

December 11, 2013 Presentation

Paw Paw Public Schools

Budget Amendment

2013/2014

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BUDGET HIGHLIGHTS

2013/14

GENERAL FUND

In June we adopted the preliminary budget is our best guess of revenues and expenditures for 2013/14 school year. As always, there have been changes that happened at the state, with enrollment and with our staffing needs. The Per Pupil Foundation Grant (PPFG) was not yet set when the preliminary budget was presented in May. We could only work with an estimate of the fall enrollment which is a significant part of our funding and our staffing needs.

As we discussed in November when the audited financial statements were presented, our actual beginning fund balance will be approximately \$525,000 more than anticipated when developing the 2013/14 preliminary budget.

Because of several count changes at the state no school district has their funding count information for the year. One of the changes is new this year, instead of using the February 2013 count for this funding year we will use the February 2014 count. We've estimated the count in this budget. The next change will have an unknown impact on our budget. When the 2012-2013 School Aid Bill was approved there was a change to section 25 that will allow all districts to be eligible to claim funding on a daily basis for days they educate students, including those that move between districts at any time during the school year. So, if a student moves from Paw Paw today and enrolls in some other XYZ district that district would get the funding for the student from the date of enrollment on through the rest of the school year. Paw Paw would be reduced by that funding. The Michigan Department of Education (MDE) had no process for this in 2012/2013 therefore it was not implemented. There is a process for this to happen this school year. The schools in the VBISD area have agreed that we will not submit changes for students moving between our districts but if a student moves to a district outside the county, or from a district outside the county there will be adjustments in funding. We have no estimate of the financial impact of this.

Revenue related

In June we could only predict the enrollment count and the PPFG. We had budgeted a flat PPFG allocation for the year but we did receive a \$26 increase in the PPFG. The actual count funded enrollment was as projected for the K-12 program and about 16 students less than projections in the alternative program. The best practices per pupil allocation was flat at \$52 per pupil as was the performance based funding at \$40 per pupil. This will provide additional revenue to the program beyond our preliminary budget.

There were some changes in categorical funding and federal grant funding. Some of this was an increased allocation for the grants, especially the Title grants. Some will be use of carryover funds available in those grants related to program approval delays for focus school grants. Federal grant revenues and expenditures are expected to increase by approximately \$200,000 from preliminary estimates. We recently received news that additional slots were allocated to our Great Start

Readiness (GSRP) preschool age program. This increased that grant by approximately \$130,000. It is important to remember that increased grant revenues also means increased grant expenditures.

The net impact of all this an increase in revenue from \$18,263,591 to 18,831,432 or approximately \$568,000.

Expenditure related

Our June preliminary expenditure budget totaled \$20,262,151.

The preliminary budget included approximately \$510,000 from board designated reserves for the technology upgrade and the bleacher replacement. As we discussed the technology items it was decided to use the bond funds to cover those costs rather than use the operating reserves. This results in a reduction in operating costs of \$410,000. The bleacher replacement was budgeted at \$100,000 with final costs totaling \$72,000 and reflected in this budget amendment.

Staffing levels for the K-12 program were stable and all positions continue in the budget. As the alternative education reduced enrollment became apparent the staffing in that program was also reduced.

The Community Education program will use more of their assigned fund balance due to the reduction in students, and the related reduction in program revenue. It is also anticipated that the future change in kindergarten age will impact the Young 5 program needs. The delivery of all Community Education area programs in future years is being reviewed to identify changes that will be needed for these important programs to operate in the future.

Grant related expenditures were increased in an amount that matches the increased grant award revenue. This includes the GSRP program which will add an additional classroom to service more students and the Title budgets.

Other changes were made based on a review of the 2012/2013 actual results and anticipated operations for this year.

The total expenditures budget was decreased from \$20,262,151 to \$20,242,215 or approximately \$20,000.

Anticipated Ending Fund Balance

As you are aware from the November audit presentation, we finalized the actual results of operations from the 2012/13 school year and ended it \$527,004 better than we had budgeted. . This 2013/14 budget revision reflects the actual beginning fund balances.

After considering the actual beginning unreserved fund balance and the changes in this budget we now believe that the district will end the 2013/14 year with an unassigned fund balance of \$2,184,600 or 10.8% of our 2013/14 total general fund expenditures. The total fund balance (unassigned, assigned and committed) is anticipated to be approximately \$3,666,700 or 18.1% of our 2013/14 total general fund expenditures.

Anticipated General Operating Fund Balances at this time:

	<u>2012/2013</u> <u>Actual</u>	<u>2013/2014</u> <u>Preliminary</u> <u>Budget</u>	<u>2013/2014</u> <u>Revised Budget</u>
Revenue	\$ 18,242,857.	\$ 18,263,591.	\$ 18,831,432.
Expenditures	<u>(18,700,998)</u>	<u>(20,262,151)</u>	<u>(20,242,215)</u>
Net change for the year	<u>\$ (458,141)</u>	<u>\$ (1,998,560)</u>	<u>\$ (1,410,783)</u>
Beginning Fund Balances (all types)	5,535,675	4,550,460.	5,077,534.
Ending Fund Balances (all types)	5,077,534	2,551,900	3,666,751
Ending FB as % of Expenditures	27.2%	12.6%	18.1%
Ending Unassigned Fund Balance	3,472,418	1,518,698	2,184,600
Ending Unassigned FB as % of Expenditures	18.6%	7.5%	10.8%

SCHOOL SERVICE FUNDS

School service funds consist of our cafeteria program and the Cedar Street Community and Family Center childcare operations. The combined ending fund balance is projected to be \$46,700 or 4.15% of annual expenditures.

Cafeteria.

As was experienced by many food service programs across the country with the change in rules regarding what foods could be offered to students and required components we saw increased costs while participation fell off resulting in reductions in revenue. There have been some modifications to the federal rules and additional products are now available which meet the rules. Our staff have worked hard with the opening of the school year to find foods that the students like and to get the word out to parents, staff and students to come back and try hot lunch. We are encouraged by the student participation in the program and by product options that we believe will help to get the program back in a more balanced financial situation. At this time we continue to transfer general funds to support the program but we believe it will be less than in the so12/13 year. The Cafeteria ending fund balance is projected to be \$21,100 or 2.2% of annual expenditures.

Cedar Street Community and Family Center

The Cedar Street Community and Family Center program ending fund balance is projected to be \$25,600 or 15.6% of the fund expenditures.

LOCAL TAX INFORMATION

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

	2011/12	2012/13	2013/14
All other non-principal residence exempt	18.00	18.00	18.00
'98 Debt Retirement	0.459	0.400	0.334
'03 Debt Retirement	2.751	2.600	0.000
'05 Debt Retirement	0.629	.600	.464
'06 Debt Retirement	1.642	1.680	1.163
'08 Debt Retirement	2.719	1.770	1.837
'12 Debt Retirement	0.000	1.150	4.240
'13 Debt Retirement			.162
Total Tax Levy	26.200	26.200	26.200

Taxable Valuation (as of 12/4/2013 per state website)

	2011/12	2012/13	2013/14
(Pre & Qualifying)	273,681,196	277,113,245	277,077,674
Industrial Personal Property ⁽³⁾	8,609,700	8,685,200	13,274,100
Commercial Personal Property ⁽³⁾	12,734,401	11,340,826	10,289,841
All Other (Non-PRE) ⁽³⁾	125,564,557	121,981,399	127,676,414
Total Taxable Valuation	420,589,854	419,120,668	428,318,029
Percentage Increase	(0.28%)	(0.35%)	(2.19%)

Property Tax: (as of 12/4/2013 per state website; notes 3 & 4)

	Local Taxes General Fund 2011/12	Local Taxes General Fund 2012/13	Local Taxes General Fund 2013/14
Almena	184,566	181,931	195,437
Antwerp	240,082	227,371	231,050
Lawrence	726	729	730
Paw Paw	1,802,439	1,744,659	1,818,046
Waverly	108,755	109,020	114,563
Total⁽⁴⁾	2,336,568	2,263,710	2,359,916
Tax Revenue Change	67,623	(72,858)	96,204
Percentage Increase (Decrease)	2.98%	(3.12%)	4.25%

Note:

- (1) Eighteen (18) mills are levied locally and Non-PRE property.
- (2) Eighteen (18) mills can be reduced by the Headlee Amendment resulting in a decrease in property taxes/state aid.
- (3) Six (6) mills are levied on Commercial Personal Property; eighteen (18) mills are levied on "all other non principal residence exemption." Properties subject to tax were changed at the state level. Individual personal property is no longer subject to tax.
- (4) Amounts may not total due to rounding.

STATE AID INFORMATION

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

2000/01 through 2003/04	20/80 blend
2004/05 through 2011/12	25/75 blend
2011/12	10/90 blend
2012/13	10/90 blend
2013/14 (the 10% is on Feb of current school year)	90/10 blend

State Aid Foundation:

	2010/11	2011/12	2012/13	2013/14 Preliminary	2013/14 Revised
Regular Education					
PPFG	\$7,316	\$6,846.	\$6,966	\$7,000	\$7,026
Less deduct	<u>(170)</u>	<u>0.</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net per pupil	<u>\$7,146</u>	<u>\$6,846.</u>	<u>\$6,966</u>	<u>\$7,000</u>	<u>\$7,026</u>
Federal Stimulus ⁽²⁾	\$ 116	\$ 0.	\$ 0	\$ 0	\$ 0
Local Taxes	1,003	1,021 ⁽³⁾	1,011	1,011	1,049
State Portion	<u>6,027</u>	<u>5,825⁽³⁾</u>	<u>5,955</u>	<u>6,924</u>	<u>5,977</u>
Net per pupil	<u>\$7,146</u>	<u>\$6,846 .</u>	<u>\$6,966</u>	<u>\$7,000</u>	<u>\$7,026</u>
Best Practice (PP)	N/A	\$ 100	\$ 52	\$ 52	\$ 52
Performance Based	N/A	N/A	40	40	40
Adult Education:					
Adult Ed PP	\$ 2,850	\$ 2,850	\$ 2,850	\$ 2,850	\$2,850
Count cap	12 FTE	12 FTE	12 FTE	12 FTE	12 FTE

- (1) Includes Federal Stimulus Funds to keep at this state formula level.
- (2) Does not include Edujob funds which district is using in 12/13.
- (3) Per State Aid status report of November 21, 2013

State Aid: Foundation Allowance Changes:

2006/07	\$210, 3.1% increase in foundation allowance over 2005/06 plus additional 0.3% in equity payment per pupil
2007/08	\$119, 1.35% increase in foundation allowance over 2006/07 equity 1.74% payment eliminated.
2008/09	\$112, 1.51% increase in foundation allowance over 2007/08; included Federal Economic Stimulus Funds to accomplish this.
2009/10	\$0, 0% from 08/09 however, also a (\$154) reduction in a separate line netting a (2.3%) reduction from 08/09.
2010/11	\$0, 0% from 09/10 however, a (\$170) reduction in a separate line so a net of (\$16) or (0.00%) decrease.
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.
2012/13	\$120 1.75% increase in foundation from 2011/12.
2013/14	\$26 0.37% increase in funds from 2012/13.

BLENDED ENROLLMENT FOR FINANCIAL CALCULATIONS

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

Student Enrollment

	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Unaudited
K-12 (Excludes Young Fives) ⁽¹⁾				
February (prior school year)	2,077.39	2,125.02	2,100.51	2,099.00
September (current school year)	2,150.90	2,145.72	2,134.94	2,138.86
Blend K-12	2,132.53	2,143.65	2,131.50	2,134.87

Alternative Ed. & Young 5's ⁽¹⁾				
February (prior school year)	158.42	142.85	107.66	88.80
September (current school year)	151.69	137.99	128.50	105.66
Blend Alternative Education	153.37	138.48	126.42	103.97

Other				
February (prior school year)	14.02	13.27	10.10	9.50
September (current school year)	13.18	10.59	10.50	9.61
Blend	13.39	10.86	10.40	9.60

Districtwide Blend	2,299.29	2,292.99	2,268.37	2,248.45
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(1) Count considers transfers between buildings after count day, until the budget is prepared.

Adult Education Participants				
July (current school year)	0.00	0.00	0.00	0.00
September (current school year)	20.52	18.40	18.13	13.77
February (current school year)	13.71	11.43	11.50	TBD

RETIREMENT CONTRIBUTIONS

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

1997/98	11.12%	2006/07	17.74%
1998/99	10.77%	2007/08 ⁽²⁾	16.72%
1999/00	11.66%	2008/09	16.54%
2001/01	12.16%	2009/10	16.94%
2001/02	12.17%	2010/11	19.41% (10/1) 20.66% (11/1) ⁽³⁾
2002/03 ⁽¹⁾	12.99%	2011/12	24.46% ⁽³⁾
2003/04 ⁽¹⁾	12.99%	2012/13	24.32% ⁽⁴⁾
2004/05	14.87%	2013/14	24.79% ⁽⁴⁾
2005/06	16.34%		

(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) Presented rate for those hired Pre 7/1/2010 since this is vast majority of staff.

(4) Best estimate of net rate for district. Rates vary considerably due to pension changes at State.

HISTORIC ENROLLMENT (F.T.E.)

	2010/11		2011/12		2012/13		2013/14	
	Feb 10	Sept 10	Feb 11	Oct 5	Feb 12	Oct 12	Feb 13	Oct 13
Kgn	132.92	177.03	171.56	149.91	147.04	166.57	163.34	146.90
1	166.00	136.34	136.86	176.44	173.56	157.08	152.15	165.92
2	139.15	175.00	178.00	139.42	139.47	173.98	169.98	156.08
Total K-2	438.07	488.37	486.42	465.77	460.07	497.63	485.47	468.90
3	155.49	140.98	139.02	177.38	177.32	142.69	141.88	175.52
4	155.00	164.00	164.00	144.10	145.53	187.00	179.00	141.68
5	164.00	158.00	161.00	172.66	168.78	150.12	150.15	179.75
Total 3-5	474.49	462.98	464.02	494.14	491.63	479.81	471.03	496.95
6	160.00	174.71	173.57	176.00	171.00	177.00	174.00	159.00
7	175.00	164.00	162.00	179.14	180.14	170.00	170.00	174.00
8	154.00	173.00	168.00	167.00	161.00	171.00	168.00	169.00
Total 6-8	489.00	511.71	503.57	522.14	512.14	518.00	512.00	502.00
9	172.00	173.00	175.00	173.00	169.00	166.00	165.00	187.00
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	167.00
12	162.00	162.34	154.34	162.50	152.50	150.00	146.00	151.01
Total 9-12	676.17	687.84	671.01	663.67	636.37	639.50	631.00	671.01
Total K-12	2,077.73	2,150.90	2,125.02	2,145.72	2,100.51	2,134.94	2,099.50	
St. Mary	5.98	5.40	5.58	3.13	3.13	2.88	2.28	2.82
Trinity	8.04	7.78	7.69	7.46	6.97	7.2	7.04	6.79
Total Other	14.02	13.18	13.27	10.59	10.10	10.08	9.92	9.61
Total K-12 & Nonpublic	2,091.75	2,164.08	2,138.29	2,156.31	2,110.61	2,145.02	2,109.42	2,148.47
Young 5's	26.18	31.00	30.00	25.50	24.00	24.89	25.47	26.00
Alt Ed	132.24	120.69	112.85	112.49	83.66	103.61	68.33	79.66
Total Alt	158.42	151.69	142.85	137.99	107.66	128.50	93.80	105.66
Grand Total	2,250.17	2,315.77	2,281.14	2,294.30	2,218.27	2,273.52	2,203.22	2,254.13
Adult Ed ⁽³⁾	22.34	20.52	13.71	18.40	11.43	18.13	11.50	13.77

- (1) This presentation has the special education students included in their respective grades.
- (2) Students transferring between K-12 and Alt Ed within two months of count date are reflected in the building they transferred to.
- (3) Capped at 12.

State Aid Count—October 2, 2013 (before audit)
(Does not reflect moves between K-12 and Alt Ed programs)

	Gen. FTE	S.E. FTE	Total FTE	Headcount
Early Elementary				
Grade K	146.52	.38	146.90	148
Grade 1	165.46	.46	165.92	167
Grade 2	151.09	4.99	156.08	157
Total	463.07	5.83	468.90	472
Later Elementary				
Grade 3	172.12	3.40	175.52	176
Grade 4	138.60	3.08	141.68	142
Grade 5	173.82	5.93	179.75	180
Total	484.54	12.41	496.95	498
Middle School				
Grade 6	150.25	8.75	159.00	159
Grade 7	167.25	6.75	174.00	174
Grade 8	163.70	5.30	169.00	169
Total	481.20	20.80	502.00	502
High School				
Grade 9	176.97	10.03	187.00	187
Grade 10	159.39	6.61	166.00	166
Grade 11	160.55	6.45	167.00	167
Grade 12	144.39	6.62	151.01	152
Total	641.30	29.71	671.01	672
Total K-12	2,070.11	68.75	2,138.86	2,144
Community Education				
Young Fives	26.00	.00	26.00	26
Grade 7	4.00	.00	4.00	4
Grade 8	2.00	.00	2.00	2
Grade 9	22.00	.00	22.00	22
Grade 10	14.00	.00	14.00	14
Grade 11	14.00	.00	14.00	14
Grade 12	23.66	.00	23.66	25
Total Comm. Ed	105.66	.00	105.66	107
Other (non core classes taught by district)				
Trinity L. School	6.79	.00	6.79	51
St. Mary's School	2.82	.00	2.82	47
Total Other	9.61	.00	9.61	98
Total All Schools	2,185.38	68.75	2,254.13	2,349
Adult Ed. Participants	13.77	.00	13.77	36

ENROLLMENT NON-PUBLIC SCHOOLS

St. Mary's School

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

Trinity Lutheran School

Grade	10/11	11/12	12/13	13/14
Young Fives	6	0	4	5
Kindergarten	6	12	9	5
First Grade	11	7	10	12
Second Grade	10	8	8	7
Third Grade	12	5	8	6
Fourth Grade	8	9	6	5
Fifth Grade	6	5	9	5
Sixth Grade	13	4	6	5
Seventh Grade	9	10	4	7
Eighth Grade	3	9	6	4
TOTAL	84	69	70	61

EMPLOYEE COUNT K-12 REGULAR PROGRAMS

	10/11	11/12	12/13	13/14
Early Elementary				
Principal	1.0	1.0	1.0	1.0
Teachers	23.0	21.0	22.0	21.0
Tech Coach ⁽¹⁾	0.3	0.0	0.0	0.0
Secretary/Clerks	1.5	1.5	1.5	1.5
Paraprofessionals ⁽²⁾	7.0	6.0	5.0	5.0
Later Elementary				
Principal	1.0	1.0	1.0	1.0
Teachers	20.0	20.0	21.0	22.0
Tech Coach ⁽¹⁾	0.3	0.0	0.0	0.0
Secretary/Clerks	1.5	1.5	1.5	1.5
Paraprofessionals ⁽²⁾	5.0	5.0	4.0	4.4
Middle School				
Principal & Assist.	2.0	2.0	2.0	2.0
Teachers	24.4	21.6	21.6	21.6
Tech Coach ⁽¹⁾	0.4	0.0	0.0	0.0
Guidance Counselors ⁽²⁾	1.3	1.0	1.0	1.0
Secretary/Clerks	3.0	3.0	3.0	3.0
Paraprofessionals ⁽²⁾	3.0	3.0	2.0	2.0
High School				
Principal & Assist.	2.0	2.0	2.0	2.0
Teachers	28.4	27.4	28.4	28.4
Librarian	0.0	0.0	0.0	0.0
Guidance Counselors ⁽²⁾	3.0	2.0	2.0	2.0
Secretary/Clerks	3.5	3.5	3.5	3.5
Paraprofessional ⁽²⁾	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	.5	.5
Coaches				
Fall	26.5	26.5	26.5	26.0
Winter	20.5	20.5	20.0	20.0
Spring	16.0	16.0	16.0	16.0
Special Education				
Coordinator	1.0	1.0	1.0	1.0
Teachers	17.0	16.0	16.5	16.5
Paraprofessionals/ Signer/Bus	10.0	11.0	11.0	11.0
Bus Driver	1.0	0.0	0.0	0.0

(1) In 07/08 the district changed from Librarians to Tech Coach at the K-8 level.

(2) General Ed and state grant fund.

Employee Count K-12 Regular Programs (Continued)

	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 Mechanics	2.0	2.0	2.0	1.5
Bus Drivers	14.0	14.0	14.0	14.0

Maintenance				
Director/Supervisors	3.0	3.0	3.0	3.0
Maintenance	1.0	1.0	1.0	1.5
Custodian*	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/Clerks	2.0	2.0	2.0	2.0
Bookkeepers	2.0	2.0	2.0	2.0

Title 1				
Teachers	1.0	1.0	1.0	1.0
Paraprofessionals	9.0	9.0	7.0	TBD

District wide				
Curriculum Coordinators	1.0	1.0	1.0	1.0
Tech/Auditorium Staff	3.0	3.0	3.0	3.0
Mail/Copy Center	2.2	2.2	2.2	2.2
Secretary/Clerks	2.0	2.0	2.0	2.0

SUMMARY**				
Principals/Directors	13.0	13.0	13.0	13.0
Coordinators	5.0	5.0	5.0	5.0
Teachers	113.8	107.0	110.5	110.5
Librarian/Tech Coaches	1.0	0.0	0.0	0.0
Counselors	4.3	3.3	3.3	3.3
Secretary/Clerks	17.0	17.0	17.0	17.0
Paraprofessionals	35.5	36.5	30.0	TBD
Bus Drivers	14.0	14.0	14.0	14.0
Custodian, Maintenance, Mechanics (See below)	3.0	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	271.8	264.0	261.0	

* See below regarding subcontracted custodial positions.

** Selected programs/employees moved to EMPLOYEE COUNT, K-12 OTHER PROGRAMS.

EMPLOYEE COUNT K-12 OTHER PROGRAMS

	10/11	11/12	12/13	13/14
Community Education				
Director	1.0	1.0	1.0	1.0
Coordinators	2.5	2.5	2.5	1.0
Secretary/Clerks	5.0	5.0	5.0	5.0
Teachers/Adult Ed	2.0	2.0	2.0	2.0
Teachers/Alternative Ed	11.0	11.0	11.0	7.2
Counselor	1.0	1.0	1.0	1.5

Food Service				
Director	1.0	1.0	1.0	1.0
Cooks/Bakers/Aides	21.0	21.0	21.0	21.0
Community Education Aides	3.0	2.0	2.0	2.0

Preschool/Day Care/Y5				
Director			1.0	0
Teachers	4.0	4.0	4.0	3.0
Child Care Workers/PP	11.7	11.7	11.7	7.0

SUMMARY				
Directors	3.0	3.0	3.0	2.0
Coordinators	2.5	2.5	2.5	1.0
Counselor	1.0	1.0	1.0	1.5
Secretaries/Clerks	5.0	5.0	5.0	5.0
Teachers	17.0	17.0	17.0	12.2
Cooks/Bakers/Aides	24.0	23.0	23.0	23.0
Paraprofessionals	11.7	11.7	11.7	7.0
TOTAL EMPLOYEES	64.2	63.2	63.2	51.7

Contracted Services				
Equivalent number of custodians subcontracted	16.5	16.5	16.5	16.5

PUPIL/TEACHER RATIO 2013/14

	Pupils/Fall FTE *	Teachers	Pupil/Teacher Ratio
Early Elementary			
Kindergarten	146.90	6	24.5
First Grade	165.92	7	23.7
Second Grade	156.08	6	26.0
Special Education		1.5	
Title I		.5	
Physical Education		.5	
Music		.5	
Art		.5	
Spanish		.5	

Later Elementary			
Third Grade	175.52	7	25.1
Fourth Grade	141.68	6	23.6
Fifth Grade	179.75	7	25.7
Special Education		3.0	
Title I		1.0	
Physical Education		.5	
Music		.5	
Art		.5	
Spanish		.5	

Middle School			
Regular Education	481.20	21.6	22.3
Special Education	20.80	5.0	4.1
Counselor		1.0	

High School			
Regular Education	641.30	28.4	22.6 ⁽¹⁾
Special Education	29.71	6.0	5.0
Counselor			

* 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 offsite into consideration.

2013/2014 Revised Budget (December 2013)
GENERAL FUND
REVENUE DATA

December 11, 2013 Presentation

	<u>2011/2012</u> <u>Actual</u>	<u>2012/2013</u> <u>Actual</u>	<u>2013/2014 Prelim.</u> <u>Budget (June 2013</u> <u>resolution)</u>	<u>2013/2014</u> <u>Revised Budget</u> <u>(Dec. 2013)</u>
Local Revenue				
Local Taxes	\$ 2,367,350	\$ 2,271,869	\$ 2,321,415	\$ 2,369,700
Other Local Revenue	218,094	197,754	192,012	193,254
Local Revenue	2,585,444	2,469,623	2,513,427	2,562,954
State Revenue				
State Aid Membership	13,184,452	13,321,001	12,974,732	13,275,709
State Categorical	1,170,052	1,552,747	1,884,618	1,770,663
State Aid	14,354,504	14,873,748	14,859,350	15,046,372
Federal Revenue				
Federal Revenue	984,165	333,430	436,614	635,106
Transfers & Other Transactions				
Other Income/Transfers In less Ath fund closed,	539,138	529,269	454,200	587,000
Total Revenue before usual item	18,463,251	18,206,070	18,263,591	18,831,432
Roof settlement/award/insurance	839,244	36,786	-	-
Total all Revenue & Other	\$ 19,302,494	\$ 18,242,857	\$ 18,263,591	\$ 18,831,432

2013/2014 Revised Budget (December 2013)

GENERAL FUND

- December 11, 2013 Presentation

EXPENDITURE DATA

	<u>2011/2012 Actual</u>	<u>2012/2013 Actual</u>	<u>2013/2014 Prelim. Budget (June 2013 resolution)</u>	<u>2013/2014 Revised Budget (Dec. 2013)</u>
Early Elementary				
Salary/Fringe Benefits	\$ 1,974,635	\$ 2,020,155	\$ 2,096,265	\$ 2,140,771
Purchased Services	39,178	44,271	41,700	39,710
Supplies	44,207	40,245	59,108	64,249
Total Early Elementary	<u>2,058,019</u>	<u>2,104,670.64</u>	<u>2,197,073.00</u>	<u>2,244,730.00</u>
Later Elementary				
Salary/Fringe Benefits	2,061,737	2,213,171	2,258,784	2,352,945
Purchased Services	34,028	38,519	33,600	33,700
Supplies	51,246	45,289	67,228	70,143
Total Later Elementary	<u>2,147,011</u>	<u>2,296,979</u>	<u>2,359,612</u>	<u>2,456,788</u>
Middle School				
Salary/Fringe Benefits	2,255,534	2,387,498	2,447,618	2,442,346
Purchased Services	47,488	43,387	48,760	48,760
Supplies	47,647	48,794	69,636	63,434
Total Middle School	<u>2,350,668</u>	<u>2,479,680</u>	<u>2,566,014</u>	<u>2,554,540</u>
High School				
Salary/Fringe Benefits	3,222,876	3,237,348	3,405,102	3,370,569
Purchased Services	131,659	128,448	132,240	131,740
Supplies	107,477	112,786	137,014	145,485
Total High School & Ath	<u>3,462,012</u>	<u>3,478,582</u>	<u>3,674,356</u>	<u>3,647,794</u>
Drivers Ed				
Salary/Fringe Benefits	-	-	-	-
Purchased Services	-	-	-	-
Supplies	-	-	-	-
Total Driver Ed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At Risk Program				
Salary/Fringe Benefits	311,129	311,601	252,329	251,593
Purchased Services	60,160	46,776	62,000	160,189
Supplies	34,012	35,298	104,018	92,018
Total At Risk	<u>405,301</u>	<u>393,676</u>	<u>418,347</u>	<u>503,800</u>

2013/2014 Revised Budget (December 2013)

GENERAL FUND

December 11, 2013 Presentation

EXPENDITURE DATA

	<u>2011/2012</u> <u>Actual</u>	<u>2012/2013</u> <u>Actual</u>	<u>2013/2014 Prelim.</u> <u>Budget (June 2013</u> <u>resolution)</u>	<u>2013/2014</u> <u>Revised Budget</u> <u>(Dec. 2013)</u>
Curriculum Development				
Salary/Fringe Benefits	169,110	177,126	193,683	200,145
Purchased Services	761	3,233	3,500	3,500
Supplies	75,697	80,952	95,988	95,988
Total Curr Develop	245,568	261,312	293,171	299,633
Special Education Program				
Salary/Fringe Benefits	1,671,818	1,668,165	1,769,615	1,770,609
Purchased Services	30,409	31,911	38,150	38,150
Supplies	28,496	24,169	25,000	25,000
Total Special Ed	1,730,723	1,724,245	1,832,765	1,833,759
Adult Ed. & Related grants				
Salary/Fringe Benefits	97,462	86,186	89,127	93,348
Purchased Services	28,334	29,073	43,715	22,505
Supplies	8,063	22,005	6,741	6,797
Total Adult Ed	133,859	137,264	139,583	122,650
Alternative Education				
Salary/Fringe Benefits	667,834	720,383	572,986	530,338
Purchased Services	125,978	88,536	87,500	120,371
Supplies	170,898	154,420	160,000	172,000
Total Altern Ed	964,710	963,339	820,486	822,709
Community Programs				
Salary/Fringe Benefits	25,968	27,692	9,548	11,879
Purchased Services	126	-	1,000	1,000
Supplies	208	-	5,200	2,200
Total Comm Programs	26,302	27,692	15,748	15,079
Young Five's				
Salary/Fringe Benefits	86,108	141,300	112,455	104,433
Purchased Services	1,023	1,575	1,000	1,000
Supplies	865	5,839	3,000	1,000
Total Y5'S	87,996	148,714	116,455	106,433

2013/2014 Revised Budget (December 2013)

GENERAL FUND

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December 11, 2013 Presentation

EXPENDITURE DATA

	<u>2011/2012</u>	<u>2012/2013</u>	<u>2013/2014 Prelim.</u>	<u>2013/2014</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget (June 2013</u>	<u>Revised Budget</u>
			<u>resolution)</u>	<u>(Dec. 2013)</u>
Great Start Readiness Program				
Salary/Fringe Benefits	189,444	172,226	192,375	224,682
Purchased Services	2,770	12,615	6,000	19,500
Supplies	19,415	44,217	36,000	73,819
Total GSRP	<u>211,629</u>	<u>229,057</u>	<u>234,375</u>	<u>318,001</u>
Transportation				
Salary/Fringe Benefits	559,799	547,250	582,165	578,856
Purchased Services	4,801	3,857	10,680	10,080
Supplies	187,025	211,669	230,660	227,260
Total Transportation	<u>751,625</u>	<u>762,776</u>	<u>823,505</u>	<u>816,196</u>
Maintenance & Utilities				
Salary/Fringe Benefits	243,249	238,100	242,704	255,236
Purchased Services	667,157	642,836	696,539	657,039
Supplies	504,127	616,264	560,140	641,640
Total Maintenance	<u>1,414,533</u>	<u>1,497,200</u>	<u>1,499,383</u>	<u>1,553,915</u>
Grounds				
Salary/Fringe Benefits	66,905	61,300	65,938	66,807
Purchased Services	6,757	2,296	10,100	10,100
Supplies	27,001	25,431	39,165	39,165
Total Grounds	<u>100,663</u>	<u>89,027</u>	<u>115,203</u>	<u>116,072</u>
Central Office				
Salary/Fringe Benefits	415,034	425,049	442,220	395,336
Purchased Services	231,950	77,536	125,895	124,795
Supplies	41,139	39,366	52,190	53,290
Total Central Office	<u>688,123</u>	<u>541,951</u>	<u>620,305</u>	<u>573,421</u>
Technology				
Salary/Fringe Benefits	140,420	147,614	155,420	155,357
Purchased Services	59,607	81,390	63,520	64,000
Supplies	66,764	64,998	75,698	110,698
Total Technology	<u>266,791</u>	<u>294,002</u>	<u>294,638</u>	<u>330,055</u>

2013/2014 Revised Budget (December 2013)

GENERAL FUND

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December 11, 2013 Presentation

EXPENDITURE DATA

	<u>2011/2012</u> <u>Actual</u>	<u>2012/2013</u> <u>Actual</u>	<u>2013/2014 Prelim.</u> <u>Budget (June 2013</u> <u>resolution)</u>	<u>2013/2014</u> <u>Revised Budget</u> <u>(Dec. 2013)</u>
CAPITAL OUTLAY				
Equipment	249,702	245,896	744,200	304,700
Total Capital Outlay (includes use of assigned maintenance & technology)	<u>249,702</u>	<u>245,896</u>	<u>744,200</u>	<u>304,700</u>
All School				
Salary/Fringe Benefits	93,691	46,746	167,924	171,878
Purchased Services	191,137	210,195	211,780	278,000
Supplies	170,163	180,909	135,845	165,300
Total All Schools	<u>454,991</u>	<u>437,851</u>	<u>515,549</u>	<u>615,178</u>
Support Benefits				
Fringe Benefits	426,705	403,803	633,460	454,156
Purchased Services	-	-	-	-
Supplies	12,752	-	9,455	-
Total Support Benefits	<u>439,457</u>	<u>403,803</u>	<u>642,915</u>	<u>454,156</u>
Title 1				
Salary/Fringe Benefits	245,536	176,830	260,632	443,640
Purchased Services	-	-	-	-
Supplies	-	-	-	-
Total Title 1	<u>245,536</u>	<u>176,830</u>	<u>260,632</u>	<u>443,640</u>
Title 2				
Salary/Fringe Benefits	-	-	-	-
Purchased Services	81,394	6,451	77,836	108,966
Supplies	1,835	-	-	-
Total Title 2	<u>83,229</u>	<u>6,451</u>	<u>77,836</u>	<u>108,966</u>
Total expenditures	<u>\$ 18,518,448</u>	<u>\$ 18,700,998</u>	<u>\$ 20,262,151</u>	<u>\$ 20,242,215</u>

2013/2014 Revised Budget (December 2013)
GENERAL FUND

- December 11, 2013 Presentation

	<u>2011/2012</u> <u>Actual</u>	<u>2012/2013</u> <u>Actual</u>	<u>2013/2014 Prelim.</u> <u>Budget (June 2013</u> <u>resolution)</u>	<u>2013/2014</u> <u>Revised Budget</u> <u>(Dec. 2013)</u>
Expenditures				
Total Salary & Benefits	\$ 14,924,995	\$ 15,209,544	\$ 15,950,350	\$ 16,014,924
Total Purchased Services	1,744,716	1,492,905	1,695,515	1,873,105
Total Supplies & Equipment	1,599,035	1,752,653	1,872,086	2,049,486
Total Equipment (includes use of assigned maintenance & technology	249,702	245,896	744,200	304,700
	<u>\$ 18,518,448</u>	<u>\$ 18,700,998</u>	<u>\$ 20,262,151</u>	<u>\$ 20,242,215</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.

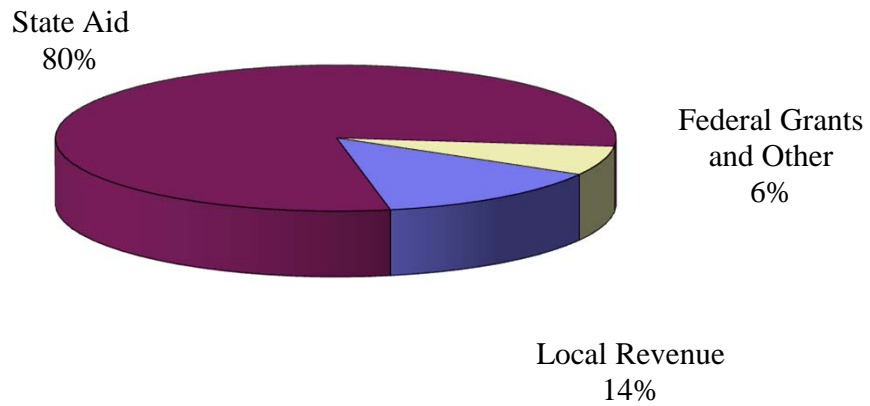
Total Revenue/trans & Other	\$ 19,302,494	\$ 18,242,857	\$ 18,263,591	\$ 18,831,432
Total Expenditures	<u>18,518,448</u>	<u>18,700,998</u>	<u>20,262,151</u>	<u>20,242,215</u>
over Rev.)	<u>\$ 784,046</u>	<u>\$ (458,141)</u>	<u>\$ (1,998,560)</u>	<u>\$ (1,410,783)</u>

Reserves/Assigned Increase or (Decrease)				
Res/Assign for Maintenance	\$ 665,325	\$ 26,382	\$ (100,000)	\$ (72,000)
Res/Assign for Technology	-	-	(410,000)	-
Res/Assign for Community Ed.	(100,582)	(82,529)	(58,000)	(50,965)
Change in Unreserved Fund Balance	219,303	(401,994)	(1,430,560)	(1,287,818)
Total Change	<u>\$ 784,046</u>	<u>\$ (458,141)</u>	<u>\$ (1,998,560)</u>	<u>\$ (1,410,783)</u>

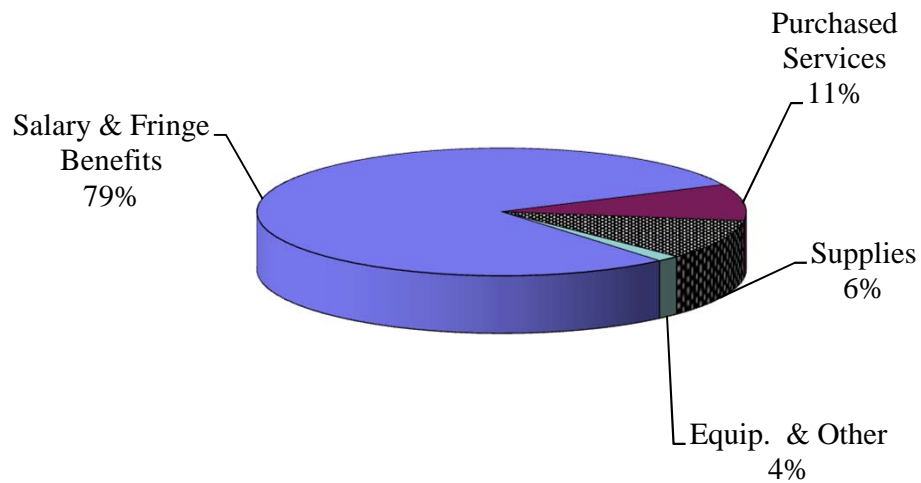
2013/2014 Revised Budget (December 2013)
GENERAL FUND
EXPENDITURE DATA

	<u>2011/2012</u> <u>Actual</u>	<u>2012/2013</u> <u>Actual</u>	<u>2013/2014 Prelim.</u> <u>Budget (June 2013</u> <u>resolution)</u>	<u>2013/2014</u> <u>Revised Budget</u> <u>(Dec. 2013)</u>
FUND BALANCES & ASSIGNED				
Reserves:				
Begin. Res/Assign for Maintenance	\$ 371,454	\$ 1,036,779	\$ 1,076,779	\$ 1,063,161
Change per above	665,325	26,382	(100,000)	(72,000)
Ending Assign for Maintenance	<u>1,036,779</u>	<u>1,063,161</u>	<u>976,779</u>	<u>991,161</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>31,703</u>	<u>441,703</u>
Begin. Res/Assign for Comm. Ed.	283,363	182,781	82,720	100,252
Change per above	(100,582)	(82,529)	(58,000)	(50,965)
Ending Assign for Comm. Ed.	<u>182,781</u>	<u>100,252</u>	<u>24,720</u>	<u>49,287</u>
Total Assigned	<u>1,661,263</u>	<u>1,605,116</u>	<u>1,033,202</u>	<u>1,482,151</u>
Unassigned Fund Balance:				
Beginning Fund Balance	3,655,107	3,874,413	2,949,258	3,472,418
Transfer in Ath. Fund Balance	-	-	-	-
Change per above	219,303	(401,994)	(1,430,560)	(1,287,818)
Ending Fund Balance	<u>3,874,410</u>	<u>3,472,418</u>	<u>1,518,698</u>	<u>2,184,600</u>
Total Unassigned & Assigned Fund Balance	<u>\$ 5,535,673</u>	<u>\$ 5,077,534</u>	<u>\$ 2,551,900</u>	<u>\$ 3,666,751</u>
Fund Balances:				
Assigned	\$ 1,661,263	\$ 1,605,116	\$ 1,033,202	\$ 1,482,151
Unassigned Fund Balance	3,874,410	3,472,418	1,518,698	2,184,600
Total	<u>\$ 5,535,673</u>	<u>\$ 5,077,534</u>	<u>\$ 2,551,900</u>	<u>\$ 3,666,751</u>
Total expenditures				
Expenditures excluding from reserve	\$ 19,083,192	\$ 18,644,851	\$ 19,694,151	\$ 20,119,250
use of reserve	(564,743)	56,147	568,000	122,965
total expenditures	<u>\$ 18,518,448</u>	<u>\$ 18,700,998</u>	<u>\$ 20,262,151</u>	<u>\$ 20,242,215</u>
	-	-	-	-
Unassigned FB as % total expend	20.92%	18.57%	7.50%	10.79%
Total all FB as % total expend	29.89%	27.15%	12.59%	18.11%

2013/2014 Revised Budget Revenues (Dec. 2013)



2013/2014 Revised Budget Expenditures (Dec. 2013)



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

December 11, 2013 Presentation

	2011/12	2012/13	2013-14	2013-14
	Actual	Actual	Budget (May 2013)	Revised Budget (Dec. 2013)
REVENUES				
Local Sources	\$ 590,438	\$ 429,289	\$ 545,000	\$ 465,000
State Sources	60,228	47,040	61,000	50,000
Federal Sources	548,417	483,695	580,000	550,000
Total Revenue	<u>1,199,083</u>	<u>960,025</u>	<u>1,186,000</u>	<u>1,065,000</u>
Incoming Transfers and Other Transactions	<u>22,000</u>	<u>85,000</u>	<u>42,000</u>	<u>67,000</u>
Total Revenue & Transfers	<u><u>1,221,083</u></u>	<u><u>1,045,025</u></u>	<u><u>1,228,000</u></u>	<u><u>1,132,000</u></u>
EXPENDITURES				
Salaries & Benefits:				
Food Services	354,968	325,996	355,000	310,000
Athletic Activities	-	-	-	-
Learning Tree	208,465	155,993	159,000	136,996
Employee Benefits	-	-	-	-
Contracted Services	21,067	15,944	21,000	13,000
Other Supplies	684,723	656,671	701,000	661,500
Capital Outlay	4,607	3,964	5,000	4,000
Total Expenditures	<u>1,273,830</u>	<u>1,158,569</u>	<u>1,241,000</u>	<u>1,125,496</u>
Outgoing Transfers and Other Trans.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures & Transfers	<u><u>1,273,830</u></u>	<u><u>1,158,569</u></u>	<u><u>1,241,000</u></u>	<u><u>1,125,496</u></u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(52,747)	(113,544)	(13,000)	6,504
Fund Balance July 1	206,516	153,769	144,580	40,225
Fund Balance June 30	<u><u>\$ 153,769</u></u>	<u><u>\$ 40,225</u></u>	<u><u>\$ 131,580</u></u>	<u><u>\$ 46,729</u></u>
Fund Balance as % of expenditures	12.07%	3.47%	10.60%	4.15%

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

December 11, 2013 Presentation

	2011/12	2012/13	2013-14 Preliminary Budget (May 2013)	2013-14 Revised Budget (Dec. 2013)
	<u>Actual</u>	<u>Actual</u>		
<u>FOOD SERVICE</u>				
REVENUES				
Local	355,706	247,086	365,000	300,000
State	60,228	47,040	61,000	50,000
Federal	548,417	483,695	580,000	550,000
Total Revenue	<u>964,351</u>	<u>777,821</u>	<u>1,006,000</u>	<u>900,000</u>
Incoming Transfers and Other Transactions	<u>22,000</u>	<u>85,000</u>	<u>42,000</u>	<u>67,000</u>
Total Revenue & Transfers	<u>986,351</u>	<u>862,821</u>	<u>1,048,000</u>	<u>967,000</u>
EXPENDITURES				
Salaries & Benefits	354,968	325,996	355,000	310,000
Contracted Services	15,045	12,186	16,000	12,000
Supplies and Other Expense	660,667	632,244	680,000	635,000
Capital Outlay	4,607	3,964	5,000	4,000
Total Expenditures	<u>1,035,287</u>	<u>974,390</u>	<u>1,056,000</u>	<u>961,000</u>
Outgoing Transfers and Other Transactions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures & Transfers	<u>1,035,287</u>	<u>974,390</u>	<u>1,056,000</u>	<u>961,000</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(48,936)	(111,569)	(8,000)	6,000
Fund Balance July 1	175,622	126,686	118,686	15,117
Fund Balance June 30	126,686	15,117	110,686	21,117
Fund Balance % of Expenditures	12.24%	1.55%	10.48%	2.20%

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

December 11, 2013 Presentation

	2011/12	2012/13	2013-14 Preliminary Budget (May 2013)	2013-14 Revised Budget (Dec. 2013)
	<u>Actual</u>	<u>Actual</u>		
<u>Cedar Street Center</u>				
REVENUES				
Local	234,732	182,204	180,000	165,000
Federal	-	-	-	-
State	-	-	-	-
Total Revenue	<u>234,732</u>	<u>182,204</u>	<u>180,000</u>	<u>165,000</u>
Incoming Transfers and Other Transactions	-	-	-	-
Total Revenue & Transfers	234,732	182,204	180,000	165,000
EXPENDITURES				
Wages & Benefits	208,465	155,993	159,000	136,996
Contracted Services	6,022	3,759	5,000	1,000
Supplies & Other Expense	<u>24,056</u>	<u>24,428</u>	<u>21,000</u>	<u>26,500</u>
Employee Benefits	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>238,543</u>	<u>184,179</u>	<u>185,000</u>	<u>164,496</u>
Outgoing Transfers and Other Transactions	-	-	-	-
Total Expenditures & Transfers	<u>238,543</u>	<u>184,179</u>	<u>185,000</u>	<u>164,496</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(3,811)	(1,975)	(5,000)	504
Fund Balance July 1	30,894	27,083	25,894	25,108
Fund Balance June 30	27,083	25,108	20,894	25,612
Fund Balance as % of expenditures	11.35%	13.63%	11.29%	15.57%

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 for your information.

Debt Retirement Fund

	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>
Levy (Mills)	8.20	8.20	8.20	8.20
Principal Borrowing from S.B.L.P.	\$273,206	\$460,835	\$6,897,510*	

Cumulative Loan from School Bond Loan Fund and the School Loan Revolving Funds (principal and interest balances) Reduction in balance from prior years is due to refinancing bond sold in fall 2012

\$3,163,055

Current Interest Rate

3.52296%

Projected date to start paying off loan

2013

Projected date to pay off loan

2026

Last Debt Retirement payment scheduled

May 1, 2031

CAPITAL PROJECTS FUNDS

2006 Capital Projects

Original Budget	\$10,575,000
Original Estimated Interest	<u>248,888</u>
Original Project	10,823,888
Additional Interest	<u>494,276</u>
Total Available	11,318,164
Expenses	<u>10,911,306</u>
Balance Available @ June 30, 2013*	\$ <u>406,858</u>

* Most 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.

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.

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.

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--State constitution 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.

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.

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. By state definition custodial contracted services must be reported as supplies rather than purchased services.

RESERVE--Funds set aside by the local district to address a specific future expense.

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.

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.

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. By state definition custodial contracted services must be reported as supplies rather than purchased services.

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.

TAXABLE VALUATION--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.