



**MONONA GROVE**  
**SCHOOL DISTRICT**

2024-25 Revised Preliminary Budget - August 22, 2024



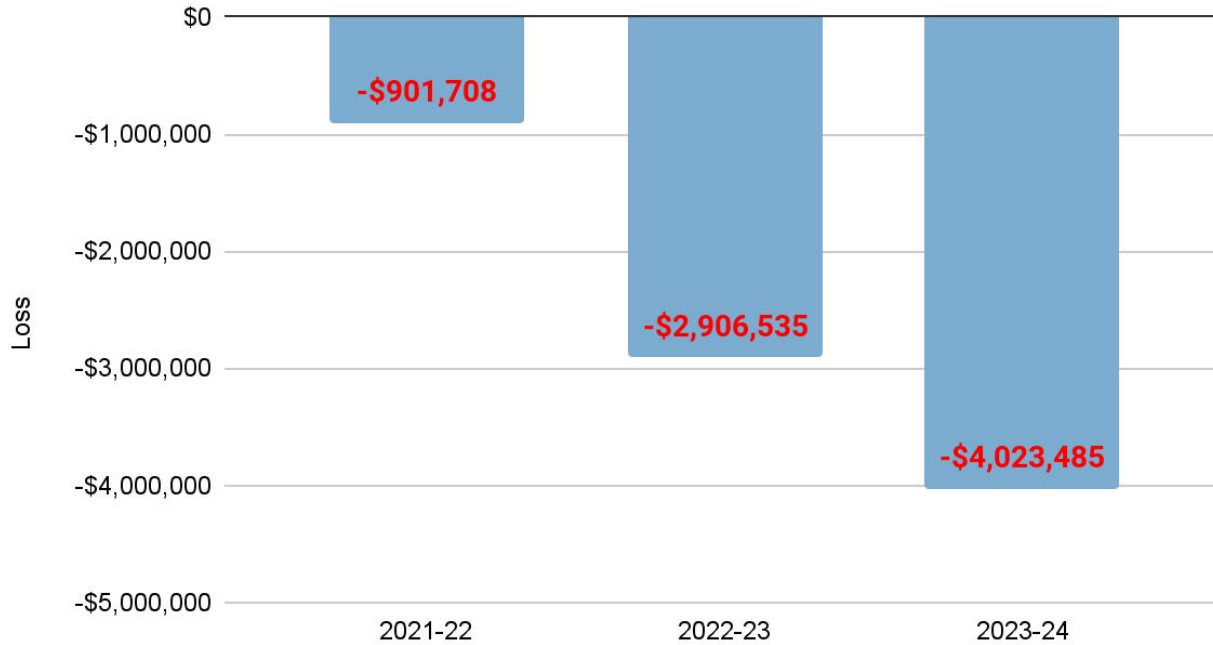
## Financial Overview

- Budget Deficits
  - Fund Balance
  - Impact on the 2024-25 Budget
  - Cash Flow
  - Revised Preliminary 2024-25 Budget
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# Spending History

Fund 10 Revenues Minus Expenditures



2023-24 Expenditures are unaudited.



## **Budget Overages**

All of the expenditures, although over budgeted amounts, appear to be investments intended to enhance District operations, safety and security, and performance.

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# Budget Overages

- Some **regular** expenditures weren't budgeted for such as:
    - Open enrollment out and other tuition
    - Student, human resources and financial software
  - Some **new** expenditures weren't budgeted for such as:
    - Security improvements
    - Facilities, compensation, enrollment and transportation studies
  - Some expenditures **exceeded** budgeted amounts such as:
    - Substitute teachers
    - Technology and internet
    - Special education salaries and benefits
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# Fund 10 Budget to Actual

<b>Fund 10</b>	<b>2022-23 Approved Budget</b>	<b>2022-23 Actual Activity</b>	<b>Difference</b>		<b>2023-24 Approved Budget</b>	<b>2023-24 Unaudited Actual Activity</b>	<b>Difference</b>
Salaries & Benefits	\$34,832,737	\$35,686,105	-\$853,368		\$38,806,660	\$38,539,493	\$780,682
Purchased Services	\$8,919,736	\$9,368,082	-\$448,346		\$6,406,975	\$10,412,393	-\$4,005,418
Non-Capital Objects	\$1,558,235	\$1,641,323	-\$83,088		\$1,996,568	\$2,616,349	-\$619,781
Capital Objects	\$251,592	\$430,282	-\$178,690		\$684,984	\$384,695	\$300,289
Debt Retirement	\$282,500	\$1,182,346	-\$899,846		\$835,000	\$1,304,888	-\$469,888
Insurance & Other	\$468,234	\$496,506	-\$28,272		\$519,543	\$597,508	\$2,693
Transfers	\$4,563,293	\$5,782,419	-\$1,219,126		\$5,925,189	\$7,092,941	-\$1,167,752
<b>Total</b>	<b>\$50,876,328</b>	<b>\$54,587,063</b>	<b>-\$3,710,735</b>		<b>\$55,174,919</b>	<b>\$60,948,267</b>	<b>-\$5,773,348</b>



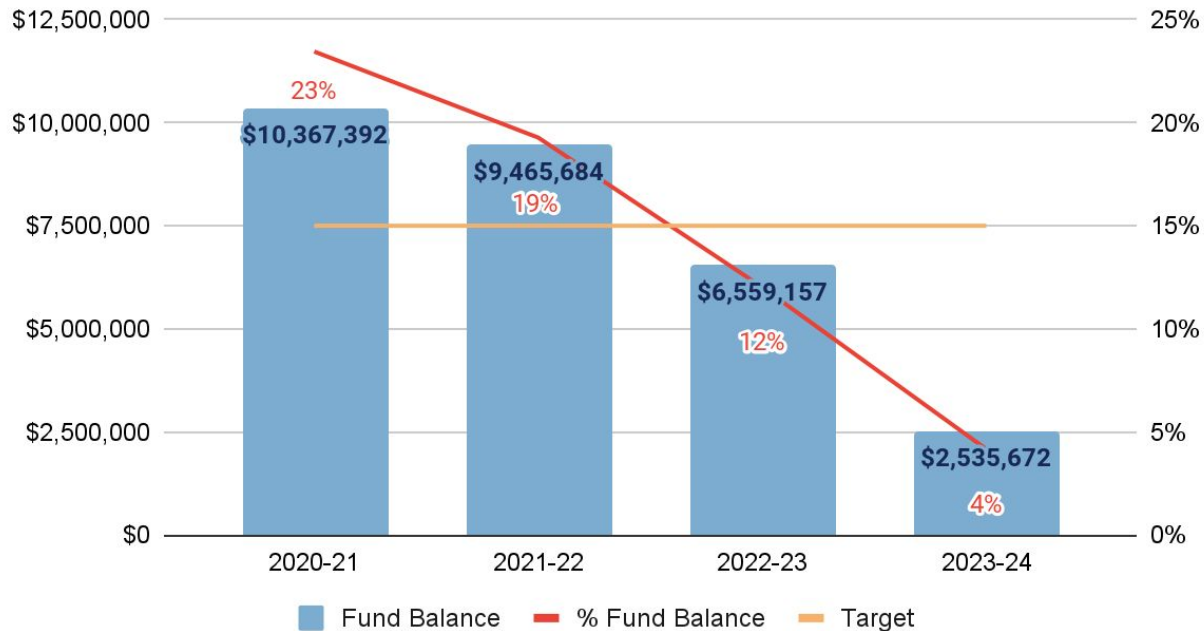
## Fund 27 Budget Vs. Actual

<b>Fund 27</b>	<b>2022-23 Approved Budget</b>	<b>2022-23 Actual Activity</b>	<b>Difference</b>		<b>2023-24 Approved Budget</b>	<b>2023-24 Unaudited Actual Activity</b>	<b>Difference</b>
Salaries	\$6,554,283	\$7,186,192	-\$486,557		\$7,757,948	\$8,491,131	-\$479,435
Purchased Services	\$1,007,730	\$1,209,724	-\$201,994		\$1,006,005	\$1,468,834	-\$462,829
Non-Capital Objects	\$17,800	\$97,545	-\$79,745		\$56,100	\$58,738	-\$2,638
Capital Objects	\$0	\$6,299	-\$6,299		\$0	\$83,292	-\$83,292
Other Objects	\$4,480	\$7,570	-\$3,090		\$9,500	\$8,839	\$661
<b>Total</b>	<b>\$7,584,293</b>	<b>\$8,507,330</b>	<b>-\$923,037</b>		<b>\$8,829,553</b>	<b>\$10,110,834</b>	<b>-\$1,281,281</b>



# Fund Balance Decline

## Fund 10 Fund Balance & % Fund Balance



2023-24 Fund Balance is unaudited.





# Recurring & Non-Recurring Referendum

## 2021 Non-Recurring Referendum

- Total \$14.8M
- Does not add to the “base revenue” - is a one year add only
- \$3.7M for 4 years

## 2023 Recurring Referendum

- Total \$13.8M over 3 years
  - Adds to the “base revenue” each year
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# Recurring & Non-Recurring Referendum

## 2023-24:

- \$6.0M Recurring
- \$3.7M Non-recurring

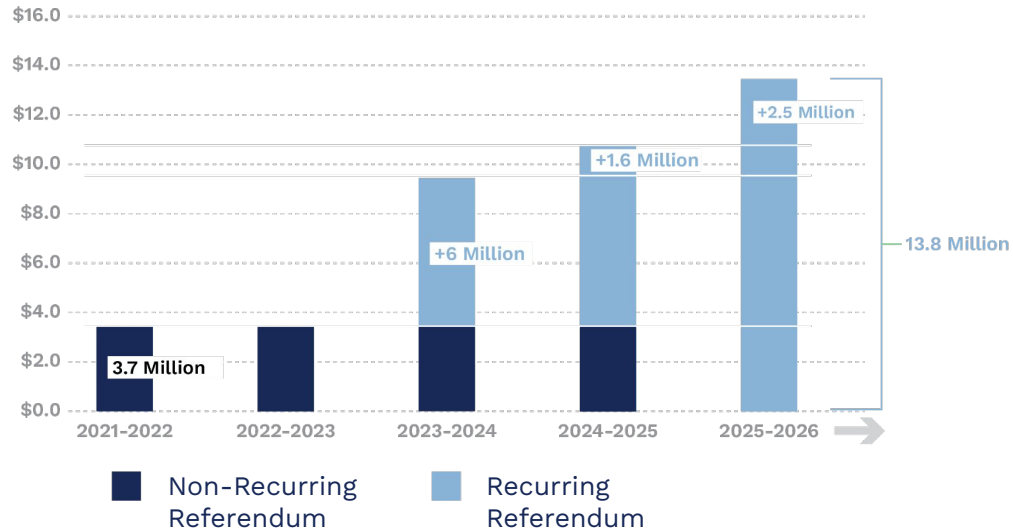
## 2024-25:

- \$1.6M Recurring
- \$3.7M Non-recurring

## 2025-26:

- \$6.2M Recurring

Phase-in of Referendum Funding



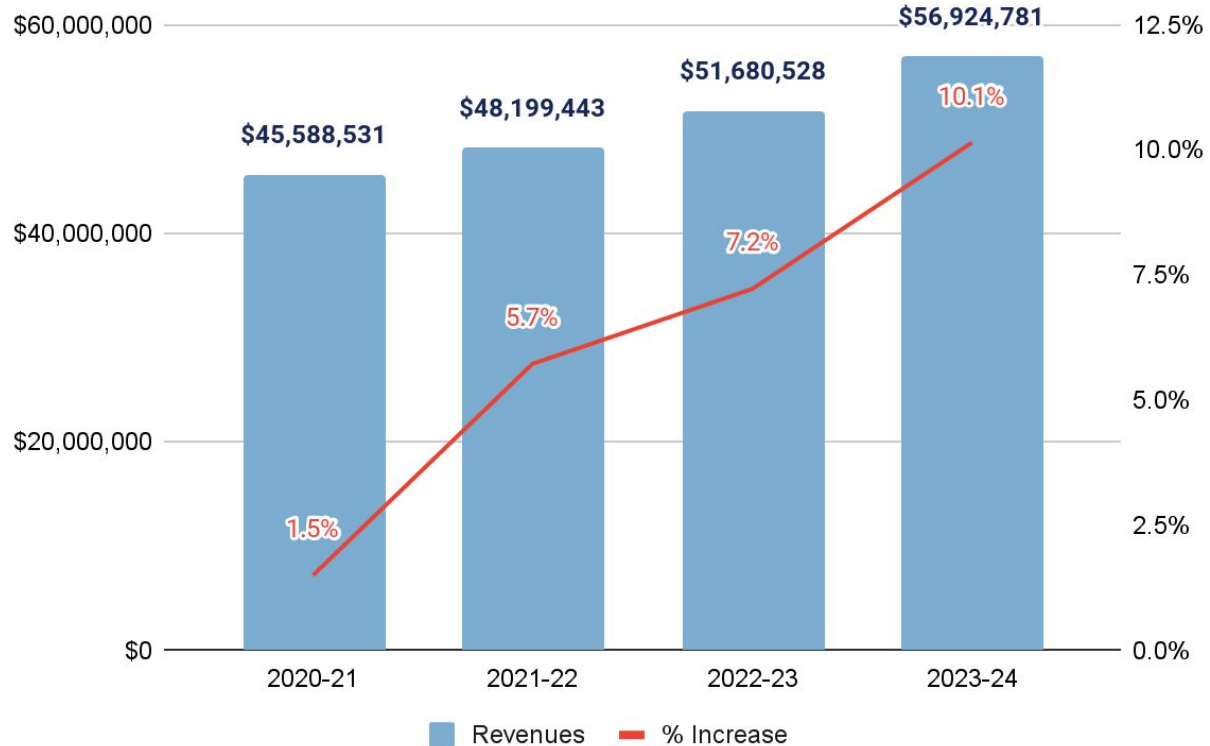


# Recurring & Non-Recurring Referendum

- Non-recurring is only a one year addition.
  - Recurring adds to the base revenue and accumulates.
  - \$6M recurring was added to the revenue limit in 2023-24.
  - However, there was a \$2.7M reduction in revenue from the prior year (2022-23) as ESSER funds ran out
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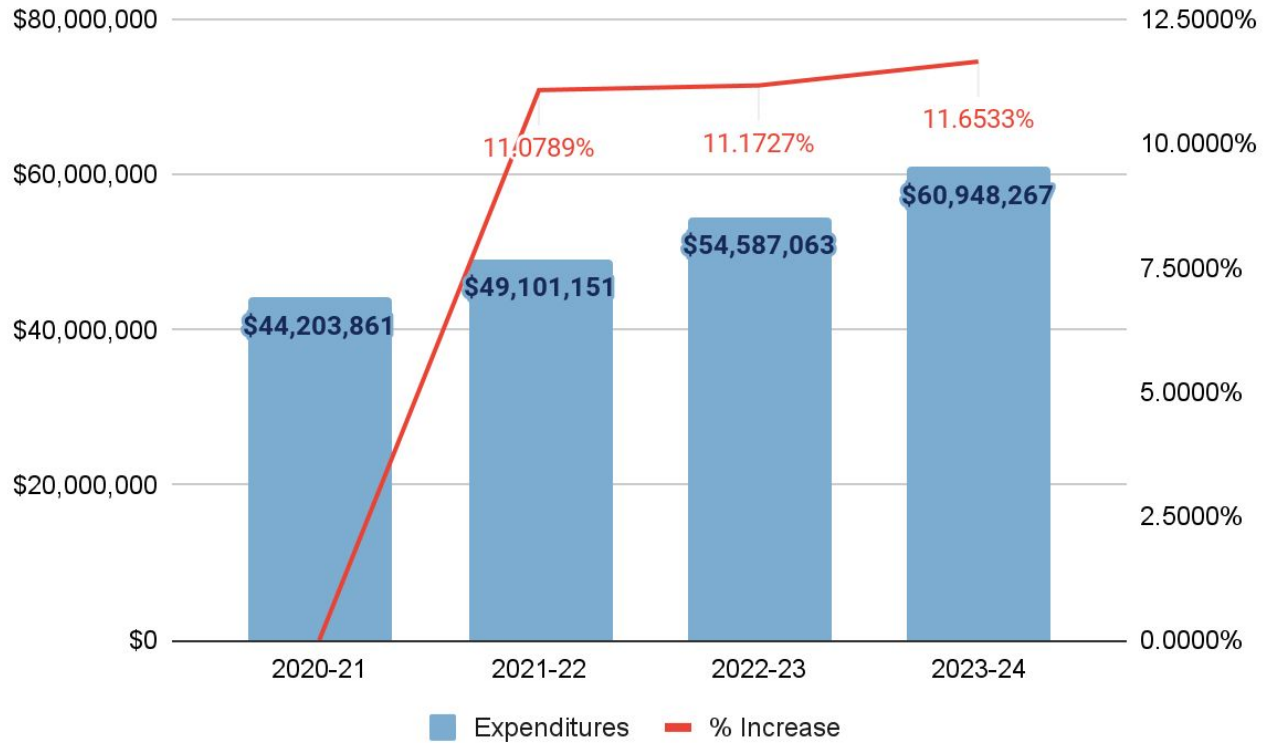


# Fund 10 Revenues & % Increase



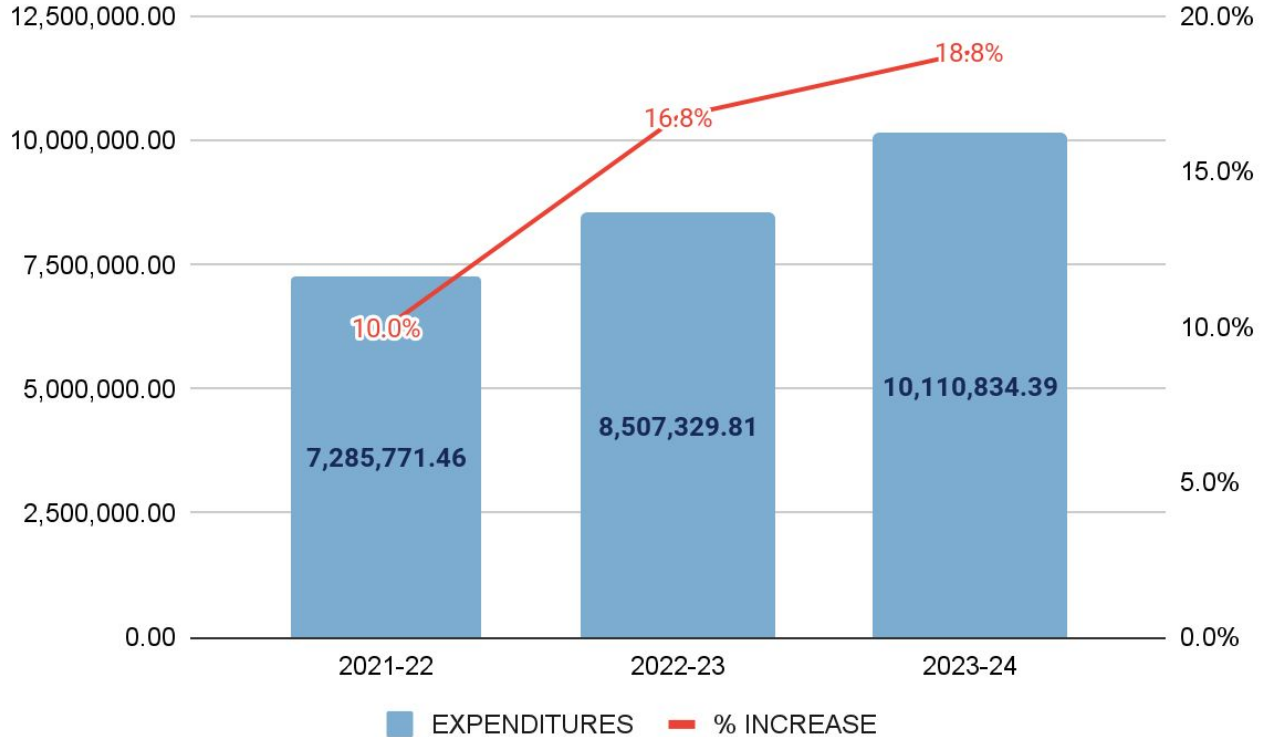


# Fund 10 Expenditures & % Increase





# Fund 27 Expenditures & % Increase





# June 2024-25 Approved Preliminary Budget

<b>Fund 10 Expenditures</b>	<b>2023-24 Budget</b>	<b>2023-24 Actual</b>	<b>2024-25 June Prelim Budget</b>
Salaries & Benefits	\$38,806,660	\$38,538,065	\$41,130,371
Purchased Services	\$6,406,975	\$10,412,304	\$6,674,856
Supplies/Non-Capital Objects	\$1,996,568	\$2,616,438	\$1,996,568
Capital Objects	\$684,984	\$384,695	\$684,984
Debt Service/Insurance & Judgements	\$1,208,900	\$1,676,095	\$1,429,985
Transfers	\$5,925,189	\$7,092,941	\$6,408,648
Other	\$145,643	\$226,393	\$155,000
<b>Total Expenditures</b>	<b>\$55,174,919</b>	<b>\$60,946,930</b>	<b>\$58,480,412</b>



# 2024-25 Budget Outlook

- 2024-25 Revised Preliminary budget created based on 2023-24 actual activity
    - A Revised Preliminary 2024-25 is necessary to more accurately reflect cash flow needs for the operational loan and short term, cash flow borrowing for 2024-25.
    - This Revised Preliminary Budget will be presented at the Annual Meeting on September 9, 2024.
    - ***This is not the final budget for the year***
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## 2024-25 Adjusted Budget - October 30

- Thorough examination of the Preliminary budget to **remove non-mission critical items** that have not already been expended.
  - 3rd Friday count, summer hiring, October 15 Aid Certification and final property valuation.
  - To be presented and approved by the Board on October 30, 2024
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## Cash Flow

- Many school districts have to short term borrow to cover expenditures while waiting for property tax revenue in January
  - The District borrowed \$12.2M in the fall of 2023 for short term cash flow needs.
  - The District is required to pay the 2023 short term borrowing of \$12.2M prior to borrowing for 2024-25.
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## Cash Flow

- Unfortunately, due to the reduction in fund balance, the District does not have the cash to pay back the full \$12.2M.
  - We will need an operational loan of approximately \$7M in order to cover expenditures and pay back the 2023 short term borrowing.
  - This loan will be considered by the Board at the August 22, 2024, meeting.
  - Next item on the agenda will provide additional information on cash flow.
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**MONONA GROVE**  
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# **Revised Preliminary 2024-25 Budget**

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# School District Budget Development Timeline

- ❑ November Enrollment Forecast
  - ❑ December: Five year budget forecast - Road Map
  - ❑ January - April: Budget development process
  - ❑ June: Preliminary Budget Approved
  - ❑ July 1: Start of Fiscal Year
  - ❑ September: Annual Meeting
  - ❑ October: **Adjusted** Budget and Levy Certification
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## Budget Timing

- Why is the final budget not approved until October when the fiscal year starts in July?
  - We don't receive all of the information necessary to finalize the budget until October 15
    - ◆ Enrollment - finalized on the 3rd Friday in September
    - ◆ Equalized Value - finalized October 1
    - ◆ General State Aid - finalized October 15
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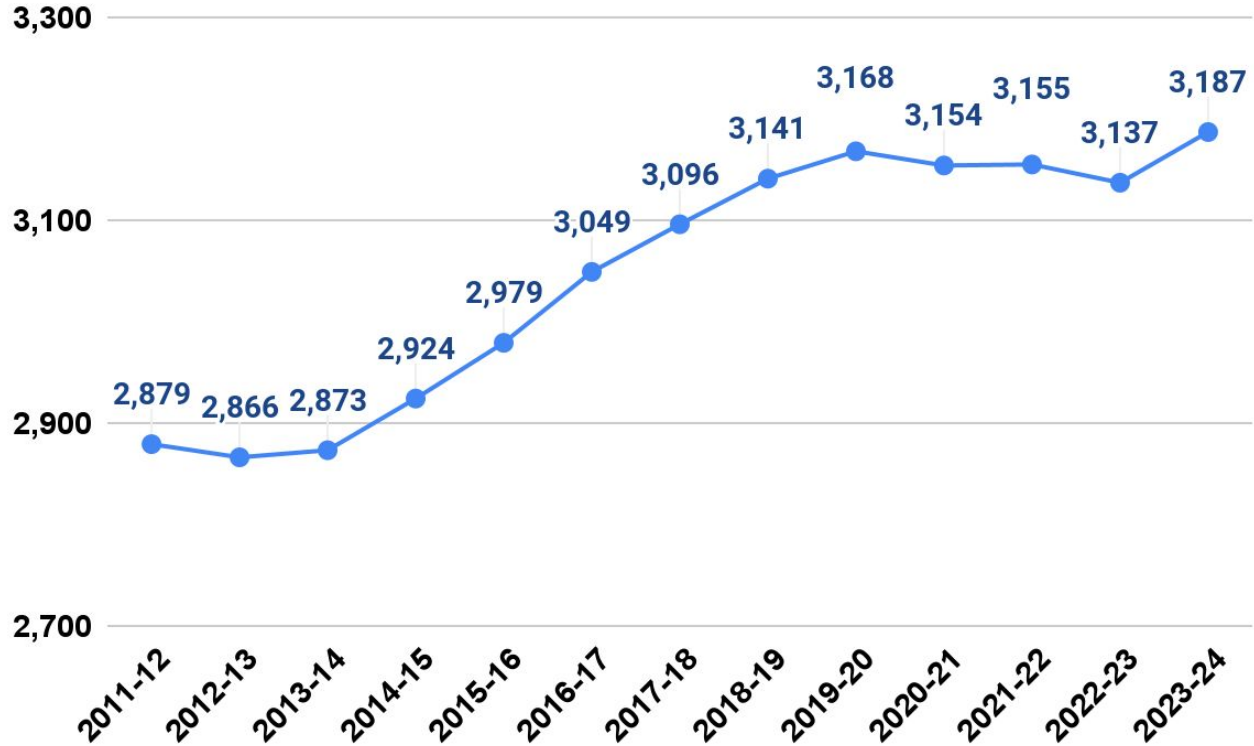
# Wisconsin School District Budget Basics

## → Revenue Limit Calculation

- ◆ Determines over 80% of District Revenue
  - ◆ Calculation relies heavily on 3 year average enrollment and a per pupil increase that is set in the state budget
  - ◆ Two primary ways to increase revenue from year to year:
    - Increases in enrollment **and/or**
    - A per pupil increase
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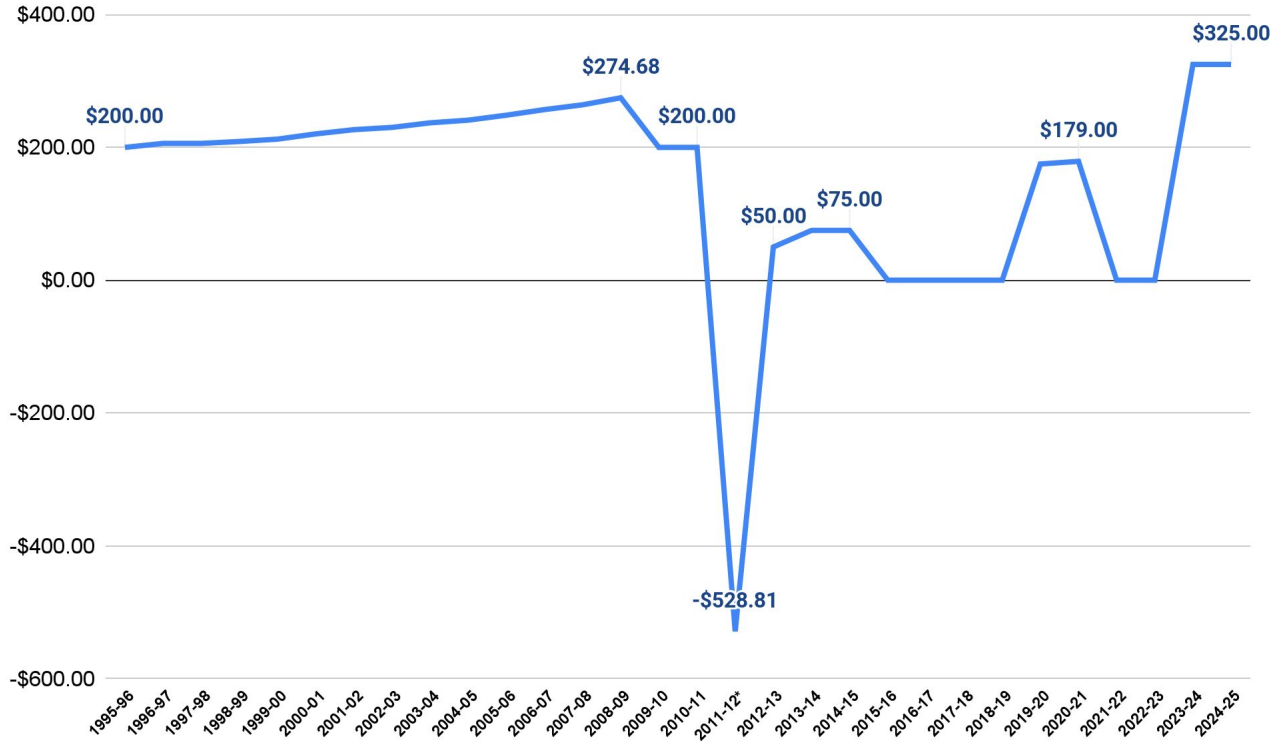
# Enrollment History







# Per Pupil History





# How are School Districts Funded?

- The revenue limit is funded by a combination of:
    - ◆ Property taxes
    - ◆ General state aid
      - Property tax relief
      - Not new money
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# How are School Districts Funded?

→ What determines the amount funded by property taxes?

**Revenue Limit - General State Aid = Property Taxes**

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## State Aid

- Utilizes a formula to distribute aid based on:
    - ◆ Property value per student
    - ◆ Costs per student
    - ◆ Enrollment
  - Districts with **lower** property value per student receive **more** state aid.
  - Districts with **higher** property value per student receive **less** state aid.
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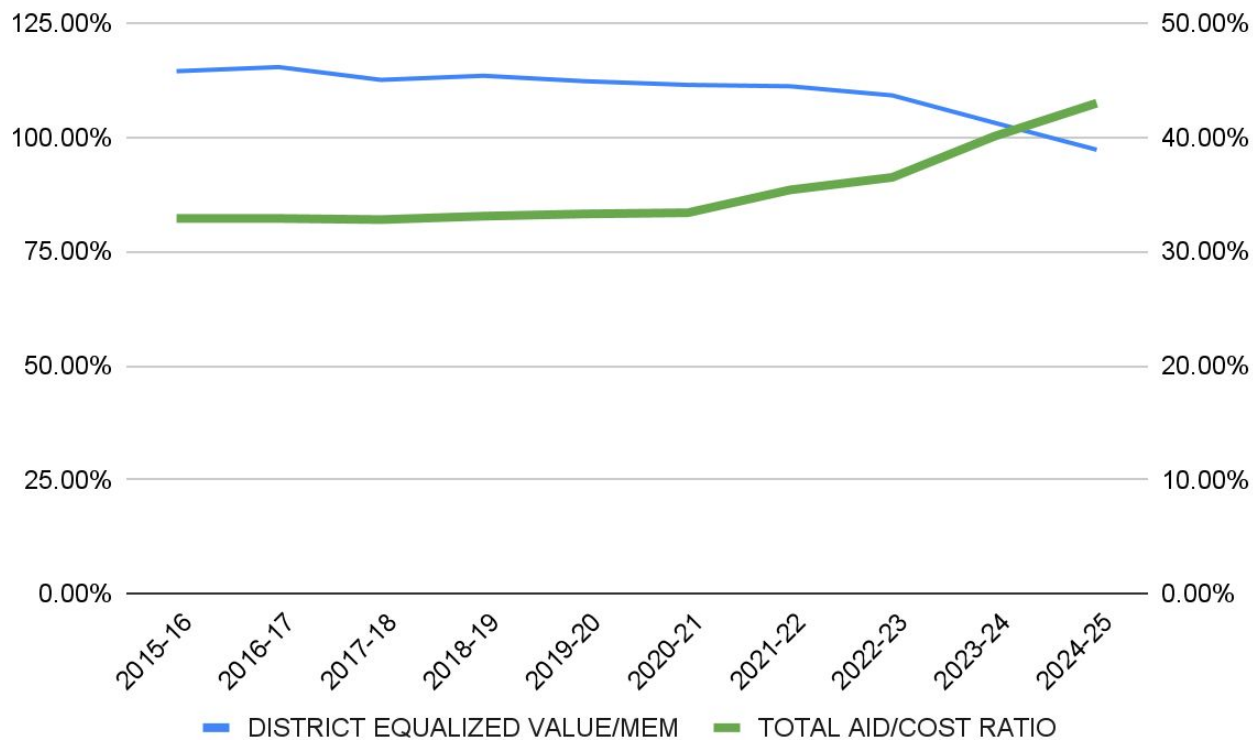


## State Aid

- State average property value per student = 977,295
  - Monona Grove property value per student = 951,151
  - 2024-25 aid/cost ratio is estimated to be 43% compared to 40.1% in 2023-24.
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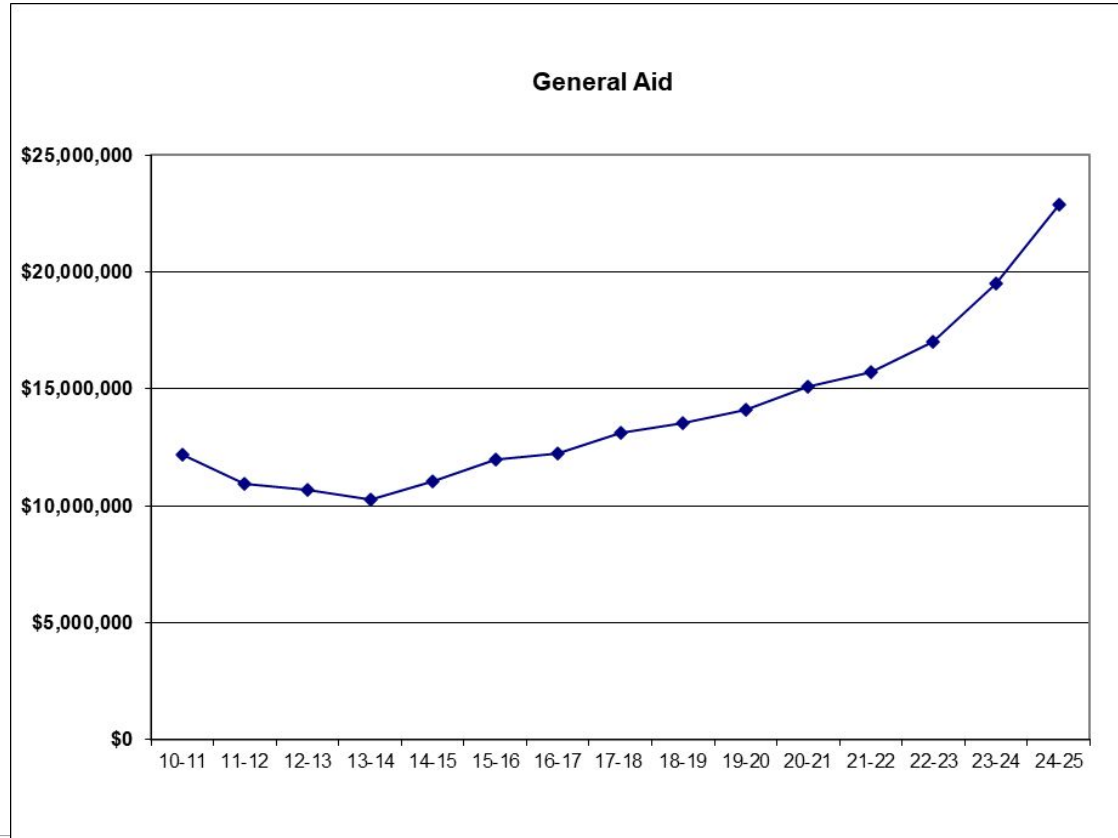


# % Value/Student Vs. Cost Ratio





# State Aid History





## District Funds

- **Fund 10: General Fund**
  - Fund 21: Gift Fund (Donations, Activity Funds)
  - **Fund 27: Special Education Fund**
  - Fund 38: Non-Referendum Debt Fund
  - Fund 39: Referendum Debt Fund
  - Fund 49: Capital Project Fund
  - Fund 50: Food Service Fund
  - Fund 73: Retirement Benefits Fund
  - Fund 80: Community Service Fund
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# Fund 10 Revenues

<b>Fund 10 Revenue</b>	<b>2022-23 Actual</b>	<b>2023-24 Budget</b>	<b>2023-24 Actual</b>	<b>2024-25 June Prelim Budget</b>	<b>2024-25 Revised Prelim Budget</b>
Local Tax Levy	\$21,079,408	\$26,009,169	\$26,009,665	\$29,018,641	\$25,379,138
Other Local Revenue	\$861,989	\$797,000	\$913,996	\$867,000	\$917,000
WI Inter-District Payments	\$4,458,548	\$4,858,840	\$4,818,698	\$5,102,840	\$5,102,840
State Categorical Aid	\$2,316,524	\$2,352,882	\$2,352,882	\$2,733,272	\$2,386,272
State General Aid	\$17,095,104	\$19,283,164	\$19,283,164	\$19,283,164	\$23,152,756
Other State Revenue	\$1,647,152	\$1,529,985	\$1,763,984	\$1,182,985	\$1,529,985
Federal Revenue	\$3,298,572	\$287,510	\$448,623	\$257,510	\$257,510
Other Revenue	\$923,231	\$35,000	\$1,208,488	\$35,000	\$35,000
<b>Total Revenue</b>	<b>\$51,680,528</b>	<b>\$55,153,550</b>	<b>\$56,799,500</b>	<b>\$58,480,412</b>	<b>\$58,760,501</b>



# Fund 10 Expenditures

<b>Fund 10 Expenditures</b>	<b>2022-23 Actual</b>	<b>2023-24 Budget</b>	<b>2023-24 Actual</b>	<b>2024-25 June Prelim Budget</b>	<b>2024-25 Revised Prelim Budget</b>
Salaries & Benefits	\$35,686,105	\$38,806,660	\$38,538,065	\$41,130,371	\$40,084,756
Purchased Services	\$9,368,082	\$6,406,975	\$10,412,304	\$6,674,856	\$8,993,431
Supplies/Non-Capital Objects	\$1,641,323	\$1,996,568	\$2,616,438	\$1,996,568	\$2,049,350
Capital Objects	\$430,282	\$684,984	\$384,695	\$684,984	\$404,310
Debt Service/Insurance & Judgements	\$1,492,504	\$1,208,900	\$1,676,095	\$1,429,985	\$1,478,196
Transfers	\$5,782,419	\$5,925,189	\$7,092,941	\$6,408,648	\$7,377,554
Other	\$186,348	\$145,643	\$226,393	\$155,000	\$213,743
<b>Total Expenditures</b>	<b>\$54,587,063</b>	<b>\$55,174,919</b>	<b>\$60,946,930</b>	<b>\$58,480,412</b>	<b>\$60,601,340</b>



# Fund 10 Fund Balance

<b>Fund 10</b>	<b>2022-23 Actual</b>	<b>2023-24 Budget</b>	<b>2023-24 Actual</b>	<b>2024-25 June Prelim Budget</b>	<b>2024-25 Revised Prelim Budget</b>
Total Revenues	\$51,680,528	\$55,153,550	\$56,799,500	\$58,480,412	\$58,760,501
Total Expenditures	\$54,587,063	\$55,174,919	\$60,946,930	\$58,480,412	\$60,601,340
<b>Difference</b>	<b>-\$2,906,535</b>	<b>-\$21,369</b>	<b>-\$4,147,430</b>	<b>\$0</b>	<b>-\$1,840,839</b>
Beginning Fund Balance	\$9,465,692	\$6,559,157	\$6,559,157	\$6,559,157	\$2,411,727
<b>Ending Fund Balance</b>	<b>\$6,559,157</b>	<b>\$6,537,788</b>	<b>\$2,411,727</b>	<b>\$6,559,157</b>	<b>\$570,887</b>



## Fund 27 Revenues

<b>Fund 27 Revenue</b>	<b>2022-23 Actual</b>	<b>2023-24 Budget</b>	<b>2023-24 Actual</b>	<b>2024-25 June Prelim Budget</b>	<b>2024-25 Revised Prelim Budget</b>
Operating Transfer	\$5,782,419	\$5,925,189	\$7,074,777	\$6,294,600	\$7,377,554
State Sources	\$1,998,262	\$2,188,283	\$2,349,579	\$2,400,000	\$2,931,095
Federal Sources	\$726,649	\$716,081	\$686,479	\$780,900	\$780,900
<b>Total</b>	<b>\$8,507,330</b>	<b>\$8,829,553</b>	<b>\$10,110,834</b>	<b>\$9,475,500</b>	<b>\$11,089,549</b>



## Fund 27 Expenditures

<b>Fund 27 Expenditures</b>	<b>2022-23 Actual</b>	<b>2023-24 Budget</b>	<b>2023-24 Actual</b>	<b>2024-25 June Prelim Budget</b>	<b>2024-25 Revised Prelim Budget</b>
Salaries and Benefits	\$7,186,192	\$7,757,948	\$8,491,131	\$8,261,850	\$9,706,220
Purchased Services	\$1,209,724	\$1,006,005	\$1,464,855	\$1,148,050	\$1,312,729
Supplies/Non-Capital Objects	\$97,545	\$56,100	\$64,109	\$56,100	\$61,100
Other	\$13,869	\$9,500	\$90,739	\$9,500	\$9,500
<b>Total</b>	<b>\$8,507,330</b>	<b>\$8,829,553</b>	<b>\$10,110,834</b>	<b>\$9,475,500</b>	<b>\$11,089,549</b>



# Total Expenditures All Funds

<b>ALL FUNDS</b>	<b>Audited 2022-23</b>	<b>Unaudited 2023-24</b>	<b>Budget 2024-25</b>
<b>Gross Total Expenditures - All Funds</b>	\$75,854,349	\$85,987,485	\$84,022,320
<b>Interfund Transfers (Source 100) - All Funds</b>	\$5,782,419	\$7,074,777	\$7,377,554
<b>Net Total Expenditures - All Funds</b>	<b>\$70,071,930</b>	<b>\$78,912,708</b>	<b>\$76,644,765</b>
<b>Net Percent Increase</b>		<b>12.62%</b>	<b>-2.87%</b>

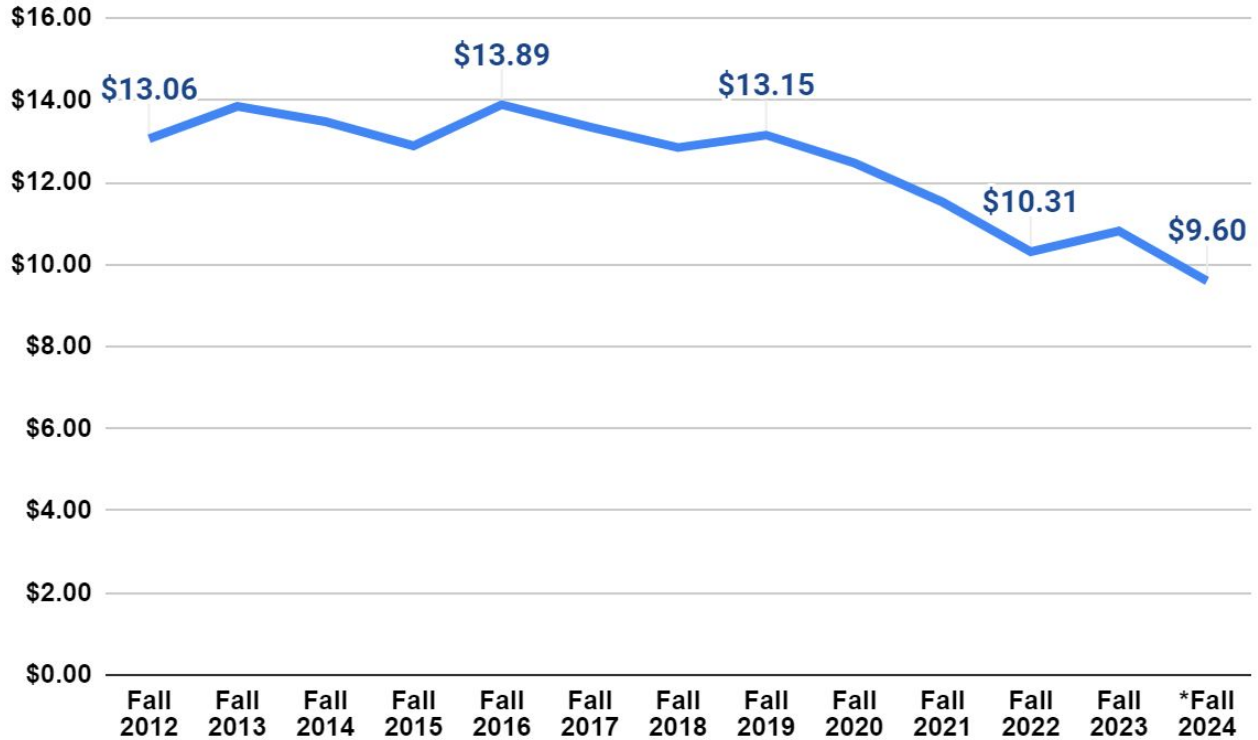


## **Estimated Tax Levy**

<b>FUND</b>	<b>Audited 2022-23</b>	<b>Unaudited 2023-24</b>	<b>Budget 2024-25</b>
General Fund	\$21,077,819	\$26,009,169	\$25,379,138
Referendum Debt Service Fund	\$5,300,000	\$5,071,575	\$5,126,081
Non-Referendum Debt Service Fund	\$1,592,393	\$1,702,861	\$1,900,000
Capital Expansion Fund	\$0	\$0	\$0
Community Service Fund	\$775,000	\$750,000	\$750,000
<b>Total School Levy</b>	<b>\$28,745,212</b>	<b>\$33,533,605</b>	<b>\$33,155,219</b>
<b>Percentage Increase/(Decrease)</b>		<b>16.66%</b>	<b>-1.13%</b>



# Mill Rate History



*\*Estimated*





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**SCHOOL DISTRICT**

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