



**FOREST LAKE AREA SCHOOLS
FOREST LAKE, MN 55025**

August 1, 2013

AGENDA ITEM: 9.6

TOPIC: FY 2013 BUDGET ADJUSTMENT

BACKGROUND: Each month the revenue and expenditure budgets are reviewed and compared to the prior year's budget for trend analysis and program review. The proposed debt service fund budget adjustments result in a reduced debt service fund balance. After we provide the Minnesota Department of Education with our principal and interest amortizations schedules, they manage our debt service fund and taxing authority for us. This budget adjustment will match our actual debt service amounts more closely.

PROCESS: The business office has determined that the debt service expenditure budget will need to increase by \$517,691. This will directly reduce the anticipated debt service fund balance by \$517,691. The revised fund balance estimate at the end of the 2013 fiscal Year is estimated at an amount of \$395,448.

The debt service fund balance cannot be spent on school operations and is managed by the Minnesota Department of Education.

RECOMMENDATION: Recommend approval of the debt service expenditure budget adjustment listed above.