

# NORFOLK PUBLIC SCHOOLS



## Budget Overview

2020-2021

October 1<sup>st</sup>, 2020

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

The 2020-2021 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 2020-2021 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

**Table of Contents**

Overview of 2019-2020 Budget and Summary for 2020-2021	Pages 4-5
Overview of District funds	Pages 6-7
Tax Levy Information	Page 8
Overall Budget Numbers by Fund	Page 9

## **2019-2020 Fiscal Year Budget Wrap-up**

Overall the following was budgeted for 2019-2020 in our General Fund:

- Revenue \$48,802,097.12
- Expenditures \$47,840,040.60
- Budgeted cash balance growth of the General Fund \$962,057.12

As the fiscal year ends, the General Fund Revenue is estimated at **\$48,128,518.21** and Expenditures at **\$47,328,517.98**. The 19-20 expenditures include a transfer of \$1,537,549.32 to the district's depreciation fund. This leaves the General Fund with a cash balance growth of \$800,000.23, which in turn provides the district with a cash balance of \$15,188,824.23. This still provides our district a safe cash flow for up to 4 months while maintaining our cash reserves at the 25% threshold for 2020-2021.

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, while also maintaining all employee's compensation during the shutdown. The current bond debt continues to decrease with the general obligation bonds being paid in full by 2022. The district also maintained strong cash flow and fiscal health in all of its other funds. This fiscal position provides our district a high level of fiscal security in 20-21 which is extremely important with the continued COVID 19 pandemic.

## **Fiscal Summary for 2020-2021**

Our district is expected to continue to have solid fiscal health for 2020-2021 with the ability to maintain current programs while also considering future district needs. The district's cash reserves in the general and depreciation funds are at the allowable 25% limit. These reserves represent approximately a 4 month cash flow for the district in the general fund and adequate reserves in the depreciation fund for unforeseen capital expenditures. A district our size should strive to keep at least 3 months expenditures in its general fund reserves and 1 year of the maintenance and instructional budget in depreciation.

As with any budget discussion the district needs to be cognitive of the taxes our local patrons pay. 2020-2021 will see a large valuation increase overall in our district in particular with commercial property. With that being said it is recommended a \$.046059 overall levy reduction be approved. This would adjust our overall levy from a \$1.173569 to \$1.127510. The district is able to do this because of the reduction of our QCPUF levy with the refinancing we did this past winter while also nearing the end of our general obligation bond debt. The district has made great strides in this area over the past 10 years with over a 19.4 cent levy reduction.

### **2020-2021 Budget Details:**

- Valuation increase for 2020-2021 is 9.07%
- General Fund Budget of expenditures increased by 3.0% to (\$48,819,174.76), this includes some extra dollars for additional staff hours or temporary positions if needed due to pandemic needs. Our estimated revenue is enough to balance the proposed budget with some cash balance growth and depreciation transfers.
- 2020-2021 fiscal year is one that we will need to monitor closely as in we have in the past. Even though a compromise property tax relief package was passed, state budgets will continue to be tight with TEEOSA always up for debate. With our large valuation increase the 21-22 TEEOSA certification is anticipated to be reduced for Norfolk since there is a higher level of local resources.
- Our district spent the past 2 years developing and preparing a comprehensive strategic facilities plan which included a bond proposal. Because of the pandemic and economic changes the district put a pause on this and will reevaluate the plans and funding. During this pause we are proposing to levy additional dollars within our \$1.05 to the special building fund so we can continue to move forward with the most critical facility needs while we continue to process all the identified needs in the plan.

## **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 2020-2021 is (\$0.95)

**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 2020-2021 is (\$0.047510)

**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 2020-2021 is (\$0.10)

**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 2020-2021 is (\$.03)

**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.

**Tax Levy**

<b><u>Fund</u></b>	<b><u>2020-2021</u></b>	<b><u>2019-2020</u></b>	<b><u>2018-2019</u></b>	<b><u>2017-2018</u></b>
<b>General</b>	0.950000	1.000000	1.000000	1.010000
<b>Special Bldg</b>	0.100000	0.050000	0.050000	0.040000
<b>Bond K-8</b>	0.029978	0.053529	0.054825	0.057870
<b>Bond 9-12</b>	0.017532	0.031110	0.031916	0.033658
<b>Coop. Tech Bond</b>	0.000000	0.000000	0.000000	0.004418
<b>QCPUF K-12</b>	0.030000	0.038930	0.039905	0.042076
<b>Total Levy</b>	<b>1.13</b>	<b>1.18</b>	<b>1.18</b>	<b>1.19</b>

## Budgeted Expenditures

Fund	Budgeted Disbursements and Transfers 20-21	Budgeted Disbursements and Transfers 19-20	Budgeted Disbursements and Transfers 18-19	Budgeted Disbursements and Transfers 17-18
General Fund	\$63,674,660.00	\$61,315,009.77	\$61,495,506.68	\$59,109,172.00
Depreciation Fund	\$8,376,241.69	\$7,589,885.00	\$9,563,220.84	\$7,304,476.98
Employee Benefit Fund	\$135,385.00	\$135,887.78	\$140,233.77	\$119,104.92
Activity Fund	\$3,964,126.00	\$4,050,052.97	\$4,028,631.97	\$4,010,717.03
Lunch Fund	\$3,834,080.00	\$3,106,545.50	\$3,354,650.00	\$3,006,928.24
Bond Fund	\$5,577,609.74	\$6,362,543.25	\$6,168,058.72	\$6,003,486.64
Special Building Fund	\$7,231,405.26	\$5,028,902.66	\$5,678,318.79	\$6,185,283.93
QCPUF Fund	\$5,771,701.19	\$3,480,817.29	\$3,439,963.56	\$3,344,150.61
Cooperative Fund	\$1,058,885.00	\$1,041,996.55	\$1,519,082.21	\$1,287,742.30
Student Fee Fund	\$479,739.00	\$444,113.00	\$419,852.73	\$425,644.61