

2021-22 Amended Revised Budget

Prepared by the District 191 Business Office
200 W. Burnsville Pkwy.
Burnsville, MN 55337
952-707-2050



Agenda VI.B.2
June 9, 2022

TO: Members, Board of Education
Dr. Theresa Battle, Superintendent

FROM: Lisa K. Rider, executive director of business services

DATE: June 2, 2022

RE: Approve Amendment to 2021-22 Revised Budget

RECOMMENDATION: That the Board of Education approves the amendment to the 2021-22 Revised Budget modifying Food Service and Community Service revenues and expenditures to amounts shown below:

| FUND | REVENUE BUDGET | EXPENDITURE BUDGET | INCR (DECR) TO FUND BALANCE | INCR (DECR) FROM REVISED BUDGET |
|-----------------------|-----------------------|-----------------------|--------------------------------|------------------------------------|
| GENERAL | \$ 135,885,717 | \$ 136,035,698 | \$ (149,981) | \$ - |
| FOOD SERVICE | 5,968,857 | 5,066,272 | 902,585 | 619,743 |
| COMMUNITY SERVICE | 6,599,351 | 5,618,862 | 980,489 | 362,693 |
| CAPITAL PROJECTS | 250 | 1,657,945 | (1,657,695) | - |
| DEBT SERVICE | 24,900,000 | 23,185,000 | 1,715,000 | - |
| INTERNAL SERVICE FUND | 23,445,000 | 24,280,000 | (835,000) | - |
| TOTAL ALL FUNDS | <u>\$ 196,799,175</u> | <u>\$ 195,843,777</u> | <u>\$ 955,398</u> | <u>\$ 982,436</u> |

Each fiscal year the budget is revised to reflect the most current information available with respect to revenues and expenditures. However, for the 2021-2022 fiscal year, we are amending the revised budget to reflect the anticipated changed assumptions for revenues and expenditures within the Food Service and Community Service Funds during this school year. This recommendation formally recognizes these amendments to the revisions by incorporating them into the budget document. Revisions have been made on in the Food Service and Community Service funds.

Following is a brief explanation of the more substantive amendments to the revisions:

General Fund

- Enrollment assumptions remain at the 7,680 ADMs used in the Revised Budget.
- Revenue and expenditure budget changes related to final federal funding allocations for fiscal year 2022 remain unchanged and include ESSER II, Pandemic Enrollment Loss, and COVID Testing funds
- No adjustments to the overall General Fund FTE's from Revised Budget.

Revised FY22 Budget projected the use of fund balance of \$149,981. This significant change anticipates some of the similar savings we have seen to our general fund throughout the pandemic. The projected unassigned fund balance as a percent of general fund total expenditures for June 30, 2022 remains unchanged and is projected to be approximately 14.11%.

Food Service Fund

The food service revenues and expenditures have been revised for more accurate assumptions based on updated personnel costs and the use of the Seamless Summer Food Service Program.

Revenue Increased as a result of:

- Meal participation has been greater with the Seamless Summer program
- Increased grant funds have been received
- Excess equipment from closed schools have been sold

Expenditures changed as a result of:

- Staff shortages
- Menu planning heavy with the use of commodities
- Donated commodities
- Food supply issues and
- Delayed purchases

This amendment to the revision is necessary to reflect the impact of the changing food service revenues and expenditures and the anticipated change to the projected fund balance.

Community Service Fund

The community service revenues and expenditures have been reviewed and adjusted for the increased grant funding received in Adult Basic Education (ABE) and Preschool programming. Many of the increased programs for students now federally funded will alleviate costs otherwise covered within the Community Service Fund. We are using the most restricted federal funds first before our typical funding where necessary.

This amendment to the revised budget is necessary to reflect the impact of the changing community service revenues and expenditures and the anticipated change to the projected fund balance.

Debt Service Fund

The debt service revenues and expenditures have been reviewed and remain unchanged from the FY22 Revised Budget.

I recommend approval of the amendment to the 2021-22 Revised Budget.

Fiscal Year 2022 Amended Revised Budget

**Lisa Rider - executive director of
business services**

June 9, 2022



Overview

- » Recommendation to the Board for approval of and amendment to the Fiscal Year (FY) 2022 Revised Budget for Food and Nutrition and Community Education Services Fund.

Agenda

- Projected changes to Food and Nutrition Budget as we close out the year.
- Projected changes to Community Education Budget as we close out the year.
- Projected impact to the General Fund as we close out the year.

2021-2022 Amendment to the Revised Budget - All Funds

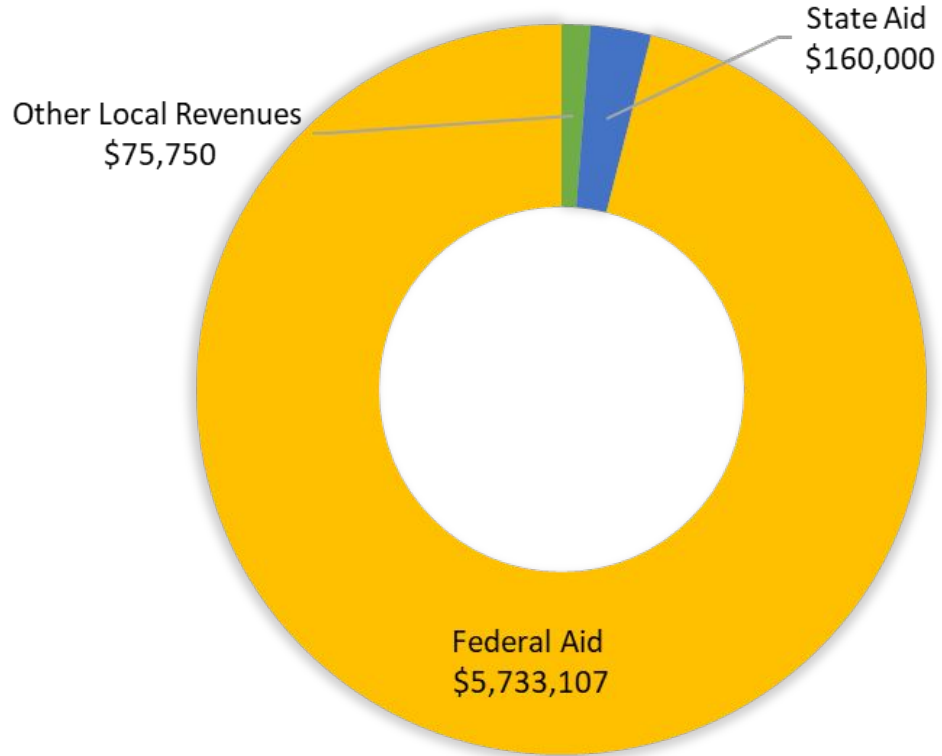
| ISD 191 BURNSVILLE - EAGAN - SAVAGE 2021-2022 AMENDED BUDGET CHANGES IN FUND BALANCE | | | | |
|--|------------------------------------|-----------------------|-----------------------|--------------------------------------|
| FUND | AUDITED FUND BALANCE 6/30/21 | REVENUE BUDGET | EXPENDITURE BUDGET | PROJECTED FUND BALANCE 6/30/22 |
| GENERAL | \$ 29,521,879 | \$ 135,885,717 | \$136,035,698 | \$ 29,371,898 |
| FOOD SERVICE | 1,119,125 | 5,968,857 | 5,066,272 | 2,021,710 |
| COMMUNITY SERVICE | 2,072,635 | 6,599,351 | 5,618,862 | 3,053,124 |
| CAPITAL PROJECTS | 1,657,695 | 250 | 1,657,945 | 0 |
| DEBT SERVICE | 4,123,714 | 24,900,000 | 23,185,000 | 5,838,714 |
| INTERNAL SERVICE FUND | 23,785,113 | 23,445,000 | 24,280,000 | 22,950,113 |
| TOTAL ALL FUNDS | <u>\$ 62,280,161</u> | <u>\$ 196,799,175</u> | <u>\$195,843,777</u> | <u>\$ 63,235,559</u> |

Food Service Fund Projected

| | <u>Revised</u> | <u>Amended</u> | <u>Difference</u> |
|---------------------------------------|----------------|----------------|-------------------|
| Beginning Fund Balance 6/30/21 | \$ 1,119,125 | \$ 1,119,125 | \$ - |
| Revenues | \$ 5,096,656 | \$ 5,968,857 | \$ 872,201 |
| Expenses | \$ 4,813,814 | \$ 5,066,272 | \$ 252,458 |
| Net Change in Fund Balance | \$ 282,842 | \$ 902,585 | \$ 619,743 |
| Projected Ending Fund Balance 6/30/21 | \$ 1,401,967 | \$ 2,021,710 | \$ 619,743 |

Food Service Fund Revenues -

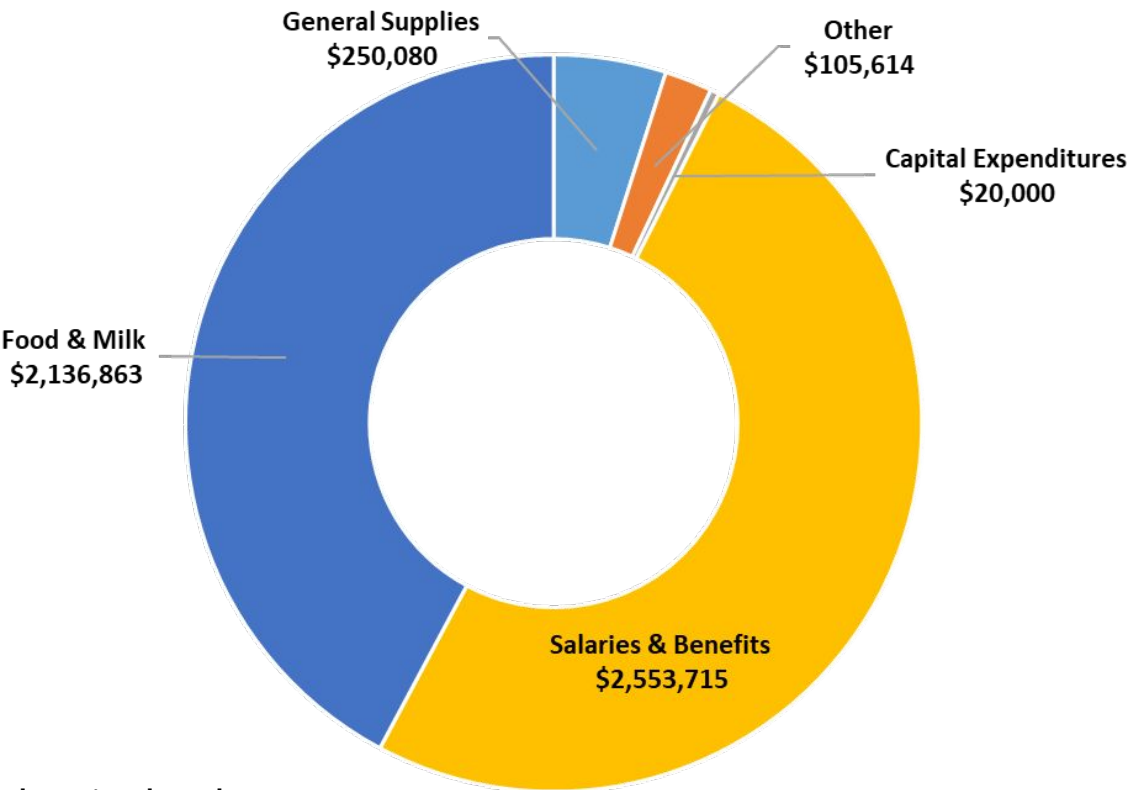
\$5,968,857



Food Service Fund Expenditures by Object -

Spending:
By Type of
Expense

\$5,066,272



Reasons for the Surplus

- Revenue
 - Reimbursement Rates
 - Meal Participation
 - Grants (including Supply Chain Assistance)
 - Sale of Equipment

Reasons for the Surplus

- Expenditure
 - Labor Recruitment & Retention
 - Menu Planning
 - Commodities
 - Supply Chain Issues
 - Rebates
 - Closed School Equipment and Supplies
 - Delayed Purchases

Reasons for the Surplus cont.

Seamless Summer Option (SSO) vs the National School Breakfast and Lunch Program (NSBP/NSLP):

We have operated a full school year under the Seamless Summer Option. The reimbursement rate for Breakfast and Lunch is higher than that under the National School Breakfast and Lunch Program (NSBP and NSLP) from \$0.255 cents to \$4.00 per meal.

Reimbursement Rates between Programs

| Reimbursement Rates | SY22 NSBP (Breakfast) | | | | SY22 NSLP (Lunch) | | |
|---------------------------------------|-----------------------|---------|----------|---------|-------------------|----------|----------|
| Change every July 1 | Free | Reduced | Paid (K) | Paid | Free | Reduced | Paid |
| Federal Breakfast | \$2.350 | \$2.050 | \$0.330 | \$0.330 | | | |
| State Breakfast | n/a | \$0.300 | \$1.300 | \$0.550 | | | |
| Federal Lunch - Regular | | | | | \$ 0.370 | \$ 0.370 | \$ 0.370 |
| Federal Lunch - Free & Reduced | | | | | \$ 3.310 | \$ 2.910 | n/a |
| Federal Lunch - All, 7 cent Certified | | | | | \$ 0.070 | \$ 0.070 | \$ 0.070 |
| State Lunch - All | | | | | \$ 0.125 | \$ 0.525 | \$ 0.125 |
| Total Federal & State Payments | \$2.350 | \$2.350 | \$1.630 | \$0.880 | \$ 3.875 | \$ 3.875 | \$ 0.565 |


SY = School Year (used by MDE since their fiscal year is different from school districts)

| Reimbursement Rates | 2023 SSO Breakfast | 2023 SSO Lunch |
|--------------------------------|--------------------|-------------------|
| Change every Jan 1 | All Eligibilities | All Eligibilities |
| Federal Lunch - Regular | \$ 2.605 | \$ 4.563 |
| Total Federal & State Payments | \$ 2.605 | \$ 4.563 |

Other Revenue Reasons

| Topic | SY22 Details | SY22 Budget Impact |
|--------------------|---|---------------------------------|
| Meal Participation | Increased meal participation due to no cost to students and reimbursement is higher for SSO than NSBP & NSLP. | ↑ Federal Reimbursement Revenue |
| Grants | Applied for and received local grants and federal assistance opportunities. | ↑ Local Revenue |
| Sale of Equip. | Sold excess equipment from closed schools. | ↑ Local Revenue |

Expenditure Reasons

| Topic | SY22 Details | SY22 Budget Impact |
|-------------------------------|---|--|
| Labor Recruitment & Retention | Unable to fill positions, worked short staffed if no available substitutes, program waivers allowed for less labor intensive service methods, less meal account PIN use, less negative balance notifications, centralized substitute employee management, more centralized ordering practices by district office. |  Labor Expenses |

Surplus: Expenditure Reasons continued

| Topic | SY22 Details | SY22 Budget Impact |
|-----------------------------|---|--------------------------|
| Menu Planning | Cyclical, standardized menu with limited offerings, more shelf stable, centralized purchase practices for improved ordering and inventory control. | ↓ Food Expenses |
| USDA Foods (Commodities) | Stable product price agreements caused for a heavy commodity driven menu and we received donations from other districts who had excesses. | ↓ Food Expenses |
| Food Markets & Supply Chain | Food market is always volatile. Pandemic impacted growers and manufacturers which led to competitive, disrupted supply chain causing severe product shortages and increased demand. Additionally, US growing conditions (drought, floods, fire, insects, avian flu, etc.) impact food and supply costs. | ↑ Food & Supply Expenses |

Surplus: Expenditure Reasons continued

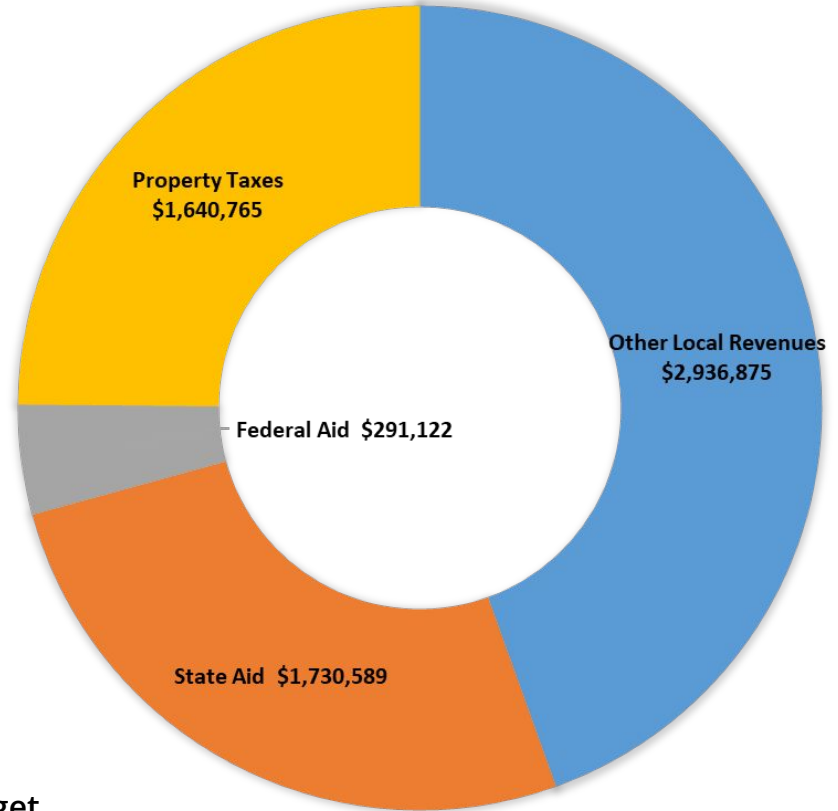
| Topic | SY22 Details | SY22 Budget Impact |
|---------------------------------------|---|---------------------------|
| Food & Supply Buying Groups & Rebates | Continued participation in several buying groups to improve purchasing power and ability to submit for rebate payments on select foods. | ↓ Food & Supply Expenses |
| Equipment & Supplies | Extra equipment and supplies transferred from closed schools to open schools or sold on auction; Delayed equipment purchases due to higher prices related to supply and demand. | ↓ Equip & Supply Expenses |
| Grants | Delayed purchases due to waiting on grant awards. | ↓ Current Expenses |

Community Service Fund Projected

| | <u>Revised</u> | <u>Amended</u> | <u>Difference</u> |
|---------------------------------------|----------------|----------------|-------------------|
| Beginning Fund Balance 6/30/21 | \$ 2,072,635 | \$ 2,072,635 | \$ - |
| Revenues | \$ 6,327,851 | \$ 6,599,351 | \$ 271,500 |
| Expenses | \$ 5,710,055 | \$ 5,618,862 | \$ (91,193) |
| Net Change in Fund Balance | \$ 617,796 | \$ 980,489 | \$ 362,693 |
| Projected Ending Fund Balance 6/30/22 | \$ 2,690,431 | \$ 3,053,124 | \$ 362,693 |

Community Service Fund Revenues

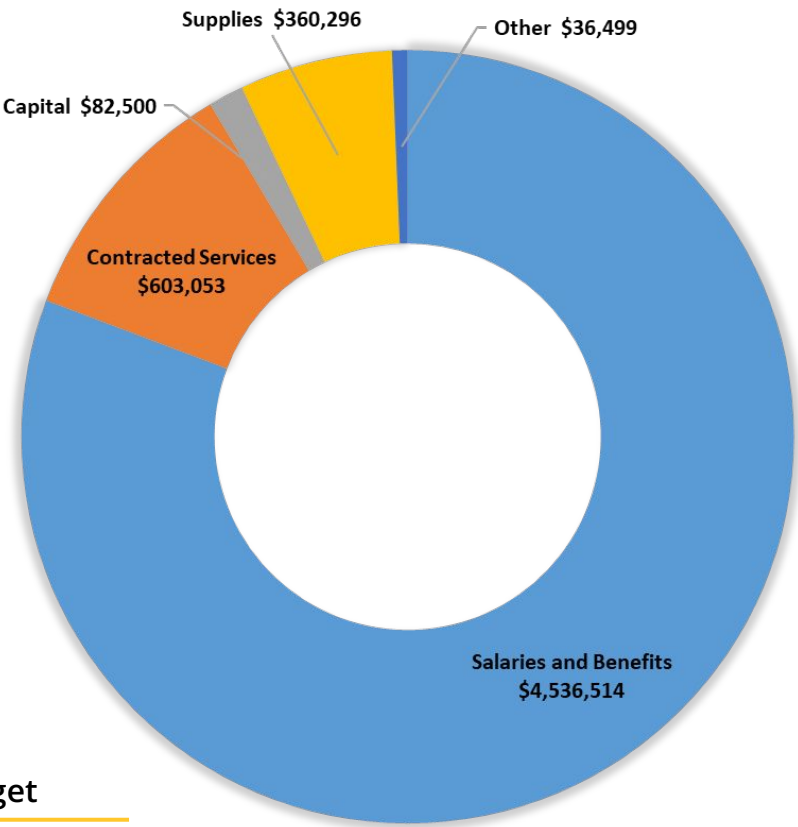
\$6,599,351



Community Service Fund Expenditures by Object

Spending: By
Type of
Expense

\$5,618,862



What are the reasons for the Surplus?

- Revenue
 - Increased funding in Adult Basic Education (ABE) and Preschool.
 - Increased participation in programming over past two years.
- Expenditure
 - Use of restricted federal funds before typical funds results in lesser expenditures.

Next Steps

June 9, 2022

Recommendation to approve the Amendment to the Revised FY 2022 Budget, as presented.

*Thank
you*