

September 29, 2016

Michigan Department of Treasury

To Whom It May Concern:

As required under MCL 380.1219, the following represents the MAISD September 2016 quarterly reporting on behalf of Montague Area Public Schools.

2015/16

General fund budget variance reports were run on September 27, 2016, for FY 2015/16 and include all final year end entries. The financial statements for the MAPS general fund can be summarized as follows:

2015/16	Budget	Actual	
			Student
Revs	\$13,940,374	\$13,895,914	Count: 1,480.87
Exps	\$13,838,631	\$13,673,258	Foundation: \$7,391.00
Net	\$101,743	\$222,656	
Ending FE	\$413,809	\$534,722	3.85% (% of Total Revs)

The positive net budget variance resulted in additional growth to the general fund equity adding \$222,656 during the fiscal year ended June 30, 2016. This brings the ending general fund equity up to 3.85% of general fund revenues from the previous year's 2.27%.

2016/17

Looking at year-to-date budget variance reports run on September 27, 2016, for the 2016/17 year show a continued trend of increasing the general fund equity. The current fall enrollment is 30 students higher than originally budgeted. This increase in students will not require the hiring of any new staff and should generate an additional \$202,500 of revenue for the general fund. If added to the current budget, the ending general fund equity is expected to exceed 5% of revenues for fiscal year 2017.

This is summarized below:

2016/17	Modified Budget	Actual YTD		
Revs	\$13,931,882	\$1,417,660	Student Count:	1,480.00
Exps	\$13,593,915	\$1,621,044	Foundation:	\$7,511.00
Net	\$337,967	(\$203,384)		
Ending FE	\$872,689		6.26%	(% of Total Revs)

2017/18

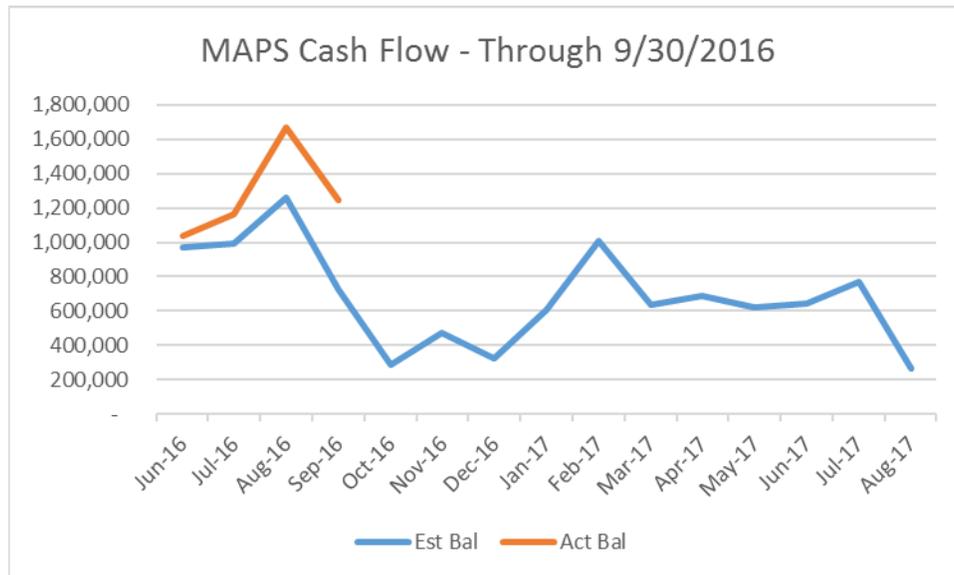
Using the Michigan Department of Treasury’s forecast model, these updated figures show a continued trend of adding to the general fund balance in fiscal year 2018 as well.

2017/18	Projected Budget			
Revs	\$13,915,778		Student Count:	1,480.00
Exps	\$13,602,472		Foundation:	\$7,511.00
Net	\$313,306			
Ending FE	\$1,185,995		8.52%	(% of Total Revs)
			8.72%	(% of Total Exps)

Cash Flow Analysis

The Montague Area Public Schools cash flow is above what was projected. The starting cash balance was \$100,000 more than originally estimated. The district borrowed \$1.5 Million instead of the \$1.4 Million that was used in the forecast. September cash totals \$1.25 Million compared to the expected balance of \$727,243. The actual balance does not include a payroll that will be processed on September 30, 2016, and should lower the amount by around \$300,000.

Cash Flow is illustrated in the chart below:



From the numbers presented above and discussions with administration, it appears that Montague Area Public Schools has made, and continues to make, the necessary changes to increase the general fund equity above 5% and maintain a balance above that level.

If you have any questions or need any further details, I can be reached at (231) 767-7207.

Sincerely,

Mike Schluentz
Associate Superintendent, Admin Services

Cc: Jeff Johnson, Montague Area Public Schools
Donna Bylenga, Montague Area Public Schools
John Severson, Muskegon Area ISD