

The School District of The City of Wyandotte



Final Budget Revision 2016-17 SY

Proposed Budgets 2017-18 SY

Final Budget Revision 2016-17

Revised General Fund Revenue March Revision Compared to Final

The final changes to the estimated revenue and expenses in the General Fund were relatively small. Here are a couple of the more significant adjustment's that occurred:

Revenue increased by \$292,619.

- Local revenue increased by \$169,500. Notable changes are the receipt of commercial personal property tax and the continued success of the Early Childhood Center program.
- State revenue increased by \$137,119. Special education cost reimbursement from the State accounted for a majority of that change.
- Transfers and Other was reduced by \$14,000. Notable changes are the recognition of a distribution of Act 18 funds for transportation costs and, a reduction in anticipated Enhancement Levy per pupil distributions.

Revised General Fund Expenditures March Revision Compared To Final

Expenditures decreased by \$ 55,256.

As with most final revisions, many of the budget changes occurred within the wage and benefit areas of the budget.

Other notable changes are:

- Funding allocated to the music department was reduced, to reflect current years spending. Balance of funds was moved to the 2017-18 SY.
- Operations And Maintenance budget was adjusted \$129,453. Increased use of contracted services and building supply needs, accounted for a majority of those budget adjustments.
- Transportation services increased by \$70,694. Special transportation for out of district special education programs and homeless transportation continue to be an issue.

Revenue And Expenditures

% Difference - March Revision Compared To Final

	March Revision	Final Revision	Change	% Change
Local Sources	\$ 4,259,100	\$ 4,428,600	\$ 169,500	3.9%
State Sources	\$ 33,317,523	\$ 33,454,642	\$ 137,119	.004%
Federal Sources	\$ 25,000	\$ 25,000	0	0%
Incoming Transfers & Other Transactions	\$ 2,915,000	\$ 2,901,000	(\$ 14,000)	-.005%
Total Revenue	\$ 40,516,623	\$ 40,809,242	\$ 269,619	.006%

	March Revision	Final Revision	Change	% Change
Instruction	\$ 23,081,919	\$ 22,733,359	(\$ 348,560)	-1.5%
District Support Services	\$ 13,834,360	\$ 14,104,036	\$ 267,676	1.9%
Other	\$ 1,165,391	\$ 1,189,019	\$ 23,628	1.9%
Total Expenses	\$ 38,081,670	\$ 38,026,414	(\$ 57,256)	-.001%

Revenue And Expenditures

% Difference - Original Budget Compared To Final

	Original Budget	Final Revision	Change	% Change
Local Sources	\$ 4,306,100	\$ 4,428,600	\$ 122,500	2.8%
State Sources	\$ 31,683,074	\$ 33,454,642	\$ 1,771,568	5.59%
Federal Sources	\$ 25,000	\$ 25,000	0	0%
Incoming Transfers & Other Transactions	\$ 735,000	\$ 2,901,000	\$ 2,166,000	294.7%
Total Revenue	\$ 36,749,174	\$ 40,809,242	\$ 4,060,068	11.04%

	Original Budget	Final Revision	Change	% Change
Instruction	\$ 23,064,413	\$ 22,733,359	(\$ 331,054)	-1.43%
District Support Services	\$ 13,613,901	\$ 14,104,036	\$ 490,135	3.6%
Other	\$ 1,140,041	\$ 1,189,019	\$ 48,978	.04%
Total Expenses	\$ 37,818,355	\$ 38,026,414	\$ 208,059	.0055%

Fund Balance – All Funds June 30, 2017

School District of The City of Wyandotte
Fund Balance Summary
Final Revision 2016-17 SY

	GENERAL FUND	DEBT FUND	CAPITAL PROJECTS	CAFETERIA FUND
Beginning Fund Balance	\$ 4,366,638	\$ 328,572	\$ 0	\$ 483,501
Revenue	\$ 40,809,242	\$ 3,600,500	\$ 498,000	\$ 1,559,000
Expenses	\$ (38,026,414)	\$ (3,127,400)	\$ (498,000)	\$ (1,866,457)
Ending Fund Balance	\$ 7,149,466	\$ 801,672	\$ 0	\$ 176,044
Change	\$ 2,782,828	\$ 473,100	\$ 0	\$ (307,457)
Fund Balance as A Percentage of Total Expenditures	18.8%	25.6%	0%	9.4%

Proposed Budgets 2017-18

Here Is What We Know

- The pupil membership blend is 90% of the fall count and 10% of the spring count, of the prior school year. No change.
- A \$120 per pupil increase in the foundation. The new Min. = \$7,631, Max. = \$8,289.
- At-Risk Sec. 31A funding will increase in 2017-18. Pupil eligibility has been expanded, which will most likely create additional funding for the district.
- MPSERS Sec. 147a, Sec. 147c continues to be funded. These sections of funding are set aside to address the unfunded, accrued liability that exists in the public school retirement system. \$4.07M for WPS.

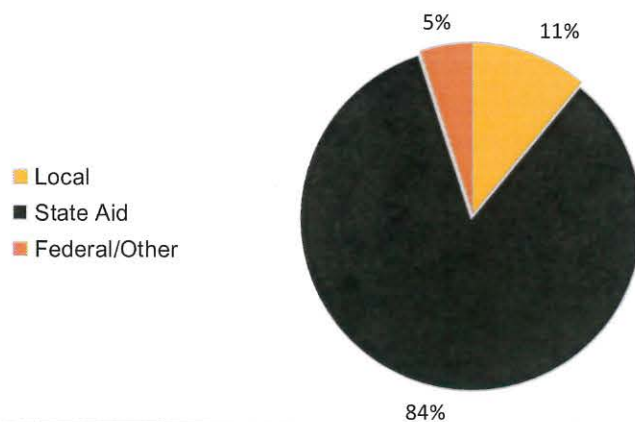
Revenue Assumptions

- Levy of the full 18.00 mills for non-homestead properties.
- A loss of 100 student FTE's.
- A base foundation per pupil amount of \$7,511.
- Center Program (Act 18) transfer will be maintained at \$600K, a reduction of \$1M.

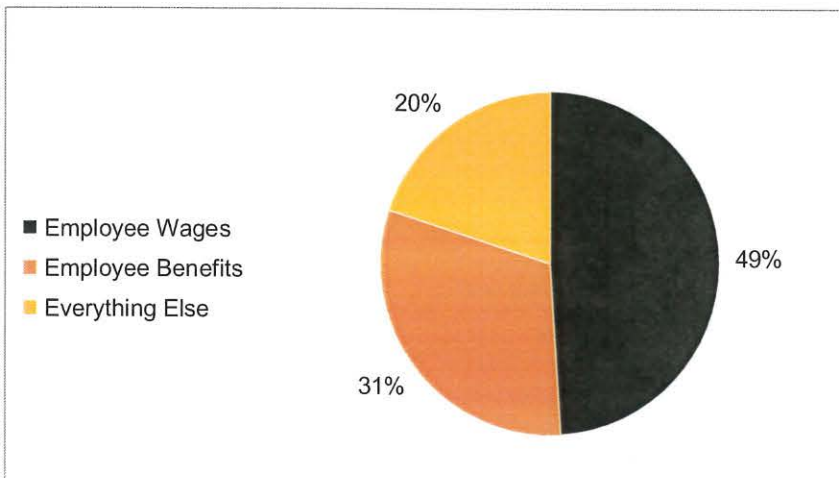
What Is Included In Our Budget Plan

- Employee costs for wage and benefit changes have been adjusted to reflect new and existing contract agreements. MPSERS retirement rate of 37%.
- Student instructional achievement initiatives.
- Music Department improvements.
- Three additional certified staff – Wilson Middle school.
- Transfer to Capital Projects for building maintenance.
- County Enhancement Millage funds for technology initiatives.

Our Sources of Revenue



How Our General Fund Budget Of \$39.3M Is Allocated

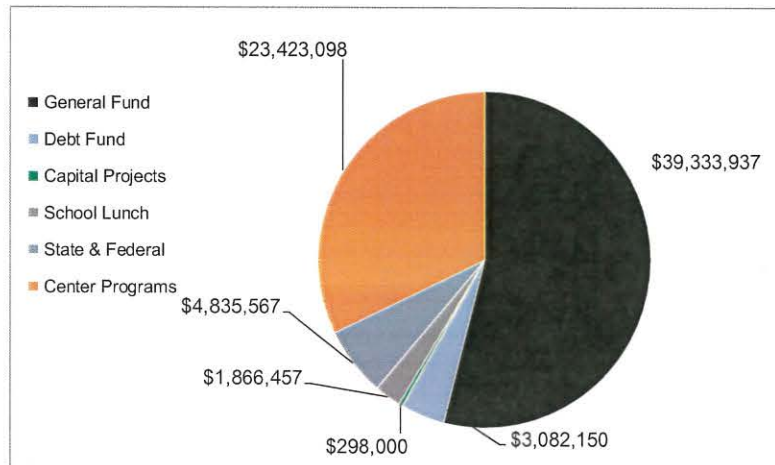


Revenue And Expenditures 2017-18 SY

	Final Revision 2016-17	Proposed 2017-18	Change	% Change
Local Sources	\$ 4,428,600	\$ 4,212,600	(\$ 216,000)	-4.9%
State Sources	\$ 33,454,642	\$ 32,655,527	(\$ 799,915)	-2.4%
Federal Sources	\$ 25,000	\$ 25,000	0	0%
Incoming Transfers & Other Transactions	\$ 2,901,000	\$ 2,172,000	(\$ 729,000)	-25.0%
Total Revenue	\$ 40,809,242	\$ 39,065,127	(\$ 1,744,915)	-4.3%

	Final Revision 2016-17	Proposed 2017-18	Change	% Change
Instruction	\$ 22,733,359	\$ 23,554,071	\$ 820,712	3.6%
District Support Services	\$ 14,104,036	\$ 14,794,201	\$ 690,165	4.9%
Other	\$ 1,189,019	\$ 985,665	(\$ 203,354)	-2.0%
Total Expenses	\$ 38,026,414	\$ 39,333,937	\$ 1,307,523	3.4%

Board Of Education Budget Responsibility \$72,839,209



All Funds – Estimated Fund Balances June 30, 2018

School District of The City of Wyandotte Fund Balance Summary Proposed 2017-18 SY

	GENERAL FUND	DEBT FUND	CAPITAL PROJECTS	CAFETERIA FUND
Beginning Fund Balance	\$ 7,149,466	\$ 801,672	\$ 0	\$ 483,501
Revenue	\$ 39,065,127	\$ 3,600,500	\$ 298,000	\$ 1,559,000
Expenses	\$ (39,333,937)	\$ (3,127,400)	\$ (298,000)	\$ (1,866,457)
Ending Fund Balance	<u>\$ 6,880,656</u>	<u>\$ 908,225</u>	<u>\$ -</u>	<u>\$ (131,413)</u>
Change	<u>\$ (268,810)</u>	<u>\$ 106,553</u>	<u>\$ 0</u>	<u>\$ (614,914)</u>
Fund Balance as A Percentage of Total Expenditures	17.5%	29.04%	0.000%	-7.0%

The Dilemma of Fund Balance

How Much Is Enough?

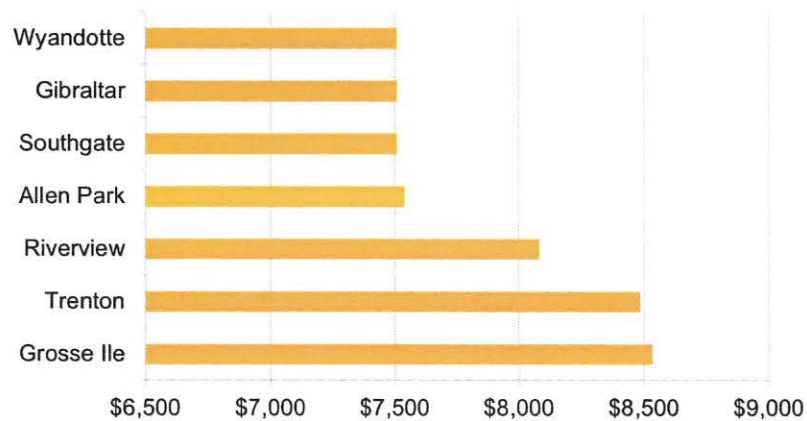
- The Government Finance Officers Association (GFOA) recently updated its best practice on unreserved general fund balances to recommend that general purpose governments maintain at a minimum an unrestricted general fund balance of no less than 2 months of regular general fund operating revenues or regular general fund operating expenditures.
- Wyandotte's operating expenses for a two month period, average \$7.4M (19.57%).

The Advantages of Maintaining A Fund Balance

Is Being Fiscally Responsible Such A Bad Thing?

- Provides adequate cash reserves, which reduces the cost of annual cash flow borrowing.
- Provides a safety net of funds that the district can use to address revenue shortfalls (declining enrollment, a reduction in State funding) or unanticipated expenditures (facility needs, legal settlements, weather challenges).
- Provides the District the resources to respond to specific instructional and operational needs of the district, without philosophical "give and take".
- Affords the district adequate resources to manage its workforce cost, allowing us the ability to continue to provide reasonable and affordable employee wages and benefits.
- The viability of The City of Wyandotte depends upon the instructional and fiscal success of its community school district.

Proposed Per Pupil Foundation Comparison 2017-18 SY



As We Move Forward

- ▶ Student Enrollment / Choice Sustainability.
- ▶ State of Michigan- Continued Economic Growth.
- ▶ State SAF Funding. Why Do We Continue To Feel Uneasy?
- ▶ Preservation of a minimum 10% Fund Balance Level.
- ▶ Budget Planning For 2018-19.

Where To Get Additional Budget Information

■ www.wyandotte.org

