

2017-18

PRELIMINARY BUDGET



INDEPENDENT SCHOOL DISTRICT 549

Perham, MN

The Preliminary budget represent the planning that has taken place over the last several months to bring a recommendation to the School Board for the 2017-18 school year. The budget is based upon estimates and actions approved by the Board of Education during the budget process.

General Fund:

The majority of General Fund revenue is provided through the foundation and levy formulas through the Minnesota Department of Education. General Fund revenues are projected to increase by 3.18%. This increase is primarily due to legislative changes. The per pupil unit funding increased by 2% or by approximately \$121 per pupil unit for the 2017-18 school year. Long Term Facility Maintenance (LTFM) is a newer funding source that is being increased each year for three years. The 2017-18 school year is the second year of funding for LTFM and adds an additional \$151,110 for 2017-18.

The 2017-18 budget is based on a projected enrollment of 1389 students in grades K-12th, which is an increase of 10 students from the end of the 2016-17 school year.

General Fund expenditures are projected to increase by approximately 4.51%. The increase is primarily due a number of deferred maintenance projects that the district is planning for the summer of 2017. The LTFM revenue as well as operating capital will be used to fund these projects.

The 2017-18 preliminary budget is showing a surplus of \$ 83,725. The School Board should keep in mind that there are several factors that are unknown at this point but which could change the budget significantly. These factors include:

- PEA Negotiations
- MSEA Negotiations
- Other Contract Negotiations
- Title I and II Allocations
- Enrollment

These factors will be reviewed and the budget revised when more information is available.

Food Service Fund: Revenue in the food service fund is provided by the sale of meals to students and staff as well as federal and state reimbursement for meals served to students. The food service fund is projecting a slight surplus for the 2017-18 school year.

The **Community Service Fund** is budgeted to have revenue that exceeds the expenditures for 2017-18. The community service fund programs include ECFE, School Readiness/Preschool, Preschool Screening, After School Enrichment, Driver's Education, the Community Musical and Community Education classes and offerings. Community education is working to expand class offerings and to increase revenue.

Building Construction Fund: The proceeds from the sale of bonds in March 2016 were placed into this fund and will be used for the building projects over the next several years.

OPEB Trust Fund holds the funds that were placed in an irrevocable trust arrangement for post-employment benefits. The district transfers money from this fund each year to pay the cost of retiree health insurance as well as the implicit liability incurred for all employees health insurance.

The **Debt Service Fund** and the **OPEB Debt Service Fund** pay the district's bonded debt. Part of the Bond Sale proceeds was placed in the Debt Service fund in March of 2016. The bond proceeds and the Payable 2017 Levy will be used to make our Debt Service payment. In the 2016-17 school year the district made the final principal payment of the OPEB Bonds.

PERHAM-DENT PUBLIC SCHOOLS
ISE NO. 549
PRELIMINARY BUDGET FOR 2017-18

MOTION BY _____
 TO APPROVE THE PRELIMINARY 2017-18 BUDGET
 AS FOLLOWS:

	REVENUE	EXPENDITURES
GENERAL FUND	\$ 16,768,856.00	\$ 16,721,530.00
FOOD SERVICE FUND	\$ 859,800.00	\$ 859,453.00
COMMUNITY ED FUND	\$ 464,639.00	\$ 463,113.00
DEBT SERVICE FUND	\$ 3,118,607.00	\$ 2,970,100.00
OPEB TRUST	\$ 10,000.00	\$ 200,000.00
OPEB DEBT SERVICE	\$ -	\$ -
TOTAL	\$ 21,221,902.00	\$ 21,214,196.00
BUILDING CONSTRUCTION FUND	\$ 478,000.00	\$ 32,000,000.00

SECONDED BY _____

PERHAM-DENT PUBLIC SCHOOLS
ISD NO. 549
COMPARISON OF 2016-17 BUDGET & 2017-18 BUDGET

	REVENUE	EXPENDITURES	
GENERAL FUND			
2016-17 Budget	\$ 16,252,520.08	\$ 15,965,076.97	\$ 287,443.11
2017-18 Preliminary Budget	\$ 16,768,856.00	\$ 16,685,131.00	\$ 83,725.00
FOOD SERVICE FUND			
2016-17 Budget	\$ 854,850.00	\$ 853,944.00	\$ 906.00
2017-18 Preliminary Budget	\$ 859,800.00	\$ 859,453.00	\$ 347.00
COMMUNITY ED FUND			
2016-17 Budget	\$ 473,105.00	\$ 461,631.74	\$ 11,473.26
2017-18 Preliminary Budget	\$ 464,639.00	\$ 463,113.00	\$ 1,526.00
BUILDING CONSTRUCTION FUND			
2016-17 Budget	\$ 100,000.00	\$ 28,361,706.00	\$ (28,261,706.00)
2017-18 Preliminary Budget	\$ 478,000.00	\$ 32,000,000.00	\$ (31,522,000.00)
DEBT SERVICE FUND			
2016-17 Budget	\$ 2,599,891.00	\$ 3,147,790.00	\$ (547,899.00)
2017-18 Preliminary Budget	\$ 3,118,607.00	\$ 2,970,100.00	\$ 148,507.00
OPEB TRUST			
2016-17 Budget	\$ 15,000.00	\$ 170,000.00	\$ (155,000.00)
2017-18 Preliminary Budget	\$ 10,000.00	\$ 200,000.00	\$ (190,000.00)
OPEB DEBT SERVICE			
2016-17 Budget	\$ 507,780.00	\$ 651,000.00	\$ (143,220.00)
2017-18 Preliminary Budget	\$ -	\$ -	\$ -

PERHAM-DENT PUBLIC SCHOOLS

ISD NO. 549

COMPARISON OF 2015-16 BUDGET & 2016-17 REVENUE BUDGET

REVENUE	BUDGET 2017-18	BUDGET 2016-17	PERCENT CHANGE
01 - GENERAL FUND			
Local Revenue	\$ 3,204,400	\$ 3,218,366	-0.43%
State Revenue	\$ 13,075,109	\$ 12,541,290	4.26%
Federal Revenue	\$ 289,347	\$ 322,864	-10.38%
Fund Transfer	\$ 200,000	\$ 170,000	17.65%
TOTAL GENERAL FUND	\$ 16,768,856	\$ 16,252,520	3.18%
02 - FOOD SERVICE FUND			
Local Revenue	\$ 336,000	\$ 328,100	2%
State Revenue	\$ 71,500	\$ 81,000	-12%
Federal Revenue	\$ 452,300	\$ 445,750	1%
TOTAL FOOD SERVICE	\$ 859,800	\$ 854,850	1%
04 - COMMUNITY SERVICE FUND			
Local Revenue	\$ 372,847	\$ 382,674	-3%
State Revenue	\$ 91,792	\$ 90,431	2%
TOTAL COMMUNITY SERVICE	\$ 464,639	\$ 473,105	-2%
06 - BUILDING CONSTRUCTION FUND			
Local Revenue	\$ 478,000	\$ 100,000	
State Revenue	\$ -	\$ -	
TOTAL DEBT SERVICE	\$ 478,000.00	\$ 100,000.00	
07 - DEBT SERVICE FUND			
Local Revenue	\$ 3,118,607	\$ 2,599,891	20%
State Revenue	\$ -	\$ -	
TOTAL DEBT SERVICE	\$ 3,118,607.00	\$ 2,599,891.00	20%
45 - OPEB TRUST FUND			
Local Revenue	\$ 10,000	\$ 15,000	-33%
TOTAL DEBT SERVICE	\$ 10,000	\$ 15,000	-33%
45 - OPEB DEBT SERVICE FUND			
Local Revenue	\$ -	\$ 507,780	-100%
State Revenue	\$ -	\$ -	1.00%
TOTAL DEBT SERVICE	\$ -	\$ 507,780	-100%
TOTAL REVENUE	21,699,902.00	20,803,146.00	4.31%

PERHAM-DENT PUBLIC SCHOOLS

ISD NO. 549

COMPARISON OF 2016-17 BUDGET & 2017-18 EXPENDITURE BUDGET

	2017-18	2016-17	CHANGE
01 - GENERAL FUND			
000 - School/Dist Administration	\$ 838,061	\$ 807,593	3.77%
100 - District Support Services	\$ 465,244	\$ 443,413	4.92%
200 - Regular Instruction	\$ 6,966,089	\$ 6,633,777	5.01%
300 - Vocational Instruction	\$ 358,233	\$ 358,233	0.00%
400 - Exceptional Instruction	\$ 2,323,446	\$ 2,323,176	0.01%
600 - Instructional Support Serv	\$ 936,439	\$ 926,539	1.07%
700 - Pupil Support Services	\$ 1,786,871	\$ 1,817,387	-1.68%
800 - Site, Building & Equipment	\$ 2,792,248	\$ 2,333,159	19.68%
900 - Fiscal and Fixed Costs	\$ 218,500	\$ 321,800	-32.10%
TOTAL GENERAL FUND	\$ 16,685,131	\$ 15,965,077	4.51%
02 - FOOD SERVICE FUND	\$ 859,453	\$ 853,944	0.65%
04 - COMMUNITY SERVICE FUND	\$ 463,113	\$ 461,632	0.32%
06 - BUILDING CONSTRUCTION FUND	\$ 32,000,000	\$ 28,361,706	12.83%
07 - DEBT SERVICE FUND	\$ 2,970,100	\$ 3,147,790	
45 - OPEB TRUST	\$ 200,000	\$ 170,000	17.65%
47 - OPEB DEBT SERVICE	\$ -	\$ 651,000	-100.00%
TOTAL EXPENDITURES:	\$ 53,177,797	\$ 49,611,149	7.19%