
MEMORANDUM

TO: Charles Glaes, Superintendent
Members of the Board of Education
FROM: Stephen Goss, Assistant Superintendent
DATE: June 12, 2017
RE: 2016-2017 June Amended Budget
2017-2018 Preliminary Budget

Attached for your review is the June amendment to the 2016-2017 budgets along with the preliminary 2017-2018 budgets. The following is an overview of the revisions to the current year budget as well as the most significant assumptions used in developing the preliminary budgets for next year:

June Amendment to 2016-2017 General Fund Budget:

Total General Fund revenues are projected to increase by approximately \$160,000, or about 0.6%, to \$27.13 million. The following table provides an overview of the most significant changes to projected general fund revenues:

Proceeds from property/casualty insurance claims	\$95,000
Higher than expected enrollment (12 FTE)	90,000
Adjustments to prior years' state aid	45,000
Reduction in size of school bus note issuance	(120,000)
Increases to Sec. 147c MPSERS UAAL Rate Stabilization funds	69,000
Net effect of all other revisions	(19,000)
Total increase to projected revenue	<u>\$160,000</u>

Revised General Fund expenditures, including net inter-fund transfers, total approximately \$27.28 million, which represents an increase of approximately \$352,000, or 1.3%. The majority of that increase is attributable to salaries and benefits, including the effect of settling contracts after the preliminary budget was adopted last summer, scale changes, increases to the FTE of certain positions, etc.

The table on the following page illustrates some of the primary revisions included in the amended expenditure budget:

Summary of significant expenditure revisions:

Salaries and wages, including the effect of FICA and MPSERS (0.75%)	\$133,000
Employee insurances, primarily due to increased participation	110,000
Increase in Sec. 147c MPSERS UAAL Rate Stabilization funds	69,000
Increase in other employee benefits	51,000
Early retirement incentives	40,000
Net increase to supplies and purchased services	74,000
Smaller than budgeted transportation purchase	(120,000)
Net effect of all other changes	(5,000)
Total projected increase to expenditures	<u>\$352,000</u>

Based on these revisions, we are projecting a reduction in fund balance of approximately \$157,000. Using the revised revenue and expenditure assumptions, fund balance would total approximately \$2.41 million, or about 9.1% of next year's projected expenditures. Please note that there is still significant work ahead in closing out our fiscal year, and final results will vary from budgeted figures.

Proposed 2017-2018 Preliminary General Fund Budget:

The 2017-2018 preliminary General Fund budget is based on the following significant assumptions:

- **Enrollment:** We are projecting a decline of 32 students to 2,634. This figure assumes 86 Vicksburg Pathways students. This estimate is based on our annually prepared enrollment projections, and early enrollment data is consistent with those projections. This change is due primarily to the size of the outgoing senior class compared to typical incoming kindergarten/pre-kindergarten classes.
- **State funding:** Per-pupil foundation allowance is estimated at \$7,687; representing an increase of \$176 per pupil, or 2.3% above the current year, based on the current Senate proposal. Gross, this would result in \$463,000 of additional revenue at projected enrollment levels, but would be offset by a loss of \$186,000 in Section 147 MPSERS funding, for a net increase of \$277,000. The Senate proposal also includes approximately \$185,000 in additional restricted funding for at-risk students. Note that while the details of the house and senate proposals differ, they both result in roughly the same net funding levels.
- **Federal funding:** Based on preliminary program allocations, we are expecting a significant reduction in federal funding of approximately \$76,000.
- **Compensation:** Contractually obligated compensation adjustments are reflected in the proposed budget, including: VEA steps and lane changes, VPA steps, as well as a 5.0% increase in health insurance premiums for all employee groups. Please note that the District will be negotiating with all three bargaining groups, and final compensation levels will likely vary from the projected budget.

The following is a summary of the proposed 2016-2017 budget based on the above assumptions:

Total revenues	\$26,442,014
Total expenditures	(26,195,471)
Inter-fund transfers, net	(360,280)
Deficiency of revenues over expenditures	(113,737)
Beginning fund balance, projected	<u>2,408,285</u>
Ending fund balance, projected	\$2,294,548

I look forward to discussing the proposed 2017-2018 budget in more detail at the Board Meeting. In the meantime, please do not hesitate to contact me with questions.

VICKSBURG COMMUNITY SCHOOLS

General Fund

2016-2017 Amended 2017-2018 Preliminary Budgets, Presented June 12, 2017

	2015-2016 Actual	2016-2017 Adopted	2016-2017 June Amendment	2017-2018 Preliminary
Revenue & other financing sources				
Local	2,392,859	2,284,000	2,414,123	2,404,629
State	21,024,453	21,158,463	21,371,937	21,403,409
Federal	450,265	390,000	418,951	343,000
Other	2,094,785	2,235,075	2,142,259	2,290,976
Proceeds from issuance of bus notes	-	900,000	780,334	-
Total Revenue	25,962,362	26,967,538	27,127,604	26,442,014
Expenditures				
Instruction:				
Basic Programs	13,024,872	12,975,597	12,979,411	13,234,384
Added Needs	2,521,001	2,630,184	2,586,420	2,618,165
Adult & Continuing Education	114,254	122,728	107,811	106,404
Total instruction	15,660,127	15,728,509	15,673,642	15,958,953
Supporting Services:				
Pupil Services	1,296,415	1,323,735	1,322,961	1,268,151
Instructional Staff	1,007,667	1,201,358	1,281,746	1,196,410
General Administration	473,460	486,929	527,574	500,412
School Administration	1,529,819	1,544,582	1,592,048	1,593,741
Business	472,364	442,765	431,886	427,572
Operations & Maintenance	1,890,286	1,891,947	2,069,821	1,934,157
Transportation	1,363,430	2,267,786	2,199,439	1,426,920
Central Services	630,245	580,776	642,491	650,296
Athletics	558,688	578,564	627,504	593,075
Total supporting services	9,222,374	10,318,442	10,695,470	9,590,734
Community Services	265,900	277,822	325,539	379,549
Debt retirement	257,026	284,000	266,236	266,235
Total expenditures	25,405,427	26,608,773	26,960,887	26,195,471
Excess (deficiency) of revenues over expenditures	556,935	358,765	166,717	246,543
Other Financing Sources (Uses)				
Transfers from other funds	74,000	75,000	75,000	75,000
Transfers to other funds	(389,223)	(398,657)	(398,657)	(435,280)
Total other financing sources (uses)	(315,223)	(323,657)	(323,657)	(360,280)
Change in fund balance	241,712	35,108	(156,940)	(113,737)
Fund balance - beginning	2,323,513	2,565,225	2,565,225	2,408,285
Fund balance - ending	2,565,225	2,600,333	2,408,285	2,294,548

VICKSBURG COMMUNITY SCHOOLS

School Service Fund

2016-2017 Amended Budget

2017-2018 Preliminary Budget

Presented June 12, 2017

	Food Service			
	2015-2016 Actual	2016-2017 Adopted	2016-2017 June Amendment	2017-2018 June Adopted
Revenue				
Local	474,143	493,700	496,700	495,000
State	54,370	50,000	50,580	51,000
Federal	610,522	595,700	585,900	595,000
Total Revenue	1,139,035	1,139,400	1,133,180	1,141,000
Expenditures - Food service activities	1,081,085	1,080,600	1,072,380	1,085,000
Excess of revenue over expenditures	57,950	58,800	60,800	56,000
Other Financing Sources (Uses)				
Transfer to General Fund (indirect costs)	(74,000)	(75,000)	(75,000)	(75,000)
Change in fund balance	(16,050)	(16,200)	(14,200)	(19,000)
Fund balance - beginning	409,478	393,428	393,428	379,228
Fund balance - ending	393,428	377,228	379,228	360,228

VICKSBURG COMMUNITY SCHOOLS

Debt Retirement Funds 2015-2016 Amended Budget 2016-2017 Preliminary Budget Presented June 12, 2017

	1991 Debt Service				2015 Debt Service Fund				2016 Debt Service Fund				2014 DSF			
	2015-2016	2016-2017	2016-2017	2017-2018	2015-2016	2016-2017	2016-2017	2017-2018	2015-2016	2016-2017	2016-2017	2017-2018	2015-2016	2016-2017	2016-2017	2017-2018
	Actual	Adopted	June Amendment	June Adopted	Actual	Adopted	June Amendment	June Adopted	Actual	Adopted	June Amendment	June Adopted	Actual	Adopted	June Amendment	June Adopted
Revenue																
Property taxes	2,837,910	2,680,000	2,737,550	2,925,000	-	-	-	-	-	-	-	-	780,201	950,000	952,182	824,600
Other revenue	6,780	6,500	5,994	5,000	-	-	53	-	-	-	-	-	559	500	3,722	3,500
Total Revenue	2,844,690	2,686,500	2,743,544	2,930,000	-	-	53	-	-	-	-	-	780,760	950,500	955,904	828,100
Expenditures																
Principal	1,268,170	1,172,322	1,172,322	1,082,923	215,000	225,000	225,000	235,000	110,000	120,000	120,000	210,000	560,000	820,000	820,000	625,000
Interest	1,461,168	1,639,126	1,639,126	1,811,752	15,979	12,398	12,398	10,260	73,223	68,657	16,979	20,280	112,855	174,841	174,841	171,893
Bond issuance costs	-	-	-	-	-	-	-	-	-	-	28,040	-	-	-	-	-
Other	31,392	28,000	28,000	28,000	500	750	500	500	-	-	-	500	5,413	1,000	1,088	1,000
Total expenditures	2,760,730	2,839,448	2,839,448	2,922,675	231,479	238,148	237,898	245,760	183,223	188,657	165,019	230,780	678,268	995,841	995,929	797,893
Excess (deficiency) of revenue over expenditures	83,960	(152,948)	(95,904)	7,325	(231,479)	(238,148)	(237,845)	(245,760)	(183,223)	(188,657)	(165,019)	(230,780)	102,492	(45,341)	(40,025)	30,207
Other Financing Sources (Uses)																
Transfers from other funds	-	-	-	-	206,000	210,000	210,000	204,500	183,223	188,657	168,818	230,780	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	-	-	-	1,560,000	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-	(1,563,799)	-	-	-	-	-
Total other financing sources	-	-	-	-	206,000	210,000	210,000	204,500	183,223	188,657	165,019	230,780	-	-	-	-
Change in fund balance	83,960	(152,948)	(95,904)	7,325	(25,479)	(28,148)	(27,845)	(41,260)	-	-	-	-	102,492	(45,341)	(40,025)	30,207
Fund balance - beginning	400,072	484,032	484,032	388,128	142,598	119,119	119,119	91,274	-	-	-	-	39,212	141,704	141,704	101,679
Fund balance - ending	484,032	331,084	388,128	395,453	117,119	90,971	91,274	50,014	-	-	-	-	141,704	96,363	101,679	131,886

VICKSBURG COMMUNITY SCHOOLS

Building and Site Funds

2015-2016 Amended Operating Budget

2016-2017 Preliminary Operating Budget

Presented June 12, 2017

	Building & Site Fund				2014 Bond Fund			
	2015-2016 Actual	2016-2017 Adopted	2016-2017 June Amendment	2017-2018 June Adopted	2015-2016 Actual	2016-2017 Adopted	2016-2017 June Amendment	2017-2018 June Adopted
Revenue								
Other revenue	97,666	-	12,500	-	3,857	7,500	190,000	7,500
Expenditures - Capital outlay	104,725	-	75,985	-	3,774,795	3,650,000	3,400,000	3,500,000
Excess (deficiency) of revenue over expenditures	(7,059)	-	(63,485)	-	(3,770,938)	(3,642,500)	(3,210,000)	(3,492,500)
Other Financing Sources (Uses)								
Transfers from other funds	-	-	19,836	-	-	-	-	-
Issuance of bonds	-	-	-	-	4,650,000	-	-	4,300,000
Bond issuance costs	-	-	-	-	(32,085)	-	-	(35,000)
Total other financing sources	-	-	19,836	-	4,617,915	-	-	4,265,000
Change in fund balance	(7,059)	-	(43,649)	-	846,977	(3,642,500)	(3,210,000)	772,500
Fund balance - beginning	57,349	50,290	50,290	6,641	3,165,473	4,012,450	4,012,450	802,450
Fund balance - ending	50,290	50,290	6,641	6,641	4,012,450	369,950	802,450	1,574,950