
MEMORANDUM

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

FROM: Stephen Goss, Assistant Superintendent

DATE: June 11, 2018

RE: 2017-2018 June Amended Budget
2018-2019 Preliminary Budget

Attached for your review is the June amendment to the 2017-2018 budgets along with the preliminary 2018-2019 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 2017-2018 General Fund Budget:

The proposed June amendment includes revisions across all areas of the general fund, and are considered routine in nature. Compared to the February amended budget, total General Fund revenues are projected to increase by approximately \$107,000, or about 0.4%, to \$27.21 million. Total General Fund expenditures, including net inter-fund transfers, are expected to increase by approximately \$105,000, or 0.4%, to \$27.25 million.

The net effect of this amendment was to reduce the projected draw down of fund balance by less than \$2,000 to approximately \$43,000. This would result in a total fund balance of approximately \$2.53 million, or about 9.2% 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 2018-2019 Preliminary General Fund Budget:

The 2018-2019 preliminary General Fund budget is based on the following significant assumptions:

- **Enrollment:** We are projecting a decline of 21 students to 2,622. This figure assumes an enrollment of 80 FTE in the Vicksburg Pathways High School. This estimate is based on our annually prepared enrollment projections, and early enrollment data suggests this is a safe estimate. A decline of 21 students will result in revenue loss of approximately \$161,000.
- **Foundation Allowance:** Per-pupil foundation allowance is estimated at \$7,861; representing an increase of \$230 per pupil, or 3.0% above the current year, based on the Senate proposal, prior to the conference committee. At projected enrollment levels, this would result in approximately \$603,000 of additional foundation revenue. Net of enrollment loss, foundation revenue is expected to increase by \$442,000, or 2.2%.

Sec. 147a (MPSERS UAAL) funding is expected to be eliminated in the 2018-2019 budget, which will reduce state revenues by approximately \$350,000. This will be offset by an equal reduction in retirement costs, and will have no impact to the District's bottom line.

- **Federal funding:** Based on preliminary program allocations, we are expecting a reduction in federal funding of approximately \$66,000. Based on past experience, we anticipate increases to allocations later in the fiscal year.
- **Other revenues:** Preliminary budgets for all other revenues result in a net increase of approximately \$143,000.
- **Compensation:** The total cost of compensation, exclusive of retirement funded by Sec. 147(a), are projected to increase by approximately \$490,000, which includes the effect of contractually obligated compensation adjustments including VEA steps and lane changes, VPA steps, a 2.5% increase in health insurance premiums, an increase in the retirement rate, and known/anticipated staffing changes. Please note that the District will be negotiating with all three bargaining groups, and final compensation levels will likely vary from the projected budget. Retirement costs related to Sec. 147(a) funding are expected to decline by approximately \$350,000. This reduction is paired with a corresponding reduction in revenue, and therefore will have no impact on the net results of the district.
- **Non-Compensation:** Preliminary budgets for non-compensation items results in a net increase of approximately \$40,000, or less than 1%.

Summary:

- Based on the assumptions described above, general fund revenues and expenditures are projected to total \$27.38 million and \$27.44 million, respective. Fund balance is expected to reduce by \$0.056 million to \$2.475 million at June 30, 2019, or 9.0% of 2018-2019 expenditures.

I look forward to discussing the proposed 2018-2019 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

2017-2018 Amended Budget

2018-2019 Proposed Budget

Presented June 11, 2018

	2016-2017 Actual	2017-2018 June Adopted	2017-2018 February Amendment	2017-2018 June Amendment	2018-2019 Proposed
Revenue & other financing sources					
Local	2,396,958	2,404,629	2,408,565	2,437,196	2,447,000
State	21,342,852	21,403,409	22,129,878	22,264,575	22,354,123
Federal	376,552	343,000	343,000	397,082	330,821
Other	2,142,914	2,290,976	2,224,306	2,113,430	2,249,579
Proceeds from issuance of bus notes	780,334	-	-	-	-
Total Revenue	27,039,610	26,442,014	27,105,749	27,212,283	27,381,523
Expenditures					
Instruction:					
Basic Programs	12,882,229	13,234,384	13,248,693	13,284,704	13,508,192
Added Needs	2,615,952	2,618,165	2,836,241	2,844,646	2,964,759
Adult & Continuing Education	88,665	106,404	97,373	16,064	-
Total instruction	15,586,846	15,958,953	16,182,307	16,145,414	16,472,951
Supporting Services:					
Pupil Services	1,290,712	1,268,151	1,355,399	1,317,804	1,413,006
Instructional Staff	1,237,383	1,196,410	1,198,108	1,215,532	1,199,839
General Administration	520,207	500,412	563,310	597,035	501,104
School Administration	1,579,866	1,593,741	1,636,853	1,652,919	1,638,299
Business	419,425	427,572	434,110	450,547	448,685
Operations & Maintenance	1,998,986	1,934,157	1,963,804	2,038,024	1,909,132
Transportation	2,187,631	1,426,920	1,470,011	1,405,241	1,435,677
Central Services	659,003	650,296	758,802	750,506	693,442
Athletics	613,423	593,075	581,804	581,064	586,912
Total supporting services	10,506,636	9,590,734	9,962,201	10,008,672	9,826,096
Community Services	344,462	379,549	379,253	490,277	502,678
Debt retirement	269,683	266,235	266,235	265,485	265,484
Total expenditures	26,707,627	26,195,471	26,789,996	26,909,848	27,067,209
Excess (deficiency) of revenues over expenditures	331,983	246,543	315,753	302,435	314,314
Other Financing Sources (Uses)					
Transfers from other funds	75,000	75,000	75,000	75,000	75,000
Transfers to other funds	(398,657)	(435,280)	(435,280)	(420,280)	(445,050)
Total other financing sources (uses)	(323,657)	(360,280)	(360,280)	(345,280)	(370,050)
Change in fund balance	8,326	(113,737)	(44,527)	(42,845)	(55,736)
Fund balance - beginning	2,565,225	2,573,551	2,573,551	2,573,551	2,530,706
Fund balance - ending	2,573,551	2,459,814	2,529,024	2,530,706	2,474,970

VICKSBURG COMMUNITY SCHOOLS

School Service Fund

2017-2018 Amended Budget

2018-2019 Preliminary Budget

Presented June 11, 2018

	Food Service			
	2016-2017	2017-2018	2017-2018	2018-2019
	Actual	Adopted	June Amendment	June Adopted
Revenue				
Local	502,147	495,000	477,000	480,200
State	57,602	51,000	47,561	45,000
Federal	624,062	595,000	612,500	615,500
Total Revenue	1,183,811	1,141,000	1,137,061	1,140,700
Expenditures - Food service activities	1,137,007	1,085,000	1,036,440	1,067,300
Excess of revenue over expenditures	46,804	56,000	100,621	73,400
Other Financing Sources (Uses)				
Transfer to General Fund (indirect costs)	(75,000)	(75,000)	(75,000)	(75,000)
Change in fund balance	(28,196)	(19,000)	25,621	(1,600)
Fund balance - beginning	393,428	365,232	365,232	390,853
Fund balance - ending	365,232	346,232	390,853	389,253

VICKSBURG COMMUNITY SCHOOLS

Debt Retirement Funds
2017-2018 Amended Budget
2018-2019 Preliminary Budget
Presented June 11, 2018

	1991 Debt Service				2015 Debt Service Fund				2016 Debt Service Fund (2007 Bonds)				2014 DSF			
	2016-2017 Actual	2017-2018 Adopted	2017-2018 June Amendment	2018-2019 June Adopted	2016-2017 Actual	2017-2018 Adopted	2017-2018 June Amendment	2018-2019 June Adopted	2016-2017 Actual	2017-2018 Adopted	2017-2018 June Amendment	2018-2019 June Adopted	2016-2017 Actual	2017-2018 Adopted	2017-2018 June Amendment	2018-2019 June Adopted
Revenue																
Property taxes	2,744,753	2,925,000	2,981,080	2,895,000	-	-	-	-	-	-	-	-	956,289	824,600	830,835	1,025,000
Other revenue	-	5,000	15,248	15,000	91	-	-	-	-	-	-	-	-	3,500	3,054	3,000
Total Revenue	2,744,753	2,930,000	2,996,328	2,910,000	91	-	-	-	-	-	-	-	956,289	828,100	833,889	1,028,000
Expenditures																
Principal	1,172,322	1,082,923	1,082,923	995,000	225,000	235,000	235,000	240,000	120,000	210,000	210,000	210,000	820,000	625,000	625,000	685,000
Interest	1,639,166	1,811,752	1,811,752	1,989,700	12,397	10,260	10,260	7,440	16,979	20,280	20,280	17,550	174,840	171,893	171,893	284,899
Bond issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	20,049	28,000	12,967	15,000	500	500	500	500	28,040	500	-	-	7,694	1,000	3,690	5,000
Total expenditures	2,831,537	2,922,675	2,907,642	2,999,700	237,897	245,760	245,760	247,940	165,019	230,780	230,280	227,550	1,002,534	797,893	800,583	974,899
Excess (deficiency) of revenue over expenditures	(86,784)	7,325	88,686	(89,700)	(237,806)	(245,760)	(245,760)	(247,940)	(165,019)	(230,780)	(230,280)	(227,550)	(46,245)	30,207	33,306	53,101
Other Financing Sources (Uses)																
Transfers from other funds	-	-	-	-	210,000	204,500	190,000	217,500	168,818	230,780	230,280	227,550	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	-	1,560,000	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	(1,563,799)	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	210,000	204,500	190,000	217,500	165,019	230,780	230,280	227,550	-	-	-	-
Change in fund balance	(86,784)	7,325	88,686	(89,700)	(27,806)	(41,260)	(55,760)	(30,440)	-	-	-	-	(46,245)	30,207	33,306	53,101
Fund balance - beginning	484,032	397,248	397,248	485,934	117,119	89,313	89,313	33,553	-	-	-	-	141,704	95,459	95,459	128,765
Fund balance - ending	397,248	404,573	485,934	396,234	89,313	48,053	33,553	3,113	-	-	-	-	95,459	125,666	128,765	181,866

VICKSBURG COMMUNITY SCHOOLS

Building and Site Funds

2017-2018 Amended Operating Budget

2018-2019 Preliminary Operating Budget

Presented June 11, 2018

	Building & Site Fund				2014 Bond Fund			
	2016-2017 Actual	2017-2018 Adopted	2017-2018 June Amendment	2018-2019 June Adopted	2016-2017 Actual	2017-2018 Adopted	2017-2018 June Amendment	2018-2019 June Adopted
Revenue								
Other revenue	91,369	-	17,814	-	191,325	7,500	5,306	15,000
Expenditures - Capital outlay	75,984	-	71,307	-	3,331,213	3,500,000	1,500,000	3,150,000
Excess (deficiency) of revenue over expenditures	15,385	-	(53,493)	-	(3,139,888)	(3,492,500)	(1,494,694)	(3,135,000)
Other Financing Sources (Uses)								
Transfers from other funds	19,839	-	-	-	-	-	-	-
Issuance of bonds	-	-	-	-	-	4,300,000	4,344,657	-
Bond issuance costs	-	-	-	-	-	(35,000)	(91,354)	-
Total other financing sources	19,839	-	-	-	-	4,265,000	4,253,303	-
Change in fund balance	35,224	-	(53,493)	-	(3,139,888)	772,500	2,758,609	(3,135,000)
Fund balance - beginning	50,290	85,514	85,514	32,021	4,012,450	872,562	872,562	3,631,171
Fund balance - ending	85,514	85,514	32,021	32,021	872,562	1,645,062	3,631,171	496,171