

May 15, 2013 Presentation

Paw Paw Public Schools

Budget Proposal

2013/14

(Financial Planning Policy 2201)

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2013/14 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, 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 2012/13 year we are operating with expenditures in excess of revenues by approximately \$985,000. The difference is coming from the fund balances which are intended to help us weather economic downturns. While there are encouraging signs that Michigan is recovering we must recognize that the citizens and governments in Michigan will continue to have economic challenges.

As we began development of the 2013/14 budget we took a look back at the district's operations of many years. We are all too aware that the economy has been bad for many years and education funding has really taken a blow. For many years we've been making adjustments and tightening the budget. When we started so long ago we talked about the fund balance that the district had created for rainy days. Our intentions were to both modify operations and use fund balance to have a lesser impact on the education of our students. Even after adopting budgets we continue to take advantage of savings that we could find. This has been a successful approach for us. We've been able to considerably reduce the use of the fund balance from what we anticipated and therefore we continue to be able to provide educational opportunities our students deserve.

When we presented the 2009/10 preliminary budget we were expecting to have an operating deficit of approximately \$950,000 with ending unreserved fund balance of \$2,980,000 or 15.50% of the 2009/10 expenditures. Had we continued on that same pattern of operating deficits at 6/30/2013 we would now be at a zero fund balance. Because of the changes in operations at this time we expect the 6/30/12 ending unassigned fund balance to be \$2,950,000. We continue to believe in the approach we took in June 2009 and will utilize the fund balance to keep from decimating the educational programs for the Paw Paw Public Schools students.

As we planned the 2013/14 operating budget we began with the information known about the 2012/13 operations. We then determined reasonable assumptions about revenue and expenditure changes that should be incorporated into the 2013/14 budget. Once again state aid revenue for next year is not yet set. The Governor has made a proposal, the House a different proposal and the Senate a third proposal. We are using the Governor's proposal in this budget projection but it is subject to change. It should be noted that every proposal has a net reduction in per pupil funding for schools in the state.

As discussed at recent board meetings we need to invest in technology in order for students to be able to take the state mandated tests in the near future. The initial upgrade this summer is approximately \$410,000. This could be paid for, or partially paid for, with the remaining bond proceeds. At this time I've included the entire amount as a reduction to the technology reserve in the general fund. We need to discuss what funds we will use to pay for the technology. We also need to replace the visitor's bleachers on Falan Field. That is expected to be about \$100,000 which is also in this budget as a reduction to the maintenance reserve. That cannot be paid with bond funds.

The assumptions we used included an enrollment reduction of approximately 10 students, net reduced per pupil funding of \$25 (an increase in PPFG, but then decreases in best practices, performance based and technology per pupil funds), 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 also have included approximately \$410,000 of technology purchases that are needed in order for students to take the computerized state assessments that must be given districtwide. The total operating deficit will be \$1,998,000 with the entire technology purchase and the bleacher replacement. Ongoing operations will have a deficit of approximately \$1,488,000.

It should be noted that there was a retirement change in the 2012/13 year which resulted in employees being required to pay in additional contributions towards their eventual pensions and they will have reduced pension benefits. As part of that reform the state made a commitment to begin to prefund the unfunded health benefits. It seemed reasonable that the state would directly pay those funds into the MPSERS account. All three state aid proposals include sending those funds to the local districts then turning around and billing the districts for that same amount. The 2013/2014 budget has that listed as both revenues and expenditures. The state analysis documents related to the state aid proposals all show the transfer of the funds for the state's contribution as an increase in revenue to the districts. It fails to document that the districts will have increased expenditures of the same amount.

The operating budget is summarized as:

	<u>2011/12 Actual</u>	<u>2012/13 Final Budget</u>	<u>2013/14 Preliminary Budget</u>
Revenue	18,463,251	18,071,894	18,057,547
Insurance/settlement proceeds	839,243	40,000	-
Expenditures	(18,518,448)	(19,097,110)	(19,646,107)
Technology & bleacher	-	-	(410,000)
Net (expend. over rev.)	<u>784,046</u>	<u>(985,216)</u>	<u>(1,998,560)</u>
Ending FB & Assigned:			
Assigned (1)	1,661,263	1,601,202	1,033,202
Unassigned Fund Balance	<u>3,874,411</u>	<u>2,949,258</u>	<u>1,518,698</u>
TOTAL	<u>5,535,674</u>	<u>4,550,460</u>	<u>2,551,900</u>
Unassigned FB as % Exp.	20.92%	15.44%	7.73%
Total FB as % of Exp.	29.89%	23.83%	12.99%

Note (1): As of June 30, 2013 the assigned fund balance includes approximately \$705,000 related to the Later El. roof settlements.

As a comparison our 2009/2010 preliminary budget reflected an anticipated operating deficit of \$948,000 an unreserved fund balance of \$2,983,000 or 15.50% of the operations.

LOCAL TAX INFORMATION

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

	2010/11	2011/12	2012/13	2012/13
All other non-principal residence exempt	18.000	18.000	18.00	18.00
1998 Debt Retirement	0.550	0.459	0.400	8.20 to be allocated
2003 Debt Retirement (refinancing)	2.600	2.751	2.600	
2005 Debt Retirement (refinancing)	0.700	0.629	0.600	
2006 Debt Retirement	1.640	1.642	1.680	
2008 Debt Retirement (refinancing)	2.710	2.719	1.770	
2012 Debt Retirement (refinancing)	0.000	0.000	1.150	
2013 Debt Retirement (refinancing)	0.000	0.000	0.000	
Total Tax Levy	26.200	26.200	26.200	26.200

Taxable Valuations (as of 5/24/13 per state website)

	2010/11	2011/12	2012/13	2012/13
PRE & Qualifying	282,533,132	273,681,196	277,113,245	To be determined
Industrial Personal Property	4,740,500	8,609,700	8,685,200	
Commercial Personal Property	12,672,341	12,734,401	11,340,826	
All Other (Non-PRE)	121,828,424	125,564,557	121,981,397	
Total	421,774,397	420,589,854	419,120,668	
Percentage increase (decrease)	(2.05%)	(0.28%)	(0.35%)	

Property Tax (as of 5/12/13 per state website)

	Local Taxes General Fund 2010/11	Local Taxes General Fund 2011/12	Local Taxes General Fund 2012/13	Local Taxes General Fund 2013/14
Almena	170,510	184,566	181,931	To be determined
Antwerp	224,875	240,082	227,371	
Lawrence	728	726	729	
Paw Paw	1,761,025	1,802,439	1,744,659	
Waverly	111,808	108,755	109,020	
Total	\$ 2,268,946	\$ 2,336,568	\$ 2,263,710	
Tax revenue change from prior year	(9,068)	67,623	(72,858)	
Percentage change	(0.40%)	2.98%	(3.12%)	

Notes:

- Six (6) mills are levied on Commercial Personal Property; eighteen (18) mills are levied on "all other non-principal residence exemption for General Operations." Properties subject to tax were changed at the state level.
- 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. The historic blending roles are:

1999/00	25/75 blend
2000/01 thru 2003/04	20/80 blend
2004/05 thru 2010/11	25/75 blend
2011/12 thru 2012/13	10/90 blend
2013/14	Used 10/90 however this is to be determined. Proposals are: Governor – no change; Senate 90/10 but use Feb. of the same school year which reduces total statewide funding; House 80/20 but use Feb. of same school year which further reduces total statewide funding.

State Aid Foundation:

	2010/11	2011/12	2012/13	2013/14
Regular Education:				
PPFG	\$ 7,316	\$ 6,846	\$ 6,966	\$ 7,000
Less 11d LEA Pupil Deduct	<u>(170)</u>	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>
Net per pupil foundation	<u>7,146</u>	<u>6,846</u>	<u>6,966</u>	<u>7,000</u>
Other per pupil funded items:				
Best Practice (PP)	N/A	100	52	16
Performance (PP)	N/A	N/A	40	27
Technology Infrastructure (PP)	N/A	<u>0</u>	<u>10</u>	<u>0</u>
Total other PP Funding	N/A	<u>100</u>	<u>102</u>	<u>43</u>
Total net funding on PP basis	<u>\$ 7,146</u>	<u>\$ 6,946</u>	<u>\$ 7,068</u>	<u>\$ 7,043</u>
Sources of PPFG:				
Federal Stimulus	\$ 116	\$ 0	\$ 0	\$ 0
Local Taxes	1,003	1,026	1,019	TBD
State Portion	<u>6,027</u>	<u>5,825</u>	<u>5,947</u>	
Net per pupil foundation	<u>\$ 7,146</u>	<u>\$ 6,846</u>	<u>\$ 6,966</u>	
Adult Education:				
Adult Ed PP	\$2,850	\$2,850	\$2,850	\$2,850
Count cap	12 FTE	12 FTE	12 FTE	12 FTE

State Aid Changes:

2009/10	\$0, Flat foundation allowance however a (\$154) or (2.26%) decrease in net foundation compared to 2008/09. Included Federal Economic Stimulus Funds to accomplish this. Pupil deduct was \$154.
2010/11	\$0, Flat foundation allowance however a (\$16) or (0.07%) decrease in net foundation compared to 2009/10 net. Will include Federal Economic Stimulus Funds to accomplish this. Pupil deduct was \$170.
2011/12	\$(470) rebase of foundation to \$6,846 or (\$184) reduction after considering a separate line deduction in prior year. This is a (2.6%) in net funding Count also changed from 25/75 to 10/90 blend. A \$100 pupil best practice categorical was added for districts which met the criteria. Paw Paw did receive this.
2012/13	\$120 1.75% increase in foundation from 2011/12. The best practice, performance based, and technology infrastructure increased \$2 from 11/12 level.
2013/14	That State Aid is not yet finalized at the State. In addition to the count blending changes being proposed there are 3 different per pupil funding proposals being discussed: the Governor

<p>proposal, the House proposal and the Senate proposal.</p> <p>The state must pay for the MPSERS prefunding that was part of the MPSERS reform. This is in exchange for school employees increasing their own contributions to the retirement fund and, in many situations, getting a reduction in the pensions that they can expect to receive. The state has decided to send that prefunding money to the districts and then turn around and bill the districts for the same amount. They are showing the prefunding money as increased revenue to districts on the state aid proposal analysis documents without adding that the state will get those same funds back for the prefunding. This is at best a confusing presentation by the state. The estimated amount varies by district. It is reported as \$123 per pupil for Paw Paw.</p> <p>For the Paw Paw district after considering the per pupil foundation grant, best practices, performance based, and technology infrastructure together the proposals all have decreases in funding ranging from (\$12) to (\$44) per pupil for 2013/14 compared to funding for 2012/2013.</p> <p>The prefunding MPSERS that the state is required to pay for will be both an increased revenue and expenditure for the same \$123 per pupil amount. The net impact on the operating budget will be zero change.</p>

BLENDED ENROLLMENT FOR FINANCIAL CALCULATIONS

	2010/11	2011/12	2012/13	2013/14 ⁽¹⁾
Blend Rate	25/75	10/90	10/90	10/90

(1) Used current law but proposals which change that are also being discussed so this could change.

Student Enrollment

	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Projected
K-12 (Excludes Young Fives)				
February (prior school year)	2,077.39	2,125.02	2,100.51	2,099.50
October (current school year)	2,150.90	2,145.72	2,134.94	2,134.00
Allowance for est. error – fall				-10.00
Blend K-12	2,132.53	2,143.65	2,131.50	2,121.55

Alternative Ed. & Young 5's				
February (prior school year)	158.42	142.85	107.66	93.80
October (current school year)	151.69	137.99	128.50	120.00
Blend Alternative Education	153.37	138.48	126.42	117.38

Other				
February (prior school year)	14.02	13.27	10.10	9.92
October (current school year)	13.18	10.59	10.08	10.00
Blend	13.39	10.86	10.08	9.99

Districtwide Blend	2,299.29	2,292.99	2,267.99	2,248.92
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Adult Education Participants				
July (current school year)	0.00	0.00	0.0	0.0
October (current school year)	20.52	18.40	18.13	TBD
February (current school year)	13.71	11.43	11.50	TBD

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

	2010/11 Actual ⁽²⁾		2011/12 Actual		2012/13 Actual		2013/14 Projected	
	2/10 ⁽³⁾	9/10 ⁽³⁾	2/11	10/11	2/12	10/12	2/13	10/13
Kgn	132.92	177.03	171.56	149.91	147.04	166.57	163.34	150.00
01	166.00	136.34	136.86	176.44	173.56	157.08	152.15	167.00
02	139.15	175.00	178.00	139.42	139.47	173.98	169.98	157.00
Total K-2	438.07	488.37	486.42	465.77	460.07	497.63	485.47	476.87
03	155.49	140.98	139.02	177.38	177.32	142.69	141.88	174.00
04	155.00	164.00	164.00	144.10	145.53	187.00	179.00	143.00
05	164.00	158.00	161.00	172.66	168.78	150.12	150.15	187.00
Total 3-5	474.49	462.98	464.02	494.14	491.63	479.81	471.03	504.00
06	160.00	174.71	173.57	176.00	171.00	177.00	174.00	150.00
07	175.00	164.00	162.00	179.14	180.14	170.00	170.00	177.00
08	154.00	173.00	168.00	167.00	161.00	171.00	168.00	170.00
Total 6-8	489.00	511.71	503.57	522.14	512.14	518.00	512.00	497.00
09	172.00	173.00	175.00	173.00	169.00	166.00	165.00	171.00
10	169.33	178.17	173.00	160.00	157.17	168.00	169.00	166.00
11	172.50	174.33	168.67	168.17	158.00	155.50	151.00	168.00
12	162.00	161.34	154.34	162.50	152.50	150.00	146.00	155.00
Total 9-12	675.83	686.84	671.01	663.67	636.67	639.50	631.00	660.00
Total K-12	2,077.39	21,49.90	2,125.02	2,145.72	2,100.51	2,134.94	2,099.50	2134.00
Young 5's	26.18	31.00	30.00	25.50	24.00	24.89	25.47	20.00
Alt Ed	132.24	120.69	112.85	112.49	83.66	103.61	68.33	100.00
Total Alt.	158.42	151.69	142.85	137.99	107.66	128.50	93.80	120.00
Trinity	8.04	7.78	7.69	7.46	6.97	7.20	7.04	7.00
St. Mary's	5.98	5.40	5.58	3.13	3.13	2.88	2.88	3.00
Total other	14.02	13.18	13.27	10.76	10.1	10.08	9.92	10.00
Grand Total	2,249.83	2,314.77	2,281.14	2,294.30	2,218.27	2,273.52	2,203.22	2265.00
Adult Ed. Participants ⁽⁴⁾	22.34	18.00	13.71	18.40	11.43	18.13	11.50	12.00

- 1.) This presentation has the special education students included in their respective grades.
- 2.) Projection is in line with Middle Cities Enrollment Projection Method 3 and considering Alternative Ed. to be slightly less than Sept. 2012 counts.
- 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 for funding.

State Aid Count – February 13, 2013 (Before Audit)

Grade	Gen. FTE	S.E. FTE	Total FTE	Headcount
Early Elementary (1)				
Kindergarten	163.18	0.16	163.34	167
Grade 1	148.22	3.93	152.15	153
Grade 2	166.54	3.44	169.98	170
TOTAL	477.94	7.53	485.47	490
Later Elementary (1)				
Grade 3	139.75	2.13	141.88	143
Grade 4	173.12	5.88	179.00	179
Grade 5	143.49	6.66	150.15	151
TOTAL	456.36	14.67	471.03	473
Middle School				
Grade 6	167.04	6.96	174.00	174
Grade 7	166.45	3.55	170.00	170
Grade 8	161.70	6.30	168.00	168
TOTAL	495.19	16.81	512.00	512
High School				
Grade 9	158.84	6.16	165.00	165
Grade 10	159.07	9.93	169.00	169
Grade 11	141.60	9.40	151.00	152
Grade 12	142.92	3.08	146.00	146
TOTAL	602.43	28.57	631.00	632
TOTAL K-12	2,031.92	67.58	2,099.50	2,107
Community Education				
Young Fives	25.47	0.00	25.47	26
Grade 8	12.00	0.00	12.00	12
Grade 9	13.17	0.00	13.17	19
Grade 10	16.36	0.00	16.36	21
Grade 11	19.92	0.00	19.92	28
Grade 12	6.88	0.00	6.88	17
TOTAL	93.80	0.00	93.80	123
Trinity Lutheran School	7.04	0.00	7.04	55
St. Mary's Catholic School	2.88	0.00	2.88	48
TOTAL	9.92	0.00	9.92	103
TOTAL SCHOOLS	2,135.64	67.58	2,203.22	2,333
Total Adult Ed.	11.50	0.00	11.50	28.00

(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

	08/09	09/10	10/11	11/12	12/13
Young Fives	4	5	6	0	4
Kindergarten	14	13	6	12	9
First Grade	15	9	11	7	10
Second Grade	10	13	10	8	8
Third Grade	8	9	12	5	8
Fourth Grade	17	6	8	9	6
Fifth Grade	10	17	6	5	9
Sixth Grade	5	7	13	4	6
Seventh Grade	8	4	9	10	4
Eighth Grade	3	9	3	9	6
TOTAL	94	92	84	69	70

St. Mary's Catholic School

	08/09	09/10	10/11	11/12	12/13
Young Fives	2	1	2	0	3
Kindergarten	18	22	9	20	12
First Grade	9	19	16	8	15
Second Grade	11	10	15	15	4
Third Grade	10	12	9	16	12
Fourth Grade	8	9	11	7	11
Fifth Grade	13	7	9	12	6
TOTAL	71	80	71	78	63

RETIREMENT CONTRIBUTIONS

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

2003/04 ⁽¹⁾	12.99%	2009/10	16.94%
2004/05	14.87%	2010/11	19.41% (Oct)
2005/06	16.34%		20.66% (Nov on)
2006/07	17.74%	2011/12	24.46% ⁽³⁾
2007/08 ⁽²⁾	16.72%	2012/13	24.32% ⁽⁴⁾
2008/09	16.54%	2013/14	24.79% ⁽⁵⁾

Notes:

- (1) Held by state at this level. Not the actuarial value.
- (2) After revaluation of assets. If that had not been approved, the rate would have been 18.56%.
- (3) An offset categorical 147a for \$204,000 was received in 2011/12.
- (4) 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.
MPERS 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.
- (5) 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

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 will impact all groups with insurance in 2013/2014 since all contracts will expire before the start of the 2013/2014 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 2013/14 which are reflected in this budget. Normally we do not have the rates at this time and instead budget a 5-10% estimated increase.

EMPLOYEE COUNT ⁽¹⁾
K-12 REGULAR PROGRAMS

Early Elementary	09/10	10/11	11/12	12/13⁽¹⁾	13/14
Principal	1.0	1.0	1.0	1.0	To be Determined
Teacher	19.5	23.0	21.0	22.0	
Tech Coach	0.3	0.3	0.0	0.0	
Secretary/Clerk	2.0	1.5	1.5	1.5	
Paraprofessional (general ed; state grants)	4.0	7.0	6.0	6.0	

Later Elementary	09/10	10/11	11/12	12/13	13/14
Principal	1.0	1.0	1.0	1.0	
Teacher	21.5	20.0	20.0	21.0	
Tech Coach	0.3	0.3	0.0	0.0	
Secretary/Clerk	2.0	1.5	1.5	1.5	
Paraprofessional (general ed; state grants)	5.0	5.0	5.0	5.5	

Middle School	09/10	10/11	11/12	12/13	13/14
Principal	2.0	2.0	2.0	2.0	
Teacher	24.6	24.4	21.6	21.6	
Tech Coach	0.4	0.4	0.0	0.0	
Guidance Counselor	1.3	1.3	1.0	1.0	
Secretary/Clerk	3.0	3.0	3.0	3.0	
Paraprofessional (general ed; state grants)	2.5	2.5	2.5	2.5	

High School	09/10	10/11	11/12	12/13	13/14
Principal	2.0	2.0	2.0	2.0	
Teacher	30.3	28.4	27.4	28.4	
Librarian	1.0	0.0	0.0	0.0	
Guidance Counselor	3.0	3.0	2.0	2.0	
Secretary/Clerk	3.5	3.5	3.5	3.5	
Paraprofessional	1.0	1.0	1.0	1.0	

Athletics	09/10	10/11	11/12	12/13	13/14
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	26.5	26.5	26.5	26.5	
Winter	20.5	20.5	20.5	20.0	
Spring	16.0	16.0	16.0	16.0	

Special Education	09/10	10/11	11/12	12/13	13/14
Coordinator	1.0	1.0	1.0	1.0	
Teacher	17.50	17.0	16.0	16.5	
Parapro/Signter/Bus (general ed grants)	10.50	11.0	11.0	11.0	

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

	09/10	10/11	11/12	12/13	13/14
Transportation					
Director	1.0	1.0	1.0	1.0	
Secretary/Clerk	1.0	1.0	1.0	1.0	
Bus Mechanic	2.0	2.0	2.0	2.0	
Bus Driver	15.0	14.0	14.0	14.0	

	09/10	10/11	11/12	12/13	13/14
Maintenance					
Director/Supervisor	3.0	3.0	3.0	3.0	
Maintenance	2.0	1.0	1.0	1.0	
Custodian (employee)	0.0	0.0	0.0	0.0	

	09/10	10/11	11/12	12/13	13/14
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	

	09/10	10/11	11/12	12/13	13/14
Title Grants					
Teacher	2.0	1.0	1.0	1.0	
Paraprofessional	8.0	9.0	9.0	9.0	

	09/10	10/11	11/12	12/13	13/14
Districtwide					
Curriculum Coordinator	1.0	1.0	1.0	1.0	
Tech/Auditorium Coordinator	3.0	3.0	3.0	3.0	
Mail/Copy Center	2.2	2.2	2.2	2.2	
Secretary/Clerk	2.0	2.0	2.0	1.0	

SUMMARY ⁽²⁾	09/10	10/11	11/12	12/13	13/14
Principal/Director	13.0	13.0	13.0	13.0	
Coordinator	5.0	5.0	5.0	5.0	
Teacher	115.9	113.8	107.0	107.0	
Librarian/Tech Coach	2.0	1.0	0.0	0.0	
Counselor	4.30	4.30	3.30	3.3	
Secretary/Clerk	18.0	17.0	17.0	17.0	
Paraprofessional	30.5	35.5	36.5	36.5	
Bus Driver	15.0	14.0	14.0	14.0	
Custodian, Maintenance, Mechanics (See below)	4.0	3.0	3.0	3.0	
Mail/Copy Center	2.2	2.2	2.2	2.2	
Coaches	63.0	63.0	63.0	63.0	
TOTAL	272.4	271.85	263.75	263.75	

EMPLOYEE HEADCOUNT K-12 OTHER PROGRAMS

Community Education	09/10	10/11	11/12	12/13	13/14
Director	1.0	1.0	1.0	1.0	
Coordinators	3.0	3.0	3.0	3.0	
Secretary/Clerk	5.0	5.0	5.0	5.0	
Teacher/Adult Ed	2.0	2.0	2.0	2.0	
Teacher/Alternative Ed	11.0	11.0	11.0	11.0	
Counselor	1.0	1.0	1.0	1.0	

Food Service	09/10	10/11	11/12	12/13	13/14
Director	1.0	1.0	1.0	1.0	
Cook/Baker/Aide	21.0	21.0	21.0	21.0	
Community Ed. Aide	3.0	3.0	2.0	2.0	

Preschool/Day Care	09/10	10/11	11/12	12/13	13/14
Director	1.0	1.0	1.0	1.0	
Teacher	4.0	4.0	4.0	4.0	
Child Care (Parapro)	12.0	12.0	12.0	12.0	

SUMMARY	09/10	10/11	11/12	12/13	13/14
Directors	3.0	3.0	3.0	3.0	
Coordinators	3.0	3.0	3.0	3.0	
Counselors	1.0	1.0	1.0	1.0	
Secretary/Clerk	5.0	5.0	5.0	5.0	
Teachers	17.0	17.0	17.0	17.0	
Cook/Baker/Aides	24.0	24.0	23.0	23.0	
Parapros	12.0	12.0	12.0	12.0	
TOTAL EMPLOYEES	65.0	65.0	64.0	64.0	

Contracted	09/10	10/11	11/12	12/13	13/14
Equiv. contracted custodians (not included in staffing)	16.5	16.5	16.5	16.5	

PUPIL/TEACHER RATIO ⁽¹⁾
2012/13 (13/14 TBD)

Early Elementary	Pupils/Fall FTE	2012/13 Teachers	Pupil/Teacher Ratio
Kindergarten (Early Elementary)	166.57	7.0	23.8
First Grade	157.08	6.0	26.2
Second Grade	173.98	7.0	24.9
Physical Education		0.5	
Music		0.5	
Art		0.5	
Spanish		0.5	
Total Classroom	497.63	22.0	22.6
Special Education	Above	1.5	
Title I		0.5	

Later Elementary	Budgeted Pupils/Fall FTE	2012/13 Teachers ⁽¹⁾	Pupil/Teacher Ratio
Third Grade	142.69	6.0	23.8
Fourth Grade	187.00	7.0	26.7
Fifth Grade	150.12	6.0	25.0
Physical Education		0.5	
Music		0.5	
Art		0.5	
Spanish		0.5	
Total Classroom	479.81	21.0	22.8
Special Education	Above	3.0	
Title I		0.5	

Middle School	Pupils/Fall FTE	2012/13 Teachers	Pupil/Teacher Ratio
Regular Education	518	21.6	24.0
Special Education	Above	4.0	
Counselor		1.0	

High School (includes Tech Center students)	Pupils/Fall FTE	2012/13 Teachers	Pupil/Teacher Ratio
Regular Education	639.50	28.4	22.5 ⁽²⁾
Special Education	Above	7.0	
Counselor		2.0	

(1) Does not consider moves after count

(2) Actually lower due to Voc. Tech

BUDGET HIGHLIGHTS

2012/13

1. GENERAL FUND

In January we approved a budget that reflected a deficit of \$1,483,000. Based upon the known information at this point in time we believe the deficit will be approximately \$985,000.

CHANGES FROM DECEMBER

There have been changes on the state aid status reports regarding prior year and other funding adjustments which increase our revenues for the current year. The revenue projection has increased \$112,000.

As we discussed in January, the budget included all positions as though they were to be filled by permanent hires for the entire year. We have some vacancies during the year that were either filled with substitutes with total compensation lower than a permanent employee or were not filled (1 special education position). As of February the retirement contribution rate was reduced by the state, reductions in the retirement expenses are reflected in this budget. Based on the reduction in the wage estimate we also reduced related benefits expenditures. Legal expenses were reduced to current expected costs. At this time we anticipate a total reduction in the budgeted expenditures of \$386,000.

The net change is an improvement of anticipated net operating costs by \$498,000.

2. SCHOOL SERVICE FUND

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

BUDGET HIGHLIGHTS

2013/14 Preliminary Budget

1. GENERAL FUND

Revenue

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

This budget reflects a net decrease of \$25 per pupil after considering all those items. This is the Executives proposal. These are still details to be worked at on the funding.

Enrollment

The fall enrollment is a key to the funding that every school receives. Districts historically are funded at 10% of the February count (prior school year) and 90% of the October (formerly September) count (new school year). It is important to note that some proposals have the blend formula would change to part based on the fall and part based on the next February count.

We obtained an enrollment projection based upon our historical data from the Middle Cities Association. We also projected the enrollment based upon the September count adjusted for bumps we historically see in some grade levels. All these methods arrived at very similar enrollment levels. We have included an allowance for error by reducing the count by 10 students.

State MPSERS prefunding payment.

This is a payment required by the state to the retirement system. They have decided to send 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 budget is zero.

Other Revenues

Grants and other revenues were budgeted at a constant level from the current approved funding. 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.

The 2013/14 budget does not include the settlement payment of approximately \$40,000.

Revenue Summary

The Total Revenue is budgeted at \$18,057,000 a net decrease of approximately \$55,000 from the currently estimated 2012/13 revenue.

Expenditures

Salary and Fringe Benefits

In the various cost centers, this budget reflects the current staffing levels. It is important to note that all contracts are open. Any settlements will be reflected in the fall budget presentation. The few retirements that we have are reflected in the budget with replacement staff. Staff reductions in the alternative program are reflected in this budget. As in past preliminary budgets we've included such items as an allowance for an additional teacher as our special education counts are such that we could need to add staff

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. The state's prefunding amount is included as an additional expenditure since they are sending the funds then billing us for that same amount.

These compensation changes result in approximately \$480,000 increase in expenditures compared to current estimate of 2012/13 costs.

Other

This budget also includes approximately \$410,000 of technology purchases and \$100,000 for bleachers which are taken from the assigned fund balances. There will be a determination of how much of the technology should be taken out of the remaining bond funds rather than the operating reserves. This presentation is the worst case impact on the operating budget. The final budget resolution will reflect the board decision.

Expenditure Summary

For 2013/14 we are projecting a net increase in total expenditures by \$960,000 compared to the current revision. The total expenditure budget is approximately \$20,056,000. Approximately \$510,000 of that are one-time items that will come from reserves.

At this point in time we expect the operating expenditures to exceed the revenue by \$1,998,000 with the technology and bleacher purchase included. The projected ending unassigned fund balance will be \$1,213,000 or 6.04% of budgeted expenditures in 2013/14. The projected ending Fund Balance and Assigned Fund Balance will be \$1,517,900 or 7.6% of all budgeted expenditures in 2013/14. It will be 7.8% of the normal operating costs (total less the technology and bleachers).

2. SCHOOL SERVICE FUNDS

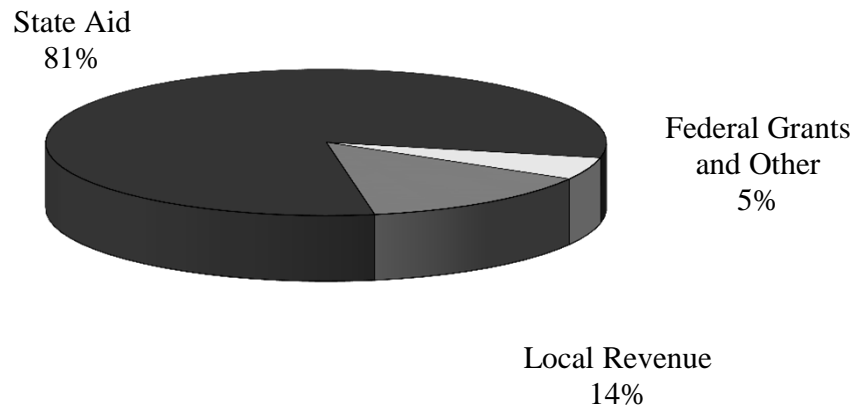
Cafeteria Fund

This is approximately the same as the 2012/13 budget with no significant changes currently anticipated. Meal prices are expected to increase for 2013/14 and are driven by federal rules regarding what the prices should be. The expected fund balance will be \$111,000 or 10.5% of budgeted expenditures.

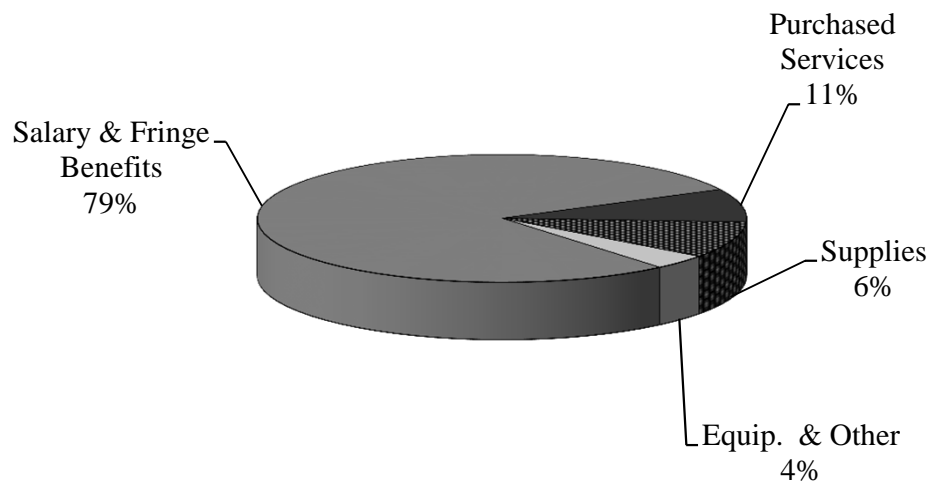
Cedar Street Center

This also is approximately the same as the 2012/13 budget with no significant changes currently anticipated. The program will continue to operate at a slight deficit of \$5,000. The budget reflects an expected fund balance of \$20,900 or 11.3% of expenditures.

2013/2014 Preliminary Budget Revenues (May 2013)



2013/2014 Preliminary Budget Expenditures (May 2013)



2012/2013 Final Budget & 2013/14 Preliminary Budget (May 2013)
GENERAL FUND
REVENUE DATA

May 15, 2013 Presentation

	<u>2011/2012 Actual</u>	<u>2012/13 Revised Budget (Dec. 2012)</u>	<u>2012/13 FINAL. Budget (May 2013)</u>	<u>2013/14 Prelim. Budget (May 2013)</u>
Local Revenue				
Local Taxes	\$ 2,367,350	\$ 2,321,415	\$ 2,321,415	\$ 2,321,415
Other Local Revenue	218,094	192,012	192,012	192,012
Local Revenue	2,585,444	2,513,427	2,513,427	2,513,427
State Revenue				
State Aid Membership	13,184,452	13,711,128	13,172,530	12,974,732
State Categorical	1,170,052	808,913	1,459,610	1,399,610
State MPSERS prefunding	-	-	-	278,964
State Aid	14,354,504	14,520,041	14,632,140	14,653,306
Federal Revenue				
Federal Revenue	984,165	475,327	475,327	436,614
Transfers & Other Transactions				
Other Income/Transfers In less Ath fund closed,	539,138	451,000	451,000	454,200
Total Revenue before usual item	18,463,251	17,959,795	18,071,894	18,057,547
Roof settlement/award/insurance	839,244	40,000	40,000	-
Total all Revenue & Other	\$ 19,302,494	\$ 17,999,795	\$ 18,111,894	\$ 18,057,547

2012/2013 Final Budget & 2013/14 Preliminary Budget (May 2013)

GENERAL FUND

May 15, 2013 Presentation

EXPENDITURE DATA

	<u>2011/2012 Actual</u>	<u>2012/13 Revised Budget (Dec. 2012)</u>	<u>2012/13 FINAL. Budget (May 2013)</u>	<u>2013/14 Prelim. Budget (May 2013)</u>
Early Elementary				
Salary/Fringe Benefits	\$ 1,974,684	\$ 1,993,272	\$ 1,998,895	\$ 2,061,429
Purchased Services	39,178	41,700	41,700	41,700
Supplies	44,207	59,108	59,108	59,108
Total Early Elementary	<u>2,058,068</u>	<u>2,094,080.00</u>	<u>2,099,703.00</u>	<u>2,162,237.00</u>
Later Elementary				
Salary/Fringe Benefits	2,061,737	2,243,895	2,201,360	2,223,948
Purchased Services	34,028	33,600	33,600	33,600
Supplies	51,246	43,228	67,228	67,228
Total Later Elementary	<u>2,147,011</u>	<u>2,320,723</u>	<u>2,302,188</u>	<u>2,324,776</u>
Middle School				
Salary/Fringe Benefits	2,193,156	2,260,881	2,277,602	2,336,098
Purchased Services	41,171	39,860	39,860	39,860
Supplies	43,508	64,636	64,636	64,636
Total Middle School	<u>2,277,835</u>	<u>2,365,377</u>	<u>2,382,098</u>	<u>2,440,594</u>
High School				
Salary/Fringe Benefits	3,277,927	3,394,287	3,334,001	3,446,950
Purchased Services	137,878	141,140	141,140	141,140
Supplies	120,870	152,314	152,314	152,314
Total High School & Ath	<u>3,536,675</u>	<u>3,687,741</u>	<u>3,627,455</u>	<u>3,740,404</u>
Drivers Ed				
Salary/Fringe Benefits	7,327	-	-	-
Purchased Services	98	-	-	-
Supplies	98	-	-	-
Total Driver Ed	<u>7,523</u>	<u>-</u>	<u>-</u>	<u>-</u>
At Risk Program				
Salary/Fringe Benefits	311,129	315,439	288,366	222,829
Purchased Services	60,160	67,776	67,776	62,000
Supplies	34,012	76,945	104,018	104,018
Total At Risk	<u>405,301</u>	<u>460,160</u>	<u>460,160</u>	<u>388,847</u>

2012/2013 Final Budget & 2013/14 Preliminary Budget (May 2013)

GENERAL FUND

May 15, 2013 Presentation

EXPENDITURE DATA

	<u>2011/2012 Actual</u>	<u>2012/13 Revised Budget (Dec. 2012)</u>	<u>2012/13 FINAL. Budget (May 2013)</u>	<u>2013/14 Prelim. Budget (May 2013)</u>
Curriculum Development				
Salary/Fringe Benefits	169,110	189,045	187,474	189,083
Purchased Services	721	3,500	3,500	3,500
Supplies	75,697	95,988	95,988	95,988
Total Curr Develop	245,528	288,533	286,962	288,571
Special Education Program				
Salary/Fringe Benefits	1,669,672	1,788,395	1,692,165	1,830,819
Purchased Services	30,409	38,150	38,150	38,150
Supplies	28,496	25,000	25,000	25,000
Total Special Ed	1,728,576	1,851,545	1,755,315	1,893,969
Adult Ed. & Related grants				
Salary/Fringe Benefits	97,462	92,093	92,093	89,127
Purchased Services	28,334	23,640	23,640	38,875
Supplies	3,830	30,700	30,700	31,581
Total Adult Ed	129,626	146,433	146,433	159,583
Alternative Education				
Salary/Fringe Benefits	667,834	729,549	729,549	572,986
Purchased Services	125,978	119,172	119,172	87,500
Supplies	175,131	150,000	150,000	160,000
Total Altern Ed	968,943	998,721	998,721	820,486
Community Programs				
Salary/Fringe Benefits	25,968	14,233	14,233	9,548
Purchased Services	126	500	500	1,000
Supplies	208	3,700	3,700	5,200
Total Comm Programs	26,302	18,433	18,433	15,748
Young Five's				
Salary/Fringe Benefits	86,108	102,491	102,491	112,455
Purchased Services	-	-	-	-
Supplies	1,888	2,000	2,000	4,000
Total Y5'S	87,996	104,491	104,491	116,455

2012/2013 Final Budget & 2013/14 Preliminary Budget (May 2013)

GENERAL FUND

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May 15, 2013 Presentation

EXPENDITURE DATA

	<u>2011/2012 Actual</u>	<u>2012/13 Revised Budget (Dec. 2012)</u>	<u>2012/13 FINAL. Budget (May 2013)</u>	<u>2013/14 Prelim. Budget (May 2013)</u>
Great Start Readiness Program				
Salary/Fringe Benefits	189,444	133,288	133,288	192,375
Purchased Services	2,770	20,000	20,000	6,000
Supplies	19,415	26,000	26,000	36,000
Total GSRP	<u>211,629</u>	<u>179,288</u>	<u>179,288</u>	<u>234,375</u>
Transportation				
Salary/Fringe Benefits	559,799	592,502	586,950	593,165
Purchased Services	21,397	28,680	28,680	28,680
Supplies	184,395	202,060	202,060	202,060
Total Transportation	<u>765,591</u>	<u>823,242</u>	<u>817,690</u>	<u>823,905</u>
Maintenance & Utilities				
Salary/Fringe Benefits	243,184	240,710	239,500	242,704
Purchased Services	667,157	709,039	671,539	671,539
Supplies	489,640	552,185	552,185	552,185
Total Maintenance	<u>1,399,980</u>	<u>1,501,934</u>	<u>1,463,224</u>	<u>1,466,428</u>
Grounds				
Salary/Fringe Benefits	66,905	65,938	65,938	65,938
Purchased Services	6,757	6,800	10,100	10,100
Supplies	27,001	39,165	39,165	39,165
Total Grounds	<u>100,663</u>	<u>111,903</u>	<u>115,203</u>	<u>115,203</u>
Central Office				
Salary/Fringe Benefits	414,164	442,220	442,220	442,220
Purchased Services	110,821	221,215	214,215	201,215
Supplies	69,613	64,190	64,190	64,190
Total Central Office	<u>594,598</u>	<u>727,625</u>	<u>720,625</u>	<u>707,625</u>
Technology				
Salary/Fringe Benefits	140,420	149,964	154,275	155,420
Purchased Services	59,607	56,020	63,520	63,520
Supplies	45,909	40,698	40,698	40,698
Total Technology	<u>245,936</u>	<u>246,682</u>	<u>258,493</u>	<u>259,638</u>

2012/2013 Final Budget & 2013/14 Preliminary Budget (May 2013)

GENERAL FUND

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May 15, 2013 Presentation

EXPENDITURE DATA

	<u>2011/2012 Actual</u>	<u>2012/13 Revised Budget (Dec. 2012)</u>	<u>2012/13 FINAL. Budget (May 2013)</u>	<u>2013/14 Prelim. Budget (May 2013)</u>
CAPITAL OUTLAY				
Equipment	254,548	222,500	236,300	746,300
Total Capital Outlay (includes use of assigned maintenance & technology)	254,548	222,500	236,300	746,300
All School				
Salary/Fringe Benefits	78,645	91,671	38,023	38,023
Purchased Services	300,766	235,460	150,460	143,460
Supplies	160,345	134,300	133,000	133,000
Total All Schools	539,756	461,431	321,483	314,483
Support Benefits				
Fringe Benefits	444,961	524,879	455,259	688,557
Purchased Services	-	-	-	-
Supplies	-	-	-	-
Total Support Benefits	444,961	524,879	455,259	688,557
Chapter 1/Title 1				
Salary/Fringe Benefits	245,419	260,295	260,295	260,632
Purchased Services	-	-	-	-
Supplies	12,752	9,455	9,455	9,455
Total Title 1 (reg & D & ARRA)	258,171	269,750	269,750	270,087
Title 2				
Salary/Fringe Benefits	-	-	-	-
Purchased Services	81,394	77,836	77,836	77,836
Supplies	1,835	-	-	-
Total Title 2	83,229	77,836	77,836	77,836
Total expenditures	<u>\$ 18,518,448</u>	<u>\$ 19,483,307</u>	<u>\$ 19,097,110</u>	<u>\$ 20,056,107</u>

2012/2013 Final Budget & 2013/14 Preliminary Budget (May 2013)
GENERAL FUND

May 15, 2013 Presentation

	<u>2011/2012 Actual</u>	<u>2012/13 Revised Budget (Dec. 2012)</u>	<u>2012/13 FINAL Budget (May 2013)</u>	<u>2013/14 Prelim. Budget (May 2013)</u>
Expenditures				
Total Salary & Benefits	\$ 14,925,055	\$ 15,625,047	\$ 15,293,977	\$ 15,774,306
Total Purchased Services	1,748,749	1,864,088	1,745,388	1,689,675
Total Supplies & Equipment	1,590,095	1,771,672	1,821,445	1,845,826
Total Equipment (includes use of assigned maintenance & technology	254,548	222,500	236,300	746,300
	<u>\$ 18,518,448</u>	<u>\$ 19,483,307</u>	<u>\$ 19,097,110</u>	<u>\$ 20,056,107</u>
NOTE this reflects the technology as coming from the 13/14 operating budget however we will be discussing the possible use of the bond funds for some of the \$410,000 expenditure.				
Total Revenue/trans & Other	\$ 19,302,494	\$ 17,999,795	\$ 18,111,894	\$ 18,057,547
Total Expenditures	<u>18,518,448</u>	<u>19,483,307</u>	<u>19,097,110</u>	<u>20,056,107</u>
over Rev.)	<u>\$ 784,047</u>	<u>\$ (1,483,512)</u>	<u>\$ (985,216)</u>	<u>\$ (1,998,560)</u>
Reserves/Assigned Increase or (Decrease)				
Res/Assign for Maintenance	\$ 665,325	\$ 40,000	\$ 40,000	\$ (100,000)
Res/Assign for Technology	-	-	-	(410,000)
Res/Assign for Community Ed.	(100,582)	(100,061)	(100,061)	(58,000)
Change in Unreserved Fund Balance	219,303	(1,423,451)	(925,155)	(1,430,560)
Total Change	<u>\$ 784,047</u>	<u>\$ (1,483,512)</u>	<u>\$ (985,216)</u>	<u>\$ (1,998,560)</u>

2012/2013 Final Budget & 2013/14 Preliminary Budget (May 2013)

GENERAL FUND

EXPENDITURE DATA

	<u>2011/2012 Actual</u>	<u>2012/13 Revised Budget (Dec. 2012)</u>	<u>2012/13 FINAL. Budget (May 2013)</u>	<u>2013/14 Prelim. Budget (May 2013)</u>
FUND BALANCES & ASSIGNED				
Reserves:				
Begin. Res/Assign for Maintenance	\$ 371,454	\$ 1,036,779	\$ 1,036,779	\$ 1,076,779
Change per above	665,325	40,000	40,000	(100,000)
Ending Assign for Maintenance	<u>1,036,779</u>	<u>1,076,779</u>	<u>1,076,779</u>	<u>976,779</u>
Begin. Res/Assign for Technology	441,703	441,703	441,703	441,703
Change per above	-	-	-	(410,000)
Ending Assign for Technology	<u>441,703</u>	<u>441,703</u>	<u>441,703</u>	<u>31,703</u>
Begin. Res/Assign for Comm. Ed.	283,363	182,781	182,781	82,720
Change per above	(100,582)	(100,061)	(100,061)	(58,000)
Ending Assign for Comm. Ed.	<u>182,781</u>	<u>82,720</u>	<u>82,720</u>	<u>24,720</u>
Total Assigned	<u>1,661,263</u>	<u>1,601,202.00</u>	<u>1,601,202.00</u>	<u>1,033,202.00</u>
Unassigned Fund Balance:				
Beginning Fund Balance	3,655,107	3,874,413	3,874,413	2,949,258
Transfer in Ath. Fund Balance	-	-	-	-
Change per above	219,303	(1,423,451)	(925,155)	(1,430,560)
Ending Fund Balance	<u>3,874,411</u>	<u>2,450,962</u>	<u>2,949,258</u>	<u>1,518,698</u>
Total Unassigned & Assigned Fund Balance	<u>\$ 5,535,674</u>	<u>\$ 4,052,164</u>	<u>\$ 4,550,460</u>	<u>\$ 2,551,900</u>
Fund Balances:				
Assigned	\$ 1,661,263	\$ 1,601,202	\$ 1,601,202	\$ 1,033,202
Unassigned Fund Balance	3,874,411	2,450,962	2,949,258	1,518,698
Total	<u>\$ 5,535,674</u>	<u>\$ 4,052,164</u>	<u>\$ 4,550,460</u>	<u>\$ 2,551,900</u>
Total expenditures				
Expenditures excluding from reserv	\$ 19,083,191	\$ 19,423,246	\$ 19,037,049	\$ 19,488,107
use of reserve	(564,743)	60,061	60,061	568,000
total expenditures	<u>\$ 18,518,448</u>	<u>\$ 19,483,307</u>	<u>\$ 19,097,110</u>	<u>\$ 20,056,107</u>
	-	-	-	-
Unassigned FB as % total expend	20.92%	12.58%	15.44%	7.57%
Total all FB as % total expend	29.89%	20.80%	23.83%	12.72%
Back out artificial prefunding expenditure (state in & out), the technology and bleacher purchase:				
Expenditures would be				\$ 19,267,143
Total FB as % of those expenditures				13.24%

SCHOOL SERVICE FUND
Supplement - Combined Budget Projection
2013/2014 Preliminary Budget and 2012/2013 Revised Budget

May 15, 2013 Presentation

	2011/12 <u>Actual</u>	2012/13 Revised Budget (Dec. 2012)	2012/13 May 2013 Est.	2013-14 Preliminary Budget (May 2013)
REVENUES				
Local Sources	\$ 590,438	\$ 595,000	\$ 545,000	\$ 545,000
State Sources	60,228	61,000	61,000	61,000
Federal Sources	548,417	580,000	580,000	580,000
Total Revenue	<u>1,199,083</u>	<u>1,236,000</u>	<u>1,186,000</u>	<u>1,186,000</u>
Incoming Transfers and Other Transactions	22,000	42,000	42,000	42,000
Total Revenue & Transfers	<u><u>1,221,083</u></u>	<u><u>1,278,000</u></u>	<u><u>1,228,000</u></u>	<u><u>1,228,000</u></u>
EXPENDITURES				
Salaries & Benefits:				
Food Services	354,968	355,000	355,000	355,000
Athletic Activities	-	-	-	-
Learning Tree	208,465	209,000	159,000	159,000
Employee Benefits	-	-	-	-
Contracted Services	21,067	21,000	21,000	21,000
Other Supplies	684,723	701,000	701,000	701,000
Capital Outlay	4,607	5,000	5,000	5,000
Total Expenditures	<u>1,273,830</u>	<u>1,291,000</u>	<u>1,241,000</u>	<u>1,241,000</u>
Outgoing Transfers and Other Trans.	-	-	-	-
Total Expenditures & Transfers	<u><u>1,273,830</u></u>	<u><u>1,291,000</u></u>	<u><u>1,241,000</u></u>	<u><u>1,241,000</u></u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(52,747)	(13,000)	(13,000)	(13,000)
Fund Balance July 1	206,516	157,580	157,580	144,580
Fund Balance June 30	<u><u>\$ 153,769</u></u>	<u><u>\$ 144,580</u></u>	<u><u>\$ 144,580</u></u>	<u><u>\$ 131,580</u></u>
Fund Balance as % of expenditures	12.07%	11.20%	11.65%	10.60%

SCHOOL SERVICE FUND
 Supplement - Detail Budget Projection
 2013/2014 Preliminary Budget and 2012/2013 Revised Budget

May 15, 2013 Presentation

	2011/12 <u>Actual</u>	2012/13 <u>Revised Budget (Dec. 2012)</u>	2012/13 <u>May 2013 Est.</u>	2013-14 <u>Preliminary Budget (May 2013)</u>
<u>FOOD SERVICE</u>				
REVENUES				
Local	355,706	365,000	365,000	365,000
State	60,228	61,000	61,000	61,000
Federal	548,417	580,000	580,000	580,000
Total Revenue	<u>964,351</u>	<u>1,006,000</u>	<u>1,006,000</u>	<u>1,006,000</u>
Incoming Transfers and Other Transactions	<u>22,000</u>	<u>42,000</u>	<u>42,000</u>	<u>42,000</u>
Total Revenue & Transfers	<u>986,351</u>	<u>1,048,000</u>	<u>1,048,000</u>	<u>1,048,000</u>
EXPENDITURES				
Salaries & Benefits	354,968	355,000	355,000	355,000
Contracted Services	15,045	16,000	16,000	16,000
Supplies and Other Expense	660,667	680,000	680,000	680,000
Employee Benefits	-	-	-	-
Capital Outlay	<u>4,607</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Total Expenditures	<u>1,035,287</u>	<u>1,056,000</u>	<u>1,056,000</u>	<u>1,056,000</u>
Outgoing Transfers and Other Transactions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures & Transfers	<u>1,035,287</u>	<u>1,056,000</u>	<u>1,056,000</u>	<u>1,056,000</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(48,936)	(8,000)	(8,000)	(8,000)
Fund Balance July 1	175,622	126,686	126,686	118,686
Fund Balance June 30	126,686	118,686	118,686	110,686
Fund Balance % of Expenditures	12.24%	11.24%	11.24%	10.48%

SCHOOL SERVICE FUND
 Supplement - Detail Budget Projection
 2013/2014 Preliminary Budget and 2012/2013 Revised Budget

May 15, 2013 Presentation

	2011/12 <u>Actual</u>	2012/13 <u>Revised Budget (Dec. 2012)</u>	2012/13 <u>May 2013 Est.</u>	2013-14 <u>Preliminary Budget (May 2013)</u>
<u>Cedar Street Center</u>				
REVENUES				
Local	234,732	230,000	180,000	180,000
Federal	-	-	-	-
State	-	-	-	-
Total Revenue	<u>234,732</u>	<u>230,000</u>	<u>180,000</u>	<u>180,000</u>
Incoming Transfers and Other Transactions	-	-	-	-
Total Revenue & Transfers	234,732	230,000	180,000	180,000
EXPENDITURES				
Wages & Benefits	208,465	209,000	159,000	159,000
Contracted Services	6,022	5,000	5,000	5,000
Supplies & Other Expense	<u>24,056</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>
Employee Benefits	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>238,543</u>	<u>235,000</u>	<u>185,000</u>	<u>185,000</u>
Outgoing Transfers and Other Transactions	-	-	-	-
Total Expenditures & Transfers	<u>238,543</u>	<u>235,000</u>	<u>185,000</u>	<u>185,000</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(3,811)	(5,000)	(5,000)	(5,000)
Fund Balance July 1	30,894	30,894	30,894	25,894
Fund Balance June 30	27,083	25,894	25,894	20,894
Fund Balance as % of expenditures	11.35%	11.02%	14.00%	11.29%

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>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
Levy (Mills)	8.20	8.20	8.20
Principal Borrowing from S.B.L.F.	\$ 460,835	*	\$ TBD
Net payment to S.B.L.F.		\$6,897,510	

*Note that we refinanced this borrowing in 2012 to be able to pay a lower interest rate on the new bonds compared to the state borrowing rate.

Cumulative Loan (Principal and Interest) from School Bond Loan Fund and School Loan Revolving Fund @ 5/2013	\$ 2,703,211
Current Interest Rate (varies during year)	3.66862%
Projected date to pay off loan	2026/27
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>494,010</u>
Total Available	11,317,898
Estimated Expenses	<u>10,911,080</u>
Estimated Balance Available @ June 30, 2013	\$ <u>406,818*</u>

* Some of these funds have been obligated, but not spent as of this date.

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, 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.