Raymore-Peculiar School District
Board of Education Retreat
June 14, 2010

2010-2011 Budget

Introductory Section

- The budget planning process begins each year in the Raymore-Peculiar School District as soon as the audit for the prior year is completed and the fiscal year is closed. The process to build the district budget is a cooperative effort throughout the district. Many stakeholders are involved and have opportunities to provide input into the budget planning. The budget development process involves analyzing projected revenues and anticipating expenditures for the next school year. As always is the case, these revenues and expenditures are estimated projections based on the most current information available. The reality is always that information changes before the final budget is printed and bound.
- The budget is intended to serve as a guide to direct the financial operations of the Raymore-Peculiar School District. The final budget document is a summary of many department/building/and program budgets of the district. The budget is a working document that changes through out the year.
- Revenue budget revisions will be made during the budget year to reflect final state funding revenues and district local property tax collections. Final Assessed Valuation totals and the actual tax levy will be known and set in August 2010.
- Expenditure budget revisions will be made during the budget year to reflect changes in programs and decisions of the administration and school board of the district.
- The budget document is presented in a format that meets the budget requirements of the Missouri Department of Elementary and Secondary Education. The district's auditors will review the budget during the district's annual audit.
- Board of Education action is required on or before June 30, 2010 to adopt an annual budget for the district.
- The preliminary audit for The Raymore-Peculiar School District is June 22, 2010. The final audit is scheduled for September 2010.

Informational Section

- This section of the budget document includes the district calendar for 2010-2011. Extra curricular assignments, district salary schedules for all certified, classified and administrative district staff, and district travel procedures for all staff.

Debt Service Section

- The debt service fund includes the accounts necessary to pay the amount of current interest and principal on bond issues.
- The district has outstanding bond issues for the 2002, 2005 and 2008 bond issues. The district also has a 2007 refunding bond issue for a portion of the 2002 issue.
- Total principal and interest payments scheduled for the 2010-2011 school year total $6,454,975.00
- Total outstanding district debt service balances are $71,035,000 currently. Payments this year will reduce this balance to $67,885,000

Financial Revenues Section

- Total revenue projections for 2010-2011 are $55,169,469
- Local revenue projections are $30,505,698
- County revenue projections are $878,000
- State revenue projections are $21,283,874
- Federal revenue projections are $2,483,897
- Miscellaneous revenue projections are $18,000

- 4 main revenue sources for our district making up 86% of projected revenues include:
    1. Local property taxes – Assessed valuation is estimated as of June 3, 2010 with the most recent information provided to the district by Bob Huston, Cass County assessor. Our assessed valuation is budgeted at $455,636,345. This is a decline from last year of $272,043. Further AV estimates will be provided to the district in late July with final numbers in August 2010 after the Board of Equalization totals are received to set the tax levy. Currently the tax levy is unchanged at 5.0397. Reliance on property taxes in our operating budget is = to 35%. Debt Service fund is = to 92%.

    2. State Proposition C Sales Tax – Paid on the 2009-2010 weighted average daily attendance (WADA). This number is estimated at $700 per WADA of 5738.7280. Yielding projected revenues of

$4,017,109. Reliance on the State Sales Tax in our operating budget is = 8%.

3. Classroom Trust Fund – Gaming revenue that is paid on the 2009-2010 average daily attendance of the district. The Classroom Trust Fund is one of the funding sources of the Basic Formula calculation. Projected revenue is $1,899,505. Reliance on the Classroom Trust Fund in our operating budget is = 4%.

4. State Foundation Formula – A copy of the 3-page calculation of the Foundation formula for our district is in the budget document. The most current data available from the Missouri Department of Elementary and Secondary Education (DESE) is as of May 24, 2010. This data anticipates that a reduction will be made in the 2010-2011 Basic Formula. An adjustment of 4% or greater is anticipated by DESE. The district has budgeted an adjustment of 8% and has used 92% of the Formula Calculation as a revenue budget estimate. Projected revenue for the Foundation formula is $18,365,804. A 1% change in Formula funding for our district is approximately $220,275. Reliance on Foundation Formula in our budget is = 39% of operating funds.

- Total district revenues budgeted for 2010-2011 as compared to total district revenues budgeted for the prior year is a decrease of $3,331,163. Total revenues received for the 2009-2010 year will not be finalized until the state payment is generated later this month. The Missouri Department of Elementary and Secondary Education is anticipating reductions to this payment. Our district's anticipated reduction at this time is estimated at $439,535. Our current year budget may require a transfer of funds from the operating to the teachers fund to realize the revenue needed to balance this fund at year-end.

- The severe economic downturn at the National level has a direct impact on the State and Local economy. 90% of Missouri General Fund Revenue comes from personal income and sales taxes. State withholdings may have to become permanent cuts. More cuts will be necessary. The money needed to support what we are doing currently in the district is not there. Our current staff allocation was built with historically increasing revenue patterns. We will be making tough decisions as we continue to evaluate staffing plans and review and reduce district budgets and processes.

Financial Expenditures Section

- Total expenditure projections are $57,984,986.
- Total salary projections are $28,837,521
- Total retirement benefit projections are $3,751,722
- Total social security benefit projections are $761,550
- Total insurance benefit projections are $2,499,167
- Total purchased services projections are $6,995,773
- Total supply projections are $5,864,732
- Total capital outlay projections are $1,618,237
- Total student transportation and fuel projections are $3,346,500
- Total utilities projections are $955,500
- Total other net payment projections district – wide are $3,354,284

- Total salary and benefit payments included in the budget are 71.23% of the total district operating expenditures.

- Expenditure dollars are *not* included and *not* recommended by the administration for step and lane changes in the budget for experience. This continuing cost is estimated at $548,000 for 2010-2011 on the current salary schedules.

- Educational steps (lateral movement on the certified salary schedule) *are* included and recommended by the administration at a continuing estimated cost of $131,000 for 2010-2011.

- Certified retirement has increased to 14.00% (.5% increase)

- Classified retirement has increased to 6.63% (.13% increase)

- Capital project funds are budgeted to make improvements to several district facilities. Funds are also allocated in the Capital projects fund to make lease purchase payments on the districts change in the technology department to Citrix, the 2010 Lease purchase project as well as the 2006 Lease purchase project.

- Total district operating fund expenditures budgeted for 2010-2011 as compared to total district operating fund expenditures budgeted for the prior year is a decrease of $5,112,689.

Fund Balance Section

- Estimated July 1, 2010 Balances (As of June 4, 2010)
    1. General Fund $8,047,977.00
    2. Teachers Fund $6,394.13 (Including a projected transfer)
    3. Debt Service Fund $13,956,121.00
    4. Capital Projects Fund $752,402.83
    5. 2008 Bond Issue Fund $1,187,362.88

    Total estimate all funds $23,950,257.84 or 15.869% reserves

- Funds reflecting the proceeds of the 2008 Lease Purchase for completion of the Raymore Peculiar East Middle School are held at Southwest Trust Company and not a part of the district balances.

- Total district revenues are projected at $55,169,469.00

- Total district expenditures are projected at $57,984,986.00

- A transfer of $765,598.00 is budgeted to transfer from the General fund to the Capital Projects fund.

- Total combined General Fund and Teachers Fund expenditures exceed combined General Fund and Teachers Fund revenues by $776,376.00.

- The combined transfer from the General Fund ($765,598) and the total of expenditures above revenues in the combined General and Teachers fund ($776,376) total $1,541,974.00.

- Estimated unrestricted ending fund balance in the General Fund and Teachers Fund combined at June 30, 2011 is estimated at 13.370%.