



Mehlville School District

Individually Focused. Committed to All.

**MEHLVILLE SCHOOL DISTRICT
EDUCATIONAL PLAN
AND BUDGET**

2014-2015

JUNE 26, 2014

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Adjusted Tax Rate History
History of Assessed Valuation
History of Fund Balances

June 26, 2014

Agenda Item #7c

Agenda Item Topic Consider Preliminary 2014-15 Budget Proposal.

a. Statement of Problem

The District must adopt a budget for the 2014-2015 fiscal year prior to June 30, 2014.

b. Background Information

The budget is completed based upon budget requests submitted by each building, department and operational unit (transportation, food service, etc.). Capital items have been included based upon the District's five year facility plan. This budget has been refined from what was included previously in the five year projections.

A copy of the budget book has been sent to each board member for their review. Please read the Budget Message section of the Budget Book for additional information regarding the FY14-15 budget.

c. Rationale of Purpose and Justification for Need

Adjustments to the preliminary budget can be made.

d. Cost Analysis

There is no cost associated with the adoption of the district budget. The final budget document will, however, guide financial decisions for the coming fiscal year.

e. Recommendation

Move to approve the Mehlville School District Educational Plan and Budget for 2014-2015.

f. Prepared by: Marshall Crutcher, Chief Financial Officer

Action: Motion by _____ seconded by _____

Vote: For _____ Against _____ Abstained _____

Carried _____ Failed _____

BOARD OF EDUCATION

Mr. Ron Fedorchak..... President
Mr. Venki Palamand Vice President
Ms. Lori Trakas Secretary
Ms. Kathleen Eardley Director
Mr. Larry Felton..... Director
Mr. Jean Pretto..... Director
Mr. Samantha Stormer Director

CENTRAL OFFICE ADMINISTRATORS

Dr. Eric Knost Superintendent
Dr. Norman Ridder (Effective July 1, 2014) Superintendent
Dr. Lisa Counts Assistant Superintendent-Supervision of Schools
Dr. Brian Lane..... Assistant Superintendent-Supervision of Schools
Dr. Tina Plummer Assistant Superintendent of Curriculum
Dr. Jeff Bressler Executive Director of Special Services
Mr. Mark Catalana..... Director of Human Resources
Mr. Marshall Crutcher Chief Financial Officer



Mehlville School District

Individually Focused. Committed to All.

June 26, 2014

Board of Education
Mehlville School District

Dear Members of the Board of Education:

Introduction:

The following represents the FY2014-15 budget. This budget is dependent upon the forecast results of the current fiscal year, which may change between now and the completion of the FY2014 financial statements (i.e. cash reserve %'s per actual collections vs. forecast collections). It also contains variables dependent on information that is not available until later this year or into the next year. Thus, estimates are made and the budget is adjusted once the actual data becomes available. Examples of variables which can impact this budget include, but are not limited to the following:

- State Basic Formula Funding Percentage
- Final student enrollment including VICC students
- Final certified staff number, and salary level due to retirements and channel changes
- Unaccredited student transfer reimbursement policy
- Grant and Title program estimates vs. actual not yet known
- Local tax revenue due to adjustments in assessed valuation
- Actual tax levy established by the Board in September
- Medical insurance claims experience
- Unforeseen facility emergencies (HVAC failure, leaking roofs.....)
- Energy (gasoline and heating fuel) price fluctuations

Budgets are based on various assumptions and a range of possible outcomes. The preliminary budget was slightly optimistic based, but this final budget is slightly conservative, although there are risks for over budget items. There is always a risk of unfavorable variances since we do not control the revenues and a certain amount of non-salary expenses are also not controllable.

Summary:

The operating cash reserves (Fund #110 and #120 only) for FY2013-14 are forecast to be \$19M by fiscal year-end, or 21.6% of current year operating expenses. Board policy recommends a guideline of cash reserves to be held at 13% - 18%. Thus, the basis of this budget is a conscious spend down of cash for prudent items as was requested in the past by the board.

The budget deficit forecast for current FY2013-14 is \$1.2M, of which \$660K was planned in the original budget, and the remainder due to lower assessed values and a voluntary 2 cent tax reduction. The budget for FY2014-15 shows a deficit of \$5.0M, an increase of \$3.8M from the current year forecast deficit.

- Revenues are budgeted at \$104.8M, a \$250K increase, or .2% from this year.
- Expenses are budgeted at \$109.8M, a \$4.1M increase, or 3.8% from this year.
- Cash reserves are budgeted to be at 16.3% by year-end.

The key items that comprise the preliminary \$5.0M deficit include:

- 1) \$1,157K - current year forecast deficit (includes \$500K for One-to-One technology, \$440K for 5 year facility plan, and \$575K less tax from lower assessed values)
- 2) \$3,379K – salary & benefit increases. This is based on a 1 step increase plus \$350 added to the base for teachers, a 1 step increase and 1% added to base for classified staff, a 2% increase for Administration, transitioning staff from interns to Administration, and a 6.8% health insurance increase. These are assumptions that have not been approved and can be changed.
- 3) \$139K - increased debt payments from remaining COPS (no impact on cash reserves since it is paid by COP funds). **The variance would have been an additional \$209K if the four COPS had not been refinanced this school year.**
- 4) \$205K - energy increases for gasoline and heating fuel price increases
- 5) \$165K - Food service exhaust hood upgrades (no impact on cash reserves since it is paid from the Food Service fund)
- 6) \$62K – increased property and liability insurance
- 7) \$50K – net increase due to 4 additional buses to be leased
- 8) \$80K – increased Project Lead the Way expenses net of textbook reductions
- 9) (\$250K) – increased revenue. This includes a \$300K increase of current taxes based on reversing the voluntary 2 cent tax reduction, a \$260K increase for Basic Formula budgeted at 95.5% funding compared to 93% this year, offset by reductions for Prop C and VICC (it also includes \$80K for Project Lead the Way which offsets PLTW expenses noted above).

District Enrollment:

District enrollment was 10,595 students in May 2013, compared to 10,615 in April 2014. Voluntary transfer student enrollment was 481 last year compared to 436 currently, and is expected to decline approximately 27 students next year.

Unaccredited student transfers from Riverview Gardens totaled 212 students at the start of the school year, and now totals 180 students in April. About 200 students are estimated to start the next school year.

Staff Allocation:

There are no additional staffing increases budgeted for now.

Revenues:

Local Taxes – This is a non-reassessment year, thus assessed values will not impact the budget. The budget was increased \$300K based on reversing the 2 cent voluntary tax rollback last year. However, this is just an assumption and not a requirement. It is at the Board's discretion whether to reverse the rollback. **It must be noted that if the 2 cent rollback is not reversed this year, it can NOT be reversed until September 2016** because you cannot reverse rollbacks in a reassessment year.

Furthermore, the collection % is estimated to be 97.25% on about \$62.2M of levied taxes on \$1.654B of assessed value. This revenue can be impacted by the current year actual variance from forecast. Based on actual results, the budgeted collection % could be adjusted. There is more risk of lowering the revenue than increasing. There is a \$62K impact for every .1% variance. A current year variance of \$250K or more is possible.

Proposition "C" Sales Tax – the budget is a net decrease of \$250K, consisting of initially increasing current year forecast by 1.5% business growth, then decreasing it by \$375K for potential state budget reductions. **If state reductions are passed by legislation, reductions could total \$1M.** The budget hedges this with a \$375K reduction. **If legislation passes, the budget must be adjusted downward by \$625K, but if it does not pass, there is a favorable adjustment of \$375K.**

Desegregation (VICC) – Students are estimated to decline from 436 this year to 409 next year. The reimbursement raises from \$7,200 per student to \$7,250, but there will also be a negative adjustment from the 445 estimated enrollment vs. 436 actual this school year.

State Basic Formula/Classroom Trust – There are several legislative proposals that could impact these revenues next year. Currently, we receive 93.3% of the formula, or \$13.8M. A fully funded formula adds \$1M to revenue. Additional amounts are proposed to add to the formula which could provide another \$1.5M. However, DESE recommends budgeting 95.5% - 96.5%. The budget is based conservatively at 95.5% of the current formula. Actual student enrollment this year vs. estimated enrollment must still be determined. Differences will be trued up next year and could potentially result in a decrease of revenue. This is a volatile item that could have a material positive or negative adjustment based on funding levels and student enrollment.

Early Childhood – The District is reimbursed in arrears for this expenditure. Budget is similar to current year revenue.

Federal Programs – Budgets are not yet determined by the government so the District budget will be similar to current year and then is adjusted once the actual budget is announced.

Riverview Tuition – 212 students were enrolled at the start of the year and 180 students remain as of April. The current year District tuition rate is \$7,927 per student and is reimbursed by actual hours attended by students. This year's forecast revenue represents about 83% of the maximum possible revenue from 212 students with perfect attendance. Similar assumptions will be made for the budget next year. However, variances will arise if the tuition rate changes due to legislative policies or if student enrollment or attendance

varies significantly. Tuition variances are a greater risk of being negative, and enrollment/attendance variances are a greater chance of being positive.

Expenditures:

Salaries – the increase in total salary expense can be attributed to the following:

	(000's)
Forecast 2014 Expense	\$61,090
Teacher – 1 Step	925
Teacher - \$350 base	355
Interns to Administration	115
Certified Admin	80
Channel Changes	340
Classified – 1 Step	355
Classified – 1% base add	160
Retirement/Other	(140)
Budgeted 2015 Expense	<u>\$63,280</u>

Benefits – All payroll taxes and retirement contribution rates remain at the same level as 2014. The increases in these various line items are the result of salary increases above.

The one key item not tied to salary increases is the health insurance which is budgeted at a 6.8% increase. However, this is dependent on claims experience which is not fully known at budget time. There can be a +/- variance. With positive claims experience and prudent plan adjustments, it is possible the District could show a minimal increase.

Purchased Services – increased \$75K, or 1.6%. The increase is primarily due to \$62K for property and liability insurance estimates and \$45K for increased contracted transportation costs of homeless students.

Supplies – increased \$411K, or 3.8%. The increase is primarily due to \$205K for energy prices identified earlier. An additional \$160K is due to Project Lead the Way supplies which is covered by \$66K textbook supply reductions and \$80K government revenue reimbursement. Also, food supplies increased \$75K (paid out of Food Service funds).

Capital – increased \$60K due to the \$165K food service exhaust hood replacement project which is paid out of the Food Service fund instead of operating funds. Also, a \$70K increase is for \$20K expense for a full year of payments on the prior year bus lease (compared to a partial year last year), and \$50K additional to lease 4 additional buses this year.

Debt Service – increased cost of \$139K is paid out of the COPS and Debt funds instead of the operating funds. These payments are about \$209K less due to the COP refinancings that were completed this past school year.

5 Year Forecast of Cash Reserves:

A 5 Year Forecast is included. This forecast is a very general estimate in the future years beyond FY2015. Therefore, only broad conclusions may be made for strategic planning purposes from this data and should be limited to a three year window.

Based on the assumptions noted on the schedule, the cash reserve is forecast at 21.6% in 2014, 16.3% in 2015, 7.3% in 2016, and -2.6% in 2017. While these are general estimates, the trend shows significant adjustments are needed in the future. **It is recommended that immediate planning should be started to determine the best way to keep cash reserves above 13% at all times if possible.**

Tuition Calculation:

The current year tuition rate is \$9,670 based on FY2012-13 results. Since FY2013-14 results are not yet final, a tuition rate cannot yet be finalized.

Future Financial and Budgeting Considerations:

A. Cash reserve % guidelines:

Board guidelines are currently to maintain operating fund cash reserves (General Fund plus Teachers Fund) at 13%-18% of annual expenditures. Once the cash balance falls below 16%, the District risks having to borrow money which requires paying unnecessary interest expense. This is a direct cost to the taxpayers. Also, as cash balances decline, the District credit rating is lowered which in turn, results in higher interest rates on loans. As cash balances decline, loan balances increase and interest rates increase. Consideration should be given to revising cash reserve guidelines to 16% - 25% of annual expenditures in order to avoid costly interest expense. Given the 5 year forecast, the District may be unable to comply immediately with these targets, but it could be a goal to attain over the next 5 years or so.

B. Establish a budget and long-term reserves for 1) buses, 2) high dollar emergency facility items, and One-to-One technology:

1. Bus Fleet Replacement Plan. There is currently not a formal bus fleet replacement plan. The District has almost 85 buses used for student transport which equates to over \$8M if purchased brand new (about \$95K per bus).

The potential risk of not having such a plan is that buses are not replenished in the most optimal manner. Without a formal plan, there is risk the District could face a future year where it is forced to spend extreme budget dollars to “catch-up” on bus replacements. For example, if a bus life is deemed to be 17 years, the District would need to average purchasing 5 buses per year. If this is not consistently done, at some point there is a “catch-up” required.

I recommend the Board and Superintendent work with the Director of Transportation, Finance Committee and I to develop a formal bus replacement plan that is strictly followed to ensure we never face a “catch-up” situation. This plan should estimate the useful life of a bus, show a year-by-year purchase plan over this life cycle, and determine the strategy needed to provide budget dollars for the annual purchases.

2. Facility – High Dollar Emergency Items (Roofs, HVAC, Heating). The District has a Facilities Committee and a 5 year plan. So there is effective facility planning being performed. In addition to this planning, it is prudent to maintain a long-term 20-25 year capital plan for high dollar, emergency items such as roofs, HVAC and heating units. These items are unique because when they fail, there is no time to “plan” for future replacement. Unlike many other items, they have the combination of needing to be replaced immediately plus they are very high dollar cash outlays.

Similar to the bus fleet plan above, I recommend the Board and Superintendent work with the Facilities Director, Facilities Committee, Finance Committee, and I to develop a comprehensive 20-25 plan that estimates year-by-year when these items could potentially need to be replaced. These are very general estimates, and will constantly be revised, but the benefit is to identify if there are periods of time where a cluster of replacements could potentially burden the budget. It allows for long-term capital reserve planning. The goal is to establish capital reserves for these items that is sufficient to cover any items that fail and require immediate replacement. A strategy to fund this reserve will need to be developed as well. This goal is somewhat dependent on District cash reserves. If cash reserves are maintained at higher percentages, this plan is not as critical, but if cash reserves go lower, the need becomes more important.

3. Technology One-to-One Program. Similar to the plans above, I recommend we consider long-term planning for the capital outlay of this technology program. The analysis should cover 2nd generation computer replacements to fully understand the future budgeting requirements.

2014

JULY

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

AUGUST

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31						

SEPTEMBER

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27	28	29	30			

OCTOBER

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NOVEMBER

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30						

DECEMBER

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20	21	22	23	24	25	26
27	28	29	30	31		

A - DAYS in RED (HS Only)
B - DAYS in BLUE (HS Only)

M

Mehlville School District

Individually Focused. Committed to All.

2014-2015

1st SEMESTER IMPORTANT DATES

August 4-8.....New Teacher Orientation
August 11.....Professional Development Day
August 12.....Teacher Workday
August 14.....First Day of School
September 1.....No School - Labor Day

September 24.....2-Hour Early Dismissal (PD)
October 1.....Middle School Evening Conferences
October 2.....High School Evening Conferences
October 15-16.....Elementary Conferences
October 17.....No School-Conf. Comp. Day
October 23.....2-Hour Early Dismissal (PD)
November 10.....No School-Prof Dev/Workday
November 19.....2-Hour Early Dismissal (PD)
November 26.....2-Hour Early Dismissal
November 27 & 28.....No School-Thanksgiving
December 9.....2-Hour Early Dismissal (PD)
Dec 18-19.....2-Hour Early Dismissal/Finals 6-12
December 22-Jan 2.....No School-Winter Break

2nd SEMESTER IMPORTANT DATES

January 5.....School Resumes
January 14.....2-Hour Early Dismissal (PD)
January 16**.....No School-Prof. Dev./Workday
January 19.....No School-Martin Luther King Day
February 5.....2-Hour Early Dismissal (PD)
February 13**.....No School-Teacher Workday
February 16.....No School-President's Day
February 25.....High School Evening Conferences
February 26.....Middle School Evening Conferences
March 11-12.....Elementary Conferences
March 13.....No School-Conf. Comp. Day
March 16-20.....No School-Spring Break
March 31.....2-Hour Early Dismissal (PD)
April 3**.....No School-Prof Dev/Workday
May 11.....2-Hour Early Dismissal (PD)
May 19.....2-hr Early Dism PreK-12/Finals 6-12
May 20...2-hr Early Dismissal/Last Day of School
May 25.....Memorial Day

SIX WEEK GRADING PERIODS

September 26.....Six Week Grading Period
November 7.....Twelve Week Grading Period
December 19.....First Semester Ends
February 20.....Six Week Grading Period
April 2.....Twelve Week Grading Period
May 20.....Second Semester Ends

No School - PreK-12
 2-Hour Early Dismissal
 First & Last Day of School
 Snowday Make-up, if needed

2015

JANUARY

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FEBRUARY

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MARCH

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APRIL

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MAY

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JUNE

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30	31					

**Potential Snow Day Make-up
at Superintendent's Discretion

MEHLVILLE SCHOOL DISTRICT
Cash Flow Summary - Full Year
FY2014-15

Budget

Fund Number	General (All)	Special Fund	Capital Projects	Debt Service	Total
		120		300	
Balances 6-30-14	\$ 12,878,880	\$ 8,814,155	\$ 8,057,460	\$ 615,817	\$ 30,366,313
Revenue	37,652,000	56,661,000	9,972,000	535,000	\$ 104,820,000
Expenditures	35,905,000	62,888,000	10,411,000	587,000	\$ 109,791,000
Transfers	(163,000)		163,000		\$ -
Balances 6-30-15	\$ 14,462,880	\$ 2,587,155	\$ 7,781,460	\$ 563,817	\$ 25,395,313

Fund Number	General #110	Food Service	Activities	Athletic	Total General
	110	500	600	700	
Balances 6-30-14	\$ 10,516,444	\$ 814,756	\$ 1,340,113	\$ 207,568	\$ 12,878,880
Revenue	32,177,000	3,275,000	1,750,000	450,000	\$ 37,652,000
Expenditures	30,102,000	3,653,000	1,692,000	458,000	\$ 35,905,000
Transfers		(163,000)			\$ (163,000)
Balances 6-30-15	\$ 12,591,444	\$ 273,756	\$ 1,398,113	\$ 199,568	\$ 14,462,880

Fund Number	Capital	C.O.P.	Total Capital
	410	450	
Balances 6-30-14	\$ 1,031,201	\$ 7,026,260	\$ 8,057,460
Revenue	1,905,000	8,067,000	\$ 9,972,000
Expenditures	2,188,000	8,223,000	\$ 10,411,000
Transfers	163,000		\$ 163,000
Balances 6-30-15	\$ 911,201	\$ 6,870,260	\$ 7,781,460

MINIMUM BALANCE ANALYSIS

	General & Special	All General & Special
Balances 6-30-14	\$ 19,330,599	\$ 21,693,035
Revenue	88,838,000	94,313,000
Expenditures	92,990,000	98,793,000
Transfers		(163,000)
Balances 6-30-15	\$ 15,178,599	\$ 17,050,035

6/30/15 Cash Reserve %	16.3%	17.3%
(CY cash % of CY expenditures)		
Required 3% Balance	\$ 2,789,700	\$ 2,963,790
Excess of Minimum Required Balance	\$ 12,388,899	\$ 14,086,245

6/30/14 Cash Reserve %	21.6%	22.8% Based on Forecast
6/30/13 Cash Reserve %	23.7%	25.4% Actual
6/30/12 Cash Reserve %	23.7%	25.5% Actual
6/30/11 Cash Reserve %	17.5%	19.2% Based on next year budget

MEHLVILLE SCHOOL DISTRICT
Cash Flow Summary - Full Year
FY2013-14

Forecast

Fund Number	General (All)	Special Fund	Capital Projects	Debt Service	Total
		120		300	
Balances 6-30-13	\$ 14,178,815	\$ 8,632,349	\$ 8,053,843	\$ 658,304	\$ 31,523,312
Revenue	34,738,968	59,602,281	9,696,176	532,576	\$ 104,570,000
Expenditures	35,898,903	59,420,475	9,832,559	575,063	\$ 105,727,000
Transfers	(140,000)		140,000		\$ -
Balances 6-30-14	\$ 12,878,880	\$ 8,814,155	\$ 8,057,460	\$ 615,817	\$ 30,366,313

Fund Number	General #110	Food Service	Activities	Athletic	Total General
	110	500	600	700	
Balances 6-30-13	\$ 11,676,137	\$ 990,249	\$ 1,332,724	\$ 179,705	\$ 14,178,815
Revenue	28,902,529	3,597,230	1,756,126	483,083	\$ 34,738,968
Expenditures	30,062,222	3,632,724	1,748,737	455,220	\$ 35,898,903
Transfers		(140,000)			\$ (140,000)
Balances 6-30-14	\$ 10,516,444	\$ 814,756	\$ 1,340,113	\$ 207,568	\$ 12,878,880

Fund Number	Capital	C.O.P.	Total Capital
	410	450	
Balances 6-30-13	\$ 865,419	\$ 7,188,424	\$ 8,053,843
Revenue	1,689,869	8,006,307	\$ 9,696,176
Expenditures	1,664,087	8,168,471	\$ 9,832,559
Transfers	140,000		\$ 140,000
Balances 6-30-14	\$ 1,031,201	\$ 7,026,260	\$ 8,057,460

MINIMUM BALANCE ANALYSIS

	General & Special	All General & Special
Balances 6-30-13	\$ 20,308,486	\$ 22,811,165
Revenue	88,504,810	94,341,249
Expenditures	89,482,697	95,319,378
Transfers		(140,000)
Balances 6-30-14	\$ 19,330,599	\$ 21,693,035

6/30/14 Cash Reserve %	21.6%	22.8%
(CY cash % of CY expenditures)		
Required 3% Balance	\$ 2,684,481	\$ 2,859,581
Excess of Minimum Required Balance	\$ 16,646,118	\$ 18,833,454

6/30/13 Cash Reserve %	23.7%	25.4% Actual
6/30/12 Cash Reserve %	23.7%	25.5% Actual
6/30/11 Cash Reserve %	17.5%	19.2% Based on next year budget

Mehlville School District
Budget by Source/Object (Amounts in Thousands)
FY2015

REVENUE BY SOURCE	FY2015 Budget <u>Full Year</u>	FY2014 Forecast <u>Full Year</u>	FY2013 Actual <u>Full Year</u>	FY2012 Actual <u>Full Year</u>	FY2011 Actual <u>Full Year</u>
Local	\$ 79,115	\$ 79,301	\$ 80,366	\$ 79,742	\$ 80,790
County	1,675	1,704	1,551	1,834	1,099
State	17,550	17,079	14,846	15,668	14,040
Federal	3,775	3,782	3,966	4,110	5,550
Other	2,705	2,704	1,707	1,666	1,454
Total	\$ 104,820	\$ 104,570	\$ 102,436	\$ 103,020	\$ 102,933
	0.2%				

EXPENDITURE BY OBJECT

Salaries	\$ 63,280	\$ 61,090	\$ 59,771	\$ 58,713	\$ 59,720
Benefits	19,340	18,151	16,947	16,379	16,288
Salaries & Benefits	82,620	79,241	76,718	75,092	76,008
Purchased Services	4,743	4,668	4,178	4,135	4,671
Supplies	11,265	10,854	10,206	9,176	9,799
Capital	1,646	1,586	2,168	1,188	1,585
Debt Service	9,517	9,378	6,402	10,541	8,050
Total	\$ 109,791	\$ 105,727	\$ 99,672	\$ 100,132	\$ 100,113
	3.8%				

Excess Revenues over Expenditures	\$ (4,971)	\$ (1,157)	\$ 2,764	\$ 2,888	\$ 2,820
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Mehlville School District
Budget by Fund (Amounts in Thousands)
FY2015

REVENUE BY FUND	FY2015 Budget Full Year	FY2014 Forecast Full Year	FY2013 Actual Full Year	FY2012 Actual Full Year	FY2011 Actual Full Year
110 General	\$ 32,176	\$ 28,903	\$ 27,973	\$ 29,072	\$ 29,930
120 Teachers	56,661	59,602	58,337	58,998	57,718
Total Operating Funds	88,837	88,505	86,310	88,070	87,648
300 Debt Service	535	533	566	581	545
410 Capital	1,905	1,690	2,022	1,149	1,337
450 COP's	8,067	8,006	7,947	7,774	7,947
500 Food Service	3,275	3,597	3,554	3,426	3,417
600 Activity	1,750	1,756	1,574	1,560	1,621
700 Athletics	450	483	463	461	418
Total All Funds	\$ 104,820	\$ 104,570	\$ 102,436	\$ 103,021	\$ 102,933
	0.2%				

EXPENDITURE BY FUND					
110 General	\$ 30,102	\$ 30,062	\$ 27,845	\$ 26,338	\$ 27,956
120 Teachers	62,888	59,421	57,907	56,919	57,461
Total Operating Funds	92,990	89,483	85,752	83,257	85,417
300 Debt Service	587	575	564	550	552
410 Capital	2,188	1,664	2,606	1,396	1,352
450 COP's	8,223	8,168	5,399	9,783	7,724
500 Food Service	3,653	3,633	3,457	3,334	3,170
600 Activity	1,692	1,749	1,476	1,396	1,504
700 Athletics	458	455	418	415	394
Total All Funds	\$ 109,791	\$ 105,727	\$ 99,672	\$ 100,131	\$ 100,113
	3.8%				

Excess Revenues over Expenditures	\$ (4,971)	\$ (1,157)	\$ 2,764	\$ 2,890	\$ 2,820
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MEHLVILLE SCHOOL DISTRICT

Five Year Forecast

June 26, 2014

(AMOUNTS IN THOUSANDS)

REVENUE BY SOURCE	2011 Actual	2012 Actual	2013 Actual	2014 Forecast	2015 Forecast	2016 Forecast	2017 Forecast	2018 Forecast
LOCAL	\$ 80,790	\$ 79,742	\$ 80,366	\$ 79,301	\$ 79,115	\$ 79,530	\$ 79,600	\$ 80,298
COUNTY	1,099	1,834	1,551	1,704	1,675	1,650	1,650	1,650
STATE	14,040	15,668	14,846	17,079	17,550	18,029	18,177	18,325
FEDERAL	5,550	4,110	3,966	3,782	3,775	3,580	3,580	3,580
OTHER	1,454	1,667	1,707	2,704	2,705	1,490	1,490	1,490
TOTAL	\$ 102,933	\$ 103,021	\$ 102,436	\$ 104,570	\$ 104,820	\$ 104,279	\$ 104,497	\$ 105,343
		0.1%	-0.6%	2.1%	0.2%	-0.5%	0.2%	0.8%

EXPENDITURES BY OBJECT

SALARIES	\$ 59,720	\$ 58,713	\$ 59,771	\$ 61,090	\$ 63,280	\$ 64,748	\$ 66,252	\$ 67,792
BENEFITS	16,288	16,379	16,947	18,151	19,340	20,040	20,870	21,743
PURCHASED SERVICES	4,671	4,135	4,178	4,668	4,743	4,862	4,983	5,108
SUPPLIES	9,799	9,175	10,206	10,854	11,265	11,534	11,610	11,893
CAPITAL	1,585	1,188	2,168	1,586	1,646	1,685	1,460	1,635
PRINCIPAL & INTEREST	8,050	10,541	6,402	9,378	9,517	9,775	9,772	9,488
TOTAL	\$ 100,113	\$ 100,131	\$ 99,672	\$ 105,727	\$ 109,791	\$ 112,645	\$ 114,948	\$ 117,659
		0.0%	-0.5%	6.1%	3.8%	2.6%	2.0%	2.4%
Net Gain (Loss)	\$ 2,820	\$ 2,890	\$ 2,764	\$ (1,157)	\$ (4,971)	\$ (8,366)	\$ (10,450)	\$ (12,316)

FUND BALANCES

110 General-Incidental	\$ 8,815	\$ 11,548	\$ 11,676	\$ 10,516	\$ 12,397	\$ 2,511	\$ (5,531)	\$ (14,947)
120 Teachers	6,123	8,202	8,632	8,814	2,781	4,500	3,000	250
300 Debt Service	624	656	658	616	564	500	-	-
410 Capital	1,202	1,119	866	1,031	911	600	400	150
450 COP's	6,650	4,641	7,188	7,026	6,870	6,508	6,300	6,400
500 Food & Nutrition	1,296	1,224	990	815	274	550	550	550
600 Activity	1,073	1,235	1,333	1,340	1,398	1,575	1,575	1,575
700 Athletics	88	135	180	208	200	285	285	285
Total	\$ 25,871	\$ 28,760	\$ 31,523	\$ 30,366	\$ 25,395	\$ 17,029	\$ 6,579	\$ (5,737)
Net Fund Balance Gain(Loss)	\$ 14,938	\$ 2,889	\$ 2,763	\$ (1,157)	\$ (4,971)	\$ (8,366)	\$ (10,450)	\$ (12,316)
Operating Reserve(110-120)	\$ 17.5%	\$ 19,750	\$ 20,308	\$ 19,331	\$ 15,178	\$ 7,011	\$ (2,531)	\$ (14,697)
Reserve % (Funds 110 & 120)		23.7%	23.7%	21.6%	16.3%	7.3%	-2.6%	-14.7%

Assumptions:

This forecast is a very general estimate and could vary significantly in future years. Thus, use of this data for strategic planning should be limited to a 3 year window and only broad conclusions should be made.

- 1) Local Revenue: Voluntary 2 cent tax reduction in 2014 is reversed in 2015 increasing tax \$300K. Prop C sales tax assumes 2% annual increases, however, budget cuts may reduce \$1M revenue in 2015. Thus, \$335K was reduced in 2015 after a 2% business growth assumption.
- 2) Local Revenue: tax assumes 1% AV increases in the reassessment years of 2016 and 2018, and the VICC segregation program is reduced \$100K per year.
- 3) State basic formula assumes 95.5% funding in 2015, 96.5% in 2016, 97.5% in 2017, 98.5% in 2018. Riverview tuition is only included on 2015.
- 4) Years 2017 and 2018 assume \$500K combined expense reduction for 1-to-1 technology and facility plans.
- 5) Salaries assume a step increase for certified staff and 1.5% for admin staff. Benefits assume 6.5% health insurance increases.
- 6) Operating expenses assume 3.0% inflation. Annual expenditures assume 85% are paid out of the general or teacher fund for cash reserve calculations.
- 7) Cash reserves by 2018 are about \$28 million short of the 13% minimum cash reserve guideline unless we change the current trend.

Mehlville School District Capital Expense Budget - FY2015

	<u>Amount</u>	<u>Total</u>	<u>Revenue Source</u>
<u>Building and Site Improvement</u>			
Asphalt/Concrete maintenance	365,000		
Building Stabilization - WMS	100,000		
HVAC maintenance	67,500		
TBD by Facilities Committee	347,500		
Total		880,000	Capital Allocation
<u>Equipment - General</u>			
Food Service (Exhaust Ranges)	165,000		Food Service
IT	120,000		Capital Allocation
Maintenance/Facilities	72,000		Capital Allocation
School Buildings	35,000		Capital Allocation
Total		392,000	
<u>Equipment - Instructional</u>			
School Buildings	194,000		Capital Allocation
IT	30,000		Capital Allocation
Total		224,000	
<u>School Bus Lease (Principal)</u>		150,000	Capital Allocation
Total Capital		<u><u>1,646,000</u></u>	

**Mehlville School District
Debt Summary
FY2015 Budget**

	<u>Amount</u>	<u>Total</u>	<u>Fund</u>	<u>Code</u>
<u>General Obligation Bonds</u>				
Principal	\$ 515,000			300-5100-6611-801
Interest	71,990	\$ 586,990	Debt Service	300-5200-6621-801
<u>Certificates of Participation</u>				
Principal	6,355,000			450-5100-6611-801
Interest	1,864,659	8,219,659	COP Fund	450-5231-6624-801
<u>St. John's Building Lease</u>				
Principal	92,223			410-5100-6611-801
Interest	205,484	297,706	Capital Fund	410-5221-6624-801
<u>DNR Energy Loans</u>				
Principal	31,503			410-5100-6611-801
Interest	7,958	39,461	Capital Fund	410-5221-6624-801
<u>Turf Lease</u>				
Principal	177,766			410-5100-6611-801
Interest	15,703	193,469	Capital Fund	410-5221-6624-801
<u>Copier Lease</u>				
Principal	94,482			410-5131-6613-809
Interest	6,414	100,896	Capital Fund	410-5231-6623-809
<u>Bus Lease (Existing)</u>				
Principal	101,152			410-2552-6552-606
Interest	11,916	113,069	Capital Fund	410-5231-6623-606
<u>Bus Lease (4 Add'l Buses - Estimated)</u>				
Principal	48,848			410-2552-6552-606
Interest	15,084	63,932	Capital Fund	410-5231-6623-606
Total Debt Payments		<u>\$ 9,615,182</u>		
Total Principal		\$ 7,415,974		
Total Interest		<u>2,199,209</u>		
		<u>\$ 9,615,182</u>		

Mehlville School District

Budget - Revenues

FY2015

	FY2015 Budget Full Year	FY2014 Forecast Full Year	FY2013 Actual Full Year	FY2012 Actual Full Year	FY2011 Actual Full Year
REVENUES (000's)					
Current Taxes	\$ 60,800	\$ 60,500	\$ 61,291	\$ 60,322	\$ 60,948
Delinquent Taxes	700	670	734	792	1,072
Prop C Sales Tax	8,100	8,350	7,939	7,957	7,380
Fin Inst Taxes	125	128	96	78	87
M & M Surtax	1,650	1,653	1,584	1,629	1,716
Earnings on Invest.	20	35	86	99	88
Food Service-Program	1,200	1,170	1,151	1,258	1,260
Food Service-Non-Pro	850	850	850	853	836
Student Activities	2,200	2,225	2,037	2,021	2,039
Community Service	420	420	982	459	423
VICC	2,500	2,744	2,867	3,091	3,705
Other	550	556	749	1,183	1,236
Total Local	\$ 79,115	\$ 79,301	\$ 80,366	\$ 79,742	\$ 80,790
	-0.2%				
Fines etc	\$ 200	\$ 210	\$ 134	\$ 172	\$ 134
State Assessed Util	1,475	1,494	1,417	1,662	965
Total County	\$ 1,675	\$ 1,704	\$ 1,551	\$ 1,834	\$ 1,099
Basic Formula	\$ 10,300	\$ 10,041	\$ 7,835	\$ 8,052	\$ 6,184
Transportation	800	790	780	875	826
Early Childhood	2,400	2,300	2,453	2,803	2,675
Classroom Trust	3,725	3,700	3,506	3,666	3,951
Educational Screen	150	126	160	148	142
Enhancement FACS Grant	80	17	28	-	-
Food Service	20	28	29	22	20
Enhancement Sci Grant	65	67	51	82	56
Other	10	10	4	20	186
Total State	\$ 17,550	\$ 17,079	\$ 14,846	\$ 15,668	\$ 14,040
	2.8%				
Medicaid	\$ 75	\$ 80	\$ 44	\$ 85	\$ 108
Vocational Edu (Perkins)	100	108	67	123	112
Early Childhood	475	480	392	350	334
School Lunch	1,225	1,225	1,258	1,293	1,301
School Breakfast	225	230	265	-	-
Title I	1,200	1,200	1,337	1,523	1,636
Title III	175	171	150	-	-
Title II	250	226	424	422	454
Other	50	62	29	314	1,605
Total Federal	\$ 3,775	\$ 3,782	\$ 3,966	\$ 4,110	\$ 5,550
	-0.2%				
Sale of Property	\$ 5	\$ 14	\$ 5	\$ 2	\$ 3
Tuition - Riverview	1,250	1,245	-	-	-
Contracted Educational	375	375	468	395	408
Trans From Others	1,075	1,070	1,234	1,269	1,043
Total Other	\$ 2,705	\$ 2,704	\$ 1,707	\$ 1,666	\$ 1,454
	0.0%				
TOTAL ALL	\$ 104,820	\$ 104,570	\$ 102,436	\$ 103,020	\$ 102,933
Inc(Dec) From Prior Year	\$ 250	\$ 2,134	\$ (584)	\$ 87	
	0.2%	2.1%	-0.6%	0.1%	

**Mehlville School District
Budget - Expenses
FY2015**

Exp By
OBJECT

	FY2015 Budget Full Year	FY2014 Forecast Full Year	FY2013 Actual Full Year	FY2012 Actual Full Year	FY2011 Actual Full Year
Expenses (000's)					
Certified Salaries	\$ 48,560	\$ 46,915	\$ 45,572	\$ 44,897	\$ 45,569
Non-Certified Salaries	14,720	14,175	14,199	13,816	14,151
Total Salaries	63,280	61,090	59,771	58,713	59,720
	3.6%				
Teacher Retirement	7,770	7,300	7,093	6,969	6,834
Non-Teacher Retirement	1,097	1,030	1,010	964	967
Social Security	963	915	909	899	904
Medicare	885	900	818	790	813
Medical-Dental Etc	8,170	7,650	6,741	6,299	6,310
Work Comp/Unemploy	455	356	376	458	460
Total Benefits	19,340	18,151	16,947	16,379	16,288
	6.6%				
Tuition	400	400	416	403	358
Professional Services	190	206	164	263	437
Audit	15	12	12	15	15
Technical Services	584	542	452	445	581
Legal Services	100	135	47	89	58
Property Services	1,415	1,439	1,236	1,268	1,416
Contracted Trans	120	125	93	54	68
Travel	181	135	117	134	156
Property Insurance	392	362	374	337	317
Liability Insurance	407	375	386	364	345
Fidelity	2	2	2	2	2
Other Purch Services	937	935	879	761	918
Total Purchased Services	4,743	4,668	4,178	4,135	4,671
	1.6%				
General Supplies	1,765	1,646	1,548	1,519	1,721
One - to - One	500	520	499	-	-
Regular Textbooks	358	424	421	530	738
Library Books	110	106	117	-	-
Periodicals	10	10	10	10	12
Food Supplies	1,675	1,600	1,469	1,512	1,443
Energy	3,055	2,850	2,653	2,487	2,559
Other	3,792	3,698	3,489	3,118	3,326
Total Supplies	11,265	10,854	10,206	9,176	9,799
	3.8%				
Building	880	792	907	185	446
Site Improvement	-	168	928	123	302
Equip- General	392	212	182	677	607
Equip- Instructional	224	284	124	160	230
Vehicles	-	50	27	43	-
School Buses	150	80	-	-	-
Total Capital	1,646	1,586	2,168	1,188	1,585
	3.8%				
Principal	7,315	6,425	3,549	6,394	3,996
Interest	2,199	2,939	2,852	4,146	4,050
Other Debt Service	3	14	1	1	4
Total Debt Service	9,517	9,378	6,402	10,541	8,050
	1.5%				
TOTAL ALL	\$ 109,791	\$ 105,727	\$ 99,672	\$ 100,132	\$ 100,113
Inc(Dec) From Prior Year	\$ 4,064 3.8%	\$ 6,055 6.1%	\$ (460) -0.5%	\$ 19 0.0%	

**MEHLVILLE SCHOOL DISTRICT
ADJUSTED TAX LEVY RATE HISTORY**

BY FUND

YEAR		TOTAL	TEACHERS	GENERAL	CAPITAL	DEBT SERVICE
1999-2000		3.5700	1.9600	1.0800	0.1900	0.3400
2000-01		3.5690	1.9990	1.0500	0.1800	0.3400
2001-02		3.9420	1.9300	1.0720	0.6000	0.3400 COP Levy Approved
2002-03		3.9610	1.9360	1.0820	0.6030	0.3400
2003-04	**	3.8750	1.8510	1.0940	0.5900	0.3400
2004-05		3.9520	1.8110	1.1700	0.5910	0.3800
2005-06	**	3.6531	1.6750	1.1495	0.4886	0.3400
2006-07		3.6443	1.8320	0.9838	0.4885	0.3400
2007-08	**	3.2731	1.6400	1.1100	0.1831	0.3400
2008-09		3.2804	1.6400	1.1100	0.1924	0.3380
2009-10	**	3.4282	1.9305	1.0446	0.4231	0.0300 Tax Transfer Approved
2010-11	Recoup	3.5763	1.9973	1.1089	0.4401	0.0300
2011-12	**	3.6661	2.0300	1.1606	0.4425	0.0330
2012-13		3.6881	2.0400	1.1661	0.4500	0.0320
2013-14	**	3.7610	2.0600	1.2000	0.4700	0.0310
2014-15	Budget	3.7810	2.0600	1.2200	0.4700	0.0310

** Reassessment year

Note 1 : In fiscal 2008 and 2009 the General Fund Levy is gross before transfer of approximately 22 cents to the Capital fund to cover COP debt service requirements and remaining renovation projects

Note 2: 2014-15 budget assumes the prior year voluntary 2 cent tax reduction will be reversed.

BY PROPERTY CLASS

Tax Rate Ceiling		3.7500	3.7500	4.0600	3.9761	Total
	Blended	RESIDENTIAL	COMMERCIAL	AGRICULTURAL	PER PROPERTY	Assessed Valuation
2003	3.8750	3.8229	3.9681	4.0900	3.9903	\$ 1,359,942,000
2004	3.9520	3.9009	4.1300	4.1300	4.0037	\$ 1,368,916,000
2005	3.6531	3.5893	3.6112	4.0900	3.9678	\$ 1,549,102,000
2006	3.6443	3.5755	3.6049	4.0900	3.9648	\$ 1,593,043,000
2007	3.2731	3.1414	3.2552	4.0900	3.9648	\$ 1,859,930,000
2008	3.2804	3.1467	3.2745	4.0880	3.9628	\$ 1,884,409,000
2009	3.4282	3.4522	2.8935	2.9289	3.9648	\$ 1,775,340,000
2010 ***	3.5763	3.5470	3.3947	4.0900	3.9648	\$ 1,749,833,000
2011 Note 1	3.6661	3.6634	3.4372	4.0897	3.9678	\$ 1,690,944,000
2012	3.6881	3.6494	3.5716	4.0920	4.0081	\$ 1,709,961,760
2013 Note 2	3.7610	3.7610	3.5727	4.0910	3.9871	\$ 1,654,174,190
2014 Budget	3.7810	3.7810	3.5927	4.0910	4.0071	\$ 1,654,174,190

Note: Tax rate ceiling excludes debt service rate, but yearly tax rates do include debt service amounts.

*** Recoupment of	0.0440	0.0123	0.2013	0	0	
Note 1>	0.0254	0.0000	0.1145	0.0000	0.0413	Voluntary Reduction
Note 2>	0.0200	0.0200	0.0200	-	0.0200	Voluntary Reduction

**Mehlville School District
Assessed Value (000's)**

<u>Tax Year</u>	<u>FY</u>	<u>Residential</u>	<u>Commercial</u>	<u>Ag</u>	<u>Personal Property</u>	<u>Total</u>	<u>Change</u>	(Current/Delinquent/M&M) <u>Tax Collected</u>	
2014	2015	\$ 1,124,462	\$ 289,074	\$ 293	\$ 240,345	\$ 1,654,174	0.0%	\$ 63,150,000	Budget
2013	2014	1,124,462	289,074	293	240,345	1,654,174	-3.3%	62,823,000	Forecast
2012	2013	1,171,524	291,139	336	246,962	1,709,961	1.1%	63,604,406	
2011	2012	1,167,548	291,696	338	231,362	1,690,944	-3.4%	62,743,362	
2010	2011	1,209,229	306,391	335	233,878	1,749,833	-1.4%	63,555,126	
2009	2010	1,206,410	308,428	491	260,011	1,775,340	-5.8%	61,744,409	
2008	2009	1,328,700	291,043	353	264,313	1,884,409	1.3%	62,821,290	
2007	2008	1,315,877	285,847	352	257,854	1,859,930	16.8%	62,189,936	
2006	2007	1,090,672	242,435	343	259,593	1,593,043	2.8%	58,437,867	
2005	2006	1,065,565	236,426	453	246,658	1,549,102	13.2%	57,388,129	
2004	2005	929,188	195,355	488	243,885	1,368,916	0.7%	55,998,552	
2003	2004	\$ 910,444	\$ 198,909	\$ 525	\$ 250,064	\$ 1,359,942		\$ 52,926,546	

**MEHLVILLE SCHOOL DISTRICT
HISTORY OF FUND BALANCES
(IN THOUSANDS)**

Fiscal Year	General	Food Service	Activity	Athletics	Total		Debt Service	Capital	COPS	Grand Total	General & Teachers	Reserve Balance
					Incidental	Teachers						
2015 Budget	\$ 12,591	\$ 274	\$ 1,398	\$ 200	\$ 14,463	\$ 2,587	\$ 564	\$ 911	\$ 6,870	\$ 25,395	\$ 15,179	16.3%
2014 Forecast	\$ 10,516	\$ 815	\$ 1,340	\$ 208	\$ 12,879	\$ 8,814	\$ 616	\$ 1,031	\$ 7,026	\$ 30,366	\$ 19,331	21.6%
2013	\$ 11,676	\$ 990	\$ 1,333	\$ 180	\$ 14,179	\$ 8,632	\$ 658	\$ 865	\$ 7,189	\$ 31,523	\$ 20,308	23.7%
2012	\$ 11,548	\$ 1,224	\$ 1,235	\$ 135	\$ 14,142	\$ 8,202	\$ 656	\$ 1,119	\$ 4,641	\$ 28,760	\$ 19,750	22.6%
2011	\$ 8,815	\$ 1,296	\$ 1,073	\$ 88	\$ 11,272	\$ 6,122	\$ 625	\$ 1,202	\$ 6,651	\$ 25,872	\$ 14,937	17.5%
2010	\$ 6,840	\$ 1,099	\$ 956	\$ 64	\$ 8,959	\$ 5,866	\$ 632	\$ 1,166	\$ 6,427	\$ 23,050	\$ 12,706	15.1%
2009	\$ 5,707	\$ 702	\$ 876	\$ 95	\$ 7,380	\$ 6,840	\$ 553	\$ 1,014	\$ 6,152	\$ 21,939	\$ 12,547	15.8%
2008	\$ 5,096	\$ 419	\$ 936	\$ 75	\$ 6,526	\$ 5,773	\$ 5,464	\$ 1,339	\$ 4,993	\$ 24,095	\$ 10,869	13.5%
2007	\$ 5,271	\$ 342	\$ 1,007	\$ 72	\$ 6,692	\$ 5,365	\$ 4,628	\$ 1,531	\$ 3,540	\$ 21,756	\$ 10,636	14.2%
2006	\$ 3,794	\$ 405	\$ 1,067	\$ 58	\$ 5,324	\$ 3,256	\$ 4,263	\$ 1,738	\$ 2,002	\$ 16,583	\$ 7,050	9.5%