

TO: Board of Education

FROM: Sharon Raschke, CFO

DATE: November 9, 2017

RE: 2017-18 November Budget Amendment

The 2017-18 November budget amendment is being presented. The amendment was reviewed and recommended by the Finance Committee on November 8.

The key parameters of the revised 2017-18 budget included are:

- Carryover of existing programs.
- State Foundation allowance \$7,905, a \$106 increase from 2016-17.
- Student count 3,627, an increase of 42 FTE from 2016-17.
- Existing State categorical Hold Harmless Guarantee (20f) of \$143,288 (approx. \$40 per student), based on the guarantee that each district increased \$25 per pupil in 2015-16 with the elimination of other State categoricals.
- Existing State categorical for MPSERS Cost Offset (147a) and MPSERS Stabilization (147c) estimated \$2,940,325. The addition of a State categorical for MPSERS One Time Deposit (147c(2)) of \$500,698.
- MPSERS Retirement Rate 39.3% budgeted all funds \$8,997,107. Net MPSERS retirement cost \$5,556,084. The net amount is 12.3% of the budget. The State categorical funding is not guaranteed. If eliminated, the full retirement cost would be a district obligation of 20% of the impacted budgets.
- Existing State categorical for Data Collection (152a) of \$90,764.
- WISD Act 18 special education reimbursement \$3,829,095 is based on 94% of actual unreimbursed costs of the 2015-16 fiscal year. Additional reimbursements of approximately \$650,000 will provide 100% funding for 2015-16 and 2016-17 actual costs.
- Increased 8.77 professional instructional and professional support staff.
- Wage changes per bargaining agreements with all employee groups.
- Staff steps and levels and education levels per negotiated contracts.
- Health benefits per negotiated contracts with fully insured MESSA and BCBS products.
- Long range trend reflects \$93 increase foundation from State. Student increases of 38, 26, and 22 are consistent with the student projections used for the 2017 bond planning.

#### **Attachments**

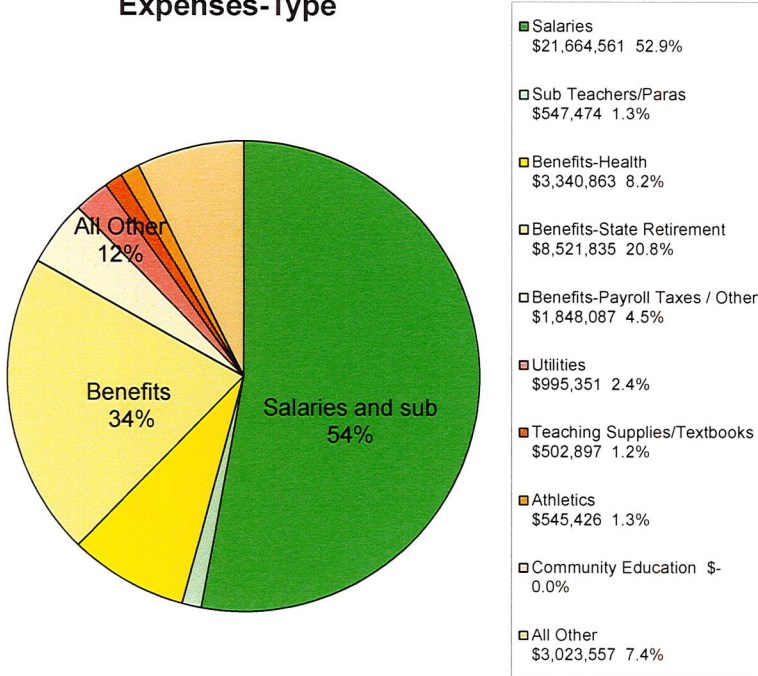
1. Financial Dashboard
2. A long-range trend with 2015-16 actual, 2016-17 actual, 2017-18 (November revision), 2018-19 trend, 2019-20 trend, and 2020-21 trend.
3. 2017-18 Budget Details highlights the major changes between the adoption and amendment.
4. 2016-17 Year-End Fund Balances and designated reserves.
5. The general appropriation amendment for the general fund and required special revenue funds by major function grouping. These resolutions, once adopted by the Board of Education, will be posted on our Budget Transparency Reporting web page.

The budget detailed by individual account lines are available in the Business Office.

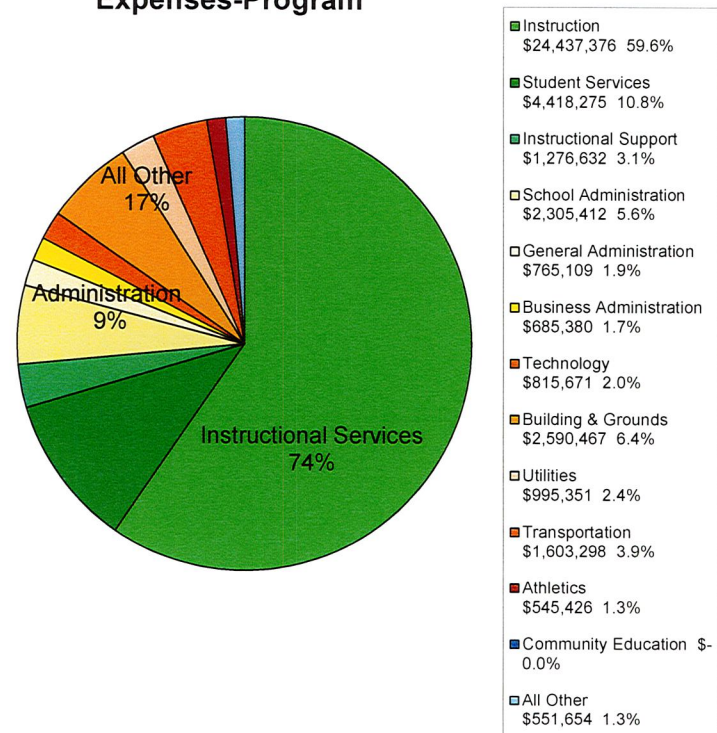
**Dexter Community Schools  
Financial Dashboard  
2017-18 Budget (November Revision)**

2015-16 Actual						
Student Count	Total Revenues	Total Expenditures	Excess Rev/Exp	Ending Fund Balance	%	Foundation Allowance
3,550	\$36,467,471	\$36,448,820	\$18,651	\$6,149,120	16.9%	\$7,693
Peer Group Ranking from most recent Bulletin 1014 (2015-16 data)					7 <sup>th</sup> out of 30	14 <sup>th</sup> out of 30
2016-17 Actual						
3,587	\$39,035,555	\$38,659,108	\$376,447	\$6,525,567	16.9%	\$7,799
2017-18 Budget (November Revision)						
3,627	\$40,618,364	\$40,990,051	(\$371,687)	\$6,153,880	15.0%	\$7,905

**Expenses-Type**



**Expenses-Program**





**DEXTER COMMUNITY SCHOOLS**  
**GENERAL FUND**  
**Long Range Trend**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	actual	actual	budget (Nov rev)	trend	trend	trend
<b>Revenue</b>	36,467,471	39,035,555	40,618,364	41,450,536	42,256,068	43,033,991
<b>Expense</b>	36,448,820	38,659,108	40,990,051	41,914,611	43,021,671	44,184,467
Revenue over (under) expense	18,651	376,447	(371,687)	(464,075)	(765,603)	(1,150,476)
Fund Balance planned adjustment	(153,395)	-	-	-	-	-
Operational Revenue over (under) expense	172,046	376,447	(371,687)	(464,075)	(765,603)	(1,150,476)
<b>FUND BALANCE</b>						
Non-spendable-Prepaid Expenditures	60,424	64,363	64,363	64,363	64,363	64,363
Committed-Facilities	874,000	874,000	874,000	874,000	874,000	874,000
Committed-Athletic Facilities	500,000	590,000	590,000	590,000	590,000	590,000
Committed-Health Benefit Claims	40,946	-	-	-	-	-
Committed-Instructional Equipment	1,073,644	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Committed-New Programs Implementation	-	-	-	-	-	-
Committed-New Programs Startup Costs	-	-	-	-	-	-
Committed-Performing Arts Equipment	100,000	110,000	110,000	110,000	110,000	110,000
Committed-Retirement/Severance	850,000	850,000	850,000	850,000	850,000	850,000
Committed-Supply Carryover	99,935	139,651	139,651	139,651	139,651	139,651
Committed-Technology	650,000	831,714	831,714	831,714	831,714	831,714
Committed-Textbooks	-	-	-	-	-	-
Assigned for Subsequent year expenditures	75,345	405,120	405,120	405,120	405,120	405,120
Unassigned	1,824,826	1,660,719	1,289,032	824,957	59,354	(1,091,122)
<b>TOTAL FUND BALANCE</b>	6,149,121	6,525,567	6,153,880	5,689,805	4,924,202	3,773,726
%	16.9%	16.9%	15.0%	13.6%	11.4%	8.5%
Unassigned	1,824,826	1,660,719	1,289,032	824,957	59,354	(1,091,122)
%	5.0%	4.3%	3.1%	2.0%	0.1%	-2.5%
<b>STATE FUNDING</b>						
State per pupil foundation	\$ 7,693	\$ 7,799	\$ 7,905	\$ 7,998	\$ 8,091	\$ 8,184
State per pupil foundation change (\$)	\$ 124	\$ 106	\$ 106	\$ 93	\$ 93	\$ 93
Effective per pupil change	\$ 25					
<b>STUDENT ENROLLMENT</b>						
New student additions(general ed & special ed FTE)	3.11	35.23	40.34	38.00	26.00	22.00
Student Enrollment (October)	3,550.13	3,586.58	3,626.92	3,664.92	3,690.92	3,712.92
<b>PROJECTION ASSUMPTIONS</b>						
Increase academic staff (FTE)	7.12	7.29	8.77	1.00	1.00	1.00
Increase support staff (FTE)	-	-	-	-	-	-
Salary/Wage DEA change (%)	0.50%	1.00%	1.00%	1.00%	1.00%	1.00%
State Blended Count Method	10%/90%	10%/90%	10%/90%	10%/90%	10%/90%	10%/90%
MPERS Retirement Rate	37.06%	36.90%	39.36%	39.48%	39.60%	39.72%
FICA Employer Tax Rate	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%
District Insurance Cost change	0.00%	-1.50%	3.00%	3.00%	3.00%	3.00%
WISD Special Education *2 year prior actual	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Indirect Cost Rate to Self-supporting Programs	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Inflation (discretionary)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



**Dexter Community Schools  
2017-18 Budget Details  
November Revision**

	Revenue	Expenses	Revenue over (under) Expenses
2017-18 Budget (at adoption)	\$ 39,383,003	\$ 39,788,124	\$ (405,121)
2017-18 Budget (November Revision)	\$ 40,618,365	\$ 40,990,055	\$ (371,690)
Change Increase (decrease)	\$ 1,235,362	\$ 1,201,931	\$ 33,431
<b>Revenue changes</b>			
Student Count 3,626.92 (planned +38; actual +40) +2 from budget	\$ 20,774		
State foundation (planned \$7,887 actual \$7,905) +\$18 from budget	\$ 64,000		
State MPSERS offset	\$ 474,250		
State/Federal Grants increases (At Risk, IDEA, Title IV, Early Literacy)	\$ 130,203		
WISD additional reimb of special ed expenses	\$ 650,000		
Other	\$ (103,865)		
<b>Expense Changes</b>			
Increased 6.77 FTE professional staff in addition to 2 approved in June (21.33 FTE new hire avg \$46,565 = w/ fringes \$77,716)		\$ 493,615	
Retired/Term 9.0 FTE (average term salary \$64,015)		\$ (227,000)	
Added premier sub costs 1.0 FTE in each K-12 building (\$21,240)		\$ 127,440	
Bus fuel (budgeted 60,000 gallons at \$2.00 per gallon)		\$ 20,836	
Teaching per pupil supplies carry over		\$ 139,651	
Athletics transportation outsourced increased per trip cost		\$ 44,000	
Added legal costs due to increased investigations		\$ 30,000	
MPSERS Additional Payment		\$ 474,250	
Other		\$ 99,139	
Operational changes 17-18 budget adoption	\$ 1,235,362	\$ 1,201,931	
<b>INTER FUND TRANSFERS</b>	<b>Revenue</b>	<b>Expenses</b>	
Incoming Transfers from F&N (10%)	\$ 134,068		
Incoming Transfer from Community Ed (5%)	\$ 84,524		
General Fund Subsidy for Athletics		\$ 545,425	
General Fund Subsidy for Community Ed		\$ -	
<b>REFERENCE INFORMATION</b>			<b>net revenue over (under) expense</b>
\$25 change in State Foundation -- increase or (decrease)			\$ 90,675
10 change in student count -- increase or (decrease)			\$ 71,145
1% change in salary -- (increase) or decrease			\$ 335,000
Each new teacher cost -- (increase) or decrease			\$ 77,716



## Dexter Community Schools

Fund Balance  
Year end 2016-17

Revenue	\$	39,035,554.69
Expenses	\$	38,659,107.65
Net Income	\$	376,447.04

			Base value		16-17	Board planned	Planned	Recommended	Recommended
Fund Balance Classifications	Account	Methodology of Target	for calculation	Target	Beginning	transfers 16-17	Ending	transfers 16-17	Ending
Required Designated Reserve Funds (policy 6604)									
<b>Non-Spendable</b>									
Non-spendable-Prepaid Expenditures	11-2711-1000	Prepaid expenditure asset	\$ 64,363	\$ 64,363	\$ 60,424.46	\$ (60,424)	\$ 0.00	\$ 3,938.54	\$ 64,363.00
<b>Committed (required)</b>									
Committed-Health Benefits Claims	11-2731-2130	IBNR from third party administrator	\$ 40,946	\$ 40,946	\$ 40,946.00	\$ (40,946)	\$ 0.00	\$ (40,946.00)	\$ -
Committed- Supply Carryover	11-2731-7100	Unspent supply carryover	\$ 139,651	\$ 139,651	\$ 99,935.00	\$ (99,935)	\$ 0.00	\$ 39,716.00	\$ 139,651.00
Board Designated Reserve Funds (policy 6605)									
<b>Committed (management planned)</b>									
Committed-Facilities, Equipment & Maintenance	11-2731-1200	Assets undeprec repl value * 1%	\$ 158,004,234.00	\$ 1,580,042.34	\$ 874,000.00		\$ 874,000.00		\$ 874,000.00
Committed-Facilities Athletics	11-2731-1300	Refurbishing artificial turf and pools	\$ 1,500,000.00	\$ 1,500,000.00	\$ 500,000.00		\$ 500,000.00	\$ 90,000.00	\$ 590,000.00
Committed-Performing Arts Equipment	11-2731-5100	Refurbishing performing arts equipment	\$ 200,000.00	\$ 200,000.00	\$ 100,000.00		\$ 100,000.00	\$ 10,000.00	\$ 110,000.00
Committed-Instructional Materials/Equipment	11-2731-3100	Replacement of Instructional Materials	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,073,644.00		\$ 1,073,644.00	\$ (73,644.00)	\$ 1,000,000.00
Committed-Technology	11-2731-8100	Cost of technology inventory * 50% (includes balance of restitution)	\$ 5,269,914.49	\$ 2,634,957.25	\$ 650,000.00		\$ 650,000.00	\$ 181,714.00	\$ 831,714.00
Committed-New Programs	11-2731-4100	Startup and implementation of new programs	\$ -	\$ -	\$ -		\$ -		\$ -
Committed-Retirement/Severance	11-2731-6100	Retirement obligation * 2/3	\$ 1,421,674.00	\$ 947,782.67	\$ 850,000.00		\$ 850,000.00		\$ 850,000.00
<b>Assigned Fund Balance</b>									
Assigned Fund Balance	11-2741-0000	Subsequent year expenditures	\$ 405,120.00	\$ 405,120.00	\$ 75,345.00		\$ 405,120.00	\$ 329,775.00	\$ 405,120.00
<b>Unassigned Fund Balance (policy 6612)</b>									
Unassigned Fund Balance	11-2751-0000	3-5% of general fund expenses (value at 5%)	\$ 38,659,107.65	\$ 1,932,955.38	\$ 1,824,825.42		\$ 1,824,825.42	\$ (164,106.50)	\$ 1,660,718.92
<b>Total Fund Balance</b>									
Total Fund Balance					\$ 6,149,119.88	\$ (201,305.46)	\$ 5,947,814.42	\$ 376,447.04	\$ 6,525,566.92
<b>Non-Spendable Fund Balance</b>									
Non-Spendable Fund Balance				0.2%	\$ 60,424.46			0.2%	\$ 64,363
<b>Committed Fund Balance</b>									
Committed Fund Balance				11.5%	\$ 4,188,525.00			11.4%	\$ 4,395,365
<b>Assigned Fund Balance</b>									
Assigned Fund Balance				0.2%	\$ 75,345.00			1.0%	\$ 405,120
<b>Unassigned Fund Balance</b>									
Unassigned Fund Balance				5.0%	\$ 1,824,825.42			4.3%	\$ 1,660,719
<b>Total Fund Balance</b>									
Total Fund Balance				16.9%	\$ 6,149,119.88			16.9%	\$ 6,525,567



**General Appropriation of the General Fund  
Resolution for Adoption by the Board of Education, Dexter Community Schools**

RESOLVED, that this resolution shall be the general appropriation amendment of Dexter Community Schools for the 2017-18 fiscal year; a resolution to make appropriations; to provide for the expenditure of the appropriations; and to provide for the disposition of all revenue received by Dexter Community Schools.

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the General Fund of the school district for fiscal year 2017-18 which includes 18 mills of ad valorem taxes to be levied on non-homestead and nonqualified agricultural property to be used for operating purposes is as follows:

**Revenue:**

1xx Local	\$ 5,125,513
2xx Other Political Subdivisions	\$ 5,254
3xx State	\$ 29,472,561
4xx Federal	\$ 1,310,766
5xx-6xx Other Financing Sources	\$ 4,704,270
<b>Total Revenue</b>	<b>\$ 40,618,364</b>

Total Fund Balance, July 1 Available to Appropriate	\$ 6,461,204
<b>Total Available to Appropriate</b>	<b>\$ 47,079,568</b>

BE IT FURTHER RESOLVED, that of the total available to appropriate in the General Fund, it is hereby appropriated in the amounts and for the purposes set forth below:

**Expenditures:**

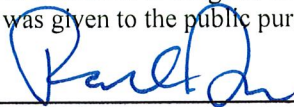
1xx – Instruction	
11x- Basic Programs	\$ 20,286,478
12x- Added Needs	\$ 4,150,898
2xx – Support Services	
21x- Pupil Support	\$ 4,418,275
22x- Instructional Staff Support	\$ 2,092,303
23x- General Administration	\$ 765,109
24x- School Administration	\$ 2,305,412
25x- Business Services	\$ 685,380
26x- Operations and Maintenance	\$ 3,585,818
27x- Transportation	\$ 1,603,298
28x-29x Other Central Support	\$ 287,458
3xx-Community Services	\$ 264,196
4xx-6xx Other Financing Uses	\$ 545,426
<b>Total Appropriated</b>	<b>\$ 40,990,051</b>

FURTHER RESOLVED, that no board of education member or employee of the school district shall expend any funds or obligate the expenditure 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 of the board.

BE IT FURTHER RESOLVED, that for purposes of meeting emergency needs of the school district, transfers of appropriations may be made upon the written authorization of the superintendent but no other transfers shall be made without prior approval of the board of education. When the superintendent makes a transfer of appropriations as permitted by this resolution, such transfer shall be presented to the board of education at its next regularly scheduled meeting in the form of an appropriation amendment, which amendment shall be adopted by the board of education at such meeting.

AYES: 6 NAYS: 0 ABSENT: 1 RESOLUTION DECLARED ADOPTED.

The undersigned duly qualified and acting Secretary of the Board of Education of the Dexter Community Schools, Counties of Washtenaw and Livingston, State of Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the board of education at a regular meeting held on November 13, 2017, and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, 1976 PA 267, as amended.

  
\_\_\_\_\_  
Secretary, Board of Education

**General Appropriation of the Community Service Fund  
Resolution for Adoption by the Board of Education, Dexter Community Schools**

RESOLVED, that this resolution shall be the general appropriation amendment of the Community Service Fund for the 2017-18 fiscal year; a resolution to make appropriations; to provide for the expenditure of the for the expenditure of the appropriations; and to provide for the disposition of all revenue received by the Community Service Fund of Dexter Community Schools.

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the Community Service Fund of the school district for fiscal year 2017-18 to be used for operating purposes is as follows:

**Revenue:**

1xx Local	\$	2,014,800
3xx State	\$	47,068
4xx Federal	\$	125,000
5xx-6xx Other Financing Sources	\$	545,426
<b>Total Revenue</b>	\$	<b>2,732,294</b>
<hr/>		
Total Fund Balance, July 1 Available to Appropriate	\$	-
<b>Total Available to Appropriate</b>	\$	<b>2,732,294</b>

BE IT FURTHER RESOLVED, that of the total available to appropriate in the Community Service Fund, it is hereby appropriated in the amounts and for the purposes set forth below:

**Expenditures:**

1xx – Instruction		
11x- Basic Programs	\$	183,590
2xx – Support Services		
22x- Instructional Staff Support	\$	7,075
26x- Operations and Maintenance	\$	66,850
27x- Transportation	\$	134,000
28x-29x Other Central Support	\$	678,276
3xx-Community Services	\$	1,577,969
4xx-6xx Other Financing Uses	\$	84,524
<b>Total Appropriated</b>	\$	<b>2,732,284</b>

FURTHER RESOLVED, that no board of education member or employee of the school district shall expend any funds or obligate the expenditure 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 of the board.

BE IT FURTHER RESOLVED, that for purposes of meeting emergency needs of the school district, transfers of appropriations may be made upon the written authorization of the superintendent but no other transfers shall be made without prior approval of the board of education. When the superintendent makes a transfer of appropriations as permitted by this resolution, such transfer shall be presented to the board of education at its next regularly scheduled meeting in the form of an appropriation amendment, which amendment shall be adopted by the board of education at such meeting.

AYES: 6 NAYS: 0 ABSENT: 1 RESOLUTION DECLARED ADOPTED.

The undersigned duly qualified and acting Secretary of the Board of Education of the Dexter Community Schools, Counties of Washtenaw and Livingston, State of Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the board of education at a regular meeting held on November 13, 2017, and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, 1976 PA 267, as amended.

  
\_\_\_\_\_  
Secretary, Board of Education



**General Appropriation of the Food Services Fund  
Resolution for Adoption by the Board of Education, Dexter Community Schools**

RESOLVED, that this resolution shall be the general appropriation amendment of the Food Services Fund for the 2017-18 fiscal year; a resolution to make appropriations; to provide for the expenditure of the for the expenditure of the appropriations; and to provide for the disposition of all revenue received by the Food Services Fund of Dexter Community Schools.

BE IT FURTHER RESOLVED, that the total revenues and unappropriated fund balance estimated to be available for appropriation in the Food Services Fund of the school district for fiscal year 2017-18 to be used for operating purposes is as follows:

**Revenue:**

1xx Local	\$	1,034,958
3xx State	\$	58,200
4xx Federal	\$	272,655
5xx-6xx Other Financing Sources	\$	109,000
<b>Total Revenue</b>	\$	<b>1,474,813</b>

Total Fund Balance, July 1 Available to Appropriate	\$	335,296
<b>Total Available to Appropriate</b>	\$	<b>1,810,109</b>

BE IT FURTHER RESOLVED, that of the total available to appropriate in the Food Services Fund, it is hereby appropriated in the amounts and for the purposes set forth below:

**Expenditures:**

2xx – Support Services		
26x- Operations and Maintenance	\$	2,415
28x-29x Other Central Support	\$	1,338,271
4xx-6xx Other Financing Uses	\$	134,068
<b>Total Appropriated</b>	\$	<b>1,474,754</b>

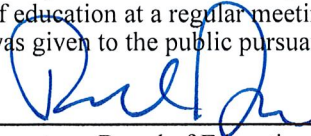
FURTHER RESOLVED, that no board of education member or employee of the school district shall expend any funds or obligate the expenditure of any funds except pursuant to appropriations made by the board of education and in keeping with the budgetary policy statement hitherto adopted by the board. Changes in the amount appropriated by the board shall require approval of the board.

BE IT FURTHER RESOLVED, that for purposes of meeting emergency needs of the school district, transfers of appropriations may be made upon the written authorization of the superintendent but no other transfers shall be made without prior approval of the board of education. When the superintendent makes a transfer of appropriations as permitted by this resolution, such transfer shall be presented to the board of education at its next regularly scheduled meeting in the form of an appropriation amendment, which amendment shall be adopted by the board of education at such meeting.

---

AYES: 6 NAYS: 0 ABSENT: 1 RESOLUTION DECLARED ADOPTED.

The undersigned duly qualified and acting Secretary of the Board of Education of the Dexter Community Schools, Counties of Washtenaw and Livingston, State of Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the board of education at a regular meeting held on November 13, 2017, and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, 1976 PA 267, as amended.

  
\_\_\_\_\_  
Secretary, Board of Education