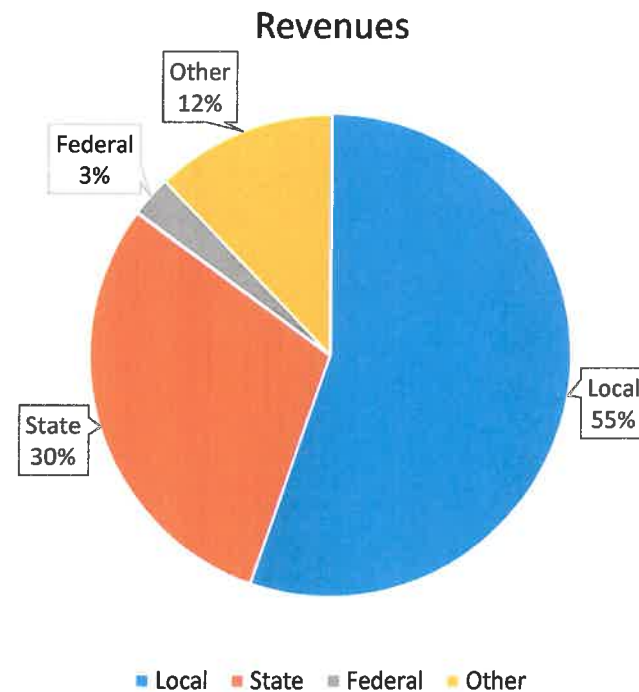


Public Schools of Petoskey

School Finance Presentation

Funding – Where does the funding come from?

- **Local (\$19,772,940)**
 - Property taxes (18 mills on non-homestead properties)
 - Interest on investments
 - Athletic gate receipts
 - Casino funding
 - Pre-school tuition
 - Sale of construction trades house
 - Auto tech program revenues – car repairs
- **State (\$10,632,130)**
 - Foundation Allowance – per pupil funding
 - At Risk
 - Categoricals
 - Vocational Education
- **Federal (\$981,619)**
 - ESSERS
 - Title I
 - Title II
 - Title IV
 - Title VII
- **Other (\$4,354,497)**
 - Enhancement millage
 - Vocational Education millage
 - ISD funding



How does state funding come to the District?

- **Foundation Allowance – per pupil funding**
 - \$9,608 per pupil
- **Student Count – Blended Count**
 - Projected Count for 23-24 – 2,500 (down 35 from 22-23)
 - Two count dates
 - February 2023 – 10% of blended count
 - October 2023 – 90% of blended count

- **Do the math – calculate per pupil funding**

- | | |
|---|--------------|
| • Foundation allowance | \$9,608 |
| • Multiplied by: blended count | 2500 |
| • Equals: total per pupil funding
(approximately 68% of the district's budget) | \$24,020,000 |
| • Less: property tax collections | \$18,529,857 |
| • Equals: per pupil funding paid by the state | \$ 5,490,143 |

When does the district receive funding?

- Property taxes
 - August\September 35%
 - January February 65%
- State funding
 - First Payment October 20th
 - One payment on the 20th of each month from October thru August
- Federal funding
 - All federal funding is on a reimbursement basis – the district must cover the expenditures and then request reimbursement
- Other
 - ISD funding –two payments per year - one near the end of the first semester and one near the end of the year
 - Enhancement millage – two payments per year - one near the end of the first semester and one near the end of the year
 - Vocational Education millage – two payments per year - one near the end of the first semester and one near the end of the year

How does the timing of the district's revenue flow impact the district?

- The district's fiscal year begins on July 1st
- The large majority of the district's funding comes well into the fiscal year with some even coming after the end of the fiscal year
- This causes a cash flow issue for the district as funds are expended well in advance of when funding is received
- To avoid borrowing, for cash flow purposes, the district maintains a fund balance (savings account)
- A fund balance assures the district can pay staff and vendors without having to borrow
- The district avoids interest costs, that could be in excess of \$100,000 annually, by maintaining a fund balance
- A fund balance of between 10% and 15% is needed to avoid cash flow borrowing