
M E M O R A N D U M

TO: Charles Glaes, Superintendent
Members of the Board of Education

FROM: Stephen Goss, Assistant Superintendent

DATE: June 13, 2011

RE: 2010-2011 June Amended Budget
2011-2012 Proposed Budget

Attached you will find the 2010-2011 amended and 2011-2012 preliminary budgets. The following is a summary of the revisions to the 2010-2011 budgets, and the primary assumptions underlying the 2011-2012 preliminary budget:

June Amendment to 2010-2011 General Fund Budget:

Compared to the January amendment, projected General Fund revenues have increased by 0.18% to \$21,752,601. Compared to the preliminary 2010-2011 budget adopted in June 2010, General Fund revenues increased by 4.1%. The increase over the original estimate was the result of the federal "Edujobs" grant which was awarded last fall (\$570,000), and higher than projected enrollment (\$240,000). Actual enrollment was within 1.3% of what we estimated.

Compared to the January amendment, general fund expenditures are projected to increase by approximately \$87,000, a change of 0.4%. Individual revisions are generally very minor; however, higher fuel prices account for \$50,000 of the net increase. Compared to the initial budget adopted in June 2010, budgeted expenditures increased by \$600,000, or about 2.9%. This increase was due primarily to the allocation of the Federal Edujobs grant.

Based on the proposed amendment, the General Fund balance is projected to increase by approximately \$265,000 to just under \$2.3 million. This amount represents 10.7% of the current year budget, well below the 15%-20% generally recommended by CPA's, rating agencies, and school business organizations, including ASBO and MSBO.

Proposed 2011-2012 Preliminary General Fund Budget:

The 2011-2012 preliminary General Fund budget is based on the following assumptions:

- Total per pupil funding of \$7,050, including one-time "best practices" of \$100/pupil and "MPSERS buy down" of \$88/pupil. This is an actual \$340 reduction from current year funding.
 - Enrollment: 20 FTE reduction, resulting in a blended count of 2,560.
 - Reduction in special education reimbursement from KRESA: \$285,000. This is the low end of KRESA's projections.
 - MPSERS rate: 24.46% effective 10/1/11, compared to 19.41% at 10/1/10 and 16.94% at 10/1/09.
 - Contractually guaranteed pay raises for VEA: \$210,000
 - Contractually guaranteed increases to health insurance: \$100,000.
 - Increase in energy costs: 15%, or \$85,000
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Those assumptions combined with current staffing and compensation levels create a budget deficit of nearly \$2.0 million.

In order to adjust for this deficit, the proposed budget incorporates the following proposals:

- Reallocating the remaining \$600,000 of revenue from the KRESA enhancement millage from building & site to the general fund.
- Raising \$50,000 through various participation fees and reinstating student admission fees for athletic events.
- Targeted staff reductions, and cuts to supplies, purchased services and capital outlay totaling \$425,000.
- Reductions to compensation levels for all employee groups totaling \$400,000.
- Drawing down approximately \$500,000 of general fund equity.

The preliminary budget is currently based on this approach, as it is considered to be the most conservative financially, and to have the least impact on our educational programs and employees. Other less desirable approaches are available, including the elimination of planning time, which would preserve funding for capital projects while also significantly reducing the draw-down of fund balance. Should a different approach be decided upon at a later date, an amendment to the budget will follow.

As always, please do not hesitate to contact me if you have any questions regarding either the June amendments or the 2011-2012 proposed budgets.

VICKSBURG COMMUNITY SCHOOLS

General Fund

2010-2011 Amended Operating Budget
2011-2012 Preliminary Operating Budget
Adopted June 13, 2011

	2009-2010 Actual	2010-2011 June Adopted	2010-2011 January Amendment	2010-2011 June Amendment	2011-2012 Preliminary
Revenue					
Local	2,026,271	2,119,770	2,108,670	2,142,999	2,640,976
State	16,802,543	17,237,270	17,155,480	17,091,902	16,951,030
Federal	1,571,357	441,315	1,434,896	1,519,150	425,822
Other	1,205,157	1,093,905	1,015,336	998,550	713,550
Total Revenue	21,605,328	20,892,260	21,714,382	21,752,601	20,731,378
Expenditures					
Instruction:					
Basic Programs	9,866,600	9,693,748	9,954,843	10,001,571	9,915,413
Added Needs	2,327,449	2,243,710	2,360,652	2,274,728	2,104,048
Adult & Continuing Education	97,538	87,547	87,361	93,697	78,708
Total instruction	12,291,587	12,025,005	12,402,856	12,369,996	12,098,169
Supporting Services:					
Pupil Services	1,166,072	1,166,861	1,061,898	1,054,068	1,098,572
Instructional Staff	781,492	767,958	837,502	788,608	802,933
General Administration	488,915	507,589	509,260	496,694	502,269
School Administration	1,287,269	1,229,140	1,262,366	1,286,764	1,302,203
Business	472,589	417,395	439,989	406,869	412,440
Operations & Maintenance	2,023,680	1,995,362	2,040,232	2,097,721	2,145,565
Transportation	1,464,156	1,487,830	1,512,006	1,584,157	1,479,331
Central Services	421,169	426,707	424,073	442,511	449,700
Athletics	-	449,160	456,625	527,023	506,500
Total supporting services	8,105,342	8,448,002	8,543,951	8,684,415	8,699,513
Community Services	255,387	276,846	282,783	296,456	298,497
Payments to other governmental units	81,670	86,708	112,770	89,260	89,260
Debt retirement	40,776	39,400	47,250	47,250	47,250
Transfers to other funds	628,004	11,000	11,000	-	-
Total expenditures & other uses	21,402,766	20,886,961	21,400,610	21,487,377	21,232,689
Deficiency of revenues over expenditures	202,562	5,299	313,772	265,224	(501,311)
Fund balance - beginning	1,829,993	2,032,555	2,032,555	2,032,555	2,297,779
Fund balance - ending	2,032,555	2,037,854	2,346,327	2,297,779	1,796,468

Note: In accordance with GASB 54, the athletics and auditorium funds are no longer reported as special revenue funds for financial statement purposes. These activities are now reported within the the general fund.

VICKSBURG COMMUNITY SCHOOLS

School Service Fund

2010-2011 Amended Operating Budget

2011-2012 Preliminary Operating Budget

Proposed June 13, 2011

	Food Service			
	2009-2010 Actual	2010-2011 Adopted	2010-2011 June Amendment	2011-2012 Proposed
Revenue				
Local	498,014	508,300	473,800	494,000
State	42,214	36,725	36,725	36,725
Federal	414,896	406,000	419,000	406,000
Total Revenue	955,124	951,025	929,525	936,725
Expenditures - Food service activities	903,100	968,700	970,200	963,700
Excess (deficiency) of revenue over expenditures	52,024	(17,675)	(40,675)	(26,975)
Fund balance - beginning	267,900	319,924	319,924	279,249
Fund balance - ending	319,924	302,249	279,249	252,274

VICKSBURG COMMUNITY SCHOOLS

**Debt Retirement Funds
2010-2011 Amended Operating Budget
2011-2012 Preliminary Operating Budget
Proposed June 13, 2011**

	1991 Debt Service				2000 Debt Service				2005 Debt Service Fund				2007 Debt Service Fund			
	2009-2010	2010-2011	2010-2011	2011-2012	09-10	10-11	10-11	11-12	09-10	10-11	10-11	11-12	09-10	10-11	10-11	11-12
	Actual	Adopted	June Amendment	Proposed	Actual	Adopted	June Amend	Proposed	Actual	Adopted	June Amend	Proposed	Actual	Adopted	June Amend	Proposed
Revenue																
Property taxes	2,023,473	2,175,000	2,235,000	2,230,000	291,606	75,000	10,000	-	-	165,000	165,000	165,000	-	128,163	128,163	136,502
Other revenue	151,732	31,279	26,279	26,278	2,349	2,000	1,000	1,000	35,024	1,000	1,000	1,000	-	-	-	-
Total Revenue	2,175,205	2,206,279	2,261,279	2,256,278	293,955	77,000	11,000	1,000	35,024	166,000	166,000	166,000	-	128,163	128,163	136,502
Transfers in (out)	-	-	34,925	-	-	-	(34,925)	-	164,000	12,000	-	-	124,563	-	-	-
Total revenue & transfers	2,175,205	2,206,279	2,296,204	2,256,278	293,955	77,000	(23,925)	1,000	199,024	178,000	166,000	166,000	124,563	128,163	128,163	136,502
Expenditures																
Principal	1,439,143	1,394,979	1,394,979	1,428,860	190,000	160,000	160,000	125,000	160,000	165,000	165,000	170,000	35,000	40,000	40,000	50,000
Interest	834,262	867,936	867,936	947,204	23,750	14,250	14,250	6,250	92,535	86,535	86,535	80,348	89,563	88,163	88,163	86,502
Other	8,526	22,000	22,000	2,000	1,805	2,000	2,000	2,000	311	200	-	200	-	-	-	-
Total expenditures	2,281,931	2,284,915	2,284,915	2,378,064	215,555	176,250	176,250	133,250	252,846	251,735	251,535	250,548	124,563	128,163	128,163	136,502
Excess (deficiency) of revenue over expenditures	(106,726)	(78,636)	11,289	(121,786)	78,400	(99,250)	(200,175)	(132,250)	(53,822)	(73,735)	(85,535)	(84,548)	-	-	-	-
Fund balance - beginning	357,963	251,237	251,237	262,526	254,025	332,425	332,425	132,250	644,277	590,455	590,455	504,920	-	-	-	-
Fund balance - ending	251,237	172,601	262,526	140,740	332,425	233,175	132,250	-	590,455	516,720	504,920	420,372	-	-	-	-

VICKSBURG COMMUNITY SCHOOLS

Building Site Fund

2010-2011 Amended Operating Budget
2011-2012 Preliminary Operating Budget
Proposed June 13, 2011

	Building & Site Fund			
	2009-2010	2010-2011	2010-2011	2011-2012
	Actual	Adopted	June	2011-2012
			Amendment	Proposed
Revenue				
Other income	256,097	2,000	1,500	1,500
Property taxes	856,722	600,000	587,885	-
Total revenue	1,112,819	602,000	589,385	1,500
Other Financing Sources				
Incoming transfers	-	-	-	-
Proceeds from bond issuance	-	-	-	-
Total other financing sources	-	-	-	-
Total revenue and other financing sources	1,112,819	602,000	589,385	1,500
Expenditures - Capital outlay	836,734	900,000	934,079	480,975
Excess (deficiency) of revenue over expenditures	276,085	(298,000)	(344,694)	(479,475)
Fund balance - beginning	788,626	1,064,711	1,064,711	720,017
Fund balance - ending	1,064,711	766,711	720,017	240,542