2%.
- Student meals is projected to be higher as a result of Kid Zone students participation.
- Smart Snack program contributed to the lower revenue in Ala Carte.

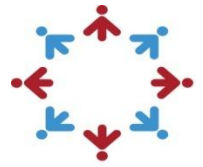
# Expenditure and Fund Balance Projection of Food Service Fund



Description	Actual FY15	Adopted FY16	Projected FY16	Budget to Projected
Salary and Wages	\$1,831,761	\$1,804,906	\$1,917,323	-\$112,417
Employees Benefits	454,952	540,384	550,358	-9,974
Purchase of Services	345,253	364,200	330,803	33,397
Supplies and Materials	2,330,757	2,483,928	2,505,498	-21,570
Capital Expenditures	19,374	282,700	278,573	4,127
Other Expenditures	10	1,000.	7,500	-6,500
<b>Total Expenditures</b>	<b>\$4,982,107</b>	<b>\$5,477,118</b>	<b>\$5,590,055</b>	<b>-\$112,937</b>

- Total projected expenditure is higher than budget by approximately 113,000, or 2%. The main reason is performance payment to staff as a result of positive fund balance in FY15.

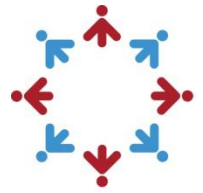
# Food Service Fund Summary



Description	Actual FY15	Adopted FY16	Projected FY16	Change in Fund Balance
Beginning Fund Balance	\$1,447,242	\$1,470,698	\$1,738,250	\$267,552
Total Revenue	5,273,115	5,291,731	5,189,185	-102,546
Total Expenditure	4,982,107	5,477,118	5,590,055	-112,937
<b>Ending Fund Balance</b>	<b>\$1,738,250</b>	<b>\$1,285,311</b>	<b>\$1,337,380</b>	<b>\$52,069</b>

- An increase in the beginning fund balance for the year resulted in higher projected ending balance by \$52,000.
- The ending balance in FY15 created an "excess fund", as defined by the federal regulations.

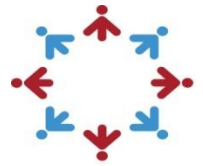
# Revenue Projection of Community Service Fund



Description	Actual FY15	Adopted FY16	Projected FY16	Budget to Projected
Property Taxes	\$951,956	920,600	\$920,600	\$0
Other Local	4,052,768	4,160,100	4,115,000	-45,100
State	651,106	689,800	795,500	105,700
Federal	11,737	7,100	7,100	0
<b>Total Revenues</b>	<b>\$5,667,607</b>	<b>\$5,777,600</b>	<b>\$5,838,200</b>	<b>\$ 60,600</b>

- Total revenue is projected to increase by \$60,600. The Increase includes growth in state aid for School Readiness as well as an increase in fees for Small Wonders Preschool and Summer Adventures. It is partially offset by a decrease in fees for Wonder Zone preschool age child care.

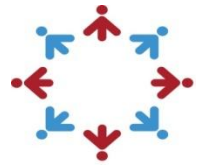
# Expenditure and Fund Balance Projection of Community Service Fund



Description	Actual FY15	Adopted FY16	Projected FY16	Budget to Projected
Salary and Wages	\$3,402,289	\$3,482,234	\$3,508,984	-\$26,750
Employees Benefits	1,328,232	1,290,140	1,385,620	-95,480
Purchase of Services	688,392	652,230	878,930	-226,700
Supplies and Materials	234,838	233,000	214,790	18,210
Capital Expenditures	85,577	65,400	43,000	22,400
Other Expenditures	139,459	159,300	-9,100	168,400
<b>Total Expenditures</b>	<b>\$5,878,787</b>	<b>\$5,882,304</b>	<b>\$6,022,224</b>	<b>-\$139,920</b>

- Total expenditure is projected to increase by \$139,920. The Increase includes growth in medical benefits across several programs as well as additional transportation for students receiving School Readiness scholarships.

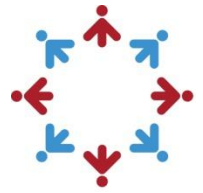
# Community Service Fund Summary



Description	Actual FY15	Adopted FY16	Projected FY16	Change in Fund Balance
Beginning Fund Balance	\$850,931	\$644,630	\$639,752	-\$4,878
Total Revenue	5,667,607	5,777,600	5,838,200	60,600
Total Expenditure	5,878,787	5,882,304	6,022,224	-139,920
<b>Ending Fund Balance</b>	<b>\$639,751</b>	<b>\$539,926</b>	<b>\$455,728</b>	<b>-\$84,198</b>

- As noted above, the Wonder Zone preschool age child care program is being significantly challenged by lower than expected revenue as well as increases in medical benefits. Mid-year adjustments have been made within the program area and throughout the Department to partially compensate for the changes. Extended School Services staff, who oversee Wonder Zone, are actively working to minimize the impact for 2015-16 as well as make recommendations for changes for 2016-17.
- The fund balance is projected to be at \$455,728. This amount, excluding reserve for severance, represents 6.4% of total expenditure. The Community Service fund balance is restricted for categorical programs.

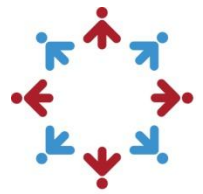
# Revenue Projection of Building Construction Fund



Description	Actual FY15	Adopted FY16	Projected FY16	Budget to Projected
Interest Earned	\$5,493	\$7,500	\$7,500	\$0
<b>Total Revenues</b>	<b>\$5,493</b>	<b>\$7,500</b>	<b>\$7,500</b>	<b>\$0</b>

- Total revenue will be close to projection as we do not anticipate any new bonds issuance this fiscal year.

# Expenditure and Fund Balance Projection of Building Construction Fund

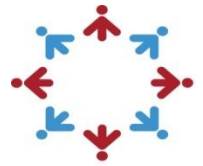


Description	Actual FY15	Adopted FY16	Projected FY16	Budget to Projected
Salary and Benefits	\$126,163	\$130,000	\$124,915	\$5,085
Professional & Technical Services	377,408	624,848	385,301	239,547
Buildings & Grounds Improvements	2,042,285	3,460,152	3,228,126	232,026
<b>Total Expenditures</b>	<b>\$2,545,855</b>	<b>\$4,215,000</b>	<b>\$3,738,342</b>	<b>\$476,658</b>

- The expenditures are projected to be below budget for projects that will be completed in FY17.



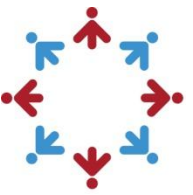
# Building Construction Fund Summary



Description	Actual FY15	Adopted FY16	Projected FY16	Change in Fund Balance
Beginning Fund Balance	\$7,108,644	\$4,861,144	\$4,568,282	-\$292,862
Total Revenue	5,493	7,500	7,500	0
Total Expenditure	2,545,855	4,215,000	3,738,342	476,658
<b>Ending Fund Balance</b>	<b>\$4,568,282</b>	<b>\$653,644</b>	<b>\$837,440</b>	<b>\$183,796</b>

- Fund balance is projected to be at \$837,440 that will be used to complete 2016 projects in fiscal year 2017.

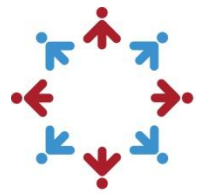
# Revenue Projection of Debt Service Fund



Description	Actual FY15	Adopted FY16	Projected FY16	Budget to Projected
Property Taxes	\$15,441,450	\$16,372,388	\$16,372,388	\$0
Interest Earned	44,244	0	43,111	43,111
State Revenue	12,399	0	0	0
Federal Revenue	409,919	442,200	400,000	-42,200
<b>Total Revenues</b>	<b>\$15,908,012</b>	<b>\$16,814,588</b>	<b>\$16,815,499</b>	<b>\$911</b>

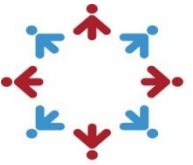
- Debt Service Fund is used to record revenues and expenditures for district's outstanding bonded indebtedness, whether for initial or refunding bonds. The main revenue is the levy certified to pay for the principal and interests on outstanding bonds. Total revenue is projected to be close to the budgeted amount with no material difference.

# Expenditure and Fund Balance Projection of Debt Service Fund



Description	Actual FY15	Adopted FY16	Projected FY16	Budget to Projected
Fixed Cost	\$16,058,283	\$16,179,283	\$16,186,483	-\$7,200
<b>Total Expenditures</b>	<b>\$16,058,283</b>	<b>\$16,179,283</b>	<b>\$16,186,483</b>	<b>-\$7,200</b>

- The expenditure reflects the bonds payment schedule. It is projected to be within the budgeted amount.

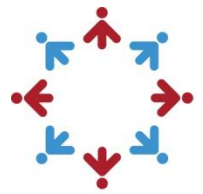


# Debt Service Fund Summary

Description	Actual FY15	Adopted FY16	Projected FY16	Change in Fund Balance
Beginning Fund Balance	\$3,281,276	\$3,108,022	\$3,131,005	\$22,983
Total Revenue	15,908,012	16,814,588	16,815,499	911
Total Expenditure	16,058,283	16,179,283	16,186,483	-\$7,200
<b>Ending Fund Balance</b>	<b>\$3,131,005</b>	<b>\$3,743,327</b>	<b>\$3,760,021</b>	<b>\$16,694</b>

- The fund balance is projected to be close to the adopted budget. This balance will be used to pay for future debt obligations.

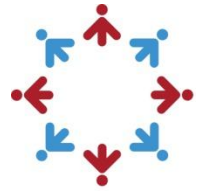
# Revenue Projection of Trust and Agency Fund



Description	Actual FY15	Adopted FY16	Projected FY16	Budget to Projected
Flex Spending	\$512,612	\$700,000	\$600,000	-\$100,000
SORLA	91,353	85,000	92,000	7,000
Scholarship	395	110,100	300	-109,800
<b>Total Revenues</b>	<b>\$604,360</b>	<b>\$895,000</b>	<b>\$692,300</b>	<b>-\$202,800</b>

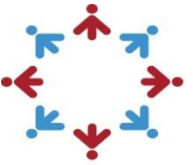
- The revenue Trust & Agency fund covers the following activities:
  - Reimbursement of health care and dependent care flex expenses to employees.
  - South of the River Learning Academy (SORLA).
  - Scholarship donations.
- The revenue for the flex spending is projected to be below budget by \$100,000.
- The SORLA program is projected to collect more fees than anticipated by \$7,000.
- The scholarship fund is reported on a net difference between revenue and expenditure .

# Expenditure and Fund Balance Projection of Trust and Agency Fund



Description	Actual FY15	Adopted FY16	Projected FY16	Budget to Projected
Flex Spending	\$501,989	\$700,000	\$550,000	\$150,000
SORLA	78,353	87,200	78,900	8,300
Scholarship	1,000	110,100	1,000	109,100
<b>Total Expenditures</b>	<b>\$581,342</b>	<b>\$897,300</b>	<b>\$629,900</b>	<b>\$267,400</b>

- Flex spending expenditure is projected to be below budget by \$150,000.
- The expenditure for SORLA is projected to be below budget by \$8,300.
- The scholarship fund is reported on a net difference between revenue and expenditure.

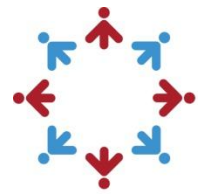


# Trust & Agency Fund Summary

Description	Actual Fund Balance FY15	Adopted Fund Balance FY16	Projected Fund Balance FY16	Change in Fund Balance
Flex Spending	\$118,027	\$107,404	\$168,027	\$60,623
SORLA	12,853	-4,546	25,953	30,499
Scholarship	166,294	166,899	165,594	-1,305
<b>Total Fund Balance</b>	<b>\$297,174</b>	<b>\$269,757</b>	<b>\$359,574</b>	<b>\$89,817</b>

- Fund balance for flex spending will continue to grow by \$60,623.
- SORLA has a positive balance. This is a turnaround from FY14 when we had a negative fund balance.
- Scholarship balance will remain relatively steady.

# Summary Projection of Internal Service Fund



Description	Actual FY15	Adopted FY16	Projected FY16	Budget to Projected
Beginning Net Position	\$551,972	\$601,972	\$529,932	-\$72,040
Dental Self Insurance Revenue	1,160,243	\$1,000,000	\$1,209,056	209,056
Dental Claim Expenses	1,182,284	1,000,000	1,300,000	-300,000
<b>Ending Net Position</b>	<b>\$529,932</b>	<b>\$601,972</b>	<b>\$438,988</b>	<b>-\$162,984</b>

- The revenue for the Internal Service fund represents the charges for services for the dental insurance. This revenue is projected to be over budget by \$209,000.
- The expenditures represent the claims submitted for the dental care. This expenditure is projected to be over budget by \$300,000.
- The projected net impact on the fund balance is a reduction by 163,000. This is a second year of negative balance in this fund. A plan will be developed by the administration to reverse this trend.



# Quarterly Budget Update FY16

## QUESTIONS?

Michael Baumann  
Executive Director of Business Services

Jaber Alsiddiqui  
Controller

Board of Education Meeting  
January 19, 2016

