

Paw Paw Public Schools

Budget Proposal 2015/16

(Financial Planning Policy 2201)

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2015/16 Preliminary Budget Summary Information

Budget cycle

School budgets are required by law to be adopted prior to the July start of the fiscal year. Additionally, Board Fiscal Planning Policy 2201 addresses the need for a budget. Our budget calendar has a budget presented to the board in May preceding the fiscal year with a budget hearing and adoption in June. The May presentation is the best information we have at the time. It requires that we make many assumptions about the funding from the state, the enrollment which is a critical component of the funding formula, the staffing levels, and the actual staff filling positions, insurance rates, fuel rates, and other significant items.

As things firm up regarding our assumptions and actual counts or rates we will provide updates on significant items during the year with a budget revision being presented in December for a January adoption. We do a final budget revision in the spring.

Budget

For the 2014/15 year we expect to be operating with expenditures in excess of revenues by approximately \$318,000. The deficit is due to the Later Elementary roof repairs which totaled \$473,200 in this budget. The operations excluding that roof repair has revenues in excess of expenditures by \$156,000. This is primarily due to employee leaves during the school year and the final total repair to the roof being less than budgeted.

As we began development of the 2015/16 preliminary budget we took a look back at the district's 2014/2015 operational cuts to determine what was working and what was not. Some of the staffing cuts we made didn't work as well as was hoped. Some staffing of positions changed from our preliminary planning and that did impact the ability to operate some functions. We looked at the student counts and anticipated student need for 2015/16 noting that the district would need to shift some teaching staff to better match the student needs. We also dealt with State directed changes in how we will be allowed to use some grant funds. We have been told by the State consultants that they will not approve Paw Paw's use of paraprofessionals with the Title IA grant funds starting in 2015/16, we must use teachers for delivering that grant program. We will be shifting some current teachers into those grant positions. There will be some preliminary grant allocations which reduced both revenue and expenditures on those grants. We looked at the currently expected operations results for 2014/15 to see what our fund balance is likely to start at for 2015/16. All of these things were considered as we developed the 2015/16 preliminary budget.

For the current 2014/2015 school year, after considering changes in operations we expect the 6/30/15 ending unassigned fund balance will be \$3,117,000 or 15.6% of all expenditures. The total fund balance will be \$4,093,000 or 20.5% of all expenditures.

As we planned the 2015/16 operating budget we began with the information known about the 2014/15 operations. We then attempted to determine reasonable assumptions about revenue and expenditure changes that should be incorporated into the 2015/16 budget. Once again state aid revenue for next year is not yet set. The proposals that were presented prior to the May statewide election on the sales tax ranged from the Governor's net increase of \$51 per pupil; the Senate's net increase of \$77 per pupil and the House's net increase of \$159 per pupil. We have no idea what the May statewide election failure might mean as far as a potential state shift of expenditures from the state general fund to the state school aid fund. Therefore we took a conservative approach and assumed a flat per pupil funding in this budget. We have also built into this budget a loss of 10 students.

The Later Elementary roof repair that was completed last fall has had a significant impact on the operating budgets for several years. Because the work began in June 2014 \$171,000 were expensed in 2013/2014 and then \$473,000 was expensed in 2014/2015. That work is done and will not be reflected in the general

operations going forward. Remember that this was paid for with the lawsuit proceeds over the original roof installation.

The assumptions we used included a loss of 10 students for enrollment, a flat per pupil funding, and as in the past: employee steps, retirement rate increased contribution rate, and insurance benefit changes based on increased premiums and compliance with state law regarding employee contributions towards insurance. We have increased the elementary campus administrative positions and are reinstating a transportation supervisor position. There are a few other positions that continue to be reviewed for possible tweaking. Teachers are shifted but all will have positions. Paraprofessionals will see a reduction in the number of positions we have due to the state indicating we can't continue to them in a grant funded program. We do have some openings in that unit along with openings in the food service unit and in the bus driver unit. Further, we need substitute drivers and we are offering paid training to all displaced folks over this summer.

Currently the 2015/16 operating deficit is approximately \$246,000 but remember that state funding will impact this. Our projected ending total fund balance June 2016 is now at \$3,847,000 or 19.7% of expenditures. This is better than what we thought the 2014/2015 ending fund balance would be when we presented that preliminary budget in May 2014. We will continue to monitor the operating plan and take advantage of revenue enhancing and cost savings opportunities that may be discovered. Those types of changes will be reflected in our winter budget amendment.

The operating budgets are summarized as follows:

	<u>2013/2014 Actual</u>	<u>2014/15 Final Budget</u>	<u>2015/16 Preliminary Budget</u>
Revenue	\$ 18,526,955	\$ 19,691,484	\$ 19,335,961
Expenditures	(19,023,048)	(19,535,881)	(19,581,925)
Roof (13/14 and 14/15)	(170,787)	(473,200)	-
Net (expend. over rev.)	<u>(666,880)</u>	<u>(317,597)</u>	<u>(245,964)</u>
Net without Roof	(496,093)	155,603	(245,964)
<u>Ending FB & Assigned:</u>			
Assigned	1,449,442	976,242	976,242
Unassigned Fund Balance	2,961,212	3,116,815	2,870,851
TOTAL	<u>4,410,654</u>	<u>4,093,057</u>	<u>3,847,093</u>
Unassigned FB as % Exp.	15.43%	15.58%	14.66%
Total FB as % of Exp.	22.98%	20.46%	19.65%

LOCAL TAX INFORMATION

School Tax Levies (Notes 1, 2 & 3):

	2012/13	2013/14	2014/15	2015/16
All other non-principal residence exempt	18.000	18.000	18.000	18.000
'98 Debt Retirement	0.400	0.334	0.475	8.20 to be allocated
'03 Debt Retirement (refinancing)	2.600	0.000	0.000	
'05 Debt Retirement (refinancing)	0.600	0.464	0.080	
'06 Debt Retirement	1.680	1.163	0.590	
'08 Debt Retirement (refinancing)	1.770	1.837	1.290	
'12 Debt Retirement (refinancing)	1.150	4.240	3.000	
'13 Debt Retirement (refinancing)	0.000	0.162	0.162	
'14 Debt Retirement (new)	0.000	0.000	0.975	
'14 Debt Retirement (taxable refinancing)	0.000	0.000	0.145	
'15 Debt Retirement (refinancing)	0.000	0.000	0.580	
Total Tax Levy	26.200	26.200	26.200	26.200

Taxable Valuations (as of 5/4/15 per state website) (Notes 3 & 4)

	2012/13	2013/14	2014/15	2015/16
PRE & Qualifying	\$ 277,717,315	\$ 299,054,650	\$ 283,825,983	To be determined
Industrial Personal Property	8,685,200	13,274,100	13,355,800	
Commercial Personal Property	11,334,626	10,613,841	9,151,300	
All Other (Non-PRE)	121,255,433	124,448,312	127,463,594	
Total	\$ 418,992,574	\$ 447,390,906	\$ 433,796,677	
Percentage increase (decrease)	(0.47%)	6.78%	(3.04%)	

Property Tax (as of 5/4/15 per state website) (Notes 3 & 4)

	2012/13 Local Taxes General Fund	2013/14 Local Taxes General Fund	2014/15 Local Taxes General Fund	2015/16 Local Taxes General Fund
Almena	\$ 177,325	\$ 179,330	\$ 187,802	To be determined
Antwerp	226,021	221,283	230,780	
Lawrence	729	730	811	
Paw Paw	1,738,780	1,792,885	1,814,746	
Waverly	107,750	109,525	115,112	
Total	\$ 2,250,606	\$ 2,303,753	\$ 2,349,252	
Tax revenue change from prior year	(94,588)	53,147	45,500	
Percentage change	(4.03%)	2.36%	1.98%	

Notes:

- Six (6) mills are levied on Commercial Personal Property; eighteen (18) mills are levied on "all other non-principal residence exemption."
- Eighteen (18) mills can be reduced by the Headlee Amendment which would lead to a decrease in property taxes/state aid.
- Taxable values breakdown have not yet been received from the taxing authorities. Debt levy rates will be broken down at that time. The total debt levy will be 8.20 mills.
- Amounts may not total due to rounding.

STATE AID INFORMATION

The State Aid Foundation is based on a blend of the previous school year February student count and the current school year September student count. Beginning in 13/14, the February count for the current school year was used in the blending formula. The historic blending roles are:

2004/05 thru 2011/12	25/75 blend
2011/12 thru 2012/13	10/90 blend
2013/14	90/10 blend (the 10% is on Feb of current school year)
2014/15	90/10 blend (the 10% is on Feb of the current school year)
2015/16	90/10 blend (the 10% is on Feb of the current school year)

State Aid Foundation:

		<u>2012/13</u>	<u>2013/14</u>	<u>2014/15 Final</u>	<u>2015/16 Preliminary</u>
Regular Education:					
	PPFG from local taxes	\$ 1,011	\$ 1,049	\$ 1,061	Used 2014/2015 at this time; May statewide election on school funding impact is unknown
	PPFG from state sources	<u>5,955</u>	<u>5,978</u>	<u>6,065</u>	
	TOTAL PPFG	<u>6,966</u>	<u>7,027</u>	<u>7,126</u>	
Other Per Pupil (PP) funded items:					
	Best Practice	52	52	50	
	Performance	40	40	60	
	Foundation Equity	<u>0</u>	<u>50</u>	<u>125</u>	
	TOTAL other PP funded items	<u>92</u>	<u>142</u>	<u>235</u>	
	TOTAL NET PP funding	<u>\$ 7,058</u>	<u>\$ 7,168</u>	<u>\$ 7,361</u>	
Adult Education:					
	Adult Education PP	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850
	Count cap	12 FTE	12 FTE	12 FTE	12 FTE

State Aid: Foundation Allowance Changes:

2012/13	\$120 1.75% increase in funds from 2011/12.
2013/14	\$110 1.56% increase in funds from 2012/13.
2014/15	\$193 2.69% increase in funds from 2013/14
2015/16	No change. The proposals that were presented prior to the May statewide election on the sales tax ranged from the Governor's net increase of \$51 per pupil; the Senate's net increase of \$77 per pupil and the House's net increase of \$159 per pupil. We have no idea what the May statewide election failure might mean as far as a potential state shift of expenditures from the state general fund to the state school aid fund. Therefore we took a conservative approach and assumed a flat per pupil funding in this budget.

BLENDED ENROLLMENT FOR FINANCIAL CALCULATIONS

	2012/13	2013/14	2014/15	2015/16
Blend Rate ⁽¹⁾⁽²⁾	10/90	90/10	90/10	90/10

- 1) February count is the prior school year (same calendar year) count
- 2) Beginning in 2013/14, February Count is the same school year (next calendar year) count

Student Enrollment (See Notes 1 & 2)

	2012/13 Actual	2013/14 Actual	2014/15 Unaudited	2015/16 Projected
K-12 (Excludes Young Fives)				Used current (14/15) count less 10 students for the estimate
February ⁽¹⁾⁽²⁾	2,100.51	2,115.54	2,081.71	
October (current school year)	2,134.94	2,138.86	2,116.10	
Allowance for est. error – fall				
Blend K-12	2,131.50	2,136.53	2,112.66	
Alternative Ed. & Young 5's				
February ⁽¹⁾⁽²⁾	107.66	102.75	98.12	
October (current school year)	128.50	105.66	114.71	
Blend Alternative Education	126.42	105.37	113.05	
Other				
February ⁽¹⁾⁽²⁾	10.10	9.84	9.35	
October (current school year)	10.08	9.61	9.43	
Blend	10.08	9.63	9.42	
Districtwide Blend	2,267.99	2,251.53	2,235.10	
Adult Education Participants				
July (current school year)	0.00	0.00	0.00	
October (current school year)	18.13	13.77	11.88	
February	11.50 ⁽¹⁾	7.37 ⁽²⁾	10.88	

- 3) February count is the prior school year (same calendar year) count
- 4) Beginning in 2013/14, February Count is the same school year (next calendar year) count

HISTORIC ENROLLMENT ⁽¹⁾ Stated in Full Time Equivalents (F.T.E.)

	2012/13 Actual		2013/14 Actual			2014/15 Actual		2015/16 Projected	
	Feb /2012	Oct /2012	Feb /2013	Oct /2013	Feb /2014	Oct /2014	Feb /2015	Oct /2015	Feb /2016
Kgn	147.04	166.57	163.34	146.90	153.03	144.25	147.39	170 ⁽⁵⁾	TBD
01	173.56	157.08	152.15	165.92	166.27	158.77	152.85	146	
02	139.47	173.98	169.98	156.08	161.00	164.85	161.77	160	
Total K-2	460.07	497.63	485.47	468.90	480.30	467.87	462.01	476⁽⁵⁾	
03	177.32	142.69	141.88	175.52	173.54	152.40	150.34	165	
04	145.53	187.00	179.00	141.68	145.68	173.23	174.23	154	
05	168.78	150.12	150.15	179.75	175.52	148.81	149.81	177	
Total 3-5	491.63	479.81	471.03	496.95	494.74	474.44	474.38	496	
06	171.00	177.00	174.00	159.00	151.00	192.00	185.00	158	
07	180.14	170.00	170.00	174.00	170.00	150.00	147.00	189	
08	161.00	171.00	168.00	169.00	164.00	166.00	165.00	146	
Total 6-8	512.14	518.00	512.00	502.00	485.00	508.00	497.00	493	
09	169.00	166.00	165.00	187.00	180.00	174.50	170.00	172	
10	157.17	168.00	169.00	166.00	167.00	174.29	168.00	170	
11	158.00	155.50	151.00	167.00	162.00	165.00	164.00	171	
12	152.50	150.00	146.00	151.01	146.50	152.00	146.32	153	
Total 9-12	636.67	639.50	631.00	671.01	655.50	665.79	648.32	666	
Est. error								(5)	
Total K-12	2,100.51	2,134.94	2099.50	2,138.86	2,115.54	2,116.10	2,081.71	2126	
Young 5's	24.00	24.89	25.47	26.00	25.00	23.00	21.00	0 ⁽⁵⁾	
Alt Ed	83.66	103.61	68.33	79.66	77.75	91.71	77.12	95	
Total Alt.	107.66	128.50	93.80	105.66	102.75	114.71	98.12	95	

Trinity	6.97	7.20	7.04	6.79	7.02	5.95	5.95	6	
St. Mary's	3.13	2.88	2.88	2.82	2.82	3.48	3.40	3	
Total other	10.1	10.08	9.92	9.61	9.84	9.43	9.35	9	

Grand Total	2,218.27	2,273.52	2,203.22	2,254.13	2,228.13	2,240.24	2,189.18	2230	
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Adult Ed. Participants ⁽⁴⁾	11.43	18.13	11.50	13.77	7.37	11.88	10.88	12	
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- 1.) This presentation has the special education students included in their respective grades.
- 2.) Projection is in line with Middle Cities Enrollment Projection Method 1 and considering Alternative Ed. estimates.
- 3.) Students transferring between K-12 and Alt. Ed. within 2 months of count date are reflected in the building they transfer to.
- 4.) Capped at 12.
- 5.) Includes 23 in Kindergarten who historically have been Y5-Alternative

State Aid Count – February 11, 2015 (Before Audit)
(Does not reflect moves between K-12 and Alt Ed programs)

Grade	Gen. FTE	S.E. FTE	Total FTE	Headcount
Early Elementary ⁽¹⁾				
Kindergarten	146.46	0.93	147.39	149
Grade 1	151.29	1.56	152.85	153
Grade 2	159.76	2.01	161.77	162
TOTAL	457.51	4.50	462.01	464
Later Elementary ⁽¹⁾				
Grade 3	146.89	3.45	150.34	152
Grade 4	170.96	3.27	174.23	175
Grade 5	147.78	2.03	149.81	150
TOTAL	465.63	8.75	474.38	477
Middle School				
Grade 6	178.61	6.39	185.00	185
Grade 7	141.55	5.45	147.00	147
Grade 8	160.15	4.85	165.00	165
TOTAL	480.31	16.69	497.00	497
High School				
Grade 9	163.39	6.61	170.00	170
Grade 10	159.80	8.20	168.00	168
Grade 11	161.61	2.39	164.00	165
Grade 12	144.53	2.79	146.32	148
TOTAL	629.33	19.99	648.32	651
TOTAL K-12	2,032.78	49.93	2,081.71	2,089
Community Education				
Young Fives	21.00	0.00	21.00	21
Grade 7	6.00	0.00	6.00	6
Grade 8	10.00	0.00	10.00	10
Grade 9	17.00	0.00	17.00	17
Grade 10	14.24	0.00	14.24	15
Grade 11	17.60	0.00	17.60	18
Grade 12	12.28	0.00	12.28	14
TOTAL Secondary Alt. Ed	77.12	0.00	77.12	80
TOTAL Community Ed	98.12	0.00	98.12	101
Trinity Lutheran School	5.95	0.00	5.95	44
St. Mary's Catholic School	3.40	0.00	3.40	45
TOTAL	9.35	0.00	9.35	89
TOTAL SCHOOLS	2,140.25	49.93	2,189.18	2,279
Total Adult Ed.	10.88	0.00	10.88	18

(1) The Elementary Campus has VBISD special education classrooms where those students take our special classes we get a very small FTE. That is the reason for the partial FTE's and the different between the FTE and headcount.

**ENROLLMENT (FALL)
NON-PUBLIC SCHOOLS**

Trinity Lutheran School

	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>
Young Fives	6	0	4	1	2
Kindergarten	6	12	9	2	5
First Grade	11	7	10	12	3
Second Grade	10	8	8	7	8
Third Grade	12	5	8	6	5
Fourth Grade	8	9	6	5	7
Fifth Grade	6	5	9	5	4
Sixth Grade	13	4	6	5	6
Seventh Grade	9	10	4	7	3
Eighth Grade	3	9	6	4	8
TOTAL	84	69	70	54	51

St. Mary's Catholic School

	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>
Young Fives	2	0	3	1	0
Kindergarten	9	20	12	14	6
First Grade	16	8	15	12	9
Second Grade	15	15	4	13	11
Third Grade	9	16	12	3	11
Fourth Grade	11	7	11	11	4
Fifth Grade	9	12	6	8	10
TOTAL	71	78	63	62	51

RETIREMENT CONTRIBUTIONS

Mandatory contributions to Michigan Public School Employees Retirement System as percent of wages.

2007/08 ⁽¹⁾	16.72%	2011/12	24.46% ⁽²⁾ ; 2012/13	24.32% ⁽³⁾
2008/09	16.54%	2013/14	24.79% ⁽⁴⁾	
2009/10	16.94%	2014/15	25.79% ⁽⁵⁾	
2010/11	19.41% (Oct)	2015/16	25.79% ⁽⁵⁾	
	20.66% (Nov on)			

Notes:

- (1) After revaluation of assets. If that had not been approved, the rate would have been 18.56%.
- (2) An offset categorical 147a for \$204,000 was received in 2011/12.
- (3) 23.23% for Sept 2012; 27.37% Oct through Jan; Feb 2013 reform has many possible rates with most at 24.32% which is in this budget.
MPSERS reform passed in the fall and was implemented by February 2013. Employees now pay in much more with reduced benefits. The district contribution rates are complicated and depend upon each particular employee's situation. The district can also have to match an employee contribution to their defined contribution plan in addition to the computed rate.
- (4) Used 24.79%. Feb 2013 reform has many possible rates with most at 24.79% which is in this budget. Rates are 20.96% to 24.79% however additional contributions can be required of the district for matching certain employee deductions.
- (5) Used 25.79% as presented by the ORS. Rates are 21.96% to 25.79% however additional contributions can be required of the district for matching certain employee deductions.

INSURANCE BENEFITS

During 2011/12 as a part of the Van Buren ISD insurance purchasing consortium the district changed insurance coverage. The employees were given the opportunity to choose between different MESSA products which had different Rx coverage, office visit coverage, etc. and different costs to both the district and the employee.

State law now caps public employer insurance contributions for employee health insurance benefits. This impacted all groups with insurance in 2015/2016 since all contracts expired before the start of the 2015/2016 school year.

The Federal Health Care Reform is also expected to impact insurance needs for the employees that we have who do not currently get health insurance. IRS proposed regulations indicate that full time for insurance purposes are those employees who work an average of at least 30 hours per week. It appears that the IRS is not allowing schools to consider a 52 week year when determining average annual hours for employees. We do not know what impact this may have the district or employees.

We have received the rates for 2015/16. We have state hard cap limits on district contributions to the health insurance costs. The gross insurance premiums increased 6% - 6.6%.

EMPLOYEE COUNT ⁽¹⁾
K-12 REGULAR PROGRAMS

	12/13	13/14	14/15	15/16
Early Elementary				
Principal/Asst. Principal	1.0	1.0	0.5	1.0
Teacher	22.0	21.0	20.0	21.0
Secretary/Clerk	1.5	1.5	1.5	1.3
Paraprofessional (general ed; state grants)	5.0	5.0	4.0	4.0

Later Elementary				
Principal/Asst. Principal	1.0	1.0	0.5	1.0
Teacher	21.0	22.0	22.0	22.0
Secretary/Clerk	1.5	1.5	1.0	1.3
Paraprofessional (general ed; state grants)	4.0	4.0	4.0	4.0

Middle School				
Principal/Asst. Principal	2.0	2.0	2.0	2.0
Teacher	21.6	21.6	19.8	20.8
Guidance Counselor (general ed; state grants)	1.0	1.0	1.0	1.0
Secretary/Clerk	3.0	3.0	3.0	3.0
Paraprofessional (general ed; state grants)	2.0	2.0	3.5	2.5

High School				
Principal/Asst. Principal	2.0	2.0	2.0	2.0
Teacher	28.4	28.4	26.2	25.2
Guidance Counselor (general ed; state grants)	2.0	2.0	2.0	2.0
Secretary/Clerk	3.5	3.5	3.5	3.5
Paraprofessional (general ed; state grants)	1.0	1.0	1.0	1.0

Athletics				
Athletic Director	1.0	1.0	1.0	1.0
Secretary/Clerk	0.5	0.5	0.5	0.5
Coaches (count, not FTE, shared counted as 1)				
Fall	26.0	26.0	26.0	26.0
Winter	20.0	20.0	20.0	20.0
Spring	16.0	16.0	16.0	16.0

Special Education				
Coordinator (employee)	1.0	1.0	0.0	0.0
Teacher	16.5	16.5	15.5	12.5
Paraprofessional (general ed; grants)	11.0	11.0	11.0	11.0

Employee Count K-12 Regular Programs ⁽¹⁾ (Continued)

	12/13	13/14	14/15	15/16
Transportation				
Director	1.0	1.0	0.0	1.0
Secretary/Clerk	1.0	1.0	2.0	1.0
Bus Mechanic	2.0	1.5	1.5	1.5
Bus Driver	14.0	14.0	14.0	14.0

Maintenance				
Director/Supervisor	3.0	3.0	3.0	3.0
Maintenance	1.0	1.5	1.5	1.5
Custodian (employee – All contracted)	0.0	0.0	0.0	0.0

Central Office				
Superintendent	1.0	1.0	1.0	1.0
Business Manager	1.0	1.0	1.0	1.0
Secretary/Clerk	2.0	2.0	2.0	2.0
Bookkeeper	2.0	2.0	2.0	2.0

Title Grants				
Teacher	1.0	1.0	2.0	4.0
Paraprofessional	9.0	10.0	10.0	0.0

Districtwide				
Curriculum Director	1.0	1.0	1.0	1.0
Tech (see contracted)/Auditorium Coordinator	3.0	3.0	1.0	1.0
Mail/Copy Center	2.2	2.2	0.6	0.6
Secretary/Clerk	2.0	2.0	1.0	1.0

K-12 Regular Programs Summary				
Principal/Director	12.0	12.0	10.0	12.0
Coordinator/A.D.	6.0	6.0	3.0	3.0
Teacher	110.5	110.5	105.5	105.5
Counselor	3.0	3.0	3.0	3.0
Secretary/Clerk/Bookkeeper	17.0	17.0	16.5	15.6
Paraprofessional	32.0	33.0	33.5	22.5
Bus Driver	14.0	14.0	14.0	14.0
Maint./ Mechanics	3.0	3.0	3.0	3.0
Mail/Copy Center	2.2	2.2	0.6	.6
Coaches	62.5	62.0	62.0	62.0
TOTAL	262.2	262.7	251.1	241.2

EMPLOYEE HEADCOUNT K-12 OTHER PROGRAMS

Community Education	12/13	13/14	14/15	15/16
Director	1.0	0.5	0.5	1.0
Coordinators	3.0	1.0	1.0	
Secretary/Clerk	2.5	1.0	1.0	
Teacher/Adult Ed	2.0	2.0	2.0	
Teacher/Alternative Ed	11.0	7.2	6.0	
Counselor	1.0	1.5	0.5	

Food Service				
Director	1.0	1.0	1.0	1.0
Cook/Baker/Aide	20.0	20.0	19.0	19.0
Community Ed. Aide	2.0	2.0	2.0	2.0

Preschool/Day Care				
Director	1.0	0.0	0.0	0.0
Teacher	4.0	5.0	5.0	5.0
Child Care (Parapro)	11.7	7.0	5.0	

SUMMARY				
Directors	3.0	1.5	1.5	2.0
Coordinators	2.5	1.0	1.0	
Counselors	1.0	1.5	1.5	
Secretary/Clerk	5.0	5.0	3.0	
Teachers	17.0	14.2	13.0	
Cook/Baker/Aides	23.0	23.0	20.0	
Parapros	11.7	7.0	5.0	
TOTAL EMPLOYEES	63.2	53.2	45.0	

Contracted	12/13	13/14	14/15	15/16
Equiv. contracted custodians and special education supervision(not included in staffing)	16.5	16.5	16.5	16.5
Special Education Supervisor	N/A	N/A	1.0	1.0
Technology Support	N/A	N/A	2.0	2.0

PUPIL/TEACHER RATIO ⁽¹⁾
2014/15 Fall (15/16 TBD)

Early Elementary	2014/15 Pupils/Fall FTE*	2014/15 Teachers	Pupil/Teacher Ratio
Kindergarten (Early Elementary)	144.25	6.0	24.0
First Grade	158.77	6.0	24.5
Second Grade	164.85	7.0	23.6
Physical Education		0.5	
Music		0.5	
Art		0.5	
Special Education		1.5	
Title I		0.5	
Total Classroom	467.87	22.5	20.8

Later Elementary	2014/15 Pupils/Fall FTE	2014/15 Teachers	Pupil/Teacher Ratio
Third Grade	152.40	6.0	25.4
Fourth Grade	173.23	7.0	24.7
Fifth Grade	148.81	6.0	24.8
Physical Education		0.5	
Music		0.5	
Art		0.5	
Special Education		3.0	
Title I		0.5	
Total Classroom	474.44	24.0	19.8

Middle School	2014/15 Pupils/Fall FTE	2014/15 Teachers	Pupil/Teacher Ratio
Regular Education	508.00	19.8	25.7
Special Education		5.0	
Subtotal	508.00	24.8	20.5
Counselor	508.00	1.0	508.0

High School (includes Tech Center students)	2014/15 Pupils/Fall FTE	2014/15 Teachers	Pupil/Teacher Ratio
Regular Education	665.96	26.2	25.4
Special Education		6.0	
Subtotal ⁽¹⁾	665.96	32.2	20.7
(ratio without students @ tech center)			18.4
Counselor	665.96	2.0	333.0

*Does not consider moves after count

(1) The student count includes students of Vo-Tech Center and not in our classrooms, actual P/T ratio is lower when taking off-site into consideration.

BUDGET HIGHLIGHTS

2014/15

1. GENERAL FUND

In January we approved a budget that reflected a deficit of \$518,000. That included \$530,200 of roof repair expenditures leaving the general operations at a net revenue position of \$12,000. Based upon the known information at this point in time we believe the deficit will be approximately \$318,000. That will be made up of \$473,000 of expenditures of the Later Elementary roof and a net revenue of \$155,000 from operations.

CHANGES FROM DECEMBER

There have been changes on the state aid status reports regarding prior year and other funding adjustments which decreased our revenues for the current year. The revenue projection has increased \$10,000.

As we discussed in December, the budget included all positions as though they were to be filled by permanent hires for the entire year. Based on the reduction in the wage estimate we also reduced related benefits expenditures. Other expenditures were also reviewed and adjusted to reflect the currently anticipated needs. The final cost of the roof repair was \$57,000 less than was budgeted in December. Other expenditures will be \$133,000 less primarily due to the vacancies. At this time we anticipate a total reduction in the budgeted expenditures of \$190,000.

The net change is an improvement of anticipated net operating costs by \$201,000.

2. SCHOOL SERVICE FUND

We don't anticipate significant changes in the school service funds at this time.

BUDGET HIGHLIGHTS

2015/16 Preliminary Budget

1. GENERAL FUND

Revenue

Per Pupil Foundation Grant (PPFG), best Practices, Performance based and Technology funding

Once again state aid revenue for next year is not yet set. The proposals that were presented prior to the May statewide election on the sales tax ranged from the Governor's net increase of \$51 per pupil; the Senate's net increase of \$77 per pupil and the House's net increase of \$159 per pupil. We have no idea what the May statewide election failure might mean as far as a potential state shift of expenditures from the state general fund to the state school aid fund. Therefore we took a conservative approach and assumed a flat per pupil funding in this budget.

Enrollment

The fall enrollment is a key to the funding that every school receives. Districts are currently funded at 90% of the October count and 10% of the current school year February count. . This means we will not know the actually funded count until almost the end of year.

We budgeted for a decline of 10 students for funding purposes.

State MPSERS prefunding payment.

This is a payment required by the state to the retirement system. They the funds to the districts and then have the districts send that same amount back to the retirement system. This results in increased revenue and expenditures. The net impact on the bottom line for the budget is zero but this does impact the operating expenditures as a percentage of fund balance calculations and make that seem worse than if we did not flow these revenues and expenditures through the local accounting records.

Other Revenues

State grants and other revenues were budgeted at a constant level from the current approved funding. Federal grants are expected to be reduced by 10% next year and are reflected in the budget in that manner. The local tax valuation breakdowns are not yet available from the county, so we used the current year values from the state valuation website. Any changes to the local taxable valuation will simply be offset by a change the state aid portion of the budget with the grand total remaining as presented.

Revenue Summary

The Total Revenue is budgeted at \$19,336,000 a net decrease of approximately \$356,000 from the currently estimated 2014/15 revenue.

Expenditures

Salary and Fringe Benefits

In the various cost centers, this budget reflects the currently anticipated staffing levels. It is important to note that all contracts are open. Winter budget adjustments will include any settlements at that time. The retirements that we have are reflected in the budget with replacement staff if we anticipate filling the position. Staffing does reflect changes in assignments for teachers, reinstatement of the 2nd elementary campus administrator, filling the transportation supervisor position and the reduction in paraprofessionals from the Title I program which the state will not approve for 2015/2016

Health insurance rate rates are known and are reflected in the budget. Open enrollment changes in coverage could impact this. Changes in employee contributions in line with the state law are included in this budget. The retirement contribution is anticipated to increase. Contribution rates are complex and we can only choose to use the rate that we believe best reflects our expected payments.

These compensation changes result in approximately \$105,000 increase in expenditures compared to current estimate of 2014/15 costs.

Other

This budget removes approximately \$473,000 for repair of the Later Elementary roof which was completed in 2014/2015. We are also increasing technology support budget as we begin the pilots for the 1:1 devices that are funded by the bond. We know these will need additional operation support.

Expenditure Summary

For 2015/16 we are projecting a net increase in total expenditures by \$427,000 compared to the current revision to the 2014/15 budget. The total expenditure budget is approximately \$19,336,000. It's important to remember we have NOT budgeted any increase in the state funding on a per pupil basis although the Governor, House and Senate have all proposed increases. We have concerns about what might change in Lansing following the sales tax election defeat.

At this point in time we expect the operating expenditures to exceed the revenue by \$246,000. The projected ending unassigned fund balance will be \$2,871,000 or 14.7% of all budgeted expenditures in 2015/16.

The projected ending Unassigned and Assigned Fund Balance will be \$3,847,000 or 19.7% of all budgeted expenditures in 2015/16.

2. **SCHOOL SERVICE FUNDS**

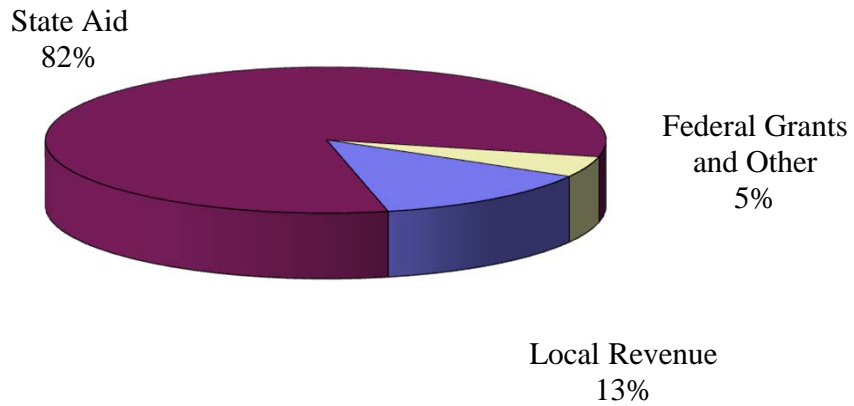
Cafeteria Fund

This is approximately the same as the 2014/15 budget with no significant changes currently anticipated. Meal prices are driven by federal rules regarding what the prices should be and are expected to increase for 2015/16. The budgeted deficit of approximately \$4,000 is for auditing and state reporting purposes as we can receive audit comments on results of operations. The ending fund balance is anticipated to be approximately 4.5% of operating expenditures

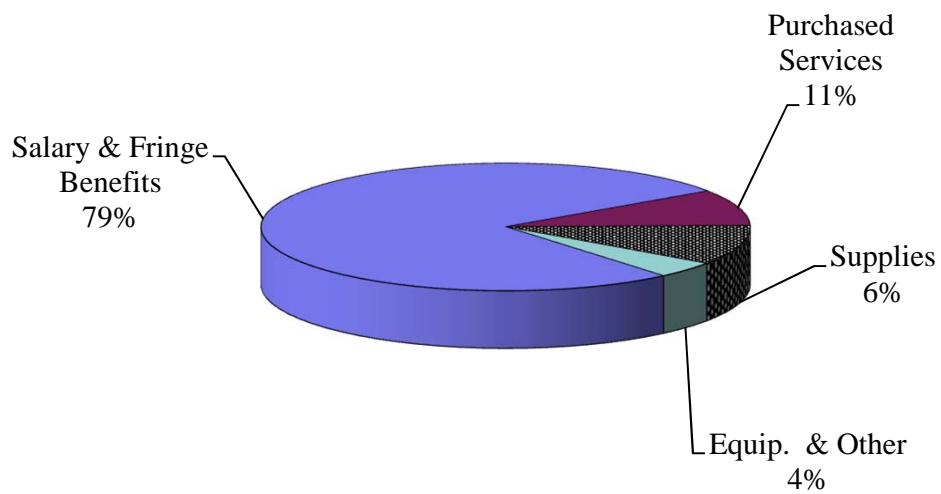
Cedar Street Center

This also is approximately the same as the 2014/15 budget with no significant financial outcome changes currently anticipated. The program will move to the elementary campus and continue to contract in total size. Because it will be a reduced program the ending fund balance is anticipated to be approximately 25% of operating expenditures

2015/2016 Preliminary Budget Revenues (May 2015)



2015/2016 Preliminary Budget Expenditures (May 2015)



2014/2015 Final Budget & 2015/16 Preliminary Budget (May 2015)
GENERAL FUND
REVENUE DATA

May 13, 2015 Presentation

	<u>2013/2014</u> <u>Actual</u>	<u>2014/15 Revised</u> <u>Budget (Dec.</u> <u>2014)</u>	<u>2014/15 FINAL</u> <u>Budget (May 2015)</u>	<u>2015/2016 Prelim.</u> <u>Budget (May 2015)</u>
Local Revenue				
Local Taxes	\$ 2,313,878	\$ 2,398,516	\$ 2,349,251	\$ 2,349,251
Other Local Revenue	211,548	192,954	192,954	192,954
	<hr/>	<hr/>	<hr/>	<hr/>
Local Revenue	2,525,426	2,591,470	2,542,205	2,542,205
State Revenue				
State Aid Membership	13,346,686	13,750,995	13,753,023	13,701,600
State Categorical	1,852,974	2,432,435	2,479,628	2,295,636
	<hr/>	<hr/>	<hr/>	<hr/>
State Aid	15,199,660	16,183,430	16,232,651	15,997,236
Federal Revenue				
Federal Revenue	514,076	626,106	639,771	530,320
Transfers & Other Transactions				
Other Income/Transfers In less Ath fund closed,	287,793	279,857	276,857	266,200
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue before usual item	18,526,955	19,680,863	19,691,484	19,335,961
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Total all Revenue & Other	\$ 18,526,955	\$ 19,680,863	\$ 19,691,484	\$ 19,335,961

2014/2015 Final Budget & 2015/16 Preliminary Budget (May 2015)

GENERAL FUND

May 13, 2015 Presentation

EXPENDITURE DATA

	<u>2013/2014 Actual</u>	<u>2014/15 Revised Budget (Dec. 2014)</u>	<u>2014/15 FINAL Budget (May 2015)</u>	<u>2015/2016 Prelim. Budget (May 2015)</u>
Early Elementary				
Salary/Fringe Benefits	\$ 2,046,630	\$ 2,176,393	\$ 2,178,194	\$ 2,299,228
Purchased Services	36,364	41,600	45,600	45,600
Supplies	51,574	50,199	53,337	54,264
Total Early Elementary	<u>2,134,568.00</u>	<u>2,268,192.00</u>	<u>2,277,131.00</u>	<u>2,399,092.00</u>
Later Elementary				
Salary/Fringe Benefits	2,253,812	2,193,799	2,220,564	2,468,340
Purchased Services	37,170	33,700	33,600	33,600
Supplies	44,787	54,323	62,742	56,544
Total Later Elementary	<u>2,335,769</u>	<u>2,281,822</u>	<u>2,316,906</u>	<u>2,558,484</u>
Middle School				
Salary/Fringe Benefits	2,368,451	2,353,972	2,349,357	2,365,995
Purchased Services	47,639	48,760	48,760	48,760
Supplies	48,337	51,594	50,762	57,402
Total Middle School	<u>2,464,427</u>	<u>2,454,326</u>	<u>2,448,879</u>	<u>2,472,157</u>
High School				
Salary/Fringe Benefits	3,327,881	3,298,114	3,290,966	3,234,328
Purchased Services	114,037	114,740	116,350	116,350
Supplies	141,233	131,115	139,081	118,922
Total High School & Ath	<u>3,583,151</u>	<u>3,543,969</u>	<u>3,546,397</u>	<u>3,469,600</u>
At Risk Program				
Salary/Fringe Benefits	132,023	256,907	253,971	317,258
Purchased Services	78,342	65,000	65,000	65,000
Supplies	80,942	141,921	79,465	16,178
Total At Risk	<u>291,307</u>	<u>463,828</u>	<u>398,436</u>	<u>398,436</u>

2014/2015 Final Budget & 2015/16 Preliminary Budget (May 2015)

GENERAL FUND

May 13, 2015 Presentation

EXPENDITURE DATA

	<u>2013/2014</u> <u>Actual</u>	<u>2014/15 Revised</u> <u>Budget (Dec.</u> <u>2014)</u>	<u>2014/15 FINAL</u> <u>Budget (May 2015)</u>	<u>2015/2016 Prelim.</u> <u>Budget (May 2015)</u>
Curriculum Development				
Salary/Fringe Benefits	217,158	232,236	227,664	232,269
Purchased Services	-	3,500	28,500	28,500
Supplies	56,006	60,150	60,150	60,150
Total Curr Develop	273,164	295,886	316,314	320,919
Special Education Program				
Salary/Fringe Benefits	1,708,713	1,569,153	1,569,074	1,378,554
Purchased Services	57,000	88,150	88,150	88,150
Supplies	24,513	16,500	16,500	16,500
Total Special Ed	1,790,226	1,673,803	1,673,724	1,483,204
Adult Ed. & Related grants				
Salary/Fringe Benefits	113,857	101,796	113,096	110,810
Purchased Services	22,104	11,831	11,831	5,467
Supplies	14,329	5,689	5,689	3,223
Total Adult Ed	150,290	119,316	130,616	119,500
Alternative Education				
Salary/Fringe Benefits	522,205	588,274	588,274	633,830
Purchased Services	108,272	91,341	94,341	41,025
Supplies	140,384	162,000	159,000	116,000
Total Altern Ed	770,861	841,615	841,615	790,855
Community Programs				
Salary/Fringe Benefits	10,958	12,476	12,476	10,328
Purchased Services	919	1,000	1,000	1,000
Supplies	-	2,200	2,200	2,200
Total Comm Programs	11,877	15,676	15,676	13,528
Young Five's				
Salary/Fringe Benefits	147,881	163,658	107,283	-
Purchased Services	1,854	1,000	1,000	-
Supplies	1,780	1,000	1,000	-
Total Y5'S	151,515	165,658	109,283	-

2014/2015 Final Budget & 2015/16 Preliminary Budget (May 2015)

GENERAL FUND

May 13, 2015 Presentation

EXPENDITURE DATA

	<u>2013/2014</u>	<u>2014/15 Revised</u>	<u>2014/15 FINAL</u>	<u>2015/2016 Prelim.</u>
	<u>Actual</u>	<u>Budget (Dec. 2014)</u>	<u>Budget (May 2015)</u>	<u>Budget (May 2015)</u>
Great Start Readiness Program				
Salary/Fringe Benefits	187,298	253,216	248,216	256,214
Purchased Services	4,088	7,000	12,000	12,000
Supplies	88,552	87,784	87,784	79,786
Total GSRP	<u>279,938</u>	<u>348,000</u>	<u>348,000</u>	<u>348,000</u>
Transportation				
Salary/Fringe Benefits	503,834	522,446	523,764	536,825
Purchased Services	8,083	10,080	10,080	10,080
Supplies	196,573	209,160	209,160	209,160
Total Transportation	<u>708,490</u>	<u>741,686</u>	<u>743,004</u>	<u>756,065</u>
Maintenance & Utilities				
Salary/Fringe Benefits	253,816	273,410	276,045	295,298
Purchased Services	632,557	651,039	651,039	651,039
Supplies	605,880	647,640	647,640	647,640
Total Maintenance	<u>1,492,253</u>	<u>1,572,089</u>	<u>1,574,724</u>	<u>1,593,977</u>
Grounds				
Salary/Fringe Benefits	59,960	68,159	68,159	67,811
Purchased Services	-	10,100	10,100	10,100
Supplies	25,782	39,165	39,165	39,165
Total Grounds	<u>85,742</u>	<u>117,424</u>	<u>117,424</u>	<u>117,076</u>
Central Office				
Salary/Fringe Benefits	379,812	406,864	401,864	401,376
Purchased Services	83,382	130,895	105,895	105,895
Supplies	27,827	59,060	54,060	54,060
Total Central Office	<u>491,021</u>	<u>596,819</u>	<u>561,819</u>	<u>561,331</u>
Technology				
Salary/Fringe Benefits	170,560	-	-	-
Purchased Services	70,505	237,029	237,029	317,029
Supplies	55,227	38,698	38,698	38,698
Total Technology	<u>296,292</u>	<u>275,727</u>	<u>275,727</u>	<u>355,727</u>

2014/2015 Final Budget & 2015/16 Preliminary Budget (May 2015)

GENERAL FUND

May 13, 2015 Presentation

EXPENDITURE DATA

	<u>2013/2014</u> <u>Actual</u>	<u>2014/15 Revised</u> <u>Budget (Dec.</u> <u>2014)</u>	<u>2014/15 FINAL</u> <u>Budget (May 2015)</u>	<u>2015/2016 Prelim.</u> <u>Budget (May 2015)</u>
CAPITAL OUTLAY				
Equipment	526,329	843,000	788,720	315,520
Total Capital Outlay (includes use of assigned maintenance)	<u>526,329</u>	<u>843,000</u>	<u>788,720</u>	<u>315,520</u>
All School				
Salary/Fringe Benefits	53,886	61,672	61,336	74,016
Purchased Services	199,991	230,000	235,000	235,000
Supplies	277,377	224,910	163,560	280,040
Total All Schools	<u>531,254</u>	<u>516,582</u>	<u>459,896</u>	<u>589,056</u>
Support Benefits				
Fringe Benefits	405,265	512,039	498,519	462,578
Purchased Services	-	-	-	-
Supplies	-	-	-	-
Total Support Benefits	<u>405,265</u>	<u>512,039</u>	<u>498,519</u>	<u>462,578</u>
Title 1				
Salary/Fringe Benefits	243,957	425,020	430,625	379,353
Purchased Services	22,304	-	2,000	2,000
Supplies	51,164	17,884	33,943	3,350
Total Title 1	<u>317,425</u>	<u>442,904</u>	<u>466,568</u>	<u>384,703</u>
Title 2				
Salary/Fringe Benefits	-	-	-	-
Purchased Services	102,558	85,536	96,109	68,523
Supplies	113	23,430	3,594	3,594
Total Title 2	<u>102,671</u>	<u>108,966</u>	<u>99,703</u>	<u>72,117</u>
Total expenditures	<u>\$ 19,193,835</u>	<u>\$ 20,199,327</u>	<u>\$ 20,009,081</u>	<u>\$ 19,581,925</u>

2014/2015 Final Budget & 2015/16 Preliminary Budget (May 2015)
GENERAL FUND

May 13, 2015 Presentation

	<u>2013/2014</u> <u>Actual</u>	<u>2014/15 Revised</u> <u>Budget (Dec.</u> <u>2014)</u>	<u>2014/15 FINAL</u> <u>Budget (May 2015)</u>	<u>2015/2016 Prelim.</u> <u>Budget (May 2015)</u>
Expenditures				
Total Salary & Benefits	\$ 15,107,957	\$ 15,469,604	\$ 15,419,447	\$ 15,524,411
Total Purchased Services	1,627,169	1,862,301	1,893,384	1,885,118
Total Supplies	1,932,380	2,024,422	1,907,530	1,856,876
Total Equipment (includes use of assigned maintenance)	526,329	843,000	788,720	315,520
	<u>\$ 19,193,835</u>	<u>\$ 20,199,327</u>	<u>\$ 20,009,081</u>	<u>\$ 19,581,925</u>
Note that this reflect Later Elementary roof repairs in the 2014/2015 budget)				
Total Revenue/trans & Other	\$ 18,526,955	\$ 19,680,863	\$ 19,691,484	\$ 19,335,961
Total Expenditures	19,193,835	20,199,327	20,009,081	19,581,925
over Rev.)	<u>\$ (666,880)</u>	<u>\$ (518,464)</u>	<u>\$ (317,597)</u>	<u>\$ (245,964)</u>
Reserves/Assigned Increase or (Decrease)				
Res/Assign for Maintenance	\$ (170,787)	\$ (530,200)	\$ (473,200)	\$ -
Res/Assign for Technology	-	-	-	-
Res/Assign for Community Ed.	15,113	-	-	-
Change in Unreserved Fund Balance	(511,206)	11,736	155,603	(245,964)
Total Change	<u>\$ (666,880)</u>	<u>\$ (518,464)</u>	<u>\$ (317,597)</u>	<u>\$ (245,964)</u>

2014/2015 Final Budget & 2015/16 Preliminary Budget (May 2015)

GENERAL FUND

May 13, 2015 Presentation

EXPENDITURE DATA

	<u>2013/2014</u> <u>Actual</u>	<u>2014/15 Revised</u> <u>Budget (Dec.</u> <u>2014)</u>	<u>2014/15 FINAL</u> <u>Budget (May 2015)</u>	<u>2015/2016 Prelim.</u> <u>Budget (May 2015)</u>
FUND BALANCES & ASSIGNED				
Reserves:				
Begin. Res/Assign for Maintenance	\$ 1,063,161	\$ 892,374	\$ 892,374	\$ 419,174
Change per above	(170,787)	(530,200)	(473,200)	-
Ending Assign for Maintenance	<u>892,374</u>	<u>362,174</u>	<u>419,174</u>	<u>419,174</u>
Begin. Res/Assign for Technology	\$ 441,703	\$ 441,703	\$ 441,703	\$ 441,703
Change per above	-	-	-	-
Ending Assign for Technology	<u>441,703</u>	<u>441,703</u>	<u>441,703</u>	<u>441,703</u>
Begin. Res/Assign for Comm. Ed.	\$ 100,252	\$ 115,365	\$ 115,365	\$ 115,365
Change per above	15,113	-	-	-
Ending Assign for Comm. Ed.	<u>115,365</u>	<u>115,365</u>	<u>115,365</u>	<u>115,365</u>
Total Assigned	<u>1,449,442</u>	<u>919,242</u>	<u>976,242</u>	<u>976,242</u>
Unassigned Fund Balance:				
Beginning Fund Balance	\$ 3,472,418	\$ 2,961,212	\$ 2,961,212	\$ 3,116,815
Transfer in Ath. Fund Balance	-	-	-	-
Change per above	(511,206)	11,736	155,603	(245,964)
Ending Fund Balance	<u>2,961,212</u>	<u>2,972,948</u>	<u>3,116,815</u>	<u>2,870,851</u>
Total Unassigned & Assigned Fund Balance	<u>\$ 4,410,654</u>	<u>\$ 3,892,190</u>	<u>\$ 4,093,057</u>	<u>\$ 3,847,093</u>
Fund Balances:				
Assigned	\$ 1,449,442	\$ 919,242	\$ 976,242	\$ 976,242
Unassigned Fund Balance	2,961,212	2,972,948	3,116,815	2,870,851
Total	<u>\$ 4,410,654</u>	<u>\$ 3,892,190</u>	<u>\$ 4,093,057</u>	<u>\$ 3,847,093</u>
Total expenditures				
Expenditures excluding from reserve	\$ 19,038,161	\$ 19,669,127	\$ 19,535,881	\$ 19,581,925
use of reserve	155,674	530,200	473,200	-
total expenditures	<u>\$ 19,193,835</u>	<u>\$ 20,199,327</u>	<u>\$ 20,009,081</u>	<u>\$ 19,581,925</u>
	-	-	-	-
Unassigned FB as % total expend	15.43%	14.72%	15.58%	14.66%
Total all FB as % total expend	22.98%	19.27%	20.46%	19.65%

SCHOOL SERVICE FUND
Supplement - Combined Budget Projection
2014/2015 Final Budget and 2015/16 Preliminary Budget

May 13, 2015 Presentation

	2013/14 Actual	2014/15 Revised Budget (Dec. 2014)	2014/15 Final Budget (May 2015)	2015/16 Preliminary Budget (May 2015)
REVENUES				
Local Sources	\$ 453,648	\$ 362,000	\$ 362,000	\$ 324,000
State Sources	45,027	45,000	45,000	45,000
Federal Sources	534,010	525,000	525,000	525,000
Total Revenue	<u>1,032,685</u>	<u>932,000</u>	<u>932,000</u>	<u>894,000</u>
Incoming Transfers and Other Transactions	115,000	112,000	112,000	112,000
Total Revenue & Transfers	<u><u>1,147,685</u></u>	<u><u>1,044,000</u></u>	<u><u>1,044,000</u></u>	<u><u>1,006,000</u></u>
EXPENDITURES				
Salaries & Benefits:				
Food Services	312,560	313,000	313,000	315,000
Athletic Activities	-	-	-	-
Learning Tree	155,575	71,393	71,393	31,000
Employee Benefits	-	-	-	-
Contracted Services	21,937	31,000	31,000	46,000
Other Supplies	635,006	626,500	626,500	614,800
Capital Outlay	2,177	2,000	2,000	2,000
Total Expenditures	<u>1,127,255</u>	<u>1,043,893</u>	<u>1,043,893</u>	<u>1,008,800</u>
Outgoing Transfers and Other	-	-	-	-
Total Expenditures & Tran	<u><u>1,127,255</u></u>	<u><u>1,043,893</u></u>	<u><u>1,043,893</u></u>	<u><u>1,008,800</u></u>
Excess of Revenues and Other Sources				
Over Expenditures and Other U:	20,430	107	107	(2,800)
Fund Balance July 1	40,225	60,655	60,655	60,762
Fund Balance June 30	<u><u>\$ 60,655</u></u>	<u><u>\$ 60,762</u></u>	<u><u>\$ 60,762</u></u>	<u><u>\$ 57,962</u></u>
Fund Balance as % of expenditu	5.38%	5.82%	5.82%	5.75%

SCHOOL SERVICE FUND
 Supplement - Detail Budget Projection
 2014/2015 Final Budget and 2015/16 Preliminary Budget

May 13, 2015 Presentation

	2013/14	2014/15 Revised Budget (Dec. 2014)	2014/15 Final Budget (May 2015)	2015/16 Preliminary Budget (May 2015)
	<u>Actual</u>	<u>Budget (Dec. 2014)</u>	<u>Final Budget (May 2015)</u>	<u>Preliminary Budget (May 2015)</u>
<u>FOOD SERVICE</u>				
REVENUES				
Local	282,219	263,000	263,000	263,000
State	45,027	45,000	45,000	45,000
Federal	534,010	525,000	525,000	525,000
Total Revenue	<u>861,256</u>	<u>833,000</u>	<u>833,000</u>	<u>833,000</u>
Incoming Transfers and Other Transactions	115,000	112,000	112,000	112,000
Total Revenue & Transfers	<u>976,256</u>	<u>945,000</u>	<u>945,000</u>	<u>945,000</u>
EXPENDITURES				
Salaries & Benefits	312,560	313,000	313,000	315,000
Contracted Services	20,869	21,000	21,000	22,000
Supplies and Other Expense	608,730	609,000	609,000	610,000
Capital Outlay	2,177	2,000	2,000	2,000
Total Expenditures	<u>944,336</u>	<u>945,000</u>	<u>945,000</u>	<u>949,000</u>
Outgoing Transfers and Other Transactions	-	-	-	-
Total Expenditures & Transfers	<u>944,336</u>	<u>945,000</u>	<u>945,000</u>	<u>949,000</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	31,920	-	-	(4,000)
Fund Balance July 1	15,117	47,037	47,037	47,037
Fund Balance June 30	47,037	47,037	47,037	43,037
Fund Balance % of Expenditures	4.98%	4.98%	4.98%	4.53%

SCHOOL SERVICE FUND
 Supplement - Detail Budget Projection
 2014/2015 Final Budget and 2015/16 Preliminary Budget

May 13, 2015 Presentation

	2013/14 Actual	2014/15 Revised Budget (Dec. 2014)	2014/15 Final Budget (May 2015)	2015/16 Preliminary Budget (May 2015)
<u>Cedar Street Center</u>				
REVENUES				
Local	171,429	99,000	99,000	61,000
Federal	-	-	-	-
State	-	-	-	-
Total Revenue	<u>171,429</u>	<u>99,000</u>	<u>99,000</u>	<u>61,000</u>
Incoming Transfers and Other Transactions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue & Transfers	171,429	99,000	99,000	61,000
EXPENDITURES				
Wages & Benefits	155,575	71,393	71,393	31,000
Contracted Services	1,068	10,000	10,000	24,000
Supplies & Other Expense	<u>26,276</u>	<u>17,500</u>	<u>17,500</u>	<u>4,800</u>
Employee Benefits	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>182,919</u>	<u>98,893</u>	<u>98,893</u>	<u>59,800</u>
Outgoing Transfers and Other Transactions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures & Transfers	182,919	98,893	98,893	59,800
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(11,490)	107	107	1,200
Fund Balance July 1	25,108	13,618	13,618	13,725
Fund Balance June 30	13,618	13,725	13,725	14,925
Fund Balance as % of expenditures	7.44%	13.88%	13.88%	24.96%

DEBT RETIREMENT FUNDS

The state no longer requires the school board to adopt a budget for the Debt Retirement Fund or the Capital Projects Fund. The following is provided for your information.

Debt Retirement Fund

	<u>2013/14</u>	<u>2014/15</u>	<u>2015/2016</u>
Levy (Mills)	8.20	8.20	8.20
Principal Borrowing from SBLF	\$ 1,767,784	\$1,727,302	\$ TBD

Cumulative Loan (Principal and Interest) from School Bond Loan Fund and School Loan Revolving Fund @ 6/30/2014	\$ 4,603,399
Current Interest Rate @ 6/30/2014	3.52268%
Projected date to pay off loan	May 1, 2037
Mandatory Repayment Date	May 1, 2037

CAPITAL PROJECTS FUNDS

2006 Capital Projects

Original Budget	\$10,575,000
Original Estimated Interest	<u>248,888</u>
Original Project	10,823,888
Additional Estimated Interest	<u>494,340</u>
Total Available	11,318,228
Estimated Expenses	<u>11,318,228</u>
Estimated Balance Available @ June 30, 2015	\$ <u>0</u>

GLOSSARY

AARA

2009 American Recovery & Reinvestment Act (AARA) economic stabilization funds from the federal government to assist states in the current economy. These consist of funds that are to be used to maintain current education funding formulas, increases to Title I funding, and increases to IDEA (special education) funding. These funds have been used and no new funding is available.

AD VALOREM TAX

(Latin for "according to value") is a tax based on the value of real estate or personal property

COMMERCIAL PERSONAL PROPERTY INCLUDES:

- (i) All equipment, furniture, and fixtures on commercial parcels and inventories not exempt by law.
- (ii) All freestanding outdoor advertising signs and billboards. PA 620 of 2002.
- (iii) Well drilling rigs and other equipment attached to a transporting vehicle but not designed for the operation while the vehicle is moving on the highway.
- (iv) Unlicensed commercial vehicles or commercial vehicles licensed as special mobile equipment or by temporary equipment

DEFICIT BUDGET AS DEFINED BY STATE

The State School Aid Act of 1979 prohibits a deficit budget. For the purposes of this act a deficit budget is one where the beginning fund balance plus the revenue less the expenditures equals a deficit. In other words, the fund balance would be negative. It is not just a comparison of revenue and expenditures for any one particular year.

EDUJOB

Federal Title I formula driven grant authorized by P.L. 111-226 which are part of the federal economic stimulus grants. These funds are used to pay for part of our elementary classroom positions.

EQUIPMENT/CAPITAL OUTLAY

Equipment expenditures are those which result in the acquisition of fixed assets or additions to fixed assets. They are expenditures for land, buildings, improvements of grounds or site, construction of buildings, additions to buildings, remodeling of buildings and the purchase of initial or additional equipment. They are items that last longer than one year and have a value exceeding \$5,000.

FISCAL PERIOD

Any period at the end of which a school district determines its financial condition and the results of its operations and closes its books. The fiscal period for school districts in Michigan is July 1 through June 30. The fiscal period for the state government is October 1 through September 30.

FOUNDATION ALLOWANCE

Amount of money received by the district for every full time student attending school. The state guarantees this amount through local taxes levied on business/non-homestead property and state aid. If the computed local taxes are not levied or collected for any reason the state does not make up the difference.

FRINGE BENEFITS

Amounts paid by the school system on behalf of employees; these amounts are not included in the gross salary, but are over and above. Such payments are not paid directly to employees; nevertheless, they are part of the cost of salaries and benefits. Examples are: unemployment insurance, workers compensation insurance, health insurance, life insurance, dental insurance, retirement and social security.

FULL TIME EQUIVALENT (FTE)

One full time equivalent is calculated on the basis of one student attending school for a full day. The FTE student count is generally used to report the number of students to the state in September and the following February. In unusual circumstances, students attend school less than a full day and would be counted as a fraction (decimal) of one FTE (i.e., 0.8 if student attends four of five classes). The FTE of students attending both regular and special education classes would be reported in each program calculated on the number of classes the student attends in each program.

FUND BALANCE

The excess of the assets of a fund over its liabilities and reserves.

HEADLEE AMENDMENT

Passed by the voters in 1976 which restricts the increase in government revenues to last year's amount plus inflation. This referendum also requires the state to fund any new mandated programs it imposes on local governments.

INDUSTRIAL PERSONAL PROPERTY INCLUDES:

- (i) All machinery and equipment, furniture and fixtures, and dies on industrial parcels, and inventories not exempt by law.
- (ii) Personal property of mining companies valued by the state geologist.

MILL

A unit of monetary value equal to 1/1000 U.S. dollar, or one tenth of a cent as \$0.001. A levy of one mill will equal \$1.00 of taxes per \$1,000 of Taxable Valuation; so-called \$1.00 per thousand.

OTHER EXPENSES

Payments by the school district that do not fall under the normal classifications of salaries, purchased services, supplies, equipment, etc. These expenditures include tuition payments to other districts, interest on loans, indirect costs for federal programs.

PERSONAL PROPERTY TAX (PPT)

Personal property generally is interpreted to be that not permanently affixed to land: e.g., equipment, furniture, tools, and computers. In Michigan, only businesses pay the personal property tax (PPT); items for household use have been exempt since the 1930s. There are both industrial and commercial classifications

PROPERTY TAX MILLAGE

This is an *ad valorem* tax that an owner of real estate or other property pays on the value of the property being taxed. There are three species or types of property: Land, Improvements to Land (immovable man made things), and Personal (movable man made things). Real estate, real property or realty are all terms for the combination of land and improvements. The taxing authority requires and/or performs an appraisal of the monetary value of the property, and tax is assessed in proportion to that value.

PURCHASED SERVICES

Amounts paid for services rendered generally by persons who are not on the payroll of the local education agency. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided in order to obtain the desired results. Examples are: data processing, legal, audit, advertising, and repairs. It also includes the costs of workshops and conference expenses.

RESERVED FUND BALANCES (Former)

Funds set aside by the local district to address a specific future expense. This term is no longer used and we now have different terminology including committed, assigned and unassigned.

SALARIES

Amounts paid to employees of the school system who are considered to be in positions of a permanent nature or hired temporarily, including personnel substituting for those in permanent positions.

SCHOOL BOND LOAN FUND (SBLF)

A program established by the State of Michigan that loans Debt Retirement money to local districts to meet principal and interest payments. It allows districts to levy a millage that is less than required in the early years of its bonded debt.

SCHOOL SERVICE FUNDS

A group of funds which operates independently from the General Fund, but which plays a vital support role to the education of students. State Code allows transfers of General Fund money to these funds, but prohibits their use to subsidize the General Fund. These funds include Cafeteria, and Cedar Street Community and Family Center programs. The Athletic funds were part of this until 2010/2011 when accounting rules required that we report these expenditures in the General Fund.

STATE AID

Payments to school districts by the state for financial aid. The district receives an allowance for each pupil enrolled in the district. Students are counted in the fall and the previous winter and the two counts are averaged (blended) for state aid calculations. Remittances from the state are received every month starting in October and ending in August.

STATE EQUALIZED VALUE (SEV)

The township assessor determines a value of your property. Some say it is the market value or cash value of the property. State Equalized Value (SEV) is 50% of the cash value. The assessor always determines this figure. They have their own formula that they go by and it does not necessarily mean that you can sell your house for that price. This is not the value that is used to compute your property taxes, see Taxable Value.

SUPPLIES AND MATERIALS

Amounts paid for material items of an expendable nature that are consumed within one year and have a value of less than \$5,000. Examples are: teaching supplies, textbooks, periodicals, office supplies, etc.

TAXABLE VALUATION (TV)

The value of real and personal property within the school district subject to a levy for school operation and building programs. Increases are limited to the lesser of five percent or the rate of inflation. If your state equalized value (SEV) decreases below the taxable value on your property the taxable value will be reduced. Taxable value is never more than the SEV.

TAXABLE VALUATION - HOMESTEAD

Real estate property located in the school district that is agricultural or the homeowner's primary residence. It is subject to debt millage, but not school operating millage.

TAXABLE VALUATION - NON-HOMESTEAD/BUSINESS

Real, personal, and industrial property that is comprised of non-homestead (second homes) and business-owned property. It is subject to both debt and school operating millages.

EXECUTIVE LIMITATIONS

POLICY 2201

FINANCIAL PLANNING

Budgeting for the current fiscal year shall not deviate materially from Board Organizational Purpose (Ends) policies or place the district at financial risk. Additionally, the Superintendent shall not cause or knowingly condone budgeting which:

1. Allows the District's fund equity to fall below ten percent (10%) at the end of the school year. (General Fund total fund balance as a percentage of the General Fund annual budgeted expenditures.)
2. Allows the current budget process to occur without clearly defined responsibilities and an associated timeline.
3. Fails to ensure that the current year's budget be derived from a conservative approach and considering potential district needs and challenges in future years.
4. Lacks the detail necessary to allow the Board to understand key assumptions, sources of revenue, and categories of expenses.

PAW PAW PUBLIC SCHOOLS

Adopted: 6/18/98
Revised: 3/16/00
Revised: 2/09/11
Revised: 7/23/14