

MULLEN BOARD OF EDUCATION
September 7, 2021
Budget Workshop and Tax Resolution Hearing
7:30 PM

1. Call to order, roll call, and excuse board member absences.
Speaker(s): President Bryan Starr
2. Budget Workshop Presentation
3. Tax Resolution Hearing to Set Final Tax Request for the 2021-2022 School Year for Mullen Public Schools
4. Discuss, consider and take all necessary action to approve the tax request resolution for the 2021-2022 school year.
5. Next Meeting - September 13, 2021 at 7:30 PM
6. Adjournment

Please follow the board meeting at <https://meeting.sparqdata.com/Public/Organization/393>

The Mullen Board of Education reserves the right to go into Closed Session for purposes in accordance with LB 84-1410(1)

BUDGET WORK SESSION
September 7, 2021

Mullen Public Schools
Board of Education
Budget Workshop
September 7, 2021

BUDGET WORK SESSION
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Valuation

The 2021-2022 certified taxable value for the Mullen Public Schools will be approximately an increase of about \$14,586,695 or about 2.64%.

County	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Thomas	\$28,452,197	\$29,580,144	\$30,471,420	\$31,461,085	\$34,443,444
Cherry	\$197,608,385	\$197,702,417	\$199,253,849	\$198,255,871	\$197,837,470
Hooker	\$304,696,612	\$311,372,307	\$317,101,040	\$323,870,898	\$335,896,635
Total	\$530,757,194	\$538,654,868	\$546,826,309	\$553,587,854	\$568,177,549
% increase	12.64%	1.49%	1.51%	1.24%	2.64%

*****TAXING FUND*****

General Fund - The General Fund finances all facets of services rendered by the school district. General Fund receipts are analyzed according to source while its disbursements are coded according to specific functions. 80% of expenditures are in salaries and benefits. Between 10% and 15% are required expenditures. Essentially, you could run your entire school out of the general fund.

Budget Authority- This is the maximum amount that can be budgeted and spent out. The state of Nebraska gives all school districts a 2% rise in budget authority for the 2021-2022 budget year. We will NOT spend unused budget authority but it is highly recommended to take unused budget authority as it could be capped by legislation. The total is only a total amount that we would be allowed to spend this fiscal year.

Budget	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Authority	\$4,321,408	\$4,527,452	\$4,614,836	\$4,643,426	\$4,737,387
Unused	\$609,922	\$501,452	\$584,320	\$372,016	\$322,891
Actual	\$3,711,486	\$4,026,000	\$4,030,516	\$4,271,410	\$4,414,496
Reserve	\$681,000	\$707,949	\$700,000	\$925,000	\$925,000
Total Increase	\$5,002,408 (2%)	\$5,235,401 (3%)	\$5,314,836 (2%)	\$5,568,426 (1%)	\$5,662,387 (1%)

General Fund Receipts- This is the amount of funding that the school district receives each year. This would be the school districts paycheck. Local receipts come from property taxes, carline/railroad taxes, personal property taxes, sale of excess materials, and motor vehicle taxes amongst other areas. State receipts come from state aid, SPED programs, homestead exemption, property tax credit, and pro-rate motor vehicle taxes. Federal receipts come from ESSA Title 1, IDEA, ESSER (CARES) and Medicaid.

Receipts	2017-2018	2018-2019	2019-2020	2020-2021 <i>Estimated</i>	2021-2022 <i>Estimated</i>
Local	\$2,569,319	\$2,593,489	\$2,757,999	\$2,797,858	\$2,785,739
State	\$740,025	\$741,459	\$869,492	\$914,873	\$864,463
Federal	\$107,048	\$93,532	\$93,331	\$181,409	\$382,552
Total	\$3,371,948	\$3,428,480	\$3,720,822	\$3,894,140	\$4,032,754

General Fund Expenditures- The expenditures that are budgeted to run the school district. These are payroll, maintenance, utilities, supplies, technology, and a lot more.

Actual Expenditures	2017-2018	2018-2019	2019-2020	2020-2021 <i>Estimated</i>	2021-2022 <i>Estimated</i>
Total SPED	\$402,958	\$491,585	\$486,665	\$464,798	\$475,000
Total NON SPED	\$3,140,753	\$3,223,442	\$2,979,673	\$3,421,224	\$3,500,000
Total	\$3,543,712	\$3,715,027	\$3,466,338	\$3,886,022	\$3,975,000

BUDGET WORK SESSION

September 7, 2021

Staff Salary & Benefits- These are the expenditures that are within payroll.

Summary	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022 Estimated
Base	\$33,000	\$34,000	\$34,800	\$35,500	\$36,300
Teachers	\$1,700,192	\$1,755,407	\$1,700,626	\$1,779,287	\$1,833,048
Increase/Decrease	\$53,326	\$55,215	- \$54,781	\$78,661	\$53,761

General Fund Summary- This is a summary of the last 5 years of expenses versus receipts. As you can see, our expenditures outweighed our cash receipts for three years which has caused a big dip in our cash balance. As all of you know, it is recommended to keep three months of expenses, which we now have, in your cash reserve just in case a depression or recession hits. The maximum cash reserve is set at 45% of your adopted budget. If a cash reserve is not maintained, there is a high chance that a school district would need to borrow money from a bank during March and April to make payroll and expenses.

Summary	2017-2018	2018-2019	2019-2020	2020-2021 Estimated	2021-2022 Estimated
Beginning Cash	\$1,034,055	\$916,455	\$622,954	\$941,854	\$1,223,913
Payroll	\$2,666,627	\$2,747,727	\$2,652,010	\$2,800,000	\$2,875,000
Bills	\$620,085	\$813,309	\$574,328	\$755,000	\$925,000
Transfers	\$257,000	\$162,000	\$240,000	\$155,000	\$175,000
Total Expenditures	\$3,543,712	\$3,715,027	\$3,466,338	\$3,710,000	\$3,975,000
Total Receipts	\$3,371,948	\$3,428,480	\$3,785,238	\$3,992,059	\$4,082,754
Cash Reserve	\$906,735	\$622,954	\$941,854	\$1,223,913	\$1,331,667

General Fund Levy- General Fund Levy & Tax Asking- 5 years

For 2021-2022, I am recommending a General Fund levy of .56006 so we can maintain the budget so we have more receipts than expenditures. This will allow us to continue to build our cash reserve/beginning cash balance up.

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Levy	.526787	.523861	.579715	.575006	.56006
Asking	\$2,795,960	\$2,821,802	\$3,170,331	\$3,183,163	\$3,185,546

***** Non-taxing Funds *****

DEPRECIATION FUND - The purpose of the Depreciation fund is to spread replacement costs over a period of years in order to avoid a disproportionate tax effort in a single year to meet such an expense. You can think of this as a savings account for anything that depreciates value. This fund is restricted by statute as part of the 45% Allowable Reserve limitation. I would like to continue to use this for HVAC, a new bus, flooring, and the football field lights project.

	2017-2018	2018-2019	2019-2020 Estimated	2020-2021 Estimated	2021-2022 Estimated
Beginning Balance	\$468,252	\$285,833	<i>\$190,967</i>	<i>\$359,895</i>	<i>\$342,835</i>
Interest	\$1612	\$1214	<i>\$1246</i>	<i>\$116</i>	<i>\$150</i>
Transfer from General	\$207,000	\$107,000	<i>\$200,000</i>	<i>\$142,525</i>	<i>\$150,000</i>
Disbursements	\$391,030	\$196,000	<i>\$32,319</i>	<i>\$159,701</i>	<i>\$185,000</i>
Total Available	\$285,833	\$190,967	<i>\$359,895</i>	<i>\$342,835</i>	<i>\$307,985</i>

BUDGET WORK SESSION SUMMARY

August 31, 2020

EMPLOYEE BENEFIT FUND - An Employee Benefit Fund may be established in order to specifically reserve General Fund money for the benefit of school district employees (unemployment compensation, early retirement, buy-outs, etc.) The cash reserve of this fund is restricted by statute as part of the 45% Allowable Reserve limitation.

	2017-2018	2018-2019	2019-2020	2020-2021 Estimated	2021-2022 Estimated
Beginning Balance	\$71,255	\$71,556	\$72,032	\$72,486	\$72,946
Interest	\$301	\$476	\$454	\$460	\$400
Disbursements	\$0	\$0	\$0	\$0	\$0
Total Resources	\$71,556	\$72,032	\$72,486	\$72,946	\$73,346

ACTIVITY FUND - The financial operations of all school-connected activities are a legal responsibility of the board of education. If deficits in such activities are incurred, they shall be covered by funds transferred from the General Fund. Such revenue shall finance only those projects, which qualify for approval under policies established by the board of education for such activities.

	2017-2018	2018-2019	2019-2020	2020-2021 Estimated	2021-2022 Estimated
Beginning Balance	\$176,828	\$182,671	\$233,796	\$222,898	\$227,703
Activity Receipts	\$131,731	\$234,306	\$133,037	\$112,629	\$125,000
Transfer from General	\$25,000	\$25,000	\$ 25,000	\$ 25,000	\$ 25,000
Disbursements	\$151,592	\$208,181	\$168,934	\$132,824	\$180,000
Total Resources	\$182,671	\$233,796	\$222,898	\$227,703	\$197,703

SCHOOL LUNCH FUND - The School Lunch fund is required to accommodate the financial activities of all Nutrition Programs operated by the school district. The School Lunch Fund shall reflect a record of all revenues and expenditures incident to the operation of all Nutrition Programs. If a deficit is incurred in the operation, the deficiency shall be covered by funds transferred from the General Fund.

Receipts	2017-2018	2018-2019	2019-2020 Estimated	2020- 2021 Estimated	2021-2022 Estimated
Beginning Balance	\$38,037	\$41,524	\$20,362	\$6,101	\$46,196
Sale of Lunches / Milk	\$39,248	\$36,247	\$30,226	\$7,786	\$2,000
State Reimbursement	\$367	\$322	\$367	\$127	\$100
Interest	\$95	\$224	\$91	\$98	\$100
Federal Reimbursement	\$30,355	\$33,232	\$28,632	\$87,809	\$85,000
Transfers	\$25,000	\$30,000	\$15,000	\$30,000	\$0
Total Receipts	\$132,070	\$141,548	\$94,677	\$131,921	\$133,396
Expenditures					
Salaries and Benefits	\$45,240	\$43,545	\$42,752	\$55,444	\$57,000
Cost of Food	\$41,590	\$32,688	\$30,564	\$41,179	\$45,000
Supplies / Equipment	\$3,706	\$44,953	\$15,260	\$5,903	\$5,000
Total Expenditures	\$90,547	\$122,200	\$88,576	\$102,526	\$107,000

In preparations for the start of the 2021-2022 school year, I have kept the budget close to the same as it was last school year. I am hoping we will not have to transfer. .

BUDGET WORK SESSION SUMMARY

August 31, 2020

*******TAXING FUNDS*******

SPECIAL BUILDING FUND - A Special Building Fund shall be established when a school board decides to acquire or improve sites and/or to alter or improve buildings with new construction only. Tax receipts are the primary source of revenue for this fund. Special Building Fund accounting provides a more effective means of identifying those expenditures associated with construction activities.

	2017-2018	2018-2019	2019-2020	2020-2021 Estimated	2020-2021 Estimated
Balance	\$351,751	\$421,237	\$457,571	\$441,980	\$446,666
Property Taxes	\$95,756	\$89,096	\$7,774	\$204	\$0
Disbursements	\$40,849	\$72,610	\$31,720	\$1,586	\$100,000
Local/State Sources	\$14,578	\$19,849	\$8,355	\$6,068	\$14,000
Total Available	\$421,237	\$457,571	\$441,980	\$446,666	\$360,666

BOND FUND - A Bond Fund shall be established in order to retire bonds and pay the interest of a capital improvement project. Tax receipts and interest are the primary sources of revenue for the Bond Fund.

	2017-2018	2018-2019	2019-2020	2020-2021 Estimated	2021-2022 Estimated
Receipts before Taxes	\$324,107	\$324,003	\$327,026	\$273,044	\$185,846
Property Taxes	\$86,275	\$92,313	\$36,447	\$12,132	\$5,000
Other Resources	\$13,311	\$14,125	\$14,125	\$871	\$1,000
Payments	\$99,690	\$103,415	\$96,915	\$100,201	\$98,254
Total Available	\$324,003	\$327,026	\$273,044	\$185,846	\$93,592
OUTSTANDING	BOND	DEBT	PAYMENTS		
Bond			2022-23	Total	
2012 Refunded			\$96,117	\$96,117	

We have enough to make our bond payments. We do not need to levy for the Bond Fund.

QUALIFIED CAPITAL PURPOSE UNDERTAKING FUND - School districts have a maximum of 5.2¢. for projects initiated prior to April 19, 2016. This is the payment for the construction of the Hilltop Gymnasium.

	2017-2018	2018-2019	2019-2020	2020-2021 Estimated	2021-2022 Estimated	2022-2023 Estimated
Resources	\$325,142	\$389,674	\$456,472	\$501,037	\$515,472	\$515,434
Property Taxes	\$56,788	\$57,700	\$37,437	\$13,778	\$0	\$0
Other Resources	\$28,780	\$30,136	\$28,166	\$21,695	\$21,000	\$21,000
Payments	\$21,038	\$21,038	\$21,038	\$21,038	\$21,038	\$21,038
Total Resources	\$389,674	\$456,472	\$501,037	\$515,472	\$515,434	\$515,472
OUTSTANDING	BOND	DEBT	PAYMENTS	2022-23	Total	
<i>Series 2011, Construction</i>				\$505,519	\$505,519	

BUDGET WORK SESSION SUMMARY

August 31, 2020

ESTIMATED FINANCIAL POSITION

The largest single source of receipts for the district is property tax. The following table shows the property tax rates by fund.

LEVY	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
General Fund	.526787	.523861	.579715	.575006	.56066
Building Fund	.0202	.018752	.000000	.000000	.000000
Bond Fund	.019184	.019580	.006465	.000000	.000000
Qualified Capital Purpose Fund (QCPUF)	.013522	.012189	.007389	.000000	.000000
Total Levy	.579692	.574382	.593569	.575006	.56066
Increase/Decrease	-10%	0%	3%	-3%	-2%

Tax Request	2017-18	2018-19	2019-20	2020-21	Est. 2021-22
General Fund	\$2,795,960	\$2,821,802	\$3,170,034	\$3,183,163	\$3,185,546
Building Fund	\$107,212	\$101,010	\$0	\$0	\$0
Bond Fund	\$101,818	\$105,469	\$35,354	\$0	\$0
QCPUF	\$66,667	\$65,657	\$40,404	\$0	\$0
Total Budget Request	\$3,071,657	\$3,093,938	\$3,245,792	\$3,183,163	\$3,185,546
Increase in Tax Ask	\$12,383	\$22,281	\$151,854	\$-62,629	\$2,383
% Increase	.004%	.007%	3%	-3%	0%

My Suggestion .

	2021-2022
General Fund	.56066
Building Fund	.000000
Bond Fund	.000000
QCPUF	.000000
Total Levy	.56066
Change in Levy	.014346
Tax Asking	\$3,183,163
Change in Asking	\$2,383

Notice of Special Hearing To Set Final Tax Request

Mullen Public Schools (46-001) in Hooker County, Nebraska

PUBLIC NOTICE is hereby given, in compliance with the provisions of State Statute Section 77-1601.02, that the governing body will meet on the 7th day of, September 2021 at 7:30P.M., at Mullen Public Schools 6-12 Library for the purpose of hearing support, opposition, criticism, suggestions or observations of taxpayers relating to setting the final tax request.

	2020-2021	2021-2022	Change
Property Valuations	553,587,854	568,177,549	3%

2020/21 Budget Information

2021/22 Budget Information

Fund	2020-2021 Operating Budget	2020-2021 Property Tax Request	2020 Tax Rate	Property Tax Rate (2020-2021 Request Divided By 2021 Valuation)	2021-2022 Operating Budget	2021-2022 Proposed Property Tax Request	Proposed 2021 Tax Rate	Change in Tax Rate	Change in Operating Budget
General Fund	4,643,426.25	3,183,162.72	0.575006	0.560241	4,737,386.55	3,185,546.00	0.560660	-2%	2%
Bond Fund(s) K - 12	294,119.77		0.000000	0.000000	186,646.09	-	0.000000	#DIV/0!	-37%
Bond Fund(s) K - 8			0.000000	0.000000			0.000000	#DIV/0!	0
Bond Fund(s) 9 - 12			0.000000	0.000000			0.000000	#DIV/0!	0
Bond Fund _____			0.000000	0.000000			0.000000	#DIV/0!	0
Special Building Fund	487,686.34		0.000000	0.000000	448,164.77	-	0.000000	#DIV/0!	-8%
Qualified Capital Purpose Undertaking Fund K - 12	529,520.91		0.000000	0.000000	536,767.90	-	0.000000	#DIV/0!	1%
Qualified Capital Purpose Undertaking Fund K - 8			0.000000	0.000000			0.000000	#DIV/0!	0
Qualified Capital Purpose Undertaking Fund 9 - 12			0.000000	0.000000			0.000000	#DIV/0!	0
Total	5,954,753.27	3,183,162.72	0.575006	0.560241	5,908,965.31	3,185,546.00	0.560660	-2%	-1%

RESOLUTION SETTING THE PROPERTY TAX REQUEST

RESOLUTION NO.2021

WHEREAS, Nebraska Revised Statute 77-1601.02 provides that the Governing Body of Mullen Public Schools passes by a majority vote a resolution or ordinance setting the tax request; and

WHEREAS, a special public hearing was held as required by law to hear and consider comments concerning the property tax request;

NOW, THEREFORE, the Governing Body of Mullen Public Schools resolves that:

- 1. The 2021-2022 property tax request be set at:

General Fund:	\$	3,185,546.00
Bond Fund:	\$	-
Special Building Fund:	\$	-
Qualified Capital Purpose	\$	-
Undertaking Fund:		

- 2. The total assessed value of property differs from last year’s total assessed value by 2.64 percent.
- 3. The tax rate which would levy the same amount of property taxes as last year, when multiplied by the new total assessed value of property would be 0.560241 per \$100 of assessed value.
- 4. Mullen Public Schools proposes to adopt a property tax request that will cause its tax rate to be 0.56066 per \$100 of assessed value.
- 5. Based on the proposed property tax request and changes in other revenue, the total operating budget of Mullen Public Schools will increase or decrease last year’s budget by -0.77 percent.
- 6. A copy of this resolution be certified and forwarded to the County Clerk on or before October 13, 2021.

Motion by _____, seconded by _____ to adopt Resolution # 2021.

Voting yes were:

 Bryan Starr

 Jason Coble

 Liza Simonson

 Mike French

 Travis Hampton

 Dane Peterson

Voting no were:

Dated this 7th day of September, 2021