

NORFOLK PUBLIC SCHOOLS



Budget Overview

2018-2019

September 1st, 2018

To: All Parents, Students and Citizens of Norfolk Public Schools

The 2018-2019 school year is underway and all of the administrative, teaching and support staff have been working hard at providing the best educational experiences possible for all students of Norfolk Public Schools. Our current staff is dedicated in being resourceful when it comes to providing those learning opportunities. Coming into this fiscal year our district continues to have solid fiscal health in all funds. The following pages discuss the 2018-2019 Norfolk Public Schools budget broken down by the different areas that fund education in our district. This budget is reflective of Norfolk's fiscally conservative values while also keeping us moving forward in order to provide our students a comprehensive education. I ask everyone to please review the finances of our district and if at any time you have questions please feel free to contact my office for clarification. I hope everyone has a great school year, GO PANTHERS!

Educationally Yours,

Dr. William R. Robinson Jr.

Dr. William Robinson
Associate Superintendent of Business, Maintenance and Facilities
Norfolk Public Schools

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2017-2018 Fiscal Year Budget Wrap-up

Overall the following was budgeted for 2017-2018 in our General Fund:

- Revenue \$45,044,686.31
- Expenditures \$44,061,600.31
- Cash balance growth of \$983,086

As the fiscal year ends, the General Fund Revenue is estimated at \$44,044,686.31 and Expenditures at \$44,788,342.28 which includes a \$1,900,000 transfer to depreciation. The cash reserve limit will be at our 25% threshold for 2018-2019. Because of our fiscal health, the district had the ability to continue all of its programs, complete needed maintenance and repair items and provide staff adequate cost of living increases. The current bond debt continues to decrease with the general obligation bonds being paid in full by 2022 and the QCPUF bonds being paid in full by 2024. All of the districts other funds maintained adequate health and cash flow which is anticipated to continue into the 2018-2019

Fiscal Summary for 2018-2019

Our district is expected to continue to have solid fiscal health for 2018-2019 with the ability to maintain current programs while also considering future district needs. District cash reserves in the general and depreciation funds are at the allowable 25% limit. These reserves represent approximately a 5 month cash flow for the district. A district our size should strive to keep at least 3 months expenditures in its reserves.

As with any budget discussion the district needs to be cognitive of the taxes our local patrons pay. With that being said it is recommended a \$.011376 overall levy reduction be approved. This would make our overall levy go from a \$1.188022 to \$1.176646. The district is able to do this because of the aggressive approach to debt repayment that has been put in place over the past five years. This allows the district to slowly reduce the levy as debt comes off the books. All of the current bond debt will be paid off in full by 2024. The district has made great strides in this area over the past 7 years with over a 14 cent levy reduction.

2018-2019 Budget Details:

- Valuation increase for 2018-2019 is 5.44%
- General Fund Budget of expenditures increased by 4.49% to (\$46,038,710.43) this increase includes all the new additional staff that was hired for 18-19, as well as increase in maintenance and instruction.
- 2018-2019 fiscal year is one that we will need to monitor closely. The continual tweaking of TEEOSA and discussion on property taxes in Nebraska will continue. Agricultural land owners in our district should see a tax decrease on the school district portion of their property taxes. Even with this occurring there is continual frustration with the current tax codes in Nebraska.
- Hopefully, during this legislative session there will be a higher level of collaborative discussions occurring so logical sustainable solutions are developed.
- I will continue to strategically plan with Dr. Thompson on these issues and will update the board on progress we have made with facilities and other purchases in curriculum, and technology over the past five years. We are currently finalizing a new 5 to 10 year Strategic Facility and Maintenance Plan which will help as we plan fiscally in the future.

Overview of District Funds

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 to within the \$1.05 maximum. Norfolk Public Schools tax levy for this fund in 2018-2019 is (\$1.00)

Bond Fund-The Bond Fund shall be used to record tax receipts, investment interest, and payment of the 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. 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 to just principal and interest on the bonds. The Norfolk Public Schools levy for this Fund in 2018-2019 is (\$.086741)

Special Building Fund- A Special Building Fund shall be established when a school board decides to acquire or improve sites and /or erect, alter or improve buildings. The sale of bonds, 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. 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. The tax levy for this fund is restricted to within the \$1.05 limit. The Norfolk Public Schools levy for this Fund in 2018-2019 is (\$.05)

Depreciation Fund-The 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 Depreciation Fund is not specifically provided for in law; therefore, this fund shall be considered a component of the General Fund.

Employee Benefit Fund- An Employee Benefit Fund is established in order to specifically reserve General Fund money for the benefit of school district employees (unemployment compensation and early retirement are some examples.) 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. The Employee Benefit Fund is not specifically provided for in law; therefore, this fund shall be considered a component of the General Fund.

School Lunch Fund-The School Lunch Fund is required to accommodate the financial activities of all Nutrition Programs operated by the school district. The School Lunch Fund shall reflect a record of all revenues and expenditures within the Nutrition Programs. If a deficit is incurred in the operation, the deficiency shall be covered by funds transferred from the General Fund.

Student Fee 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 district summer or night school. Expenditures from this fund must be for the purposes for which the fees were collected.

Qualified Capital Purpose Undertaking Fund (QCPUF)- QCPUF may be established for the removal of environmental hazards, the reductions or elimination of accessibility barriers in school district buildings, safety code violations, indoor air quality projects, and mold abatement and prevention projects. General Fund expenditures for the purpose of the fund are not allowable. All records of the transactions in this area shall be maintained in this fund this includes proceeds from the bonds issued. The tax levy for this fund is for principal and interest on the bonds only. The Norfolk Public Schools levy for this Fund in 2018-2019 is (\$.039905)

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. This fund is used for the Northeast Nebraska Deaf Education Cooperative, and the Veterans Memorial Park Cooperative in which Norfolk Public School participates in.

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 Activities Fund shall not be used to record general operation revenues or expenditures, nor shall this fund be used 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.

Property Tax Levy Changes:

Tax Levy				
Fund	<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>
General	1.000000	1.010000	1.040000	1.020000
Special Bldg	0.050000	0.040000	0.010000	0.030000
Bond K-8	0.054825	0.057870	0.065372	0.067626
Bond 9-12	0.031916	0.033658	0.037903	0.038937
Coop. Tech Bond	0.000000	0.004418	0.004633	0.004760
QCPUF K-12	0.039905	0.042076	0.047215	0.048507
Total Levy	1.18	1.19	1.21	1.22

Our General Fund tax asking will be a \$1.00. We will continue taxing in the Building Fund \$0.05 as we need to continue saving dollars for capital improvements in our buildings. Due to the aggressive approach to paying off our bond debt that has been put in place additional debt has come off the books and thus our overall levy can be reduced by \$.01.

Proposed Budgets of Expenditures:

Fund	Budgeted Disbursements and Transfers 18-19	Budgeted Disbursements and Transfers 17-18	Budgeted Disbursements and Transfers 16-17	Budgeted Disbursements and Transfers 15-16
General Fund	\$61,495,506.68	\$59,109,172.00	\$57,525,736.02	\$57,966,588.00
Depreciation Fund	\$9,563,220.84	\$7,304,476.98	\$6,589,619.22	\$6,267,548.68
Employee Benefit Fund	\$140,233.77	\$119,104.92	\$147,499.56	\$157,200.78
Activity Fund	\$4,028,631.97	\$4,010,717.03	\$3,803,189.61	\$4,026,477.97
Lunch Fund	\$3,354,650.00	\$3,006,928.24	\$3,023,293.77	\$2,477,506.25
Bond Fund	\$6,168,058.67	\$6,003,486.64	\$5,848,512.00	\$5,524,240.22
Special Building Fund	\$5,678,318.79	\$6,185,283.93	\$7,749,696.27	\$10,682,539.04
QCPUF Fund	\$3,439,963.56	\$3,344,150.61	\$3,894,937.55	\$6,037,993.36
Cooperative Fund	\$1,519,082.21	\$1,287,742.30	\$1,368,111.08	\$1,439,715.62
Student Fee Fund	\$419,852.73	\$425,644.61	\$405,007.47	\$438,248.84