

**2018-19**

**PRELIMINARY BUDGET**



**INDEPENDENT SCHOOL DISTRICT 549**

**Perham, MN**

The Preliminary budget represents the planning that has taken place over the last several months to bring a recommendation to the School Board for the 2018-19 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(MDE). General Fund revenues are projected to increase by .64%. While the basic aid from MDE increased by 2% per pupil unit, the slight increase is primarily due to the end of the Capital Projects Levy. This levy was approved by the voters for 5 years and was completed in the 2017-18 school year. The per pupil unit funding increased by 2% or by approximately \$124 per pupil unit for the 2018-19 school year. Long Term Facility Maintenance (LTFM) is a newer funding source that is being increased each year for three years. The 2018-19 school year is the third year of funding for LTFM and adds an additional \$131910 for 2018-19. The amount of LTFM aid received will decrease in future years once the new High School is complete, as it is based on the age of our buildings.

The 2018-19 budget is based on a conservative projected enrollment of 1468 students in grades K-12th, which is an increase of 35 students from the end of the 2017-18 school year. The 2018 graduating class was relatively small and will be replaced by a large kindergarten class estimated to be approximately 110 students.

General Fund expenditures are projected to increase by approximately .08% The slight increase is primarily due a number of deferred maintenance projects that the district has completed.

The 2018-19 preliminary budget is showing a surplus of \$ 114,189. 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:

- 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 2018-19 school year. The new High School provides increased opportunities to increase participation in the food service program particularly at the high school level.

The **Community Service Fund** is budgeted to have revenue that exceeds the expenditures for 2018-19. 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. Perham has partnered with the Frazee School District 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 are used for the building projects. It is anticipated that this fund will be completed over this year as the building project is completed.

**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** pays the district's bonded debt. The district levies for the funds to repay the bond over the next 20 years. The bond payments will be completed in the 2036-37 school year.

**PERHAM-DENT PUBLIC SCHOOLS  
ISE NO. 549  
PRELIMINARY BUDGET FOR 2018-19**

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MOTION BY \_\_\_\_\_  
TO APPROVE THE PRELIMINARY 2018-19 BUDGET  
AS FOLLOWS:

	REVENUE	EXPENDITURES
GENERAL FUND	\$ 17,307,237.00	\$ 17,193,048.00
FOOD SERVICE FUND	\$ 942,276.00	\$ 937,289.00
COMMUNITY ED FUND	\$ 522,561.00	\$ 521,854.00
DEBT SERVICE FUND	\$ 3,118,918.00	\$ 2,970,400.00
OPEB TRUST	\$ 12,000.00	\$ 200,000.00
TOTAL	\$ 21,902,992.00	\$ 21,822,591.00

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BUILDING CONSTRUCTION FUND	\$ 200,000.00	\$ 9,000,000.00
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SECONDED BY \_\_\_\_\_

**PERHAM-DENT PUBLIC SCHOOLS**  
**ISD NO. 549**  
**COMPARISON OF 2017-18 BUDGET & 2018-19 BUDGET**

	REVENUE	EXPENDITURES	
<b>GENERAL FUND</b>			
2017-18 Budget	\$ 17,197,591.00	\$ 17,179,838.00	\$ 17,753.00
2018-19 Preliminary Budget	\$ 17,307,237.00	\$ 17,193,048.00	\$ 114,189.00
<b>FOOD SERVICE FUND</b>			
2017-18 Budget	\$ 859,800.00	\$ 859,453.00	\$ 347.00
2018-19 Preliminary Budget	\$ 942,276.00	\$ 937,289.00	\$ 4,987.00
<b>COMMUNITY ED FUND</b>			
2017-18 Budget	\$ 464,639.00	\$ 463,113.00	\$ 1,526.00
2018-19 Preliminary Budget	\$ 522,561.00	\$ 521,854.00	\$ 707.00
<b>BUILDING CONSTRUCTION FUND</b>			
2017-18 Budget	\$ 478,000.00	\$ 32,000,000.00	\$ (31,522,000.00)
2018-19 Preliminary Budget	\$ 200,000.00	\$ 9,000,000.00	\$ (8,800,000.00)
<b>DEBT SERVICE FUND</b>			
2017-18 Budget	\$ 3,118,607.00	\$ 2,970,100.00	\$ 148,507.00
2018-19 Preliminary Budget	\$ 3,118,918.00	\$ 2,970,400.00	\$ 148,518.00
<b>OPEB TRUST</b>			
2017-18 Budget	\$ 10,000.00	\$ 200,000.00	\$ (190,000.00)
2018-19 Preliminary Budget	\$ 12,000.00	\$ 200,000.00	\$ (188,000.00)

**PERHAM-DENT PUBLIC SCHOOLS**

**ISD NO. 549**

**COMPARISON OF 2017-18 BUDGET & 2018-19 REVENUE BUDGET**

REVENUE	BUDGET 2018-19	BUDGET 2017-18	PERCENT CHANGE
<b>01 - GENERAL FUND</b>			
Local Revenue	\$ 2,908,318	\$ 3,333,736	-12.76%
State Revenue	\$ 14,146,169	\$ 13,415,533	5.45%
Federal Revenue	\$ 252,750	\$ 248,322	1.78%
Fund Transfer	\$ -	\$ 200,000	-100.00%
<b>TOTAL GENERAL FUND</b>	<b>\$ 17,307,237</b>	<b>\$ 17,197,591</b>	<b>0.64%</b>
<b>02 - FOOD SERVICE FUND</b>			
Local Revenue	\$ 390,500	\$ 336,000	16%
State Revenue	\$ 74,745	\$ 71,500	5%
Federal Revenue	\$ 477,031	\$ 452,300	5%
<b>TOTAL FOOD SERVICE</b>	<b>\$ 942,276</b>	<b>\$ 859,800</b>	<b>10%</b>
<b>04 - COMMUNITY SERVICE FUND</b>			
Local Revenue	\$ 425,393	\$ 372,347	14%
State Revenue	\$ 97,168	\$ 92,617	5%
<b>TOTAL COMMUNITY SERVICE</b>	<b>\$ 522,561</b>	<b>\$ 464,964</b>	<b>12%</b>
<b>06 - BUILDING CONSTRUCTION FUND</b>			
Local Revenue	\$ 200,000	\$ 478,000	
State Revenue	\$ -	\$ -	
<b>TOTAL DEBT SERVICE</b>	<b>\$ 200,000.00</b>	<b>\$ 478,000.00</b>	
<b>07 - DEBT SERVICE FUND</b>			
Local Revenue	\$ 3,118,918	\$ 3,118,607	0%
State Revenue	\$ -	\$ -	0%
<b>TOTAL DEBT SERVICE</b>	<b>\$ 3,118,918.00</b>	<b>\$ 3,118,607.00</b>	<b>0%</b>
<b>45 - OPEB TRUST FUND</b>			
Local Revenue	\$ 12,000	\$ 10,000	20%
<b>TOTAL DEBT SERVICE</b>	<b>\$ 12,000</b>	<b>\$ 10,000</b>	<b>20%</b>
<b>TOTAL REVENUE</b>	<b>22,102,992.00</b>	<b>22,128,962.00</b>	<b>-0.12%</b>

**PERHAM-DENT PUBLIC SCHOOLS**

**ISD NO. 549**

**COMPARISON OF 2017-18 BUDGET & 2018-19 EXPENDITURE BUDGET**

	<b>2018-19</b>	<b>2017-18</b>	<b>CHANGE</b>
<b>01 - GENERAL FUND</b>			
000 - School/Dist Administration	\$ 939,025	\$ 878,904	6.84%
100 - District Support Services	\$ 536,827	\$ 495,516	8.34%
200 - Regular Instruction	\$ 7,408,864	\$ 6,846,300	8.22%
300 - Vocational Instruction	\$ 432,950	\$ 424,503	1.99%
400 - Exceptional Instruction	\$ 2,782,923	\$ 2,630,520	5.79%
600 - Instructional Support Serv	\$ 846,530	\$ 1,040,580	-18.65%
700 - Pupil Support Services	\$ 1,812,819	\$ 1,806,333	0.36%
800 - Site, Building & Equipment	\$ 2,231,110	\$ 2,859,182	-21.97%
900 - Fiscal and Fixed Costs	\$ 202,000	\$ 198,000	2.02%
<b>TOTAL GENERAL FUND</b>	<b>\$ 17,193,048</b>	<b>\$ 17,179,838</b>	<b>0.08%</b>
<b>02 - FOOD SERVICE FUND</b>	<b>\$ 937,289</b>	<b>\$ 859,453</b>	<b>9.06%</b>
<b>04 - COMMUNITY SERVICE FUND</b>	<b>\$ 521,854</b>	<b>\$ 463,113</b>	<b>12.68%</b>
<b>06 - BUILDING CONSTRUCTION FUND</b>	<b>\$ 9,000,000</b>	<b>\$ 32,000,000</b>	<b>-71.88%</b>
<b>07 - DEBT SERVICE FUND</b>	<b>\$ 2,970,400</b>	<b>\$ 2,970,100</b>	
<b>45 - OPEB TRUST</b>	<b>\$ 200,000</b>	<b>\$ 200,000</b>	<b>0.00%</b>
 <b>TOTAL EXPENDITURES:</b>	 <b>\$ 30,822,591</b>	 <b>\$ 53,672,504</b>	 <b>-42.57%</b>