
MEMORANDUM

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

FROM: Stephen Goss, Assistant Superintendent

DATE: June 13, 2016

RE: 2015-2016 June Amended Budget
2016-2017 Preliminary Budget

Attached for your review is the June amendment to the 2015-2016 budgets along with the preliminary 2016-2017 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 2015-2016 General Fund Budget:

Total General Fund revenues are projected to increase by approximately \$404,000, or about 1.6%, to \$25.89 million. The following table provides an overview of the most significant changes to projected general fund revenues:

Higher than projected local grants and other local revenue	\$90,000
Lower than expected enrollment (11.7 FTE)	(83,000)
Adjustments to prior years' state aid	105,000
Net increase to projected federal funding compared to initial projections	61,000
Increases to state categorical grants compared to initial projections	156,000
Net effect of all other revisions	75,000
Total increase to projected revenue	<u>\$404,000</u>

Revised General Fund expenditures, including inter-fund transfer, total approximately \$25.87 million, which represents an increase of approximately \$568,000, or 2.2%. 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 (1.8%)	\$382,000
Net reduction to supplies and purchased services	(79,000)
Increases to capital outlay, (EFE, Athletic fields, Playgrounds)	244,000
Net effect of all other changes	21,000
Total projected increase to expenditures	<u>\$568,000</u>

Based on these revisions, we are projecting essentially a balanced budget with a small surplus of \$13,968. Using the revised revenue and expenditure assumptions, fund balance would total \$2.34 million, or about 8.9% 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 2016-2017 Preliminary General Fund Budget:

The 2016-2017 preliminary General Fund budget is based on the following significant assumptions:

- Foundation Allowance: \$7,511; representing an increase of \$120 per pupil, or 1.6% above the current year. This would result in \$320,000 of additional revenue at current enrollment levels.
- Enrollment: We are projecting a decline of 16 students to 2,571. This figure assumes 82 Vicksburg Pathways students.
- Federal funding: Based on preliminary program allocations, we are expecting a reduction in federal funding of approximately \$85,000. It is possible that additional funds will be allocated to the district later in the year.
- 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 budget includes \$900,000 as the estimated cost for bus and van purchases and the related note proceeds.

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

Total revenues & other sources	\$26,967,538
Total expenditures	(26,608,773)
Inter-fund transfers, net	<u>(323,657)</u>
Excess of revenues over expenditures	35,108
Beginning fund balance, projected	<u>2,337,481</u>
Ending fund balance, projected	<u><u>\$2,372,589</u></u>

I look forward to discussing the proposed 2016-2017 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

2015-2016 Amended 2016-2017 Preliminary Budgets, Presented June 13, 2016

	2014-2015 Actual	2015-2016 Adopted	2015-2016 June Amendment	2016-2017 June Adopted
Revenue & other financing sources				
Local	2,250,979	2,272,115	2,361,934	2,284,000
State	20,360,328	20,742,597	20,971,035	21,158,463
Federal	381,899	414,330	474,987	390,000
Other	1,668,845	2,053,363	2,078,514	2,235,075
Proceeds from issuance of bus notes	-	-	-	900,000
Total Revenue	24,662,051	25,482,405	25,886,470	26,967,538
Expenditures				
Instruction:				
Basic Programs	12,848,901	12,908,360	13,056,827	12,975,597
Added Needs	2,274,847	2,388,001	2,546,630	2,630,184
Adult & Continuing Education	108,487	119,833	121,411	122,728
Total instruction	15,232,235	15,416,194	15,724,868	15,728,509
Supporting Services:				
Pupil Services	1,288,285	1,285,498	1,299,283	1,323,735
Instructional Staff	744,567	861,995	1,014,530	1,201,358
General Administration	462,836	479,155	490,490	486,929
School Administration	1,427,047	1,470,111	1,532,211	1,544,582
Business	404,556	422,070	483,319	442,765
Operations & Maintenance	2,031,467	2,054,195	1,894,552	1,891,947
Transportation	1,238,767	1,326,878	1,366,525	2,267,786
Central Services	608,299	588,035	645,574	580,776
Athletics	584,514	570,029	583,852	578,564
Total supporting services	8,790,338	9,057,966	9,310,336	10,318,442
Community Services	242,990	259,494	266,049	277,822
Debt retirement	257,226	256,276	257,026	284,000
Total expenditures	24,522,789	24,989,930	25,558,279	26,608,773
Excess (deficiency) of revenues over expenditures	139,262	492,475	328,191	358,765
Other Financing Sources (Uses)				
Transfers from other funds	73,000	75,000	75,000	75,000
Transfers to other funds	(368,657)	(389,223)	(389,223)	(398,657)
Total other financing sources (uses)	(295,657)	(314,223)	(314,223)	(323,657)
Change in fund balance	(156,395)	178,252	13,968	35,108
Fund balance - beginning	2,479,908	2,323,513	2,323,513	2,337,481
Fund balance - ending	2,323,513	2,501,765	2,337,481	2,372,589

VICKSBURG COMMUNITY SCHOOLS

School Service Fund 2015-2016 Amended Budget 2016-2017 Preliminary Budget Presented June 13, 2016

	Food Service			
	2014-2015 Actual	2015-2016 Adopted	2015-2016 June Amendment	2016-2017 June Adopted
Revenue				
Local	510,093	500,000	479,050	493,700
State	39,421	40,000	49,500	50,000
Federal	577,566	560,000	585,400	595,700
Total Revenue	1,127,080	1,100,000	1,113,950	1,139,400
Expenditures - Food service activities	1,023,781	1,025,000	1,032,100	1,080,600
Excess of revenue over expenditures	103,299	75,000	81,850	58,800
Other Financing Sources (Uses)				
Transfer to General Fund (indirect costs)	(73,000)	(75,000)	(75,000)	(75,000)
Change in fund balance	30,299	-	6,850	(16,200)
Fund balance - beginning	379,179	409,478	409,478	416,328
Fund balance - ending	409,478	409,478	416,328	400,128

VICKSBURG COMMUNITY SCHOOLS

Debt Retirement Funds
2015-2016 Amended Budget
2016-2017 Preliminary Budget
Presented June 13, 2016

	1991 Debt Service				2005 Debt Service Fund				2007 Debt Service Fund				2014 DSF			
	2014-2015	2015-2016	2016-2017		2014-2015	2015-2016	2016-2017		2014-2015	2015-2016	2016-2017		2014-2015	2015-2016	2016-2017	
	Actual	Adopted	June Adopted		Actual	Adopted	June Adopted		Actual	Adopted	June Adopted		Actual	Amendment	June Adopted	
Revenue																
Property taxes	2,734,105	2,825,000	2,680,000		-	-	-		-	-	-		751,992	779,712	950,000	
Other revenue	7,780	5,000	6,500		11	-	-		-	-	-		742	555	500	
Total Revenue	2,741,885	2,830,000	2,686,500		11	-	-		-	-	-		752,734	780,267	950,500	
Expenditures																
Principal	1,358,864	1,268,170	1,172,322		190,000	215,000	225,000		100,000	110,000	120,000		615,000	560,000	820,000	
Interest	1,294,473	1,461,168	1,639,126		33,705	15,980	12,398		77,372	73,223	68,657		97,772	112,855	174,841	
Bond issuance costs	-	-	-		28,442	-	-		-	-	-		-	-	-	
Other	28,448	27,000	28,000		-	1,000	750		-	-	-		750	1,000	1,000	
Total expenditures	2,681,785	2,756,338	2,839,448		252,147	231,980	238,148		177,372	183,223	188,657		713,522	673,855	995,841	
Excess (deficiency) of revenue over expenditures	60,100	73,662	(152,948)		(252,136)	(231,980)	(238,148)		(177,372)	(183,223)	(188,657)		39,212	106,412	(45,341)	
Other Financing Sources (Uses)																
Transfers from other funds	-	-	-		191,285	206,000	210,000		177,372	183,223	188,657		-	-	-	
Bonds issued	-	-	-		1,155,000	-	-		-	-	-		-	-	-	
Payment to escrow agent	-	-	-		(1,376,558)	-	-		-	-	-		-	-	-	
Total other financing sources	-	-	-		(30,273)	206,000	210,000		177,372	183,223	188,657		-	-	-	
Change in fund balance	60,100	73,662	(152,948)		(282,409)	(25,980)	(28,148)		-	-	-		39,212	106,412	(45,341)	
Fund balance - beginning	339,972	400,072	473,734		425,007	142,598	116,618		-	-	-		-	39,212	145,624	
Fund balance - ending	400,072	473,734	320,786		142,598	116,618	88,470		-	-	-		39,212	145,624	100,283	

VICKSBURG COMMUNITY SCHOOLS

Building and Site Funds 2015-2016 Amended Operating Budget 2016-2017 Preliminary Operating Budget Presented June 13, 2016

	Building & Site Fund				2014 Bond Fund			
	2014-2015 Actual	2015-2016 Adopted	2015-2016 June Amendment	2016-2017 June Adopted	2014-2015 Actual	2015-2016 Adopted	2015-2016 June Amendment	2016-2017 June Adopted
Revenue								
Other revenue	-	-	-	-	7,930	5,000	2,128	7,500
Expenditures - Capital outlay	159,020	60,000	50,000	-	3,257,896	4,000,000	3,100,000	3,650,000
Excess (deficiency) of revenue over expenditures	(159,020)	(60,000)	(50,000)	-	(3,249,966)	(3,995,000)	(3,097,872)	(3,642,500)
Other Financing Sources (Uses)								
Issuance of bonds	-	-	-	-	-	-	4,650,000	-
Bond issuance costs	-	-	-	-	-	-	(45,735)	-
Total other financing sources	-	-	-	-	-	-	4,604,265	-
Change in fund balance	(159,020)	(60,000)	(50,000)	-	(3,249,966)	(3,995,000)	1,506,393	(3,642,500)
Fund balance - beginning	216,369	57,349	57,349	7,349	6,415,439	3,165,473	3,165,473	4,671,866
Fund balance - ending	57,349	(2,651)	7,349	7,349	3,165,473	(829,527)	4,671,866	1,029,366