

Financial Status Report **As of 2/28/06**

Overall Financial Status

The budget as adopted by the Board of Education in June of 2005 called for General Fund Revenues of \$53,396,770, Expenditures of \$53,181,890, and a remaining surplus of \$214,880. The first amendment changed the revenues to \$53,265,664, expenditures to \$53,212,125, and surplus to \$53,539.

Issues That May Impact the 2005-06 Budget

While the State Per Pupil Foundation Allowance has been approved, two of the past three years resulted in a proration of the allowance. This number was not only reaffirmed by the State Revenue Consensus meeting in January, there are discussions about a possible \$25 per student increase. On the negative side, utility and fuel costs have been increasing and continue to be volatile. We have also experienced the highest dollar level of Michigan Tax Tribunal refunds in recent memory. However, these refunds will eventually translate into an offsetting increase in State Aid.

Budget Amendment Status

The 2005-06 School Aid Budget has been adopted by the State of Michigan, calling for an increase in the per pupil allowance of \$175. Also, we have the unaudited 4th Wednesday count figure. Both of these figures were reflected in the first budget amendment which was approved on November 21, 2005. In addition, the amendment included additional costs related to anticipated utility and fuel increases.

Community Education

Balanced budgets for all programs were approved in June. Budgets will be closely tracked throughout the year.

Food Service

A number of actions have been put into place for the 2005-06 fiscal year to monitor the program. This includes additional financial tracking, site visits, and monthly meetings with both the District Manager and with school building managers. Unfortunately, the trend for reduction in Ala Carte purchases is continuing, placing financial pressure on the department.

Investment Report

Interest earnings are significantly higher this year due to higher interest rates and improved cash flow versus the previous year.

Featured Graph

This month's featured graph shows the MSPERS retirement rate since 1994 as compared to the District contractual cap as it relates to total compensation for employees.