

# MONTICELLO INDEPENDENT SCHOOL


January 17, 2013

Gail Binder



# BOARD RESPONSIBILITIES

## Responsibilities of Board:

1. Select a Superintendent and Board Attorney
  2. Adopt Policies and Procedures
  3. Maintain fiscal oversight and overall responsibility for financial condition of district
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# SIGNIFICANT FACTORS

- Cash flow
- Individual fund balances
- Capital Outlay and Building Fund
- June 30, 2012 General Fund balance
- Soccer field purchase
  - Note
  - CD – percent spread
- Baseball field improvements - \$500,000 est.
- Staffing
- Declining state revenue
- Food Service – CRE audit

# SIGNIFICANT FACTORS

- Federal withholding tax deposit
- Transportation expense vs. reimbursement
- Working Budget status
  - Revenue compared to expenditures
  - Personnel expense as a percentage of budget
  - Contingency – 2%

# SIGNIFICANT FACTORS

Remaining 5% (\$224,000) for operating expenses:

- Fleet expense - \$249,000
- Insurance - \$100,000
- Maintenance - \$305,000
- Special Education - \$422,000
- Utilities - \$180,000
- Technology - \$123,000

# SIGNIFICANT FACTORS

- Athletic and academic team travel expenses
- \$20,000 board supplement
- \$87,000-\$100,000 sub costs
- School food service deficit
- Decline in enrollment: one year delay - \$468,000
- June payrolls - \$800,000
- Board and district-wide expenses

# BOTTOM LINE

Combined cash balance – \$455,817.07 as of Dec. 31, 2012)

Fund Balances:

- General Fund – (\$51,089.68)
- Special Revenue Fund – (\$117,707.31)
- Capital Outlay Fund - \$176,013.35
- Building Fund - \$592,528.42
- Construction Fund – (\$90,673.83)
- Food Service Fund (\$53,253.88)

# BOTTOM LINE

- Average monthly change in fund balance – (\$113,000)
- Spending and hiring freeze has reduced this from (\$176,000) per month
- February 1 bond payment -\$178,000
- Effect on February payroll at the latest

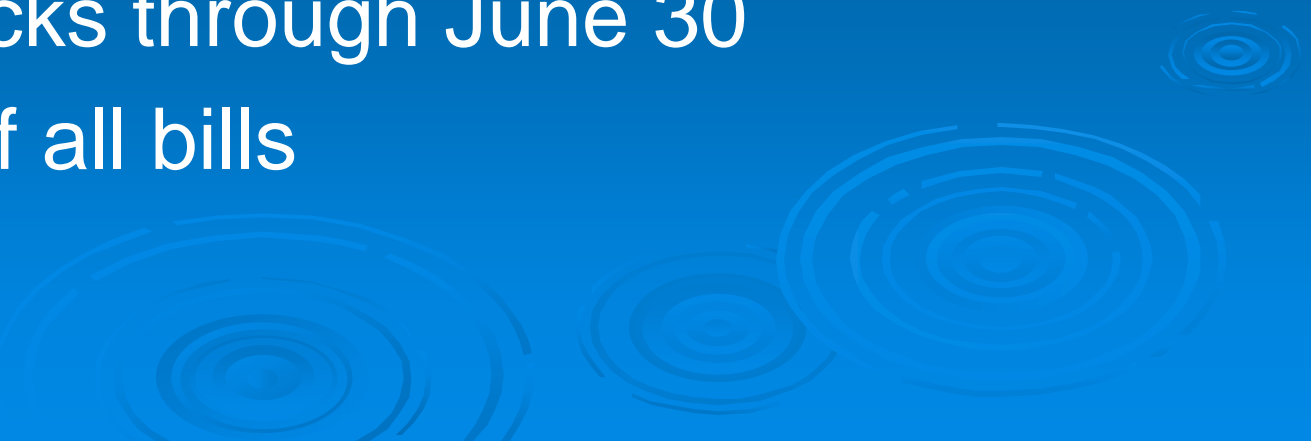


# BOTTOM LINE

- Board request: state management
- State Board: February 5
- Board decision tonight: to appeal/not appeal

# STATE MANAGEMENT

What does this mean?

- Continuation of all services
  - State manager
  - Role of board
  - Infusion of cash
  - All paychecks through June 30
  - Payment of all bills
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# STATE MANAGEMENT


How does a district emerge from state management?

- Option 1: submission and approval of a detailed viable plan to effectively govern itself in a fiscally responsible manner, while serving the needs of its all students


# STATE MANAGEMENT

- Option 2: merge with the county school district

# HOW DOES A MERGER WORK?

- Transition teams
  - Role of Commissioner of Education
  - Timing
  - Jobs
  - Transfer of property
  - Transfer of debt
  - Special Education needs
  - No quick answers
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# What if....?

- Fund raising
  - Raising taxes
  - Payroll tax
  - Reduce staff
  - Sell soccer field
  - Raffle tickets
  - Annex property
  - Cut expenses
  - Wet vote
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# THE REAL BOTTOM LINE

- What is the best thing we can do for children?
- Kids are resilient
- Kids mimic adult behavior
- Let the kids be kids



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# Questions?

The time for public comments will immediately follow the Question-and-Answer period. Please permit the questions to be asked first.

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