
MEMORANDUM

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

FROM: Stephen Goss, Assistant Superintendent

DATE: February 11, 2013

RE: 2012-2013 Amended General Fund Budget

Attached for your review is a proposed amendment to the General Fund budget for the year ending June 30, 2013. The following is a summary of the most significant revisions and assumptions used in developing the amendment:

Revenues:

General Fund revenues are projected to total \$22.05 million, which represents a strong increase from the June adopted budget of \$21.25 million. This \$800,000 or 3.75% increase is summarized in the table below:

Projected vs. Actual Enrollment:	
General K-12 (2,495 vs. 2,550=55)	\$391,000
Vicksburg WAY (60 vs. 70=10)	<u>71,000</u>
Total (2,555 vs. 2,620=65)	462,000
Increased Title I allocation	135,000
Increased special education allocation (KRESA)	76,000
Increased Sec. 51a special ed funding (State of Michigan)	122,000
Other adjustments, net	<u>5,000</u>
Total projected revenue increase	<u><u>\$800,000</u></u>

Expenditures:

The large increase in projected revenues was largely offset by increases to expenditures. Compared to the June adopted budget, general fund expenditures are projected to increase by approximately \$584,000, or approximately 2.7%, from \$21.96 million to \$22.54 million. The most significant budget revisions are summarized in the table on the following page:

	<u>Increase (decrease)</u>
Salaries:	
Payout under 2012 VEA agreement	\$55,000
Increases to instructional and instructional support staffing	83,000
Additional custodial position	33,000
Other adjustments, net	<u>13,000</u>
Total increase to budgeted salaries	187,000
Benefits:	
Health insurance, due to increased participation	78,000
MPSERS, due to mid-year rate increase and salary increase	87,000
Other adjustments, net	<u>9,000</u>
Total increase to employee benefits	174,000
Supplies:	
Technology for additional Vicksburg WAY enrollments	23,000
Increase to electricity	16,000
Instructional supplies	75,000
Other increases, net	<u>16,000</u>
Total increase to supply budgets	130,000
Purchased Services:	
Service fee for additional WAY enrollments	49,000
Professional development/evaluation system	<u>13,000</u>
Total increase to purchased service budgets	62,000
Capital Outlay and Other:	
Computer purchase	31,000
Copiers	15,000
Other adjustments, net	<u>(15,000)</u>
Total increase to capital outlay and other budgets	<u>31,000</u>
Total increase to budgeted expenditures	<u><u>\$584,000</u></u>

Based on the budget revisions outlined above, we anticipate a shortfall in the current year of approximately \$494,000. This is an improvement over our June estimate of \$708,000, but still represents a significant drawdown of fund equity. If our budget performs as expected for the balance of the fiscal year, year-end fund equity would total \$2.2 million, or about 9.8% of our current year budget.

As always, please remember that this amendment is neither a best-case nor worst-case scenario; it simply represents our best estimates based on the information currently available. Changes in assumptions over the remainder of the school year may significantly impact our final results.

I look forward to presenting the budget in more detail at the board meeting. In the meantime, please do not hesitate to contact me if you have any questions.

VICKSBURG COMMUNITY SCHOOLS

General Fund

2012-2013 February Amended Budget

Presented February 11, 2013

	2011-2012 Actual	2012-2013 June Adopted	February 2013 Amendment
Revenue			
Local	2,646,449	2,667,615	2,610,982
State	16,789,518	17,279,510	17,902,627
Federal	506,490	442,507	587,854
Other	902,996	796,486	875,381
Total Revenue	20,845,453	21,186,118	21,976,844
Transfers from other funds	73,462	65,000	72,500
Total revenue and other sources	20,918,915	21,251,118	22,049,344
Expenditures			
Instruction:			
Basic Programs	9,938,675	10,629,266	10,986,234
Added Needs	2,180,101	2,092,081	2,160,569
Adult & Continuing Education	93,110	517,002	626,878
Total instruction	12,211,886	13,238,349	13,773,681
Supporting Services:			
Pupil Services	1,096,256	1,146,670	1,139,176
Instructional Staff	698,174	585,882	612,146
General Administration	505,817	473,986	482,241
School Administration	1,275,686	1,304,379	1,311,592
Business	452,770	430,528	431,206
Operations & Maintenance	1,993,321	1,915,175	2,002,238
Transportation	1,402,701	1,480,283	1,428,667
Central Services	461,328	500,484	529,390
Athletics	524,442	495,962	498,928
Total supporting services	8,410,495	8,333,349	8,435,584
Community Services	279,674	286,204	257,711
Payments to other governmental units	67,163	71,100	72,100
Debt retirement	35,276	30,343	3,850
Total expenditures	21,004,494	21,959,345	22,542,926
Excess (deficiency) of revenues over expenditures	(85,579)	(708,227)	(493,582)
Fund balance - beginning	2,783,764	2,698,185	2,698,185
Fund balance - ending	2,698,185	1,989,958	2,204,603