

Gateway Regional School District

Financial - State of the District
September 2018

FUTURE BUDGET PLANNING

Need for curriculum position & community relations/fundraising position

Central office support/transportation support position

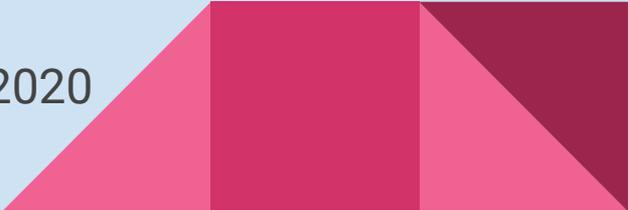
Continued literacy support

School-to-career position

FY '19 preschool program currently funded from revolving to be funded in budget

Chapter 74 preschool program

Regional transportation bid - Current contract ends 6/30/2020



FUTURE PLANNING FOR LIABILITIES

Funding OPEB (Other Post Employment Benefits) - Health Insurance & Retirement

Current balance in OPEB account through PARS (Public Agency Retirement Services) - \$130,912.03 (7/31/18)

Recommendation to transfer balance from Insurance Revolving - \$79,732.79 to fund OPEB.

Recommendation to budget annual amount to fund OPEB/Pension Liability

OPEB/Pension liability amount from FY '17 audit - \$13,128,685
(OPEB \$7,218,335 + Pension \$5,910,350)



FUTURE FINANCIAL PLANNING

Funding Capital Stabilization Account

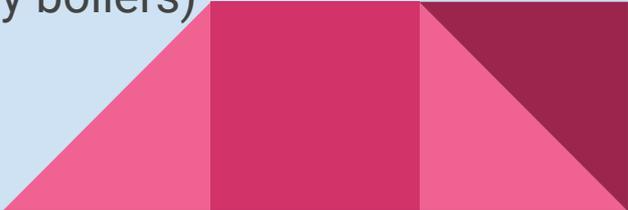
Current balance - \$0

Need to prepare for capital needs - (i.e. roof replacement, boiler replacement, etc.)

Recommendation to include an annual amount in budget

For FY '20 budget - Recommend budgeting \$61,650 in stabilization account

Work with towns on Green Community Grants (specifically boilers)



FUTURE FINANCIAL PLANNING

Funding Compensated Absences Account

Current balance - \$170,485.33

Audit recommends funding compensated absence liability - FY '17 audit liability - \$307,866

Recommendation to include annual amount in budget to cover total liability.

Recommendation to transfer any residual balances from employee separation costs account to compensated absences reserve account at end of each year.



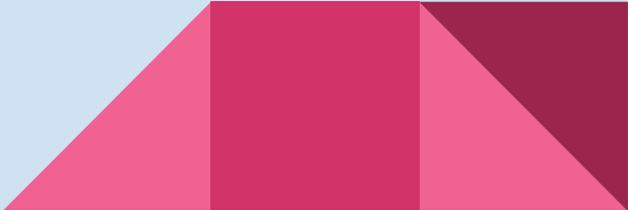
DEBT REMAINING- MSBA PAYBACK

Obligation ends November 2023 (FY '24 budget)

14 annual payments due to MSBA

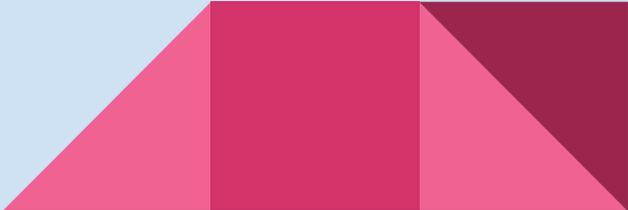
FY '11 - \$327,655 - Year 1	FY '18 - \$85,100 - Year 8
FY '12 - \$327,655 - Year 2	FY '19 - \$222,995 - Year 9 BLD - \$85,100 RUS - \$137,895
FY '13 - \$327,655 - Year 3	FY '20 - \$222,995- Year 10 BLD - \$85,100 RUS - \$137,895
FY '14 - \$327,655 - Year 4	FY '21 - \$222,995- Year 11 BLD - \$85,100 RUS - \$137,895
FY '15 - \$327,655 - Year 5	FY '22 - \$222,995 - Year 12 BLD - \$85,100 RUS - \$137,895
FY '16 - \$85,100 - Year 6	FY '23 - \$222,995 - Year 13 BLD - \$85,100 RUS - \$137,895
FY '17 - \$85,100 - Year 7	FY '24 - \$222,995 - Year 14 BLD - \$85,100 RUS - \$137,895

Total - FY '20 - FY '24 - \$1,114,975



DEBT REMAINING - BUILDING PROJECT

	Principal	Interest	Total
FY '20 -	\$475,000	\$115,100	\$590,100
FY '21 -	\$500,000	\$95,600	\$595,600
FY '22 -	\$510,000	\$75,400	\$585,400
FY '23 -	\$525,000	\$54,700	\$579,700
FY '24 -	\$545,000	\$33,300	\$578,300
FY '25 -	\$560,000	\$11,200	\$571,200
Total -	\$3,115,000	\$385,300	\$3,500,300



MAJOR REVOLVING ACCOUNT BALANCES

Athletic Revolving - \$75,986

Building Use Revolving - \$50,763

Regional Transportation Reimbursement - \$88,153

School Choice Revolving - \$674,279

Circuit Breaker Revolving - \$169,150

Wrap Around Revolving - \$171,109



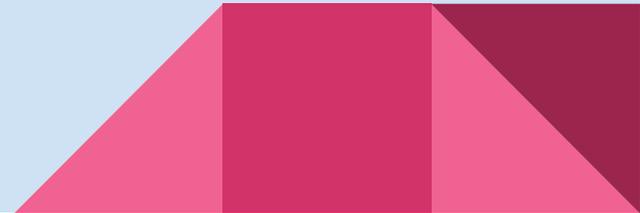
ATHLETIC REVOLVING

Revenue of approximately \$25,000 in user fees per year and \$9,000 in gate receipts

Athletic revolving account offsets approximately 18% of all athletic program costs

Athletic fees cover costs of:

Athletic transportation, uniform replacement, athletic supplies, dues, officials, ticket takers, clock operators, game police, etc.



BUILDING USE REVOLVING

Revenue of approximately \$16,000 in user fees the past two years

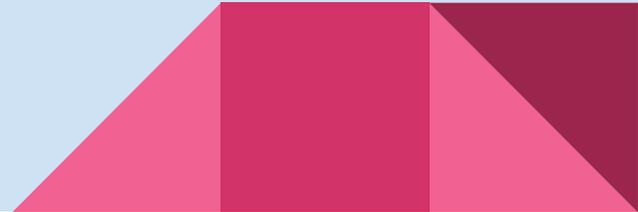
Building use fees fund the following:

Cost of custodial, technical, security, food services staff as needed for event

Upkeep of facilities and grounds

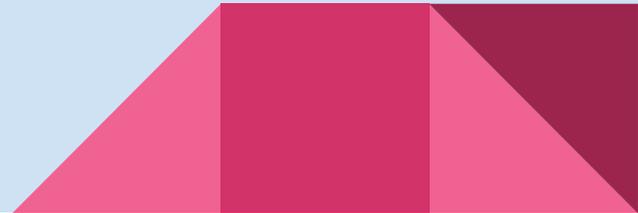
Upkeep of facilities

Supplies and equipment for auditorium



REGIONAL TRANSPORTATION REIMBURSEMENT FUND

The balance from this fund is allowed to be carried for one year. This reimbursement fund allows the district to level transportation reimbursement from year to year to alleviate transportation funding issues that may arise during the fiscal year.



REGIONAL TRANSPORTATION REIMBURSEMENT

Based upon expenditures from previous year/end-of-the-year financial report

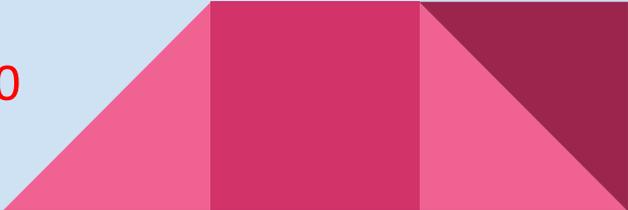
Not all riders are reimbursable – Riders that live less than 1.5 miles from school are not reimbursable

Currently Gateway has approximately 92% reimbursable ridership

\$867,677 total regional transportation in FY '18 @ 92% = \$798,263

Projected State Reimbursement for FY '19 is 80% or \$638,610

Cherry sheet figure for FY '19 reimbursement = \$681,810

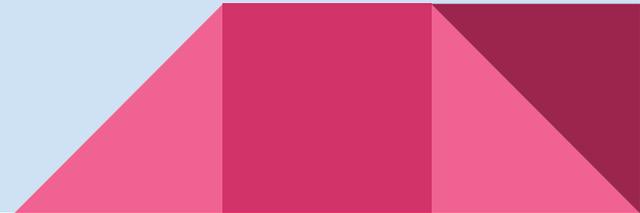


SCHOOL CHOICE REVOLVING

School Choice Revenue in FY '18 was \$247,831

The school choice account has been used to fund technology expenditures for staff, MacBooks, Chromebooks, iPads, non-instructional building technology, curriculum improvement software, etc.

Expenditures from the School Choice Account in the last five years have been between \$207,000 and \$263,000 per year.



CIRCUIT BREAKER REVOLVING

Circuit Breaker Balance FY '18 is \$169,151 (This amount is required to be expended in FY '19) and will partially cover special education tuitions.

Circuit Breaker base amount is set by the DESE.

Base amount = 4X foundation amount (\$11,448) = \$45,792

Reimbursement is calculated on expenditures above the base amount.

Reimbursement percentage should be 75% (subject to appropriation)

Reimbursement Example:

Special education services for a student = \$50,000

$\$50,000 - \$45,792 = \$4,208 \times 75\% \text{ reimbursement} = \$3,156$

WRAP AROUND REVOLVING

Wrap around revolving receipts in FY '18 were \$92,804 and expenditures were \$70,217

Wrap Around Revolving Funds the Following:

Wrap-Around Staff & Summer Field Trips, Part-Time Custodian, Secretarial Time

Stipends for After-School Mini Course Teachers – Mini courses are one-hour courses twice a week for 6 weeks. There are generally 3 sessions of mini courses held throughout the year.

In the past year there have been approximately 180 participants in these courses, which are offered free of charge.



NEW FULL-DAY PRESCHOOL COSTS

Funded in FY '19 from Revolving Accounts

1 Full-Time Preschool Teacher

1 Full-Time Preschool Paraprofessional

2 Half-Time Preschool Paraprofessionals

Insurance Costs

Total Cost of Preschool Program in FY '19 - \$93,452

Estimated Cost of Full-Day Preschool Program in FY '20 - \$97,632

FY '19 preschool funded by Rural School Aid and School Choice

FY '20 preschool to be funded from budget



EXCESS & DEFICIENCY

Excess & Deficiency 6/30/17 = \$801,798

Estimated Excess & Deficiency 6/30/18 = \$803,567

(Excess & Deficiency limit of 5% of current budget = \$812,747)

E & D used to offset FY '19 budget = \$421,000

Projected budget amount of E & D to offset FY '20 budget = \$402,000



FY' 19 BUDGET CONCERNS

Change from out-of-district placement to residential placement - estimated cost \$275,000 - \$340,000+ (Currently budgeted at \$155,394)

Increased special education caseloads at Littleville Elementary

Consider a line item in the FY '20 budget to establish & fund a Special Education Stabilization Fund

