



2014/15 Budget Amendments

General Fund #1 Building & Site Sinking Fund #1

February 23, 2015

To : Mark Bielang, Superintendent
From : Karla Colestock, Director of Finance
Date : February 4, 2015
Subj : General Fund Budget Amendment #1 Resolution for 2014/15

Recommendation

That the Board of Education approve the attached budget amendment resolution to the General Appropriations Act (General Fund) for the 2014/15 year at the February 23, 2015 Board meeting.

Background Information

This amendment to the District's operating fund represents the first of two planned revisions during this school year. Typically, the budget is amended each year in February and June. The extensive amendment process demonstrates our commitment to a continuous budget cycle that updates the Board and community as new and improved information becomes available.

The modifications incorporated in this document are the result of a number of factors that we have previously discussed:

1. Estimate changes due to information available from our 2013/14 audit. These revisions come from a detailed account analysis of budget to actual during the last school year.
2. Changes in budgets necessitated by actual enrollments, actual staffing, and program adjustments.
3. Information received after the budget was adopted in early June, 2014.

Typically the first budget amendment is the most extensive one completed during the year. This is certainly the case again this year. Foundation grant revenues have been adjusted to reflect the results of our fall membership count and revised February count estimates, for a new blended membership count. In addition, salaries and fringe benefits have been adjusted to actual staffing levels and reflect negotiated contracted settlements. The resolution attached that will be passed on February 23 is provided at the functional level. Also attached is the Comparison by Major Categories and Fund Balance Schedule, which is a format familiar to you from the budget adoption process in that it compares major categories and gives you both projected total fund balance and unassigned fund balance information. After the amendment, unassigned fund balance stands at 7.88%. This allows us to maintain compliance with Board Policy Executive Limitations 2.4 and 2.5 for the planning and expenditure of funds so that unassigned fund balance does not fall below 7%.

After all of the proposed changes are considered, the revised budget reflects excess expenditures over revenues of (\$117,124) for the year. The largest portions of the net change of \$6,000 can be identified as follows:

Revisions	Amount
Revenues:	
Overall net decrease in the foundation grant and property taxes, consisting of adjusting to 126 less actual blended membership fte's than budgeted based on actual October, 2014 and February, 2015 count estimates	(979,000)
Increase in other State Aid Categoricals	181,000
Increase in final allocations and carryover funds for federal and state program grants	472,000
Increase in Special Education state categoricals	213,000
Decrease in projection for Childcare and Preschool fees	(49,000)
Increase in budget for Athletic Gate Receipts and PAF Contributions from SOAR	148,000
Other miscellaneous revenue adjustments	(135,000)
Expenditures:	
Net decrease in estimated salaries and fringe benefits based on actual staffing and contract settlements (net of decrease in estimated ACA healthcare costs below)	40,000
Decrease in estimated healthcare costs for hourly employees from the Affordable Care Act implementation	273,000
Increase in estimated substitute and contractual staff costs	(172,000)
Increase in teaching supply allocation from fund balance reserve transfers	(153,000)
Increase in athletic supply and capital outlay costs due to SOAR and PAF contributions	(148,000)
Decrease in estimated textbook expenses due to delaying of math and science textbook purchases to 15/16 year (offset by allocation for chromebook purchases)	373,000
Increase in other capital outlay expenditures	(114,000)
Decrease in technology contracted services and software implementation costs	131,000
Other miscellaneous expenditure adjustments	(75,000)
Total revisions accounted for in these items	\$ 6,000

Please note that this amendment is being completed at a very complex time related to the economy and the State's funding of their obligations. On February 11, 2015, the Governor will release his budget recommendation for the State's 2015/16 fiscal year. This will provide us information as we begin preparation of the 2015/16 school year budget.

PORTAGE PUBLIC SCHOOLS GENERAL FUND BUDGET RESOLUTION 2014/15 AMENDED BUDGET #1
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Be it resolved that this resolution shall be the General Fund appropriations of Portage Public Schools for the fiscal year 2014/15. A resolution to make appropriations; to provide for the expenditures of appropriations; and to provide for the disposition of all revenue received by Portage Public Schools.

Be it further resolved that the total unappropriated fund balance and total revenues to be available for appropriations in the General Fund of Portage Public Schools for fiscal year 2014/15 is as follows:

	Actual 2013/14	Adopted Budget 2014/15	Amended Budget #1 2014/15
Total Fund Balance, Beginning of Year, July 1	7,238,043	6,702,535	7,200,936
REVENUES:			
Local Sources*	21,134,994	21,323,455	21,445,430
State Sources	56,554,755	60,264,962	59,760,296
Federal Sources	1,423,388	973,943	1,230,166
Incoming Transfers and Other Transactions	713,196	1,024,637	1,001,614
Total Revenues and Other Transactions	79,826,333	83,586,997	83,437,506
Total Available to Appropriate	87,064,376	90,289,532	90,638,442

*In compliance with Section 16 of the Uniform Budgeting and Accounting Act, this includes a tax levy of 18.000 mills on Non-Homestead property.

Be it further resolved that \$83,554,630 of the total available to appropriate is hereby appropriated in the amounts and for the purposes set forth as follows:

EXPENDITURES:

Instruction:

Basic Programs	41,078,026	43,144,538	42,627,905
Added Needs	6,613,356	6,774,417	6,900,197
Adult Education	50,460	107,624	161,723
Total Instruction	47,741,842	50,026,579	49,689,825

Supporting Services:

Pupil	4,980,585	5,347,229	5,224,118
Instructional Staff	4,006,053	4,268,468	4,606,972
General Administration	571,565	563,825	576,075
School Administration	4,410,039	4,493,960	4,606,832
Business Services	802,633	827,367	826,923
Operations and Maintenance	7,639,754	8,035,559	7,881,379
Transportation	3,421,681	3,546,742	3,562,464
Central Services	2,406,166	2,753,908	2,470,941
Athletics	1,360,036	1,186,956	1,361,843
Total Supporting Services	29,598,512	31,024,014	31,117,547

	Actual 2013/14	Adopted Budget 2014/15	Amended Budget #1 2014/15
Community Services	2,184,994	2,260,803	2,348,689
Other Financing Use - Debt Service	338,092	398,596	398,569
Total Expenditure Appropriation	79,863,440	83,709,992	83,554,630
Excess (Deficiency) of Revenues over Expenditures	(37,107)	(122,995)	(117,124)
Total Fund Balance (Assigned and Unassigned), End of Year, June 30 (Estimate)	\$ 7,200,936	\$ 6,579,540	\$ 7,083,812

Be it further resolved that no Board of Education member or employee of the School District shall expend any funds or obligate the expenditure of funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statement previously adopted. Changes in the amount appropriated shall require approval by the Board of Education.

Be it further resolved that the superintendent is hereby charged with general supervision of the execution of the budget as adopted by the Board of Education and shall hold the directors and department heads responsible for performance of their responsibilities within the amounts appropriated.

PORTAGE PUBLIC SCHOOLS
2014/15 GENERAL FUND AMENDED BUDGET
COMPARISON BY MAJOR CATEGORIES AND FUND BALANCE INFORMATION

	<u>ACTUAL</u> <u>SY 13/14</u>	<u>ADOPTED</u> <u>BUDGET</u> <u>SY 14/15</u>	<u>AMENDED</u> <u>BUDGET #1</u> <u>SY 14/15</u>	<u>INCREASE</u> <u>(DECREASE)</u>
Revenues				
Not Program Related	68,678,627	72,746,515	71,910,193	(836,322)
Program Related	11,147,706	10,840,480	11,527,313	686,833
Total Revenues	79,826,333	83,586,995	83,437,506	(149,489)
Expenses				
Salaries	41,829,443	41,842,740	41,632,900	(209,840)
Fringe Benefits:				
FICA*	2,900,163	2,893,483	2,957,841	64,358
Retirement*	12,533,321	14,797,574	14,808,349	10,775
Health Insurance	5,121,618	5,960,847	5,503,110	(457,737)
Other Insurances:				
Dental	508,919	531,558	584,357	52,799
Vision	88,993	90,470	95,883	5,413
Long-Term Disability	129,884	133,936	124,354	(9,582)
Life	31,975	32,490	33,628	1,138
Other fringes	484,976	619,032	848,915	229,883
Total Fringe Benefits	<u>21,799,849</u>	<u>25,059,390</u>	<u>24,956,437</u>	<u>(102,953)</u>
Purchased Services	9,701,006	9,968,308	10,145,353	177,045
Supplies, Materials, Other	5,120,523	5,504,131	5,300,775	(203,356)
Capital Outlay	1,074,528	936,825	1,120,596	183,771
Debt Service	338,091	398,596	398,569	(27)
Total Expenses	79,863,440	83,709,990	83,554,630	(155,360)
Excess Revenues (Expenditures) Projected	(37,107)	(122,995)	(117,124)	5,871
Total Fund Balance Information				
Total Fund Balance - Beginning	7,238,043	6,702,535	7,200,936	
Prior Period Adjustment required by MDE related to indirect cost calculations	-	-	-	
Income(Deficit) - Allocated to Unreserved	<u>(37,107)</u>	<u>(122,995)</u>	<u>(117,124)</u>	
Estimated Ending Total Fund Balance	7,200,936	6,579,540	7,083,812	
Non-Spendable and Assigned Fund Balance Restrictions	413,693	415,000	500,000	
Estimated Ending Unassigned Fund Balance	6,787,243	6,164,540	6,583,812	
As a Percentage of Budgeted Expenditures	8.50%	7.36%	7.88%	

Notes:

*Mandated fringe benefits

PORTAGE PUBLIC SCHOOLS GENERAL FUND AMENDMENT #1 PROGRAM LEVEL SUPPORTING DETAIL

	<u>ADOPTED BUDGET 2014/15</u>	<u>AMENDMENTS/ TRANSFERS</u>	<u>AMENDED BUDGET #1 2014/15</u>
REVENUES:			
<i>From Local Sources:</i>			
Property Tax Levy, including Regional Enhancement Millage	15,127,905	56,808	15,184,713
Earnings from Investments and Deposits	10,000	1,000	11,000
Interest on Delinquent Taxes	20,000	0	20,000
Reimbursements from Other Funds:			
Accounting Services and Indirect Costs	164,000	16,000	180,000
Facility Rental Fees	75,000	(35,000)	40,000
Other Local Sources (includes bus financing)	692,000	(46,750)	645,250
<i>From State Sources:</i>			
Foundation Grant Allowance	50,966,553	(1,009,613)	49,956,940
Other State Categoricals/Foundation Adjustments	5,668,057	181,233	5,849,290
<i>From Federal Sources-</i>			
Medicaid Administrative Outreach Program	23,000	0	23,000
<i>Program Related Revenues:</i>			
Great Start Readiness Program	351,472	32,866	384,338
Pay to Participate Fees	207,000	0	207,000
On-line Class and IB Test Fees	99,500	5,000	104,500
Athletic Gate Receipts and Contributions	89,400	148,147	237,547
Community High School	12,000	(9,500)	2,500
Non-Public School Foundation Allowance	568,261	(49,203)	519,058
Enrichment Class and Advertising Fees	332,000	(2,000)	330,000
Childcare and Preschool Fees	2,335,004	(49,002)	2,286,002
Adult Education Categoricals	89,369	55,354	144,723
English as a Second Language Grant	22,000	0	22,000
Technology Services	305,887	99,091	404,978
County Special Education, Federal Grants, and Categoricals	3,744,147	107,670	3,851,817
At Risk Grant	938,862	18,959	957,821
Title I Grant	719,959	144,584	864,543
Student Assistance Program Grants	0	4,891	4,891
Other Grants	241,793	133,819	375,612
Transportation Categoricals and Billings	783,826	46,157	829,983
TOTAL REVENUES	83,586,995	(149,490)	83,437,506

**PORTAGE PUBLIC SCHOOLS
GENERAL FUND AMENDMENT #1
PROGRAM LEVEL SUPPORTING DETAIL**

	ADOPTED BUDGET 2014/15	AMENDMENTS/ TRANSFERS	AMENDED BUDGET #1 2014/15
EXPENDITURES			
<i>Instructional Services</i>			
Amberly Elementary	3,518,442	(170,928)	3,347,513
Angling Road Elementary	2,423,644	45,868	2,469,513
Central Elementary	2,620,855	(63,673)	2,557,182
Haverhill Elementary	2,570,531	(13,016)	2,557,515
Lake Center Elementary	3,653,948	(290,904)	3,363,044
Moorsbridge Elementary	3,378,855	(56,912)	3,321,942
12th Street Elementary	3,252,730	(79,685)	3,173,045
Woodland Elementary	2,667,395	(112,964)	2,554,431
Great Start Readiness Program Grant	383,237	12,532	395,769
Academically Gifted and Talented	205,615	53,321	258,936
Non-Public Schools-Shared Time Program	279,737	16,737	296,473
Central Middle	4,031,956	(13,392)	4,018,563
North Middle	3,324,477	18,847	3,343,324
West Middle	3,953,158	61,928	4,015,086
Middle School Athletics	217,267	9,850	227,117
Central High	8,381,489	(23,819)	8,357,670
Northern High	8,009,664	(37,136)	7,972,527
High School Athletics	1,061,423	167,681	1,229,104
Education for Employment	812,063	(84,949)	727,114
Education for the Arts	122,742	(10,171)	112,571
Auditorium Management	111,280	9,000	120,280
Community High School Program	1,581,818	18,308	1,600,126
Childcare and Preschool Program	2,078,820	44,473	2,123,293
Adult Education	90,625	54,098	144,723
English as a Second Language	22,000	0	22,000
Homebound Services	21,480	0	21,480
Instructional Services Administration	479,431	(27,931)	451,501
<i>Technology and Student Information Systems</i>			
Media Services	129,882	29,125	159,007
Technology Services	2,424,976	(50,010)	2,374,966
Library Processing	3,400	0	3,400
<i>Special Education Services</i>			
Special Education Program	7,828,130	54,394	7,882,524
At Risk Grant	938,862	18,959	957,821
Title I Grant	719,959	144,584	864,543
<i>Curriculum and Professional Development</i>			
Curriculum Development	772,832	14,602	787,434
Professional Development	234,150	(7,228)	226,922
Other Grants	242,136	133,493	375,629
<i>Operations</i>			
Budget and Finance	954,419	7,945	962,364
Central Services	101,688	(12,632)	89,056
Maintenance & Operations	4,697,811	(52,586)	4,645,226
Transportation	3,697,649	(20,029)	3,677,620
<i>Community Relations</i>			
Communications	235,319	(14,058)	221,260
Community Enrichment Program	337,515	15,784	353,299
Student Assistance Program	0	4,891	4,891
<i>Human Resources</i>			
Administration	520,258	3,990	524,248
	616,325	46,250	662,575
TOTAL EXPENDITURES	83,709,990	(155,360)	83,554,630
EXCESS (DEFICIT) REVENUES OVER EXPENDITURES	(122,995)	5,870	(117,124)

To : Mark Bielang, Superintendent
From : Karla Colestock, Director of Finance
Cc: Ron Herron, Asst. Superintendent of Operations
Date : February 4, 2015
Subj : Building and Site Sinking Fund Budget Amendment #1 Resolution for 2014/15

RECOMMENDATION

That the Board of Education approve the attached Amendment #1 resolution to the Building and Site Sinking Fund Appropriations Act, for the 2014/15 fiscal year.

BACKGROUND INFORMATION

This recommendation represents the first amendment to the Building and Site Sinking Fund during the current fiscal year. The most significant adjustments are summarized as follows:

1. Beginning fund balance was adjusted to the audited fund balance at June 30, 2014. Please note that a large portion of this positive change is due to some major project work occurring after June 30, 2014, and unspent funds on ongoing projects.
2. Adjustments to expected actuals for various revenue accounts, primarily the removal of the \$6,800 of "in lieu of" reimbursement from the State on the personal property tax legislation, which is not effective for the sinking fund until the 2015/16 year.
3. The Angling Road parking lot project has been adjusted to reflect the actual costs to be incurred, which was approximately \$130,000 more than originally budgeted.
4. Roofing work at Moorsbridge Elementary has been adjusted to reflect the actual costs incurred, which was approximately \$114,000 less than originally budgeted.
5. An allocation of \$27,500 was added for the final costs related to the Administration Building demolition that were completed in the current year.
6. An allocation of \$49,000 was added for the WMS pool entry doors and ramp.
7. Several allocations were eliminated for this year until the facility master plan is determined.

Your approval of this recommendation would indicate that the BSSF budget would end the year with approximately \$417,000 of fund balance. This is an increase of \$288,000 from the \$129,000 adopted amount.

I would be happy to answer any questions that you or Board members may have on this recommendation.

PORTAGE PUBLIC SCHOOLS BUILDING AND SITE SINKING FUND APPROPRIATIONS RESOLUTION 2014/15-AMENDMENT #1

Be it resolved that this shall be the Building and Site Sinking Fund appropriations for Portage Public Schools for the fiscal year 2014/15. A resolution to make appropriations; to provide for the expenditure of appropriations; and to provide for the disposition of all revenues received by Portage Public Schools.

Be it further resolved, that the total revenues and unappropriated fund balance estimated to be available for appropriations in the Building and Site Sinking Fund of Portage Public Schools for fiscal year 2014/15 is as follows:

	SY 2013/14 Actual	SY 2014/15 Adopted	SY 2014/15 Amend #1
Beginning Fund Balance, July 1	\$ 1,343,612	\$ 316,054	\$ 634,540
Revenues			
Tax Levy at .5000 mills for all years*	1,218,641	1,116,276	1,116,276
Payment in Lieu of Personal Property Tax from State Sources	-	6,851	-
Industrial Facilities Tax	11,589	10,000	10,000
Interest Income	2,010	2,000	2,000
Interest on Delinquent Taxes	1,388	1,300	1,300
Payment in Lieu of Taxes	-	1,000	1,000
Collection of Prior Year Taxes	279	500	500
Total Revenues	1,233,907	1,137,927	1,131,076
Total Available to Appropriate	2,577,519	1,453,981	1,765,616

*In accordance with section 16 of the Uniform Budgeting and Accounting Act, this is a levy of .5000 mills on all property classifications.

Be it further resolved, that \$1,291,157 of the total available to appropriate is appropriated in the amounts and for the purposes set forth below:

Expenditures:

Major Projects:

District Wide Energy Management System Installation	710	-	-
Asphalt Projects:			
Angling Road Parking Lot Redesign	64,690	425,000	560,190
Community Education Center (North and West Lots)	597,090	-	-
Central Middle (Front Lot)	-	25,000	-
Major Roofing Projects:			
Moorsbridge Elementary	4,000	300,000	186,750
Northern High School	75,486	-	-
NMS Gym Roof	200	-	-
West Middle	86,653	-	-
Central High Baseball Field Renovation	-	-	5,000
Central High Vestibule	1,298	-	4,343
Angling Road Lobby Remodel	2,000	-	31,495
Central Middle School Band Room	16,162	-	91,825
West Middle School Pool Entry Doors and Ramp	-	-	49,000
McCamley Stadium Repairs	70,627	-	-
Administration Building Demolition	204,872	-	27,554
Security upgrades for Entrances at Elementary Buildings	578,278	-	-
Total Major Projects	1,702,066	750,000	956,157

	SY 2013/14 Actual	SY 2014/15 Adopted	SY 2014/15 Amend #1
On-Going Projects			
Roof Repair	5,539	50,000	50,000
Glass	6,980	10,000	10,000
Fencing	949	15,000	15,000
Sidewalk Concrete Repair	1,455	15,000	15,000
Casework	100	10,000	10,000
VAR - Asbestos Abatement	9,699	10,000	10,000
Asphalt Repair	4,838	30,000	30,000
Toilet Partition Replacement	0	10,000	10,000
Carpet Replacement	2,359	20,000	20,000
District Mechanical	35,588	55,000	60,000
District Electrical	11,868	35,000	35,000
Total On-Going Projects	79,375	260,000	265,000
Exterior Door Replacement			
Various Exterior Doors At All Buildings	0	31,000	31,000
Other Projects:			
Kindergarten room renovations	-	-	-
Outdoor equipment storage facility at Zylman	-	-	-
12th St. Lacrosse field upgrades (well, electrical, fencing)	-	-	-
Grounds replacement-playgrounds	27,987	-	35,000
Administration building landscaping	8,403	-	-
Woodland stage	-	-	-
Windows Central Elementary	-	-	-
Pool North Middle School (Air Handler/Ducts/Dehumidification)	-	50,000	-
Unit Vent/AHU Replacement Community Education Center	-	60,000	-
Unit Vent/AHU Replacement Central Middle School Kitchen	-	20,000	-
Building Requested Capital Outlay:			
Carpeting	122,370	-	-
Casework/Repair	-	-	-
Misc. Capital Outlay (not including Windows)	86	150,000	-
Tax refunds	2,692	4,000	4,000
Total Other Projects	161,538	284,000	39,000
Total Expenditures	1,942,979	1,325,000	1,291,157
Projected (Deficit) Revenues Over Expenditures	(709,072)	(187,073)	(160,081)
Ending Fund Balance, June 30	\$ 634,540	\$ 128,981	\$ 474,459

Be it further resolved that no Board of Education member or employee of the School District shall expend any funds or obligate the expenditure of funds except pursuant to appropriations made by the Board of Education and in keeping with the budgetary policy statement previously adopted. Changes in the amount appropriated shall require approval by the Board of Education.

Be it further resolved that the Superintendent is hereby charged with general supervision of the execution of the budget as adopted by the Board of Education and shall hold the directors and department heads responsible for the performance of their responsibilities within the amounts appropriated.