

**WEST IRON COUNTY
PUBLIC SCHOOLS
Iron River, Michigan 49935**

**2009-2010
AMENDED
BUDGET**

June 21, 2010

BOARD OF EDUCATION

Roy Polich, President

Term expires 2010
P.O. Box 7
Iron River, MI 49935

Eric Malmquist, Vice President

Term Expires 2011
249 Gibbs City Road
Iron River, MI 49935

Rob Possanza, Jr., Treasurer

Term Expires 2010
330 Lincoln Avenue
Iron River, MI 49935

Beth Vezzetti, Secretary

Term Expires 2011
884 Pentoga Trail
Crystal Falls, MI 49920

Gary Pisoni, Trustee

Term Expires 2012
P.O. Box 406
Iron River, MI 49935

Faye Atanasoff, Trustee

Term Expires 2013
170 Sunset Shores Road
Iron River, MI 49935

Arthur B. Scheck, Trustee

Term Expires 2013
704 W. Genesee Street
Iron River, MI 49935

Chris Thomson

Acting Superintendent

Rick Kent

Consultant

Amber Laturi

Business Manager

ADMINISTRATIVE OFFICES

601 Garfield Avenue
Iron River, MI 49935
(906) 265-9218



WEST IRON COUNTY PUBLIC SCHOOLS

601 Garfield Avenue
Iron River, Michigan 49935



CHRISTOPHER THOMSON
Acting Superintendent

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MEMORANDUM

TO: West Iron County Board of Education

FROM: Rick Kent, Amber Laturi, Chris Thomson

DATE: June 21, 2010

SUBJECT: Amended 2009-2010 Budget

We are pleased to present the amended 2009-2010 budget for your consideration. This is the 16th budget prepared under the historic school finance legislation of 1993. We believe it is useful to review several background points affecting the budget and operation of the District.

- As a result of the 1993 legislative action, the District is funded on a per-pupil basis with all other districts in the State. Consequently, the average number of students enrolled in the District in September and the previous February, and the allocation per pupil funding by the State becomes a critical number subject to estimation during the budget development process.
- Also critical to the proper funding of public education is the health of the State economy and the consideration of the State budget. Currently both are under incredible duress with the State in a serious recession and the budget in unprecedented crisis. Only the infusion of Federal Stabilization funds has delayed an impending very serious school funding reduction.
- The budget reflects a balanced budget and adheres to the Board and administration goal to begin to restore the financial position of the District.
- This balanced budget also shows a modest fund balance that is an indication of the short-term improving financial condition of the District. At the same time, it is important to note that a sizeable portion of the fund balance is a result of the one-time infusion of Federal Stimulus/Stabilization funds and, therefore, every effort should be made not to spend this money on on-going expenses. Also, it is important to note that the State's fiscal crisis will likely grow in 2010-2011 and much caution in spending and considerable planning needs to take place this next year.

Through this budget, the Board and administration are underscoring the philosophy of expending the majority of funding on instruction. This philosophy is in direct alignment with the District's overall mission of student success.

Pc: West Iron County Staff

**WEST IRON COUNTY PUBLIC SCHOOLS
2009-2010 GENERAL FUND
PROPOSED BUDGET INFORMATION**

ASSUMPTIONS:

- Blended pupil count 912 with 3-year blend – a decrease of 61 students from 2008-09
- State Aid per student - \$7,151.00. Decrease of \$165 from 2008-09.
- Retirement is 16.94% up from 16.44%
- Wage increase projected for Support Staff of 3% plus steps
- Wage increase for administration – 0%
- Wage increase for teachers – 0% on the base plus step increase
- Health benefits projected to increase 5.4%
- Stabilization Funding of \$38,760 for 2009-10.
- Lay-off of 3 2/7 teachers
- Reduction of 6 Support Staff positions
- Reduction of 1 Administrative position
- Closing the Middle School.

**WEST IRON COUNTY PUBLIC SCHOOLS
2009-2010 GENERAL FUND
BUDGET INFORMATION**

	<u>2009-10 ADOPTED BUDGET</u>	<u>2009-10 AMENDED BUDGET</u>
ESTIMATED FUND BALANCE, JUNE 30, 2009	\$ 77,487	\$ 77,487
REVENUES, GENERAL	\$ 8,472,389	\$ 8,549,857
EXPENDITURES, GENERAL	<u>\$ 8,078,466</u>	<u>\$ 8,003,081</u>
ESTIMATED CHANGE IN FUND BALANCE	\$ 393,923	\$ 546,776
TOTAL ESTIMATED FUND BALANCE, JUNE 30, 2010	<u>\$ 471,410</u>	<u>\$ 624,263</u>
FUND BALANCE AS A PERCENT OF TOTAL EXPENDITURES	<u>2.7%</u>	<u>7.8%</u>

**RESOLUTION FOR ADOPTION BY THE BOARD
OF EDUCATION OF WEST IRON COUNTY PUBLIC SCHOOLS
2009-2010 BUDGETS**

RESOLVED, that this resolution shall be the general appropriation of the West Iron County Public Schools for the fiscal year 2009-2010; a resolution to make appropriations; and to provide for the disposition of all income received by West Iron County Public Schools.

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the GENERAL FUND of West Iron County Public Schools, for fiscal year 2009-2010 is as follows:

BE IT FURTHER RESOLVED, that, to support the District's proposed budget for fiscal year 2009-2010, the West Iron County Public Schools shall levy its authorized millage rate of (17.7827)of ad valorem property taxes on all property (excluding principal residence property and other property exempt by law) in order to generate the local revenue prescribed below; and that such millage, together with the district's other revenues, shall be used to support the expenditures prescribe below.

	2009-10 ADOPTED BUDGET	2009-10 AMENDED BUDGET
REVENUES		
Local	\$ 2,396,654	\$ 2,614,471
State	\$ 5,325,614	\$ 4,768,273
Federal	\$ 579,121	\$ 953,465
Incoming Transfers and Other Transactions	<u>\$ 171,000</u>	<u>\$ 213,648</u>
TOTAL REVENUE	\$ 8,472,389	\$ 8,549,857
Fund Balance, July 1, 2009	<u>\$ 77,487</u>	<u>\$ 77,487</u>
TOTAL AVAILABLE TO APPROPRIATE, GENERAL FUND	\$ 8,549,876	\$ 8,627,344

BE IT FURTHER RESOLVED, that \$8,003,081 of the total available to appropriate in the **GENERAL FUND** is hereby appropriated in the amounts and for the purposes set forth below:

	2009-10 ADOPTED BUDGET	2009-10 AMENDED BUDGET
EXPENDITURES		
INSTRUCTION:		
Basic Programs	\$ 3,460,544	\$ 3,568,067
Added Needs	1,532,743	1,523,018
Adult / Continuing	-	-
 SUPPORT SERVICES:		
Pupil	175,762	107,510
Instructional Staff	194,171	191,277
General Administration	264,754	285,300
School Administration	372,831	403,916
Business	317,748	355,400
Operating Building Services	957,766	952,476
Pupil Transportation	559,172	479,420
Pupil Activities	-	-
Community Services	-	-
Outgoing Transfers & Other Transactions	<u>242,975</u>	<u>136,697</u>
 TOTAL APPROPRIATED	 <u>\$ 8,078,466</u>	 <u>\$ 8,003,081</u>

SPECIAL REVENUE FUNDS

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the SPECIAL REVENUE FUNDS of West Iron County Public Schools, for the fiscal year 2009-2010 is as follows:

	<u>2009-10 ADOPTED BUDGET</u>	<u>2009-10 AMENDED BUDGET</u>
REVENUES		
Local	\$ 192,310	\$ 173,433
State	45,000	42,392
Federal	247,930	267,910
Other Financing Sources (Operating Transfers In)	<u>216,975</u>	<u>115,582</u>
TOTAL REVENUE	\$ 702,215	\$ 599,317
Fund Balance, July 1, 2009	<u>-</u>	<u>-</u>
TOTAL AVAILABLE TO APPROPRIATE SPECIAL REVENUE FUNDS	\$ 702,215	\$ 599,317

BE IT FURTHER RESOLVED, that \$599,317 of the total available to appropriate in the SPECIAL REVENUE FUNDS is hereby appropriated in the amounts and for the purposes set forth below:

	<u>2009-10 ADOPTED BUDGET</u>	<u>2009-10 AMENDED BUDGET</u>
EXPENDITURES:		
Athletic Fund	\$ 188,672	\$ 174,187
Food Service Fund	513,543	425,130
Other Financing Uses (Transfers Out)	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 702,215</u>	<u>\$ 599,317</u>

FURTHER RESOLVED that no Board of Education member or employee of the School District shall expend any funds or obligate the expenditures of any funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board. Changes in the amount appropriated by the Board shall require approval by the Board.

BE IT FURTHER RESOLVED that the Superintendent is hereby charged with general supervision of the execution of the budgets adopted by the Board and shall hold the Principals, Directors, Supervisors, and Department Heads accountable for the performance of their responsibilities within the amounts appropriated by the Board of Education and in keeping with the budgetary policy statement hitherto adopted by the Board.

This appropriation resolution is to take effect July 1, 2009.

WEST IRON COUNTY PUBLIC SCHOOLS 2009-2010 GENERAL FUND BUDGET

GENERAL FUND REVENUES

The general appropriations act shall set forth the total number of mills of ad valorem property taxes to be levied and the purposes for which that millage is to be levied as follows:

For the year ended June 30, the School District levied 18.000 operating mills (non-homestead only). The State portion of the foundation is provided primarily by a State education property tax millage of 6.00 mills (on both homestead and non-homestead property) and an allocated portion of the State sales and other taxes.

State / Local Revenue:

Base foundation grant of \$7,151 x 988.39 students = \$4,578,198.

Federal Revenue:

Federal revenues are budgeted at 2009-2010 levels. All grants will be adjusted as the new grants are approved. The majority of Federal funds are in the Title I program.

Other Financing Sources:

Revenue from the Dickinson / Iron Intermediate School District is budgeted at \$206,780.

ALL PROPERTY EXCLUDING PRINCIPAL RESIDENCE AND PROPERTY EXEMPT BY LAW MILLS – A school district may levy with voter approval up to 18 mills or the number of local school operating mills levied in 1993, whichever is less, on all property excluding principal residence and property exempt by law only. These funds are retained by the local school district to fund a portion of the foundation allowance.

FOUNDATION GRANT – The foundation allowance is a per pupil revenue amount that a district may receive. It is calculated for each district based on a formula in the School Aid Act. In general, the starting point is the amount of eligible base revenue that a district received per pupil in the 1993-94 school year. The base amount is adjusted each year according to an index of per pupil revenue growth (or decline) in the State School Aid Fund. This foundation allowance is multiplied by the blended pupil count to total the foundation grant.

EXPENDITURES

Instruction: This area includes all classroom expenses K-12, including added needs.

Supporting Services

Pupil Support: These specialized support services include; truancy, absenteeism, guidance, health, psychological, speech pathology, social work, and visual aid services.

Instructional Staff Support: These specialized support services include improvement of instruction, educational media services, educational television, technology assisted instruction, supervision, and direction of instructional staff, and academic student assessment.

General Administration: This area includes expenses budgeted for the executive administration wages and supplies, and also the Board of Education expenses.

School Administration: Principals' and school secretaries' wages and items needed for the building administration (supplies and maintenance of equipment) are budgeted in this area.

Business Services: Activities concerned with purchasing, paying, transporting, exchanging and maintaining goods and services for the school district are included here.

Operations and Maintenance: Activities concerned with keeping the physical plant open, clean, and ready for daily use. Also, activities concerned with maintaining order and safety in the school building, on the grounds, and in the vicinity of the schools at all times.

Transportation: Activities concerned with the conveyance of pupils to and from school as provided by state law.

Financing Uses: Payments to other districts and transfers out which reflect the direct district subsidy for the Athletic and Food Service programs are included in this area.

SPECIAL REVENUE FUNDS

ATHLETIC PROGRAM – The school district will continue to offer activities for boys and girls at the secondary level.

FOOD SERVICE PROGRAM – The school district will continue to offer breakfast and lunch to all students utilizing school district staff.

DEBT RETIREMENT FUND

The debt millage levy will be for debt retirement funds. These funds will cover the bond principal and interest payments for 2009-2010.

CAPITAL PROJECTS FUND

The sinking fund millage levy for the 2009-2010 year will be used for the construction or repair of school buildings and all other purposes authorized by law.

**WEST IRON COUNTY PUBLIC SCHOOL DISTRICT
GENERAL FUND - DETAIL
BUDGET**

	2009-10 ADOPTED BUDGET	2009-10 AMENDED BUDGET
<u>REVENUES</u>		
Local Sources	\$ 2,396,654	\$ 2,614,471
State Sources	5,325,614	4,768,273
Federal Sources	<u>579,121</u>	<u>953,465</u>
TOTAL GENERAL REVENUE	\$ 8,301,389	\$ 8,336,209
Incoming Transfers & Other Transactions	<u>171,000</u>	<u>213,648</u>
TOTAL REVENUE, TRANSFERS IN & OTHER	\$ 8,472,389	\$ 8,549,857
<u>EXPENDITURES</u>		
INSTRUCTION EXPENSE		
Basic Programs	\$ 3,460,544	\$ 3,568,067
Added Needs	1,532,743	1,523,018
Adult / Continuing	<u>-</u>	<u>-</u>
Sub-Total	\$ 4,993,287	\$ 5,091,085
SUPPORT SERVICES		
Pupil	175,762	107,510
Instructional Staff	194,171	191,277
General Administration	264,754	285,300
School Administration	372,831	403,916
Business	317,748	355,400
Operating Building Services	957,766	952,476
Pupil Transportation	559,172	479,420
Pupil Activities	<u>-</u>	<u>-</u>
Sub-Total	\$ 2,842,204	\$ 2,775,299
Community Services	-	-
Outgoing Transfers & Other Transactions	242,975	136,697
TOTAL APPROPRIATED	\$ 8,078,466	\$ 8,003,081
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	393,923	546,776
FUND BALANCE, JULY 1	<u>77,487</u>	<u>77,487</u>
FUND BALANCE, JUNE 30	\$ 471,410	\$ 624,263

**WEST IRON COUNTY PUBLIC SCHOOLS
GENERAL FUND - FUNCTION COMPARISON (%)
BUDGET**

	2009-2010 <u>ADOPTED BUDGET</u>		2009-2010 <u>AMENDED BUDGET</u>	
REVENUES:				
LOCAL SOURCES	\$ 2,396,654	28.3%	\$ 2,614,471	30.6%
STATE SOURCES	\$ 5,325,614	62.9%	\$ 4,768,273	55.7%
FEDERAL SOURCES	\$ 579,121	6.8%	\$ 953,465	11.2%
OTHER FINANCING SOURCES	\$ 171,000	2.0%	\$ 213,648	2.5%
TOTAL REVENUE	<u>\$ 8,472,389 100.0%</u>		<u>\$ 8,549,857 100.0%</u>	
EXPENDITURES:				
INSTRUCTION	\$ 4,993,287	61.8%	\$ 5,091,085	63.6%
PUPIL SERVICES	\$ 175,762	2.2%	\$ 107,510	1.3%
INSTRUCTIONAL STAFF	\$ 194,171	2.4%	\$ 191,277	2.4%
GENERAL ADMINISTRATION	\$ 264,754	3.3%	\$ 285,300	3.5%
SCHOOL ADMINISTRATION	\$ 372,831	4.6%	\$ 403,911	5.1%
BUSINESS	\$ 317,748	3.9%	\$ 355,400	4.4%
OPERATIONS & MAINTENANCE	\$ 957,766	11.9%	\$ 952,476	11.9%
TRANSPORTATION	\$ 559,172	6.9%	\$ 479,420	6.0%
OUTGOING TRANSFERS & OTHER FINANCE USES	\$ 242,975	3.0%	\$ 136,697	1.8%
TOTAL EXPENDITURES	<u>\$ 8,078,466 100.0%</u>		<u>\$ 8,003,081 100.0%</u>	