

Park City School District Preliminary 2012-2013 General Fund Budget

What

- PCSD is currently facing a \$4.7 million budget shortfall in the coming year
- If “rainy day funds*” are used to fill the shortfall, reserves will drop \$5.7 million below recommended levels

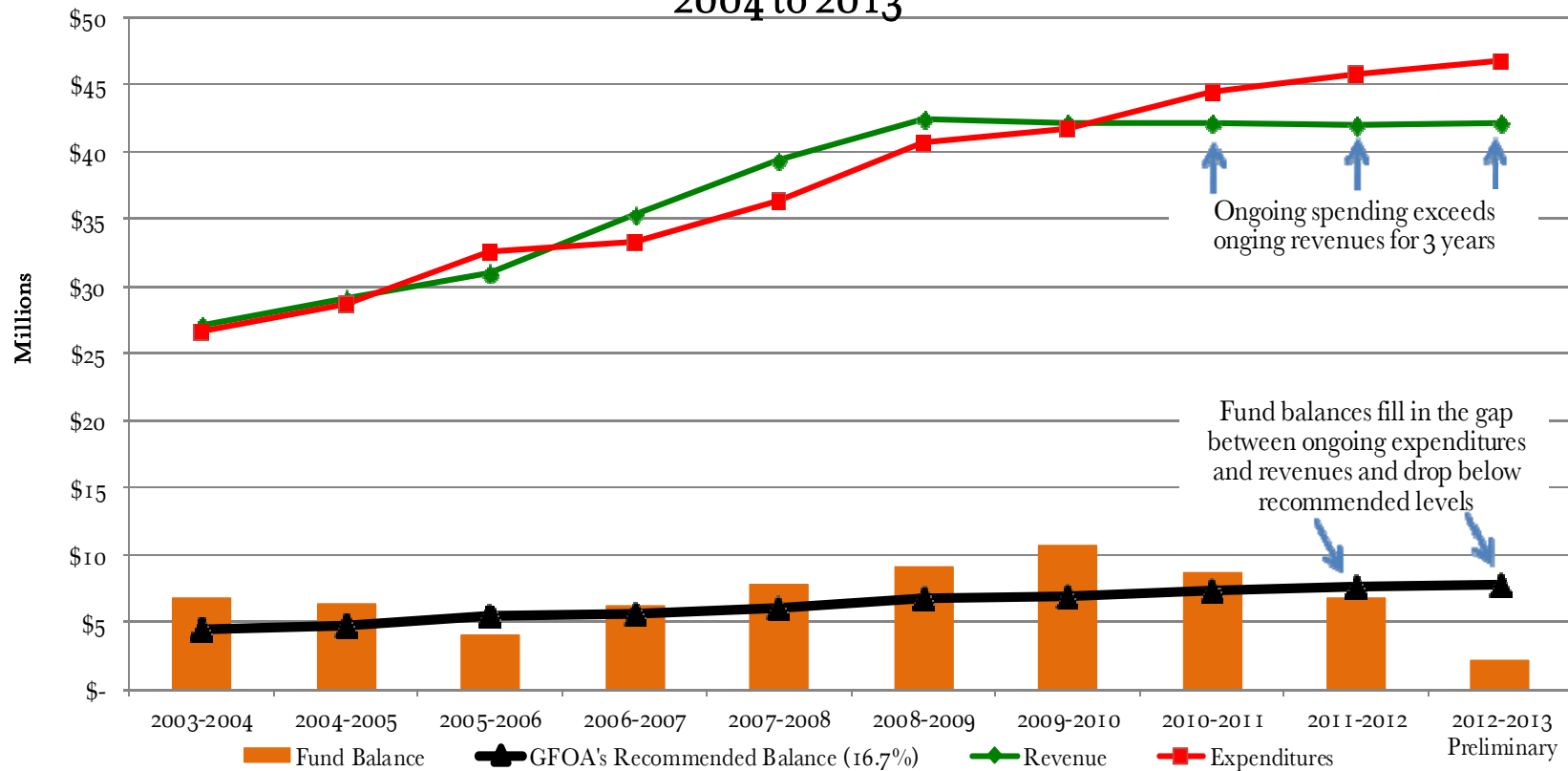
How

- One time money and budget reserves have been used to bridge the gap between ongoing expenditures and ongoing revenues

Why

- The Board of Education chose to offset rising prices, increasing expenditures, and declining revenues with “rainy day” contingencies: budget reserves and one-time transfers

Expenditures, Revenues, and Fund Balances 2004 to 2013



Park City School District

The General Fund Budget

	<u>Updated 2011-2012</u>	<u>Projected 2012-2013</u>	
Revenues:			} Amounts are prior to adjustments that may be made for tax increases, budget cuts, compensation packages, and program enhancements
Property Taxes and Other Local Sources	\$ 38,225,032	\$ 38,920,846	
State Sources	1,717,756	1,726,959	
Federal Sources	2,042,196	1,478,188	
Total Revenues	41,984,984	42,125,993	} Over time, declining state and federal funding contribute to the shortfall
Expenditures:			
Instruction	28,458,420	29,025,805	} Expenditures include increased health insurance and retirement costs, student services support, and increased hours for elementary school technology specialists
Support Services:			
Student Services	2,293,604	2,396,188	
Staff Services	2,468,780	2,509,439	
Executive Administration	539,168	546,504	
School Administration	2,350,238	2,395,711	
Central Administration	2,543,362	2,580,161	
Operation & Maintenance of Facilities	5,196,175	5,287,255	
To and From Transportation	1,954,252	2,011,402	
Total Expenditures	45,803,999	46,752,465	
Excess (Deficiency) of Revenues Over Expenditures	(3,819,015)	(4,626,472)	} State law allowed one-time transfers of capital funds in 2011-2012 to support operations
Other Financing Sources:			
Transfer In From Capital Outlay	1,545,399	-	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(2,273,616)	(4,626,472)	
Rainy Day Funds*			} If only fund balances (reserves) are used for the shortfall, they will end up \$5.7 million below recommended levels
Beginning of Year Balance	8,977,307	6,703,691	
End of Year Balance	\$ 6,703,691	\$ 2,077,219	
Recommended Rainy Day Fund Balances	\$ 7,407,984	\$ 7,792,078	}
Deficiency from Recommendation	\$ (704,293)	\$ (5,714,859)	

If property taxes are raised to increase revenue by \$1,000,000 the tax on a \$500,000 primary residence will increase by \$27 per year.

*Rainy day funds include the Economic Stabilization Reserve (ESR) and the Unassigned Fund Balance. The ESR is permitted by state law (53A-19-103) and allows districts to maintain a reserve of 5% of the operations budget. The Government Finance Officers Association recommends a 2 month reserve (16.7% of annual expenditures) be set aside to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures and to ensure liquidity and stable tax rates. Liquidity is essential considering tax revenues are mostly collected mid-year. Together the ESR and Unassigned Fund Balance equal the recommended 16.7% of annual expenditures.