

Raymond Central Public Schools (District 0161) Board of Education Workshop

Wednesday, August 30, 2023 at 6:00 PM

Raymond Central Jr-Sr High School - Mustang Room

1800 West Agnew Road

Raymond, NE 68428-9783

Call to Order and Pledge of Allegiance

Motion to Excuse Board Member's Absence

Open Meeting Law

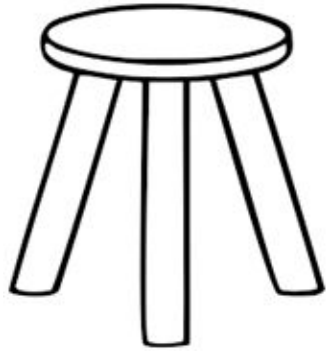
Presentation and Discussion regarding the proposed 2023-2024 budget and necessary tax request.



RAYMOND CENTRAL PUBLIC SCHOOLS

Board and Public Budget Workshop August 30,
2023
6:00 P.M.

The budgetary documents in this packet are not final 2022-23 budget numbers, but rather preliminary numbers for Board members to discuss and make recommendations to the superintendent for adoption.



Three Primary Board Responsibilities



1. Hire / Fire and Evaluate the superintendent
2. Set district policy
3. Pass an annual operating budget

HOW IS THE BUDGET DEVELOPED?

The budget is developed by the Superintendent and the Business Manager while working closely with the Finance Committee.

Matt Blanchard

Cathy Burklund

Brad Breitreutz

DISTRICT GOALS 2019-2025

- Goal 1 - Increase the number of students that meet or exceed normal growth rates
- Goal 2 - Research and implement strategies to recruit, hire, develop, support, and retain the highest quality staff
- Goal 3 - Increase Student Enrollment
- Goal 4 - Maintain and Improve Current Facilities
- Goal 5 - Technology
- Goal 6 - Staff Professional Development
- Goal 7 - Mental Health Action Plan
- Goal 8 - Ensure all students learn in a safe environment

Budget Goals

1. Meet the educational needs of our students (Goals #1, #2, #4, #5, #6, #8)
 - Attract and retain quality staff
 - Build and maintain quality programs
 - Provide a safe and appropriate learning environment
2. Accumulate and reserve necessary cash resources to address items that are identified in short term and long term goals. (Goals #1, #2, #4, #5, #6, #8)
3. Sustain adequate reserves in the general fund and the bond fund(s)
4. Sustain cash balance in the general fund account equivalent to a minimum of 3-6 months of operating expenses and cash balance in the bond fund to make one year of payments
5. Avoid significant levy swings as feasible

2023-24 Budget Priorities

- ❖ General Fund budget increase of 2.5% to accommodate for:
 - Increased cost of employees and employee benefits
 - Increased cost of materials, energy, gas
- ❖ Increased textbook curriculum budget line by \$50,000 to accommodate for the upcoming mathematics adoption cycle.
- ❖ Increase the Special Building Fund balance to help address identified facility needs as identified through the facility review process.
- ❖ Maintain cash balances that protect the operating budgets of the District against future unforeseen formula changes

General Fund

The General Fund finances all facets of services rendered by the school district. General Fund receipts are classified according to source while its expenditures are classified according to specific functions. The General Fund is maintained by all operating school districts in the state. General Fund expenditures are limited by statute. The tax levy for this fund is restricted. The General Fund cannot be used to purchase buildings or land for the district -- those are functions of the Special Building Fund. The projected levy is around \$.859010 and the 2023-24 budget for this fund is \$12,221,000 with \$1,600,000 in cash reserve.

GENERAL FUND - BUDGET AND RESOURCES

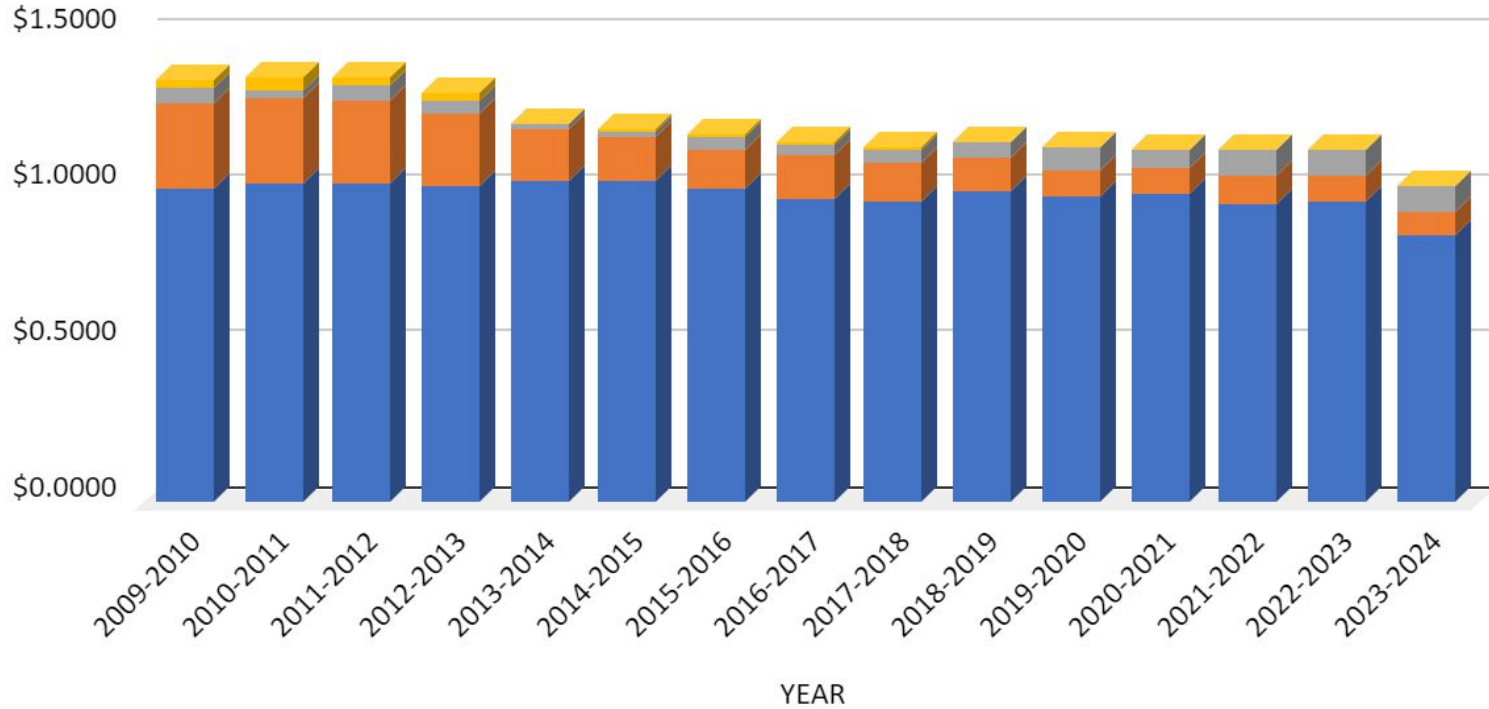
	2023-2024 Budget	2022-2023 Budget	% change from 2022-23
Total General Fund Budget of Disbursements and Transfers:	\$12,221,000.00	\$11,963,042.00	2.16%
Necessary Cash Reserves:	\$1,600,000.00	\$1,939,135.00	17.49%
Total Requirements:	\$13,821,000.00	\$13,902,177.00	.58%
Total Available Resources Before Property Tax:	\$5,454,762.00	\$5,766,969.00	5.41%
Personal and Real Property Tax Requirements (with 1% Commission):	\$8,450,745.00	\$8,217,382.00	7.06%

General Fund Receipts

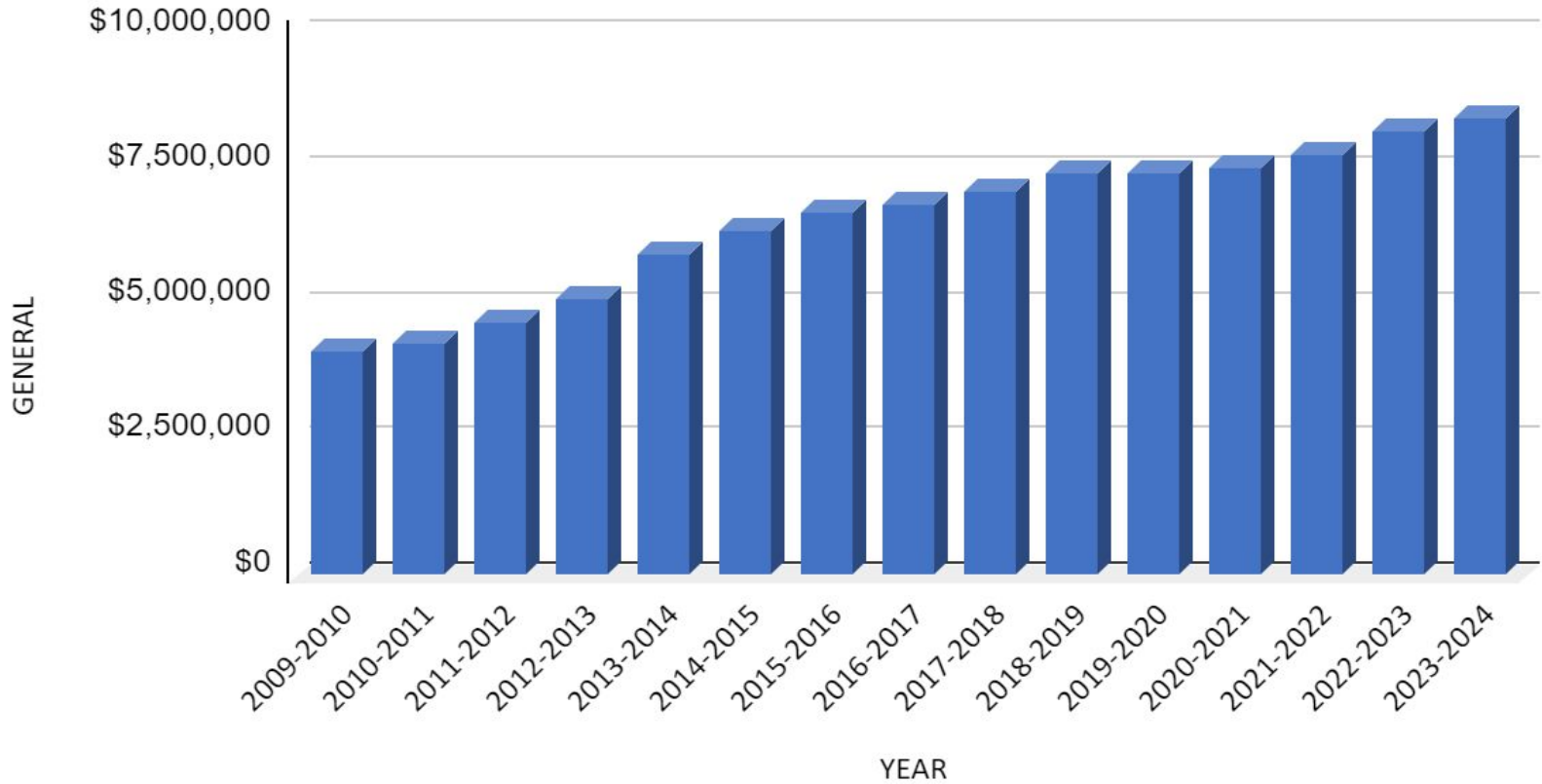
The two charts below show the total General fund receipts and then the percentage of receipts in each category. The Total Local Receipts include Motor Vehicle Taxes, Penalties and Fines, Public Power Sales Tax, Licenses and Fines, etc. The Other category includes County, ESU and any transfers to the General Fund.

Levy History

QCPUF BUILDING BOND GENERAL

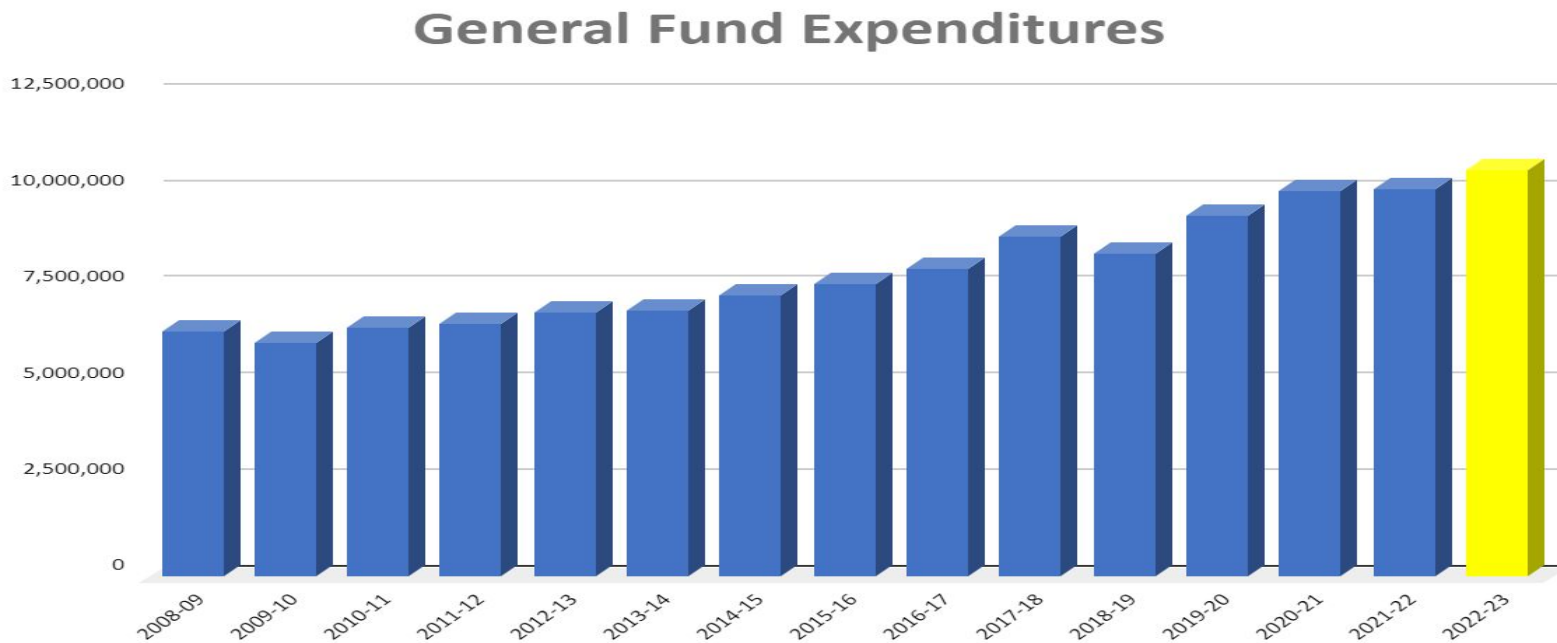


General Fund Tax Request



General Fund Expenditures

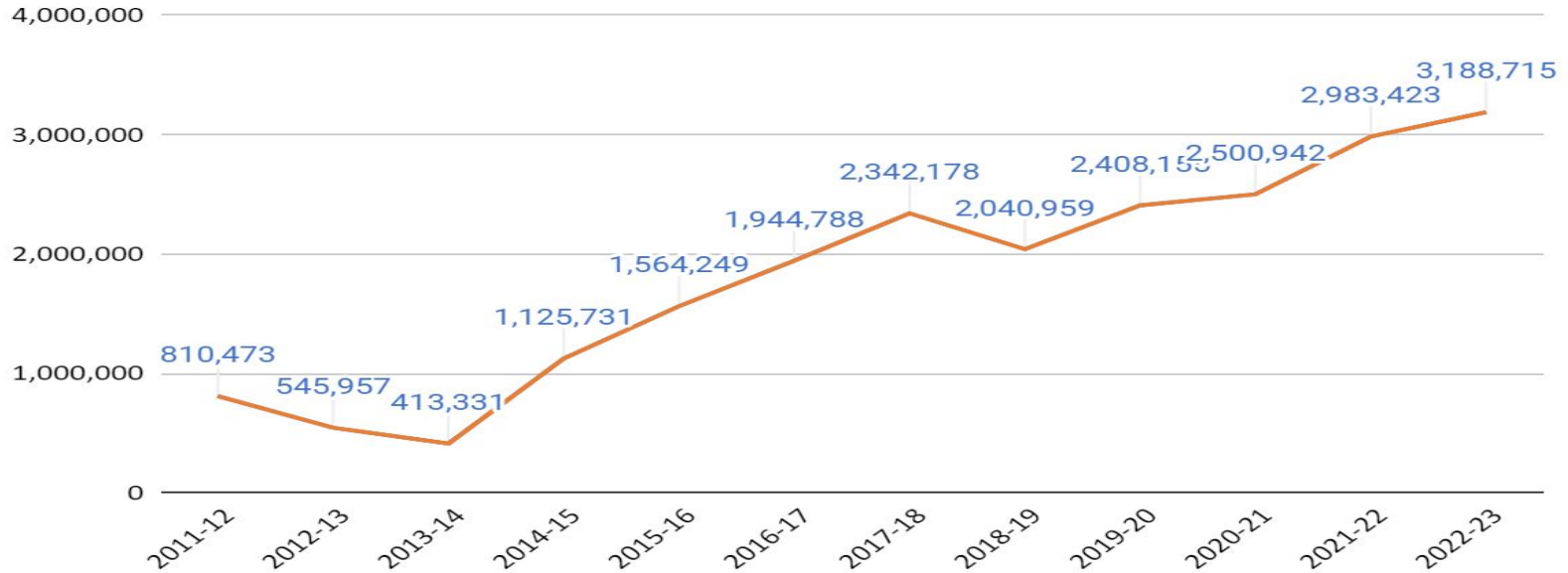
In the 13-year period from 2008-09 to 2021-22 the General Fund expenses increased an average of 4.4% annually.



Cash Carryover or Cash Balance

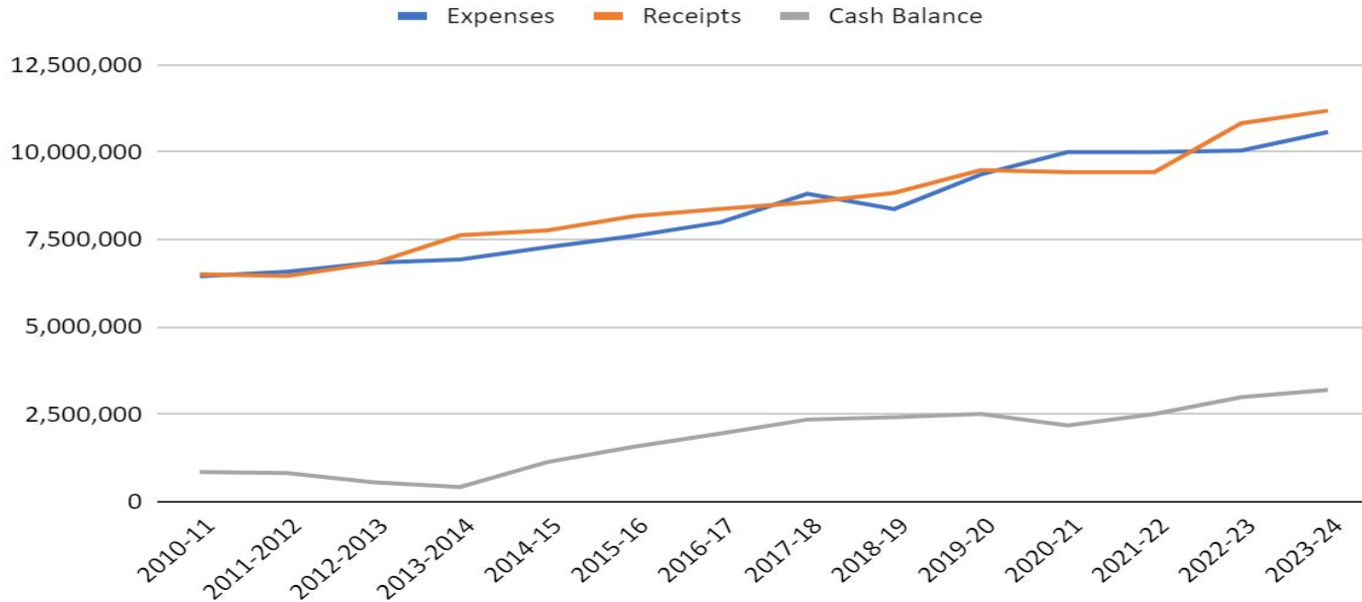
The General Fund Cash Balance on 9/1/22 was \$2.9M while the 9/1/23 projection is about \$3.2M. Our monthly operating costs for 2022-23 was \$830,000 making our target goal range for 4 month \$3,320,000.

General Fund Cash Balance



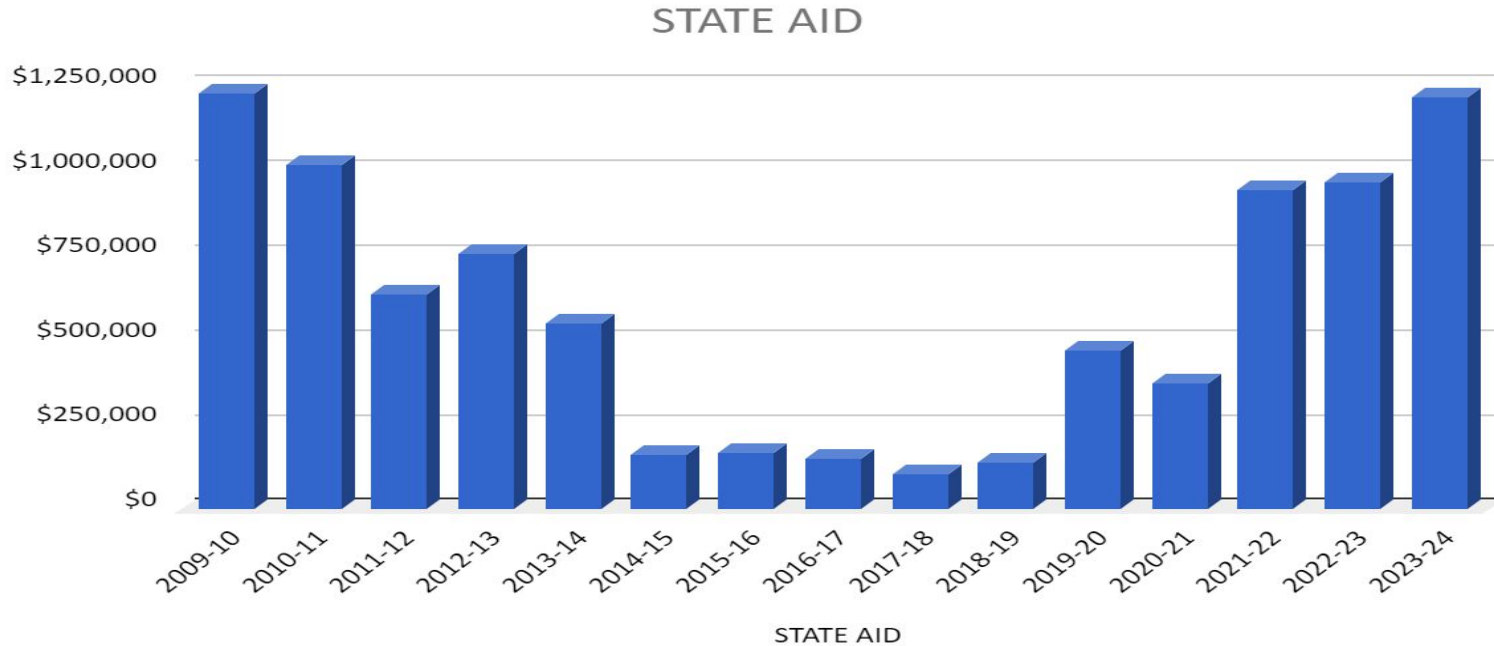
Receipts, Expenses and Cash Carryover Projection

Receipts Expenses and Cash Balance



State Aid

State Aid Formula Resources have increased slightly as a result of new legislation. 2023/24 TEEOSA Paid with Foundational Aid is \$1,213,974 as compared to \$963,483 in 2022/23.



Depreciation Fund

A Depreciation Fund may be established by a school district in order to facilitate the eventual purchase of costly capital outlay by reserving such monies from the General Fund. To allocate monies from the General Fund, a school district will show the movement of monies as an expense from the General Fund and the Depreciation Fund will show the revenue as a transfer from the General Fund. The school district may divide this fund into more than one account (ex. Purchased Property Services, Equipment Purchase, Bus Acquisition, Building Maintenance, Building Improvement) to allocate a portion of this fund for different valid purposes.

The purpose of the Depreciation Fund is to spread replacement costs over a period of years in order to avoid a disproportionate tax effort in a single year to meet such an expense. This fund is restricted by statute as part of the Allowable Reserve limitation. The Depreciation Fund is not specifically provided for in law; therefore, this fund shall be considered a component of the General Fund.

September 1, 2022 Balance: \$1,936,000

Anticipated September 1, 2023 Balance: \$1,936,000

Employee Benefit Fund

An Employee Benefit Fund may be established in order to specifically reserve General Fund money for the benefit of school district employees (unemployment compensation, early retirement, health insurance deductibles, etc.) To allocate monies from the General Fund, a school district will show the movement of monies as an expense from the General Fund, and the Employee Benefit Fund will show the revenue as a transfer from the General Fund. A school district may divide this fund into more than one account to allocate a portion of this fund for different valid purposes. The cash reserve of this fund is restricted by statute as part of the Allowable Reserve limitation. The Employee Benefit Fund is not specifically provided for in law; therefore, this fund shall be considered a component of the General Fund.

BALANCE: \$252,000

ANTICIPATED EXPENDITURE FOR 2023-24 Health Insurance: \$120,000

Contingency Fund

A Contingency Fund is authorized by statute (§79-1072) and may be established by a school district to fund uninsured losses and legal fees incurred by the school district for defense against public losses. Expenditures from this fund shall not exceed five percent of the total budgeted General Fund expenditures of the school district. To allocate monies from the General Fund, a school district shall show the movement of monies as an expense from the General Fund, and the Contingency Fund shall show the revenue as a transfer from the General Fund.

Activities Fund

The Activities Fund is required to account for the financial operations of quasi-independent student organizations, inter-school athletics, and other self-supporting or partially self-supporting school activities. The inclusion of such accounts in the General Fund would distort the financial position of the basic school operation and would complicate the computation of the net expense incurred in conducting school services. The Activities Fund shall not be used to record general operation revenues or expenditures, nor shall this fund be used as a clearinghouse for the General Fund. The school district may divide this fund into more than one account to allocate a portion of this fund for different purposes. The financial operations of all school-connected activities are a legal responsibility of the board of education. If deficits in such activities are incurred, they shall be covered by funds transferred from the General Fund. Such revenue shall finance only those projects that qualify for approval under policies established by the school district board of education for such activities. Districts offering curriculum to build or construct homes or other structures that may be sold to the public should include those revenues and corresponding costs to the Activities Fund.

School Nutrition

The School Nutrition Fund is required to accommodate the financial activities of all Nutrition Programs operated by the school district. The School Nutrition Fund shall reflect a record of all revenues and expenditures incident to the operation of all Nutrition Programs. If a deficit is incurred in the operation, the deficiency shall be covered by funds transferred from the General Fund. Federal regulations allow for loans to the Nutrition Fund from the General Fund but must be recorded as a loan when funds are initially loaned to the School Nutrition Fund. These loans must be repaid to the General Fund from the School Nutrition fund without interest. **Transfers from General Fund to the School Nutrition Fund are allowed but those funds cannot be transferred back to the General Fund.**

Bond Fund

The Bond Fund shall be used to record tax receipts, investment interest, and the payment of bond principal, interest, and other related costs (i.e., trustee fees). If the fund balance is not sufficient to meet interest or bond retirement payments from the Bond Fund, the General Fund shall be used for these payments. Revenue from a levy to retire bonds in any school district is retained in a separate fund by the county treasurer, the financial institution serving as a fiscal agent, or the school district. Funds shall be disbursed upon appropriate demand. All records of the transactions in this area shall be maintained in this fund. Proceeds from a bond issue shall be deposited into the Special Building Fund to be expended on the actual building project. The tax levy for this fund is restricted for expenditures other than principal and interest on bonds. Proceeds from a bond issue shall be deposited into the Special Building Fund to be expended on the actual building project. **The levy is projected at .070827 for \$699,141 in tax requests.**

Bond Fund

Date	Bonds due	Interest due	Total due
Requirements:			
Total bonds and interest	\$690,000		
Add necessary cash balance	\$873,374		
Total Requirement:			\$1,563,374
Resources:			
Beginning balance	\$853,374		
Other revenue sources	\$17,850		
Equals Property Tax requirement			\$692,150
Add 1% County Treasurer			\$6991
Equals 2023-24 property tax requirement			\$699,141
2023-24 Bond Redemption Fund Levy			0.070827

2022-23 Bond Fund Levy = .086487

2022-23 Tax Receipts = \$740,000.00

Special Building Fund

A Special Building Fund shall be established when a school board decides to acquire or improve sites and/or to erect, alter or improve buildings. The sale of bonds, the sale of property, or tax receipts will be the primary sources of revenue for the Special Building Fund. Regardless of the source of money to be used for building construction and related costs, all income for the purposes of this fund shall be accountable through this fund. General Fund expenditures for the purpose of this fund are not allowable. Special Building Fund accounting provides a more effective means of identifying those expenditures associated with construction activities and provides a complete and consolidated record of all costs of the building program at the conclusion of a project(s). If more than one Special Building Fund project is active at the same time, separate accounts for each project may be established within the single Special Building Fund. Teacherage-related transactions are included in the Special Building Fund. The tax levy for this fund is restricted to 14¢ with local board approval or 17.5¢ following a vote of the people for a term not to exceed ten years (§79-1098 R.R.S.).

LEVY/PROPERTY TAX REQUIREMENT: \$.086012/\$846,162

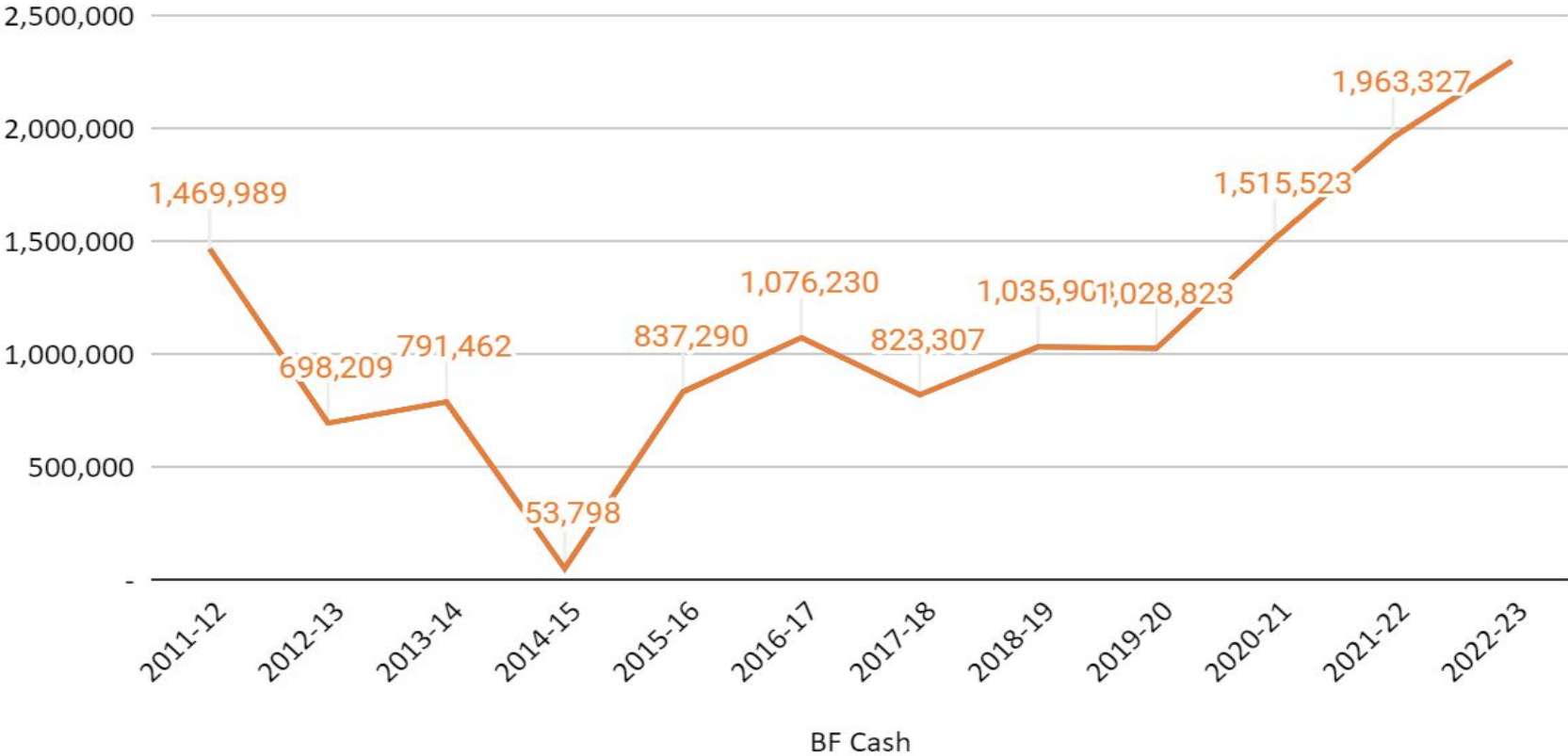
SEPTEMBER 1, 2022 BALANCE: \$1,963,327

ANTICIPATED SEPTEMBER 1, 2023 BALANCE: \$2,242,681

BUILDING FUND

2023-24 Beginning Balance	\$2,242,681	(2022-23: \$1,934,424)
Total Available Before Taxes	\$2,276,531	
Property Tax Requirement	\$837,700	
Add 1% County Treasurer	\$8,462	
Equal 2023-24 property tax requirement	\$846,162	
Budget of Expenditures	\$3,114,231	
2023-24 Special Building Fund Levy	\$.086012	(2022-23: \$.080421/\$686,869)

Building Fund Cash Balance



Capitol Purpose Undertaking Fund (QCPUF)

A Qualified Capital Purpose Undertaking Fund may be established for the removal of environmental hazards, the reduction or elimination of accessibility barriers in school district buildings, the repayment of a qualified zone academy bond issued for a qualified capital purpose, modifications for life safety code violations, life safety hazards, and mold abatement and prevention projects for existing facilities only. General Fund expenditures for the purpose of this fund are not allowable. Qualified Zone Academy Bonds, Qualified School Construction Bonds, and Build America Bonds are included in the Qualified Capital Purpose Undertaking Fund if issued prior to April 19, 2016. Effective April 19, 2016, the tax levy for this fund is restricted to 3¢. The tax levy for Qualified Capital Purpose Undertaking projects in place prior to April 19, 2016, remains at 5.2¢. The levy may exceed the 3¢ levy limit if valuation has decreased from the last year bonds were issued, and the bond principal and interest obligation cannot be met. Tax levies for the removal of environmental hazards, the reduction or elimination of accessibility barriers in school district buildings, the repayment of a qualified zone academy bond issued for a qualified capital purpose, modifications for life safety code violations, and mold abatement and prevention projects cannot exceed ten years for each project. Tax levies for each qualified capital purpose for which the Qualified Zone Academy Bond (QZAB) is issued according to (§79-10,110 R.R.S.) cannot exceed fifteen years.

Cooperative Fund

The Cooperative Fund may be used by the school district acting as the fiscal agent for any cooperative activity between one or more public agencies. All school districts, including the school district acting as the fiscal agent, shall show the payment for services to the cooperative in their General Fund. \$0 budget.

Student Fee's Fund

The Student Fee Fund is a separate school district fund not funded by tax revenue into which all money collected from students pursuant to the Public Elementary and Secondary Student Fee Authorization Act must be deposited. Included are fees for Extracurricular Activities, Postsecondary Education and Summer/Night School. Expenditures from this fund must be for the purposes for which the fees were collected.

BUDGET: \$85,421

2023-2024 BUDGET SUMMARY

FUNDS	Actual Disbursements & Transfers	Actual/Estimated Disbursements & Transfers	Budgeted Disbursements & Transfers	Necessary Cash Reserve (4)	Total Available Resources Before Property Taxes (5)	Total Personal and Real Property Tax Requirement (7)
	2021-2022 (1)	2022-2023 (2)	2023-2024 (3)			
General	\$ 10,043,040.00	\$ 11,854,985.00	\$ 12,221,000.00	\$ 1,600,000.00	\$ 5,454,762.00	\$ 8,450,745.00
Depreciation	\$ 57,000.00	\$ 125,600.00	\$ 1,841,186.00		\$ 1,841,186.00	
Employee Benefit	\$ 35,464.00	\$ 60,000.00	\$ 193,980.00		\$ 193,980.00	
Contingency	\$ -	\$ -	\$ -		\$ -	
Activities	\$ 416,505.00	\$ 480,000.00	\$ 576,955.00		\$ 576,955.00	
School Nutrition	\$ 514,040.00	\$ 561,560.00	\$ 745,000.00		\$ 745,000.00	
Bond	\$ 672,798.00	\$ 677,150.00	\$ 1,563,374.00		\$ 871,224.00	\$ 699,141.00
Special Building	\$ 406,256.00	\$ 1,329,602.00	\$ 3,114,231.00		\$ 2,276,531.00	\$ 846,162.00
Qualified Capital Purpose Undertaking	\$ -	\$ -	\$ 10,568.00		\$ 10,568.00	\$ -
Cooperative	\$ -	\$ -	\$ -		\$ -	
Student Fee	\$ 19,628.00	\$ 38,000.00	\$ 85,421.00		\$ 85,421.00	
TOTALS	\$ 12,164,731.00	\$ 15,126,897.00	\$ 20,351,715.00	\$ 1,600,000.00	\$ 12,055,627.00	\$ 9,996,048.00
				Bond Purposes	Non-Bond Purposes	Total
			Breakdown of Property Tax	\$ 699,141.00	\$ 9,296,907.00	\$ 9,996,048.00

Tax Asking Request

2022-2023 Budget Information

2023-2024 Budget Information

Fund	2022-2023 Operating Budget	2022-2023 Property Tax Request	2022 Tax Rate	Property Tax Rate (2022-2023 Request Divided By 2023 Valuation)	2023-2024 Operating Budget	2023-2024 Proposed Property Tax Request	Proposed 2023 Tax Rate	Change in Tax Rate	Change in Operating Budget
General Fund	11,963,042.00	8,217,382.00	0.962116	0.835289	12,221,000.00	8,450,745.00	0.859010	-11%	2%
Bond Fund(s) K - 12	1,352,104.00	739,394.00	0.086242	0.075159	1,563,374.00	699,141.00	0.070827	-18%	16%
Bond Fund(s) K - 8			0.000000	0.000000			0.000000	#DIV/0!	0
Bond Fund(s) 9 - 12			0.000000	0.000000			0.000000	#DIV/0!	0
Bond Fund			0.000000	0.000000			0.000000	#DIV/0!	0
Special Building Fund	3,330,874.00	686,869.00	0.080421	0.069820	3,114,231.00	846,162.00	0.086012	7%	-7%
Qualified Capital Purpose Undertaking Fund K - 12	10,490.00		0.000000	0.000000	10,568.00	-	0.000000	#DIV/0!	1%
Qualified Capital Purpose Undertaking Fund K - 8			0.000000	0.000000			0.000000	#DIV/0!	0
Qualified Capital Purpose Undertaking Fund 9 - 12			0.000000	0.000000			0.000000	#DIV/0!	0
Total	16,656,510.00	9,643,645.00	1.128779	0.980268	16,909,173.00	9,996,048.00	1.015849	-10%	2%

PROPERTY TAX REQUEST AUTHORITY

New legislation limits the property tax request total that can be generated from the general fund and the special building fund.

Proposed Budget

Raymond Central 2023-24 Authority	\$9,168,337
Additional Base Growth (with 70% board approval	\$673,645
TOTAL	\$9,841,982
Proposed Budget Tax Request	\$9,296,907
Amount of Property Tax Not Being Accessed	\$545,075

Public Input and Questions regarding the budget and tax request
Adjournment