

Budget Workshop
Monday, August 23, 2021
the Elementary Conference Room
6:00 PM Central

1. Call to order and roll call
2. Request to address the Board of Education
3. Discussion regarding the 21-22 Budget
4. Discussion regarding hourly wage for kitchen staff
5. Adjournment



**SHELTON
PUBLIC
SCHOOLS**

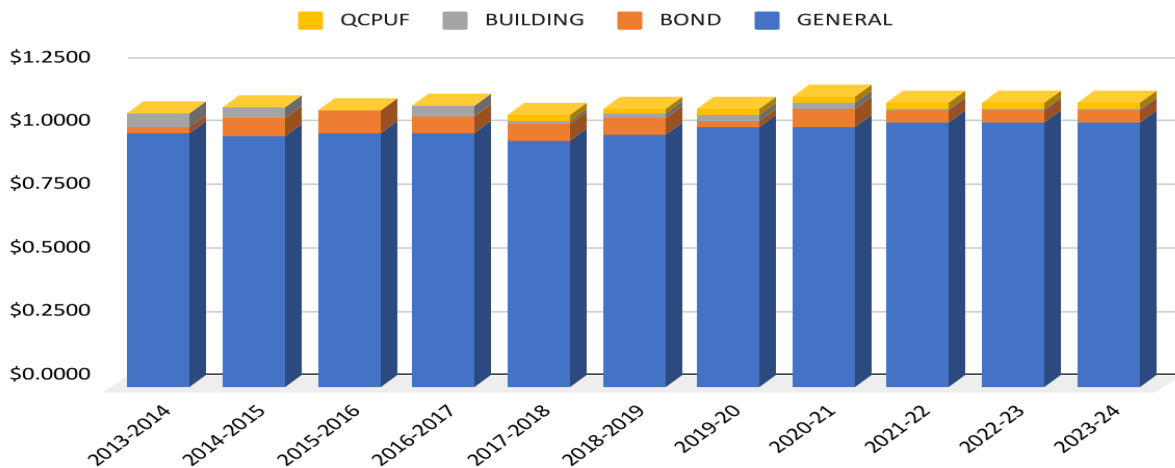
**Board and Public Budget
Workshop August 23, 2021
6:00 P.M.**

The budgetary documents in this packet are not final 2021-2022 budget numbers, but rather preliminary numbers for Board members to discuss and make recommendations to the superintendent for adoption.

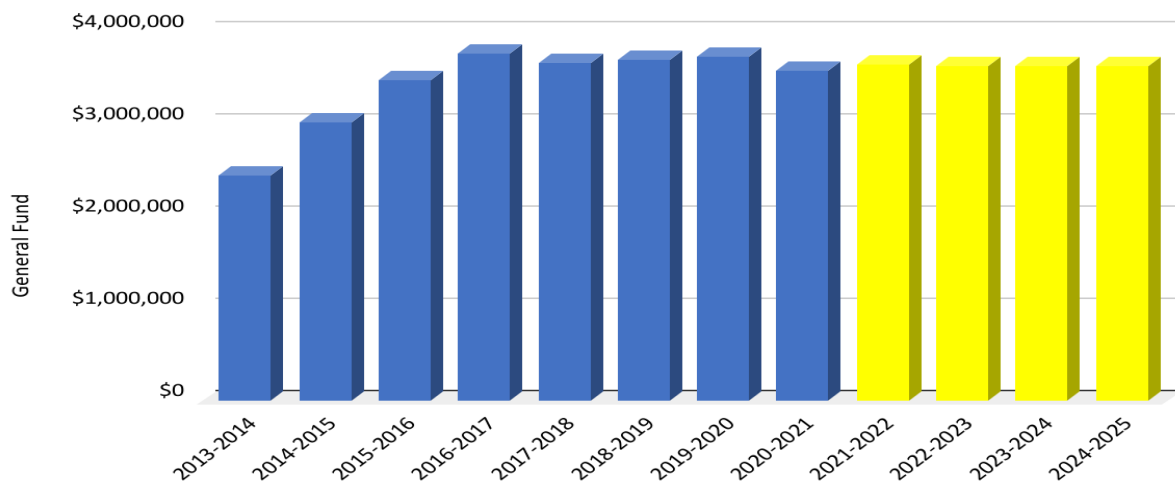
GENERAL FUND

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 \$1.03 and the 21-22 budget for this fund is \$6,299,258

Levy History and Projection



General Fund Tax Request

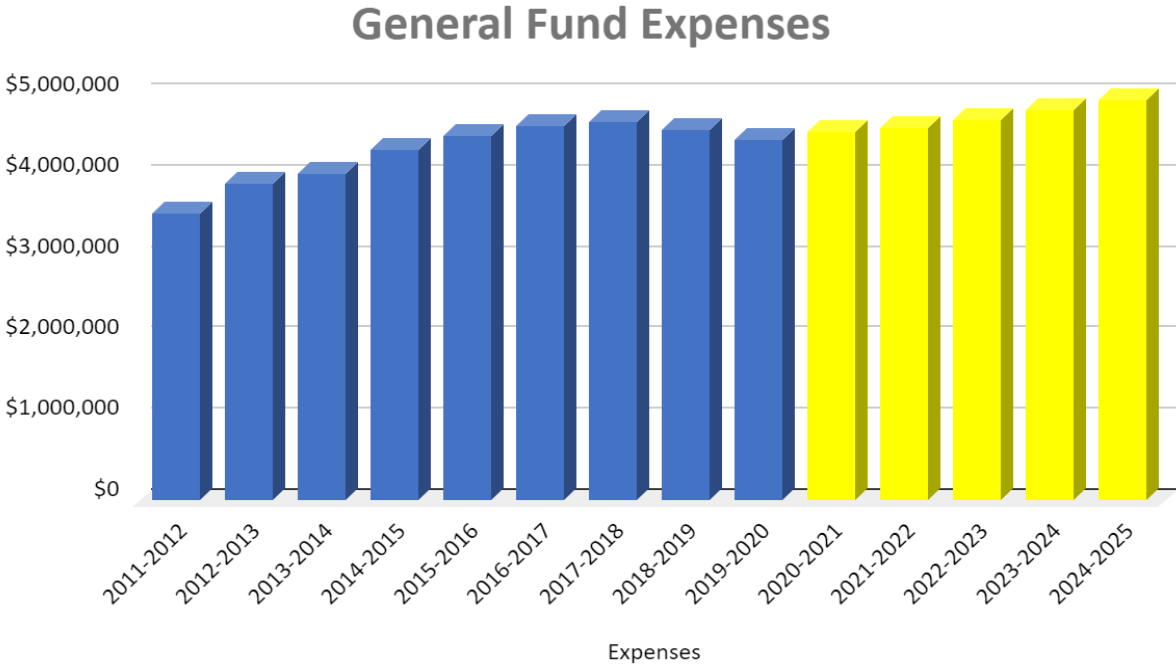


This chart shows how State and Federal funding for Shelton has dropped from 32% to about 18%

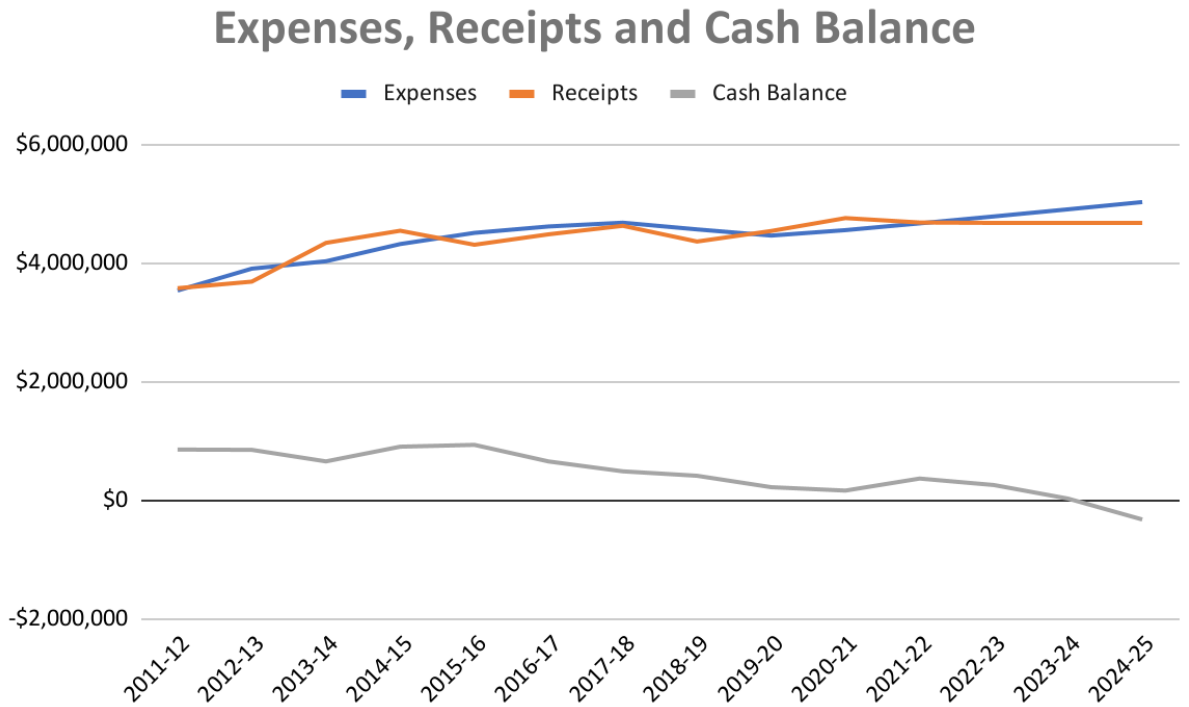
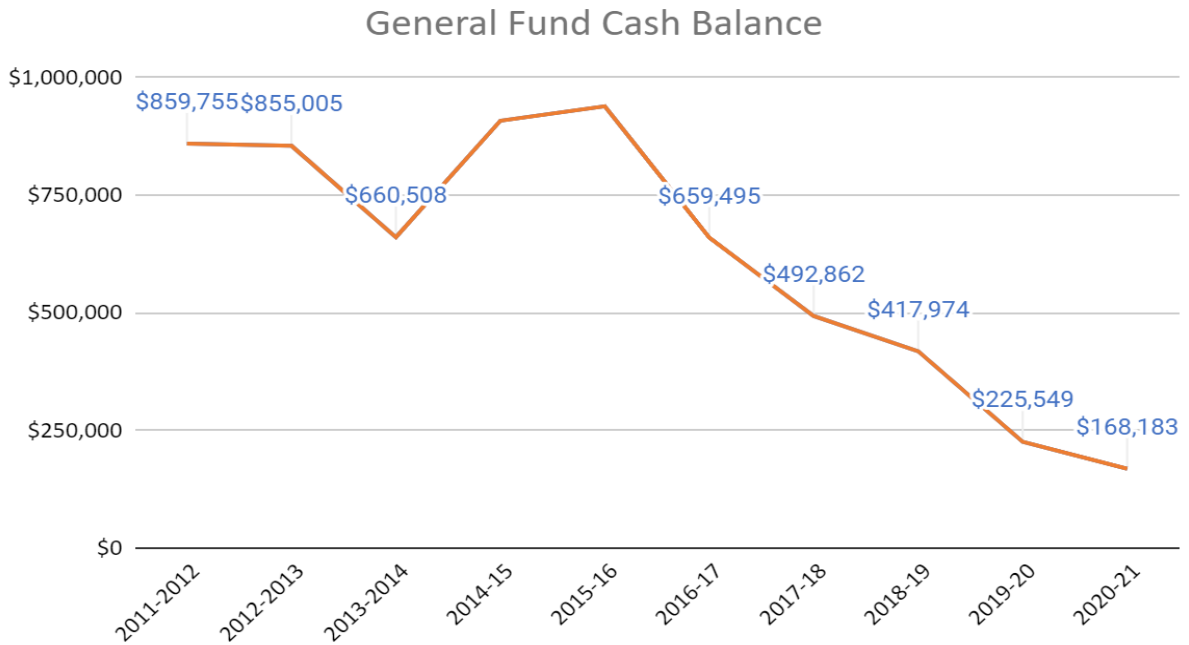
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Taxes	63.49%	72.52%	75.68%	76.00%	75.58%	77.00%
Total Local	66.66%	75.87%	78.58%	79.64%	80.15%	81.25%
State	26.44%	17.64%	15.26%	14.41%	15.01%	14.38%
Federal	6.07%	5.59%	5.32%	4.59%	3.48%	3.38%
Other	0.83%	0.90%	0.85%	1.36%	1.36%	0.99%

PROJECTED FUTURE BUDGET:

OTHER: In the 9-year period from 2012-2021 there was an annual increase of 3.2% increase in expenditures. Expenses dropped two years in a row from 2018-2020. This chart reflects a 2.5% increase in expenses for the next four years.



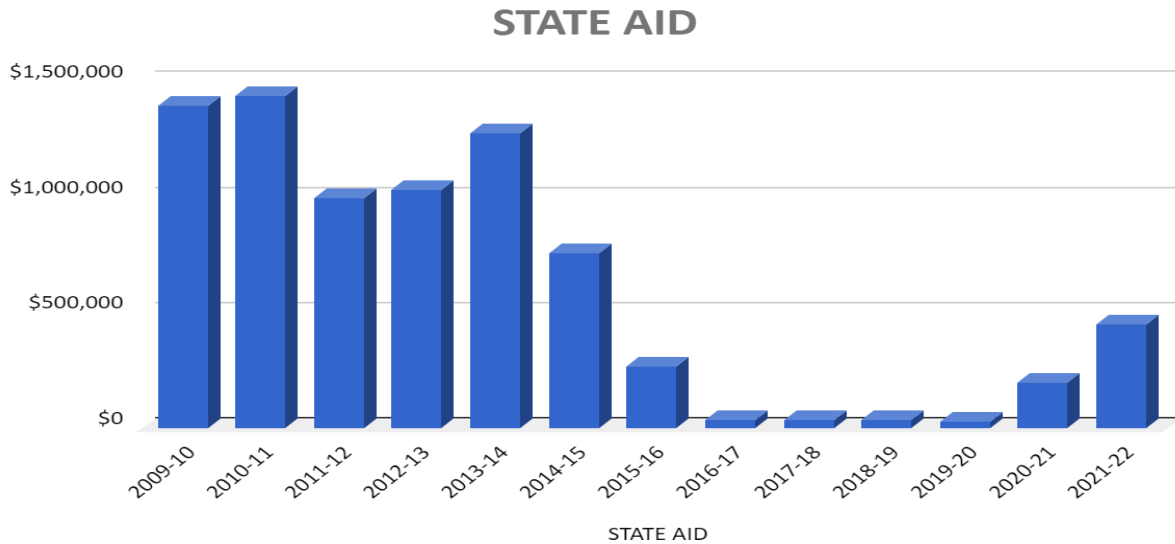
CASH CARRYOVER: The General Fund Cash Balance on 9/1/20 was \$168K. Three months of expenses is highly recommended, which would be about \$1.0M.



The chart above illustrates a General Fund levy of \$1.04, valuations staying unchanged and a 2.5% annual increase in expenses. It also reflects an increase in State Aid.

STATE AID

State Aid Formula Resources are \$4,051,256 and the Formula Needs are \$4,469,659. As local valuations decrease and if enrollment does not increase, you could see a gradual decrease in Equalization Aid.

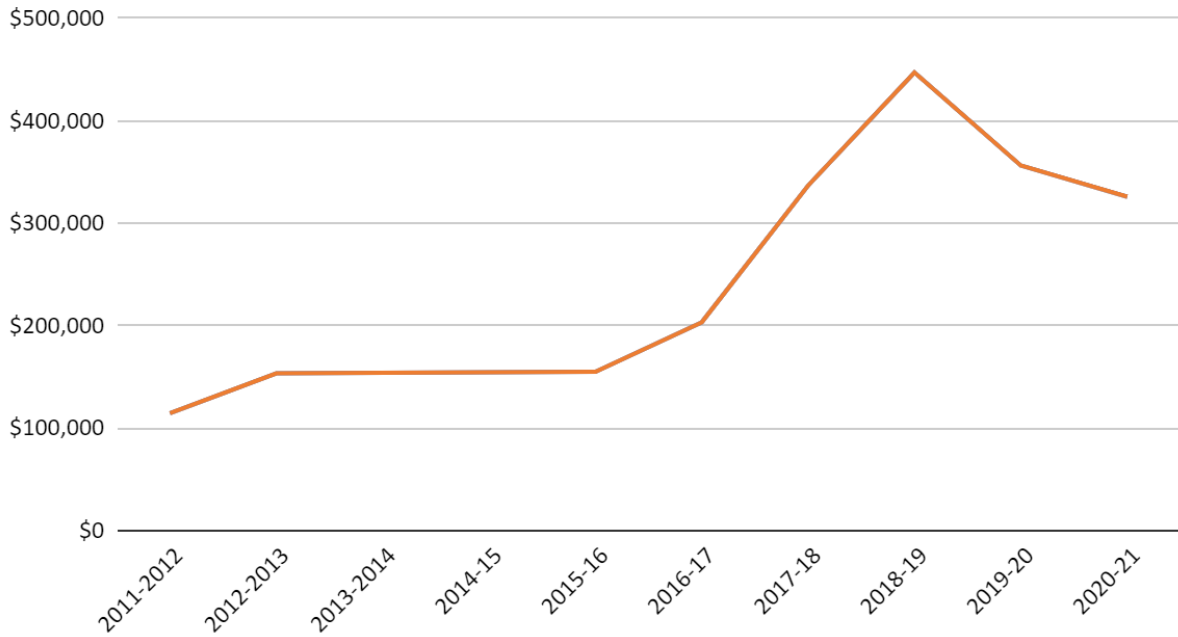


DEPRECIATION FUND

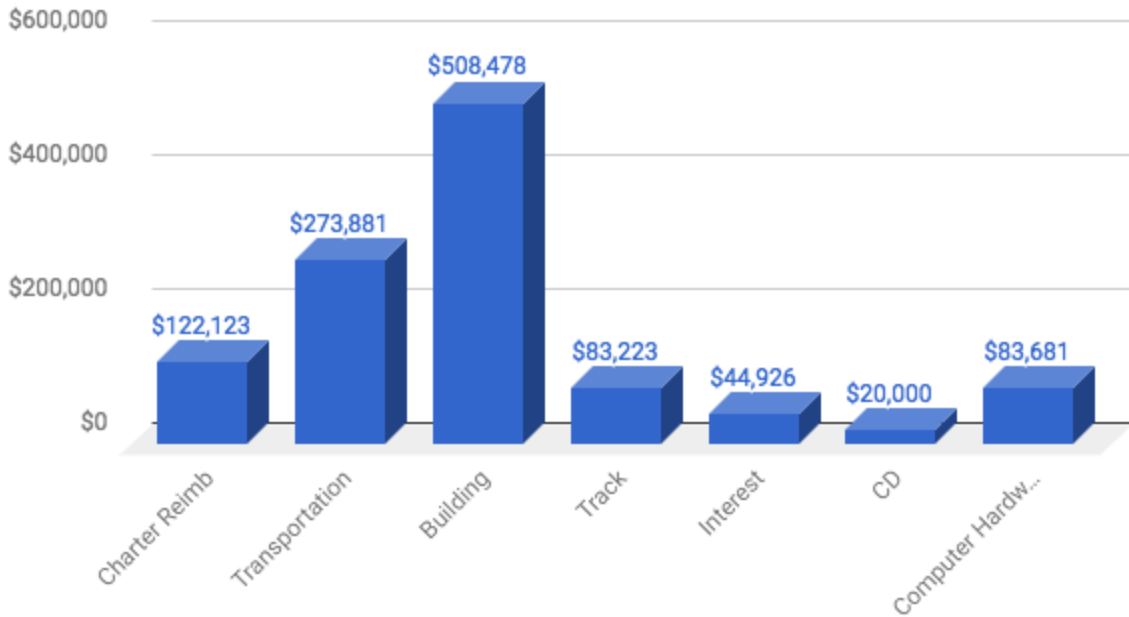
A Depreciation Fund may be established by a school district in order to facilitate the eventual purchase of costly capital outlay by reserving such monies from the General Fund. To allocate monies from the General Fund, a school district will show the movement of monies as an expense from the General 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 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.

The balance on September 1, 2020 was slightly over \$300,000. The budget for this fund is \$305,971.

Depreciation Fund Cash Balance



Depreciation Fund Account Balances



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.

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. Keep in mind that the Activities Fund funds all activities within the district, not just athletics. The Activities Fund Budget is about \$178,500. Shelton will need to transfer \$55,000 to get the Activities fund to \$0.

- \$40,404.85 Activities
- \$14,460.67 just for yearbook

SCHOOL NUTRITION FUND

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.**

All students should eat free now so It shouldn't be necessary to transfer money to this fund. The budget is about \$141,832

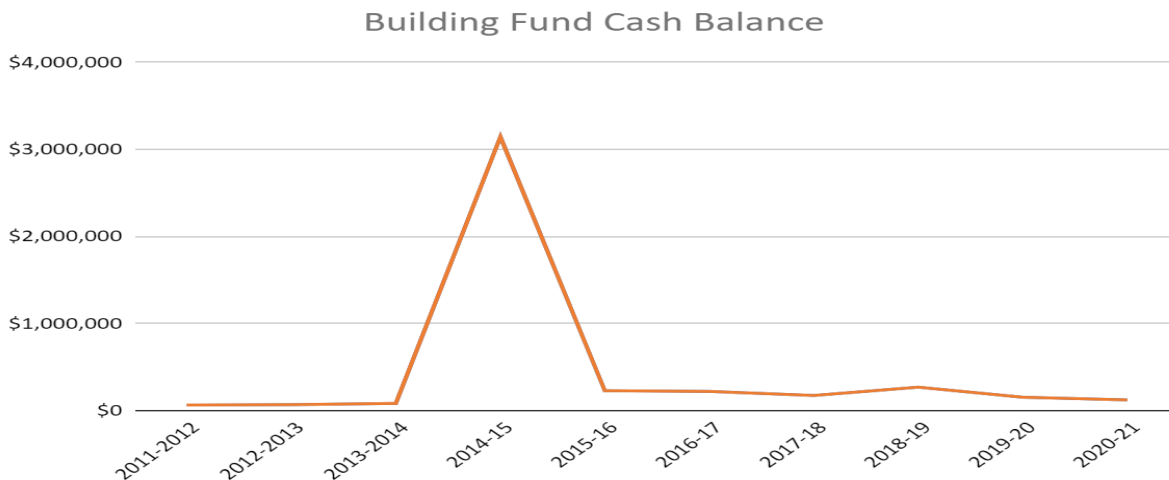
BOND FUND

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 budget is about \$215,878 and the levy is .05 or \$176K.

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.). The budget is about

\$116,597. The levy has varied from .02 to .005 the past few years. The balance on Sept 1 2020 was \$119K and as of August 20, 2021 the balance is \$66,787.22 which does not include the cost of resurfacing the high jump pad or runways. The levy for this fund is set at about .005 or \$20K.



QUALIFIED CAPITAL PURPOSE UNDERTAKING FUND

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. The levy will be around .023 or \$83K

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 FEES 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. \$0 budget

UNDERSTANDING THE BUDGET DOCUMENT

2021-2022 BUDGET ADOPTED									
	TOTAL BEGINNING BALANCE (Column 1)	TOTAL AVAILABLE RESOURCES BEFORE PROPERTY TAXES (Including Beginning Balances) (Column 2)	PERSONAL AND REAL PROPERTY TAXES (Column 3)	TOTAL RESOURCES AVAILABLE (Col 2 + Col 3) (Column 4)	TOTAL BUDGET OF DISBURSEMENTS & TRANSFERS - SPECIAL EDUCATION (Column 5)	TOTAL BUDGET OF DISBURSEMENTS & TRANSFERS - NON-SPECIAL EDUCATION (Column 6)	TOTAL BUDGET OF DISBURSEMENTS & TRANSFERS (Col 5 + Col 6) (Column 7)	NECESSARY CASH RESERVE (Column 8)	TOTAL REQUIREMENTS (Col 7 + Col 8) (Column 9)
General	1,161,593.00	2,696,557.00	3,602,701.00	6,299,258.00	417,600.00	5,881,658.00	6,299,258.00		6,299,258.00
Depreciation	301,471.00	305,971.00		305,971.00			305,971.00		305,971.00
Employee Benefit	26,601.00	26,901.00		26,901.00			26,901.00		26,901.00
Contingency	-	-		-			-		-
Activities	34,500.00	178,500.00		178,500.00			178,500.00		178,500.00
School Nutrition	7,732.00	141,832.00		141,832.00			141,832.00		141,832.00
Bond	39,706.00	40,856.00	175,022.00	215,878.00			215,878.00		215,878.00
Special Building	96,597.00	96,597.00	20,000.00	116,597.00			116,597.00		116,597.00
Qualified Capital Purpose Undertaking	2,412.00	2,412.00	82,516.00	84,928.00			84,928.00		84,928.00
Cooperative	-	-		-			-		-
Student Fee	-	-		-			-		-
				-					-
TOTAL ALL FUNDS	1,670,612.00	3,489,626.00	3,880,239.00	7,369,865.00	417,600.00	5,881,658.00	7,369,865.00	-	7,369,865.00

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)
	2019-2020 (4)	2020-2021 (5)	2021-2022 (6)			
General	\$ 4,467,628.00	\$ 4,936,600.00	\$ 6,299,258.00		\$ 2,696,557.00	\$ 3,639,092.00
Depreciation	\$ 81,387.00	\$ 29,140.00	\$ 305,971.00		\$ 305,971.00	
Employee Benefit	\$ -	\$ -	\$ 26,901.00		\$ 26,901.00	
Contingency	\$ -	\$ -	\$ -		\$ -	
Activities	\$ 163,774.00	\$ 143,669.00	\$ 178,500.00		\$ 178,500.00	
School Nutrition	\$ 141,491.00	\$ 125,944.00	\$ 141,832.00		\$ 141,832.00	
Bond	\$ 231,499.00	\$ 213,423.00	\$ 215,878.00		\$ 40,856.00	\$ 176,790.00
Special Building	\$ 110,167.00	\$ 126,021.00	\$ 116,597.00		\$ 96,597.00	\$ 20,202.00
Qualified Capital Purpose Undertaking	\$ 78,263.00	\$ 77,325.00	\$ 84,928.00		\$ 2,412.00	\$ 83,349.00
Cooperative	\$ -	\$ -	\$ -		\$ -	
Student Fee	\$ -	\$ -	\$ -		\$ -	
TOTALS	\$ 5,274,209.00	\$ 5,652,122.00	\$ 7,369,865.00	\$ -	\$ 3,489,626.00	\$ 3,919,433.00

Fund	2020/21 Budget Information				2021/22 Budget Information			Change in Tax Rate	Change in Operating Budget
	2020-2021 Operating Budget	2020-2021 Property Tax Request	2020 Tax Rate	Property Tax Rate (2020-2021 Request Divided By 2021 Valuation)	2021-2022 Operating Budget	2021-2022 Proposed Property Tax Request	Proposed 2021 Tax Rate		
General Fund	6,015,673.00	3,580,808.00	1.025446	1.025446	6,299,258.00	3,639,092.00	1.042137	2%	5%
Bond Fund(s) K - 12	351,291.00	237,374.00	0.067977	0.067977	215,878.00	176,790.00	0.050628	-26%	-39%
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	165,746.00	85,440.00	0.024468	0.024468	116,597.00	20,202.00	0.005785	-76%	-30%
Qualified Capital Purpose Undertaking Fund K - 12	100,573.00	80,808.00	0.023141	0.023141	84,928.00	83,349.00	0.023869	3%	-16%
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	6,633,283.00	3,984,430.00	1.141032	1.141032	6,716,661.00	3,919,433.00	1.122419	-2%	1%

District	Starting wage for kitchen staff
Ravenna	\$12.00
Shelton	\$11.30
Kennesaw	\$11.03
Fullerton	\$10.71
Loup City	\$10.98
Kearney	\$11.56

District	Wage Ranges
Ravenna	\$12.00- ?
Shelton	\$11.30- \$12.96
Kennesaw	\$11.03- \$13.43
Fullerton	\$10.71- \$12.56
Loup City	\$10.98- \$13.12
Kearney	\$11.56- \$13.41

*Shelton's starting wage for paras is \$13.45