

A Financial Picture of McBain Rural Agricultural Schools

2002-2007

Purpose

- This report will look at the data for McBain Rural Agricultural Schools for the years 2002-2007 and attempt to interpret that data in a way that makes it relevant.
- Note: While compiling financial data and statistics is a relatively objective process, the interpretation is much more subjective.

Where do the numbers come from?

- Most of the information contained in this report came directly from the year end audits of McBain Rural Agricultural Schools.
- Information such as student counts, teacher counts and teacher demographics was provided separately by the central office for McBain Rural Agricultural Schools.
- Insurance information was provided by McBain Rural Agricultural Schools.
- Comparative data was taken from the Michigan Department of Education website, from Standard & Poor's School Matters website, and MEA Research database.

How is the data interpreted?

- Because interpreting the data is a subjective process it is important to lay out the principles by which it will be interpreted up front.

Core Purpose

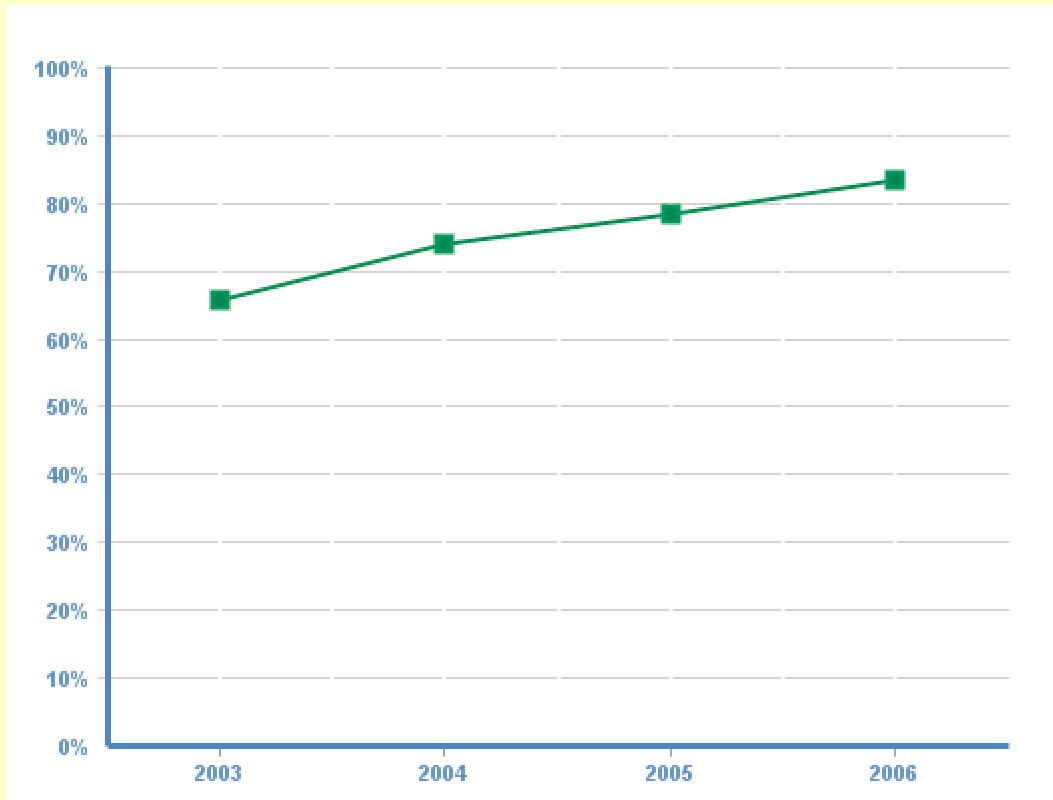
- It is the core purpose of the McBain Rural Agricultural Schools to teach the children of the McBain community
- And in this effort, the single greatest resource are the teachers.

How is it working?



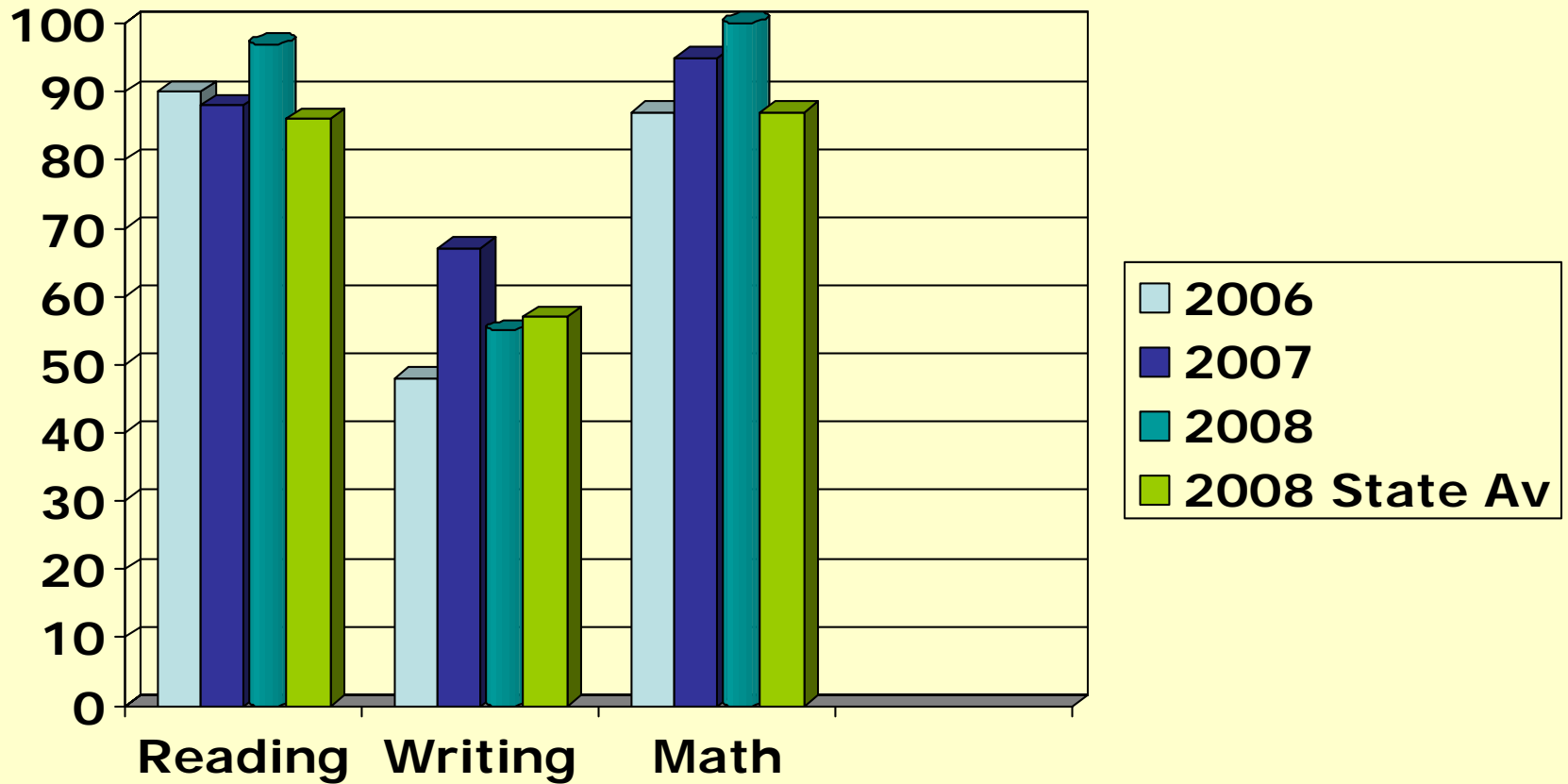
Elem. Reading and Math

McBain Elementary School
Reading and Math Proficiency Over Time



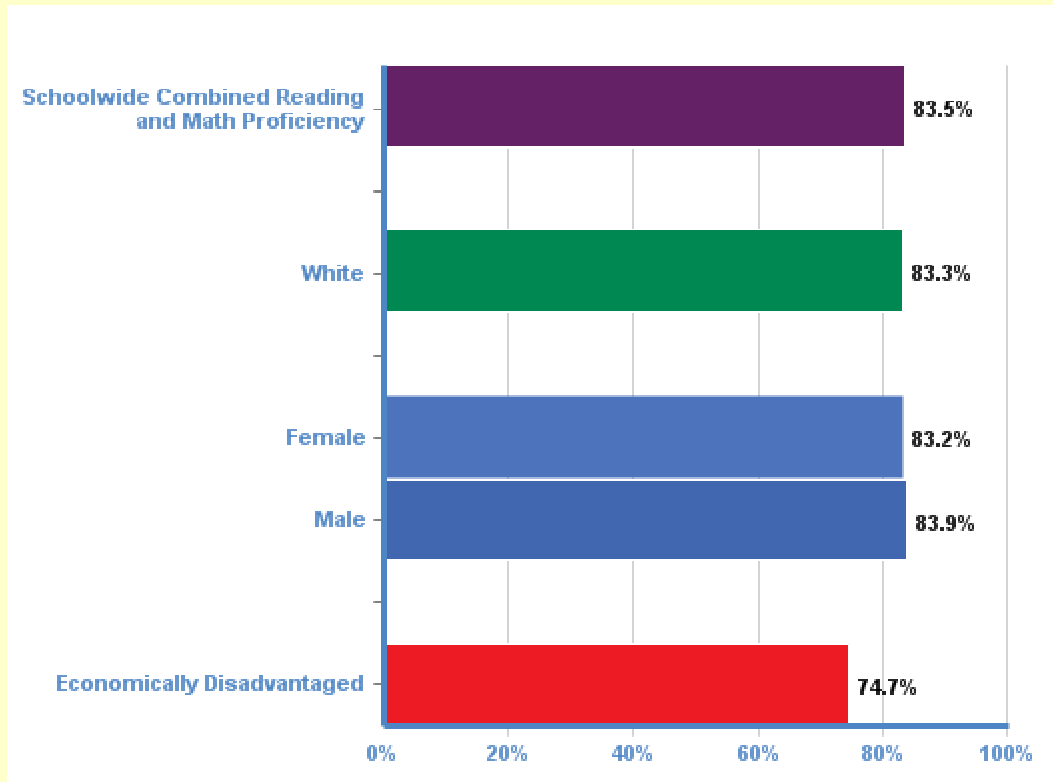
Standard's and Poor's

MEAP 3rd Grade



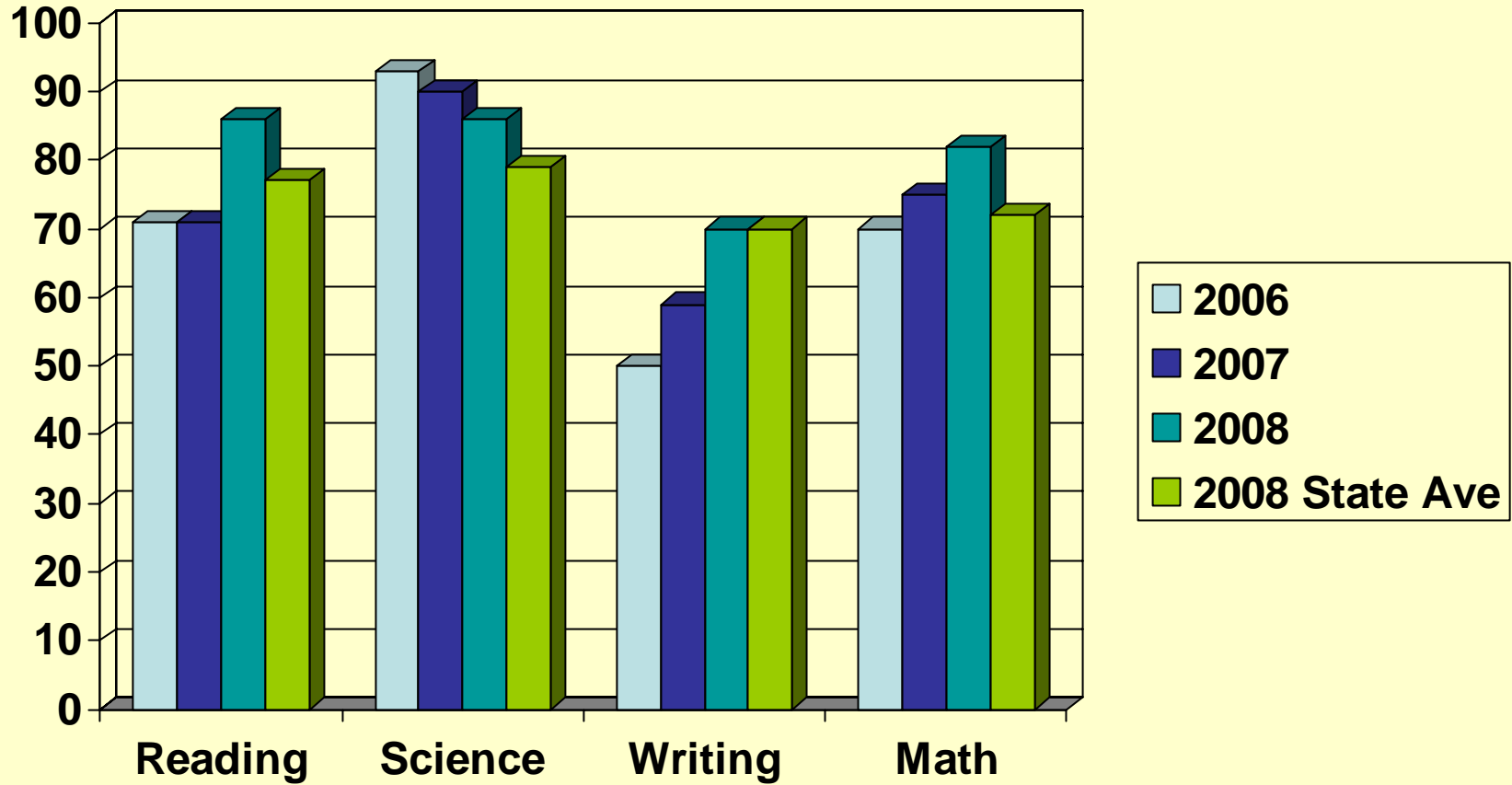
Elementary Scores by Subgroup

McBain Elementary School
2006 Reading and Math Proficiency by Subgroup



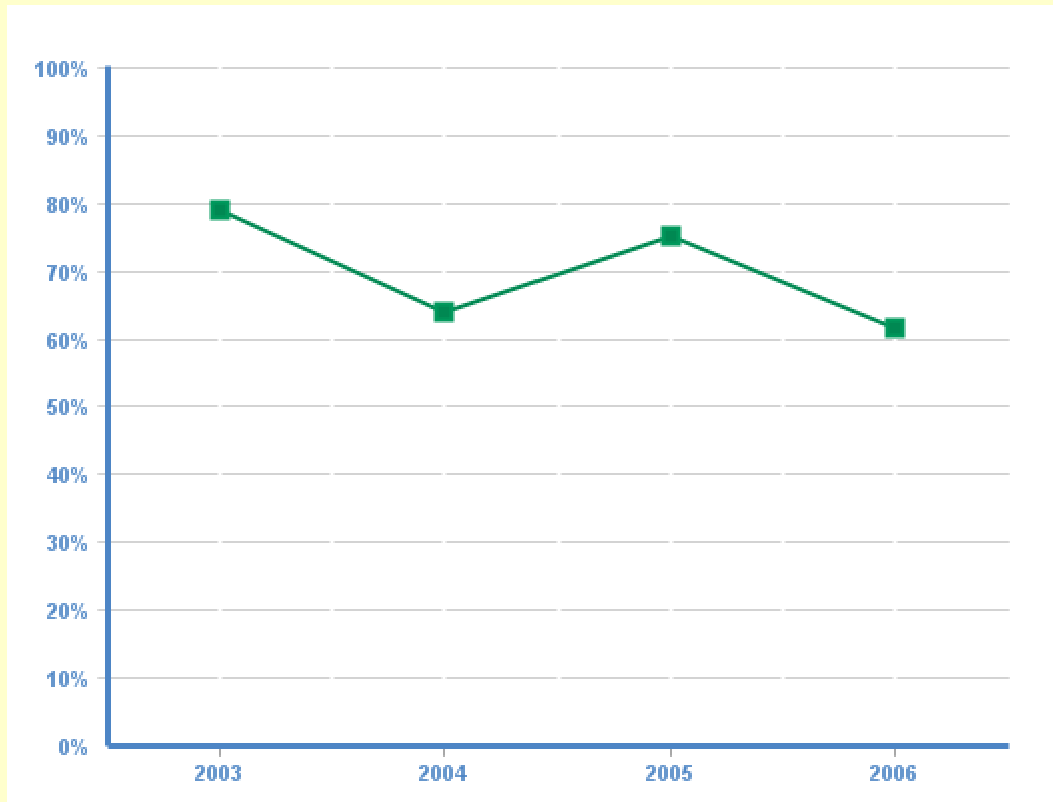
Standard's and Poor's

MEAP 8th Grade



High School Math and Reading

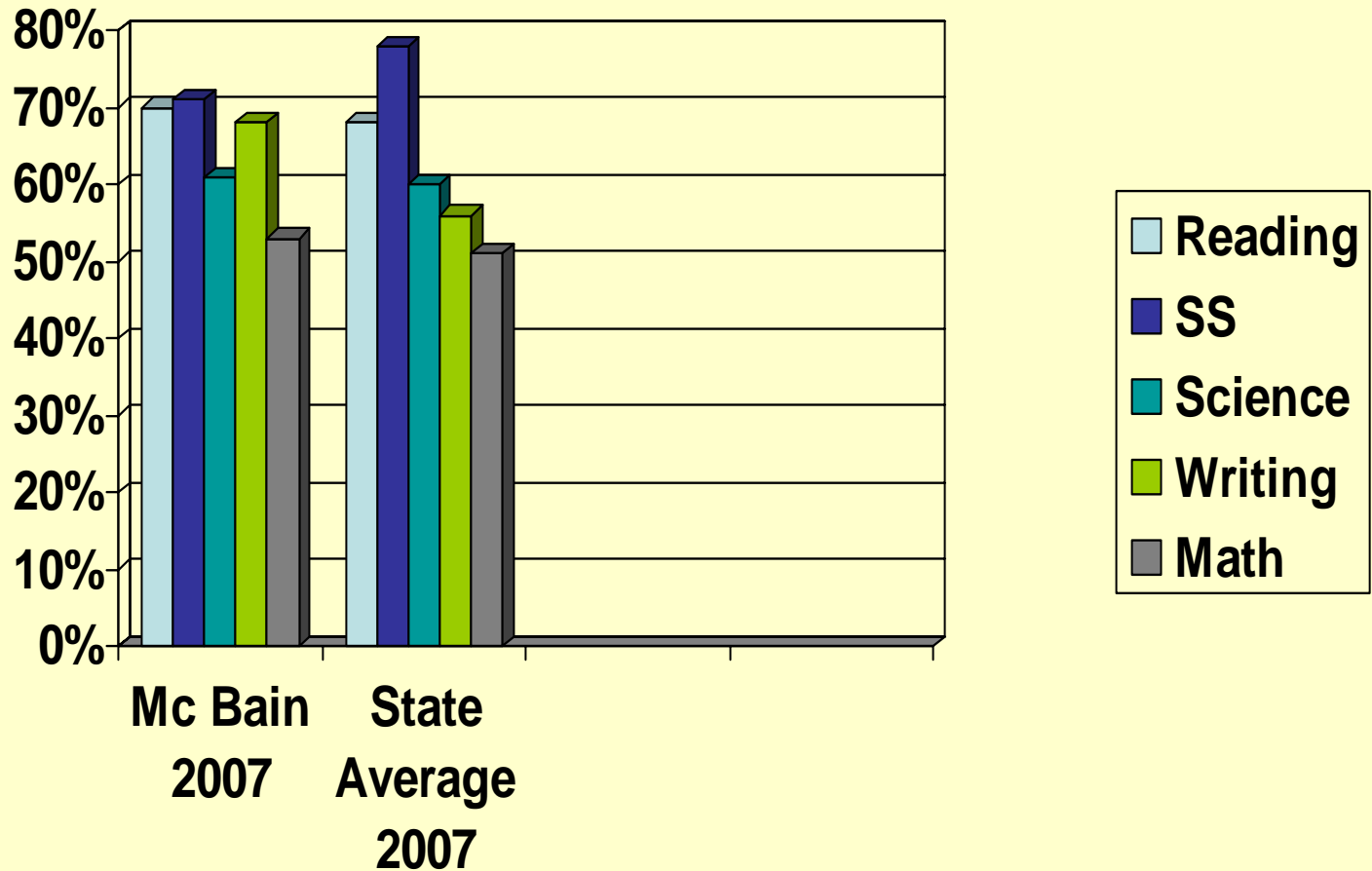
McBain High School
Reading and Math Proficiency Over Time



Source: Standard's and Poor's

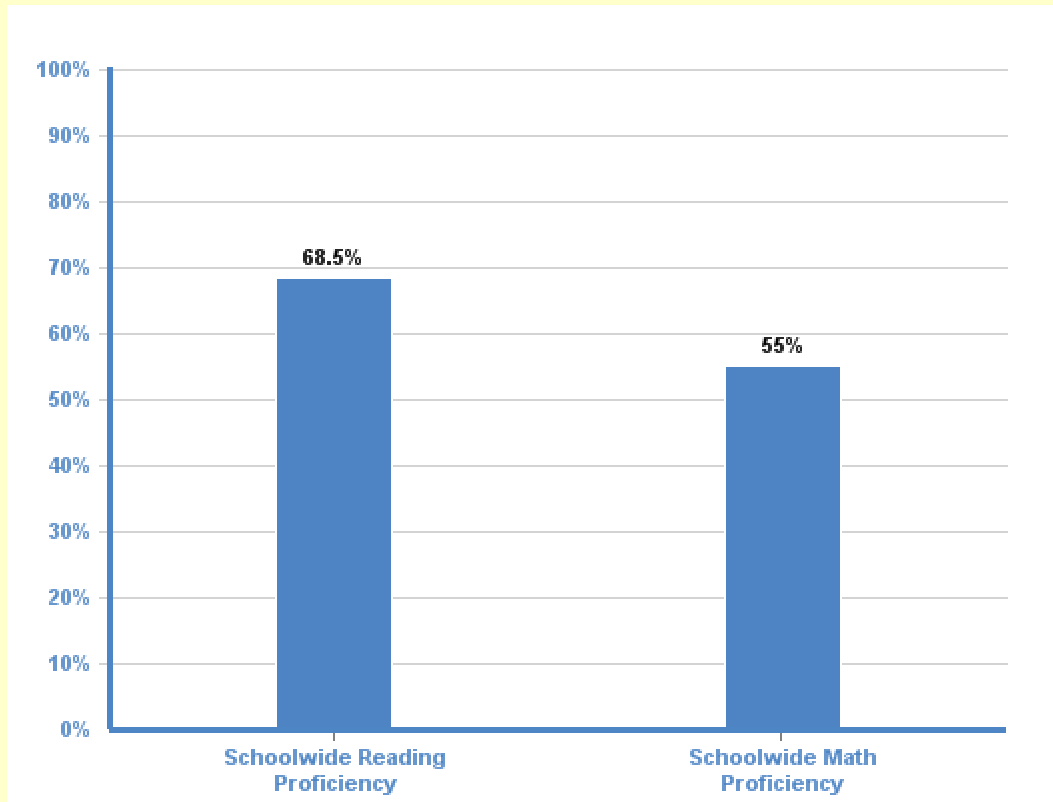
12th Grade MEAP

Hundreds



High School Reading and Math

McBain High School
2006 Reading and Math Proficiency



Standard's and Poor's

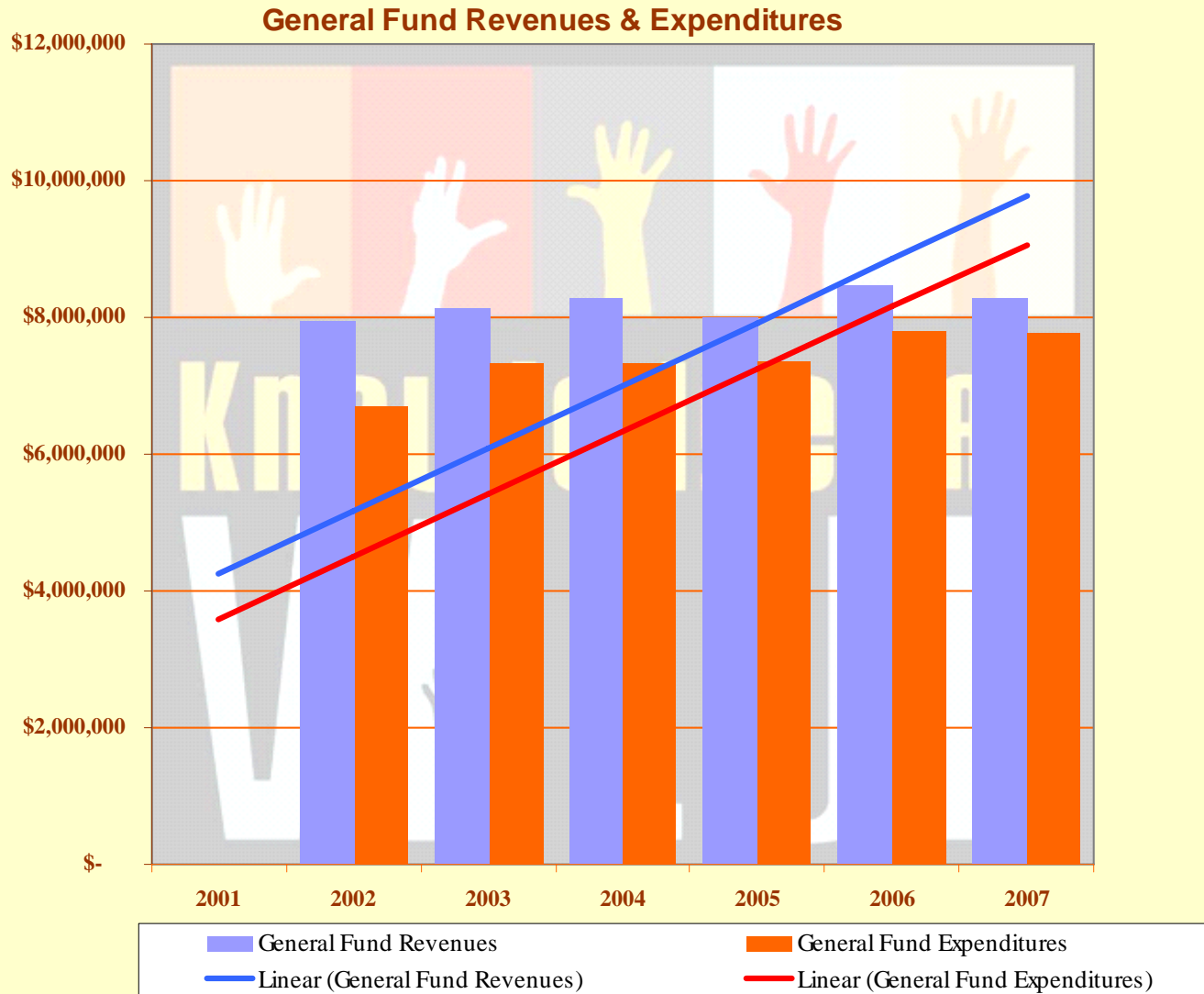
Summary

- The population of the McBain Rural Agricultural Schools is better educated than the state as a whole.
- McBain Rural Agricultural Schools is doing a very good job educating the students of its community. Their students perform better than the state as a whole in every measure.

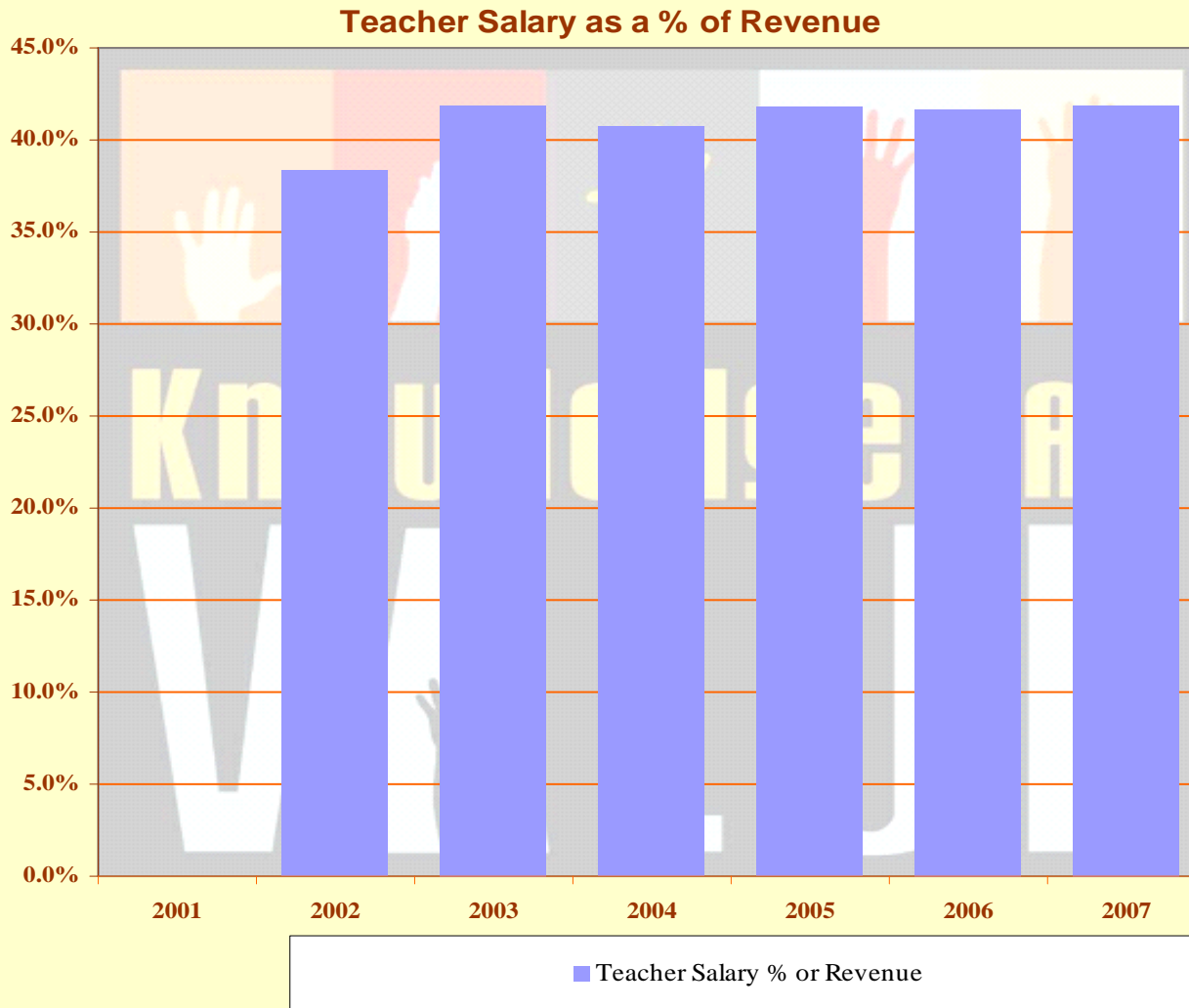
District Finances



General Fund Revenues and Expenditures

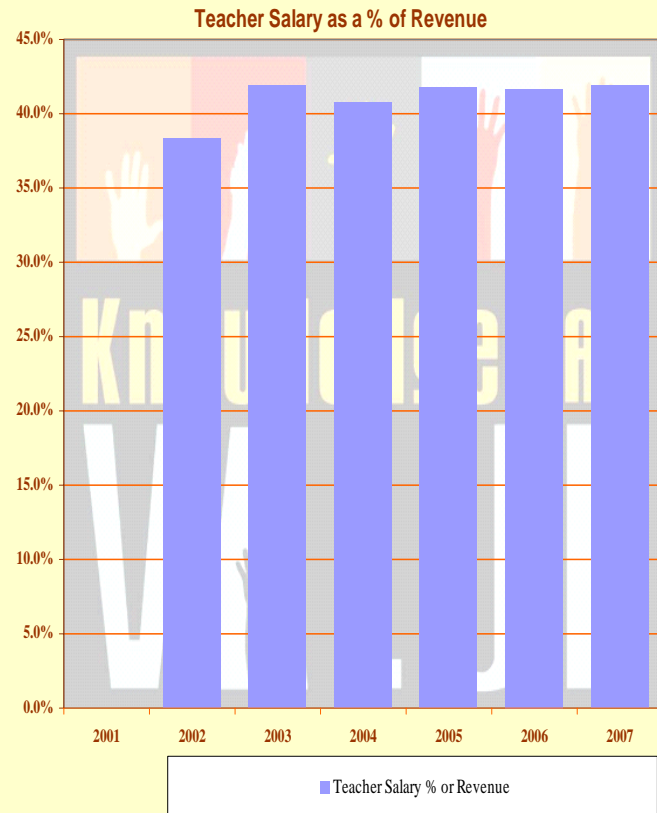


Teacher Salary

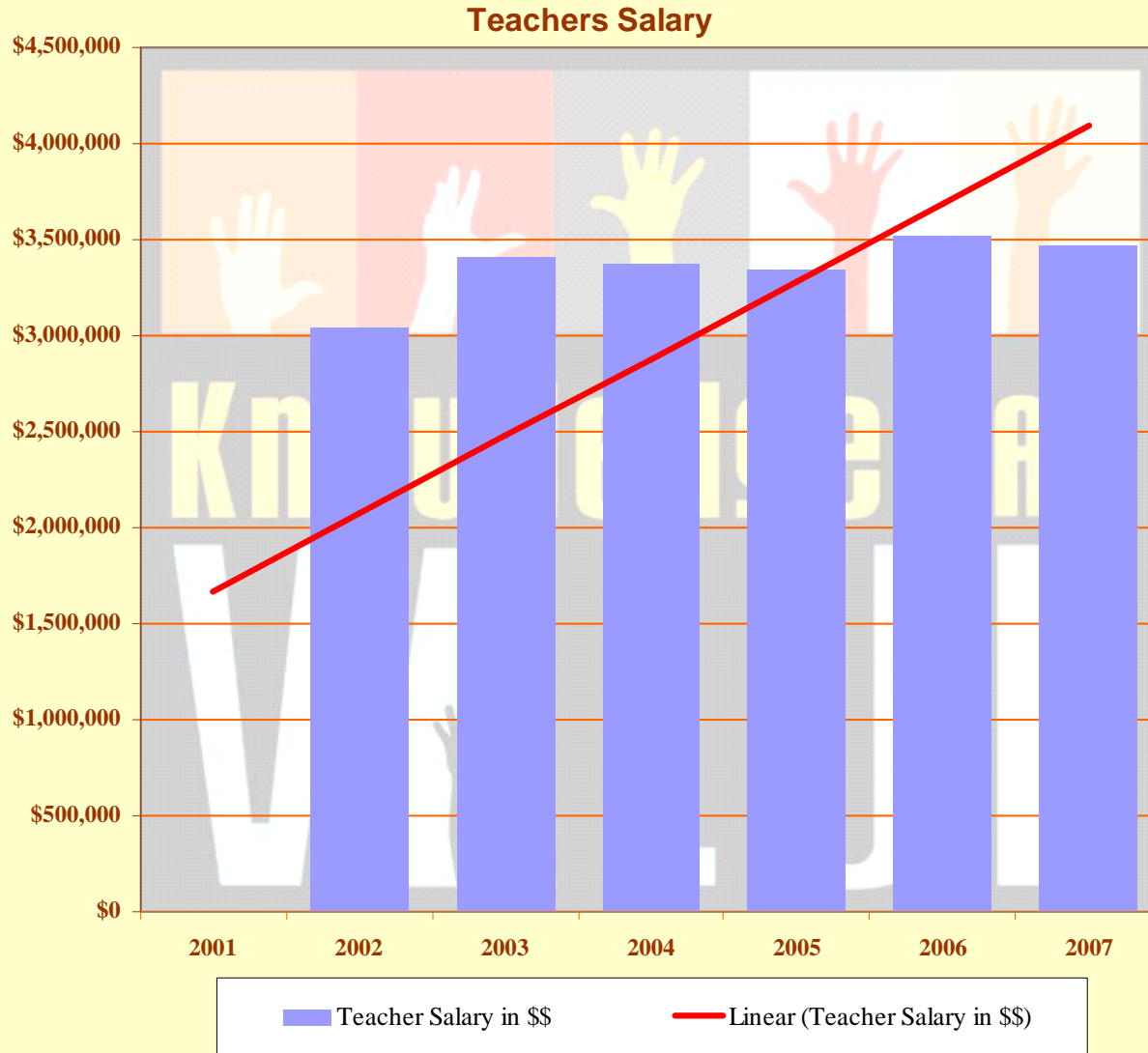


Teacher Salary

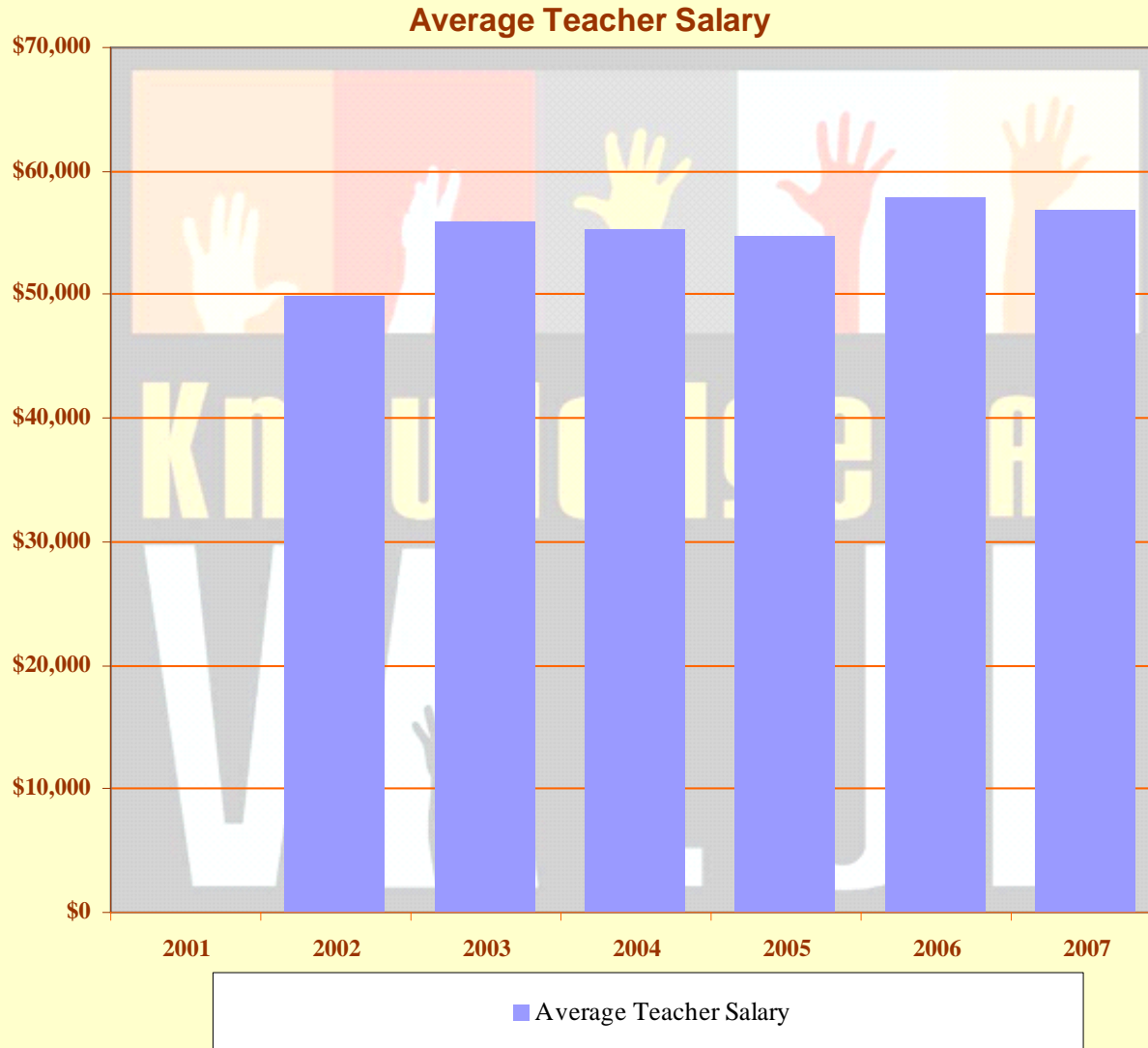
- Teacher salary as a percent of revenue has remained flat.
- The percent of revenue dedicated to teacher salary in 2007 is substantially equal to the per-cent of revenue dedicated in 2002.



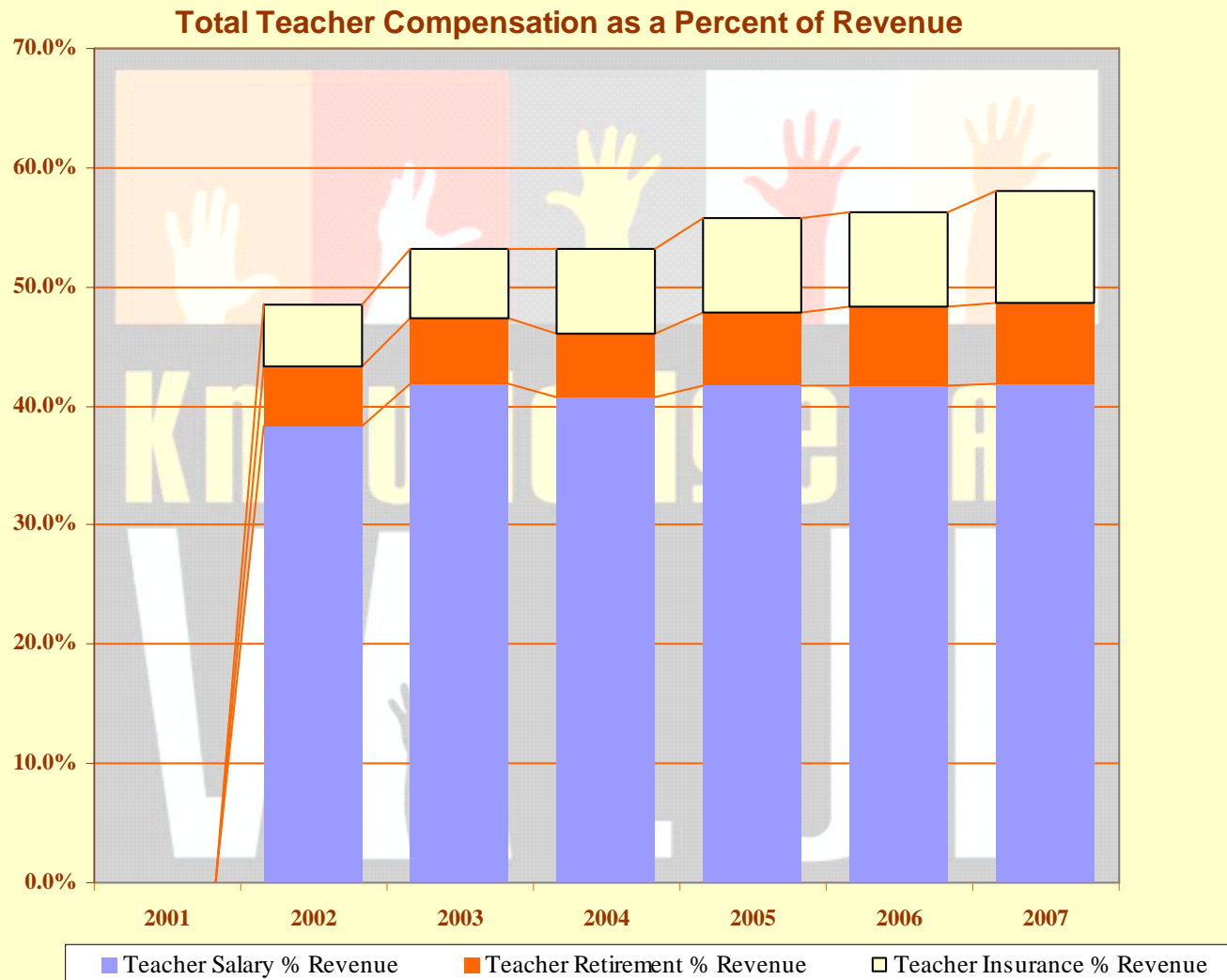
Teacher Salary as Actual Cost



Average

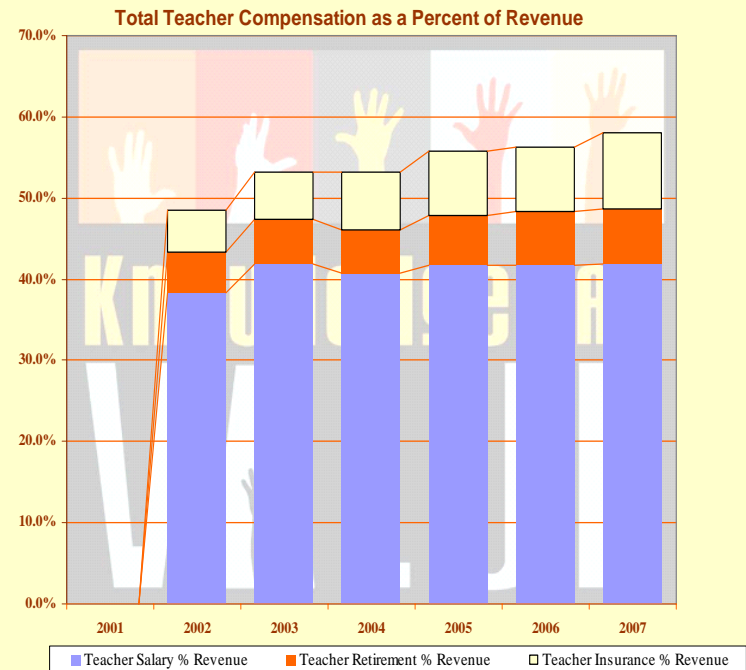


Instructional Compensation

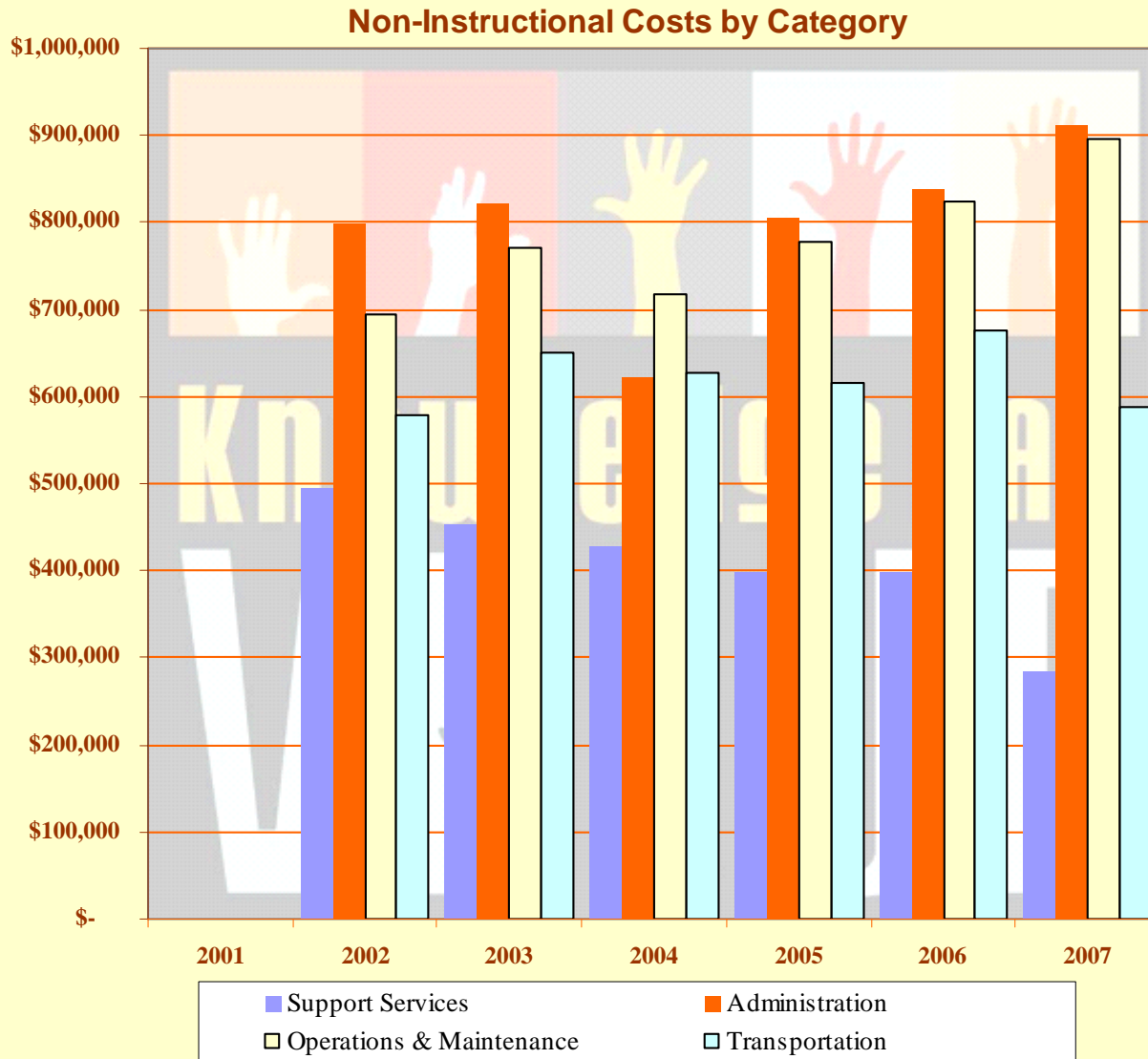


Instructional Compensation

- The average for instruction compensation in the state of Michigan is 56% of general fund revenues.
- McBain remains very near the state average.

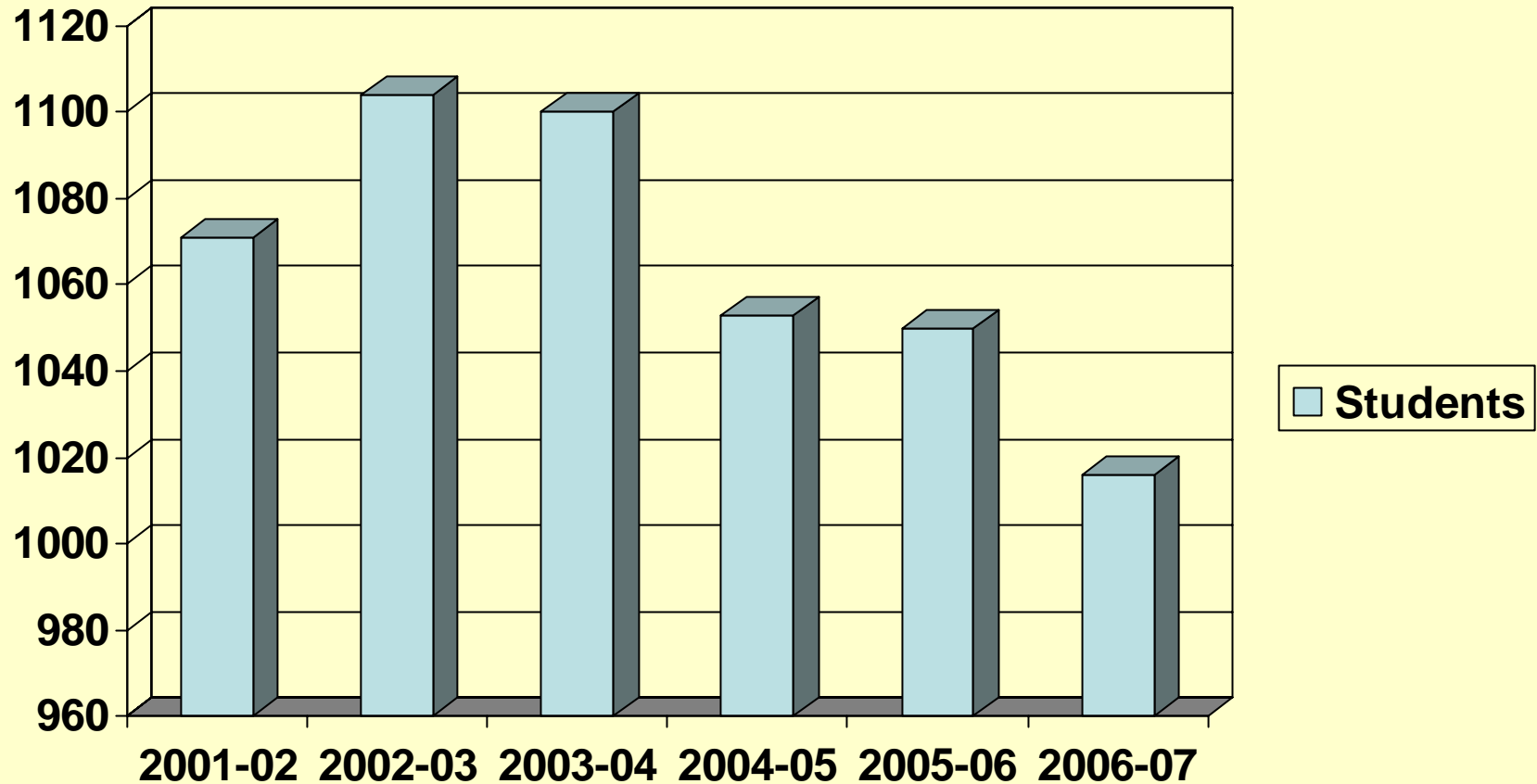


Other Areas



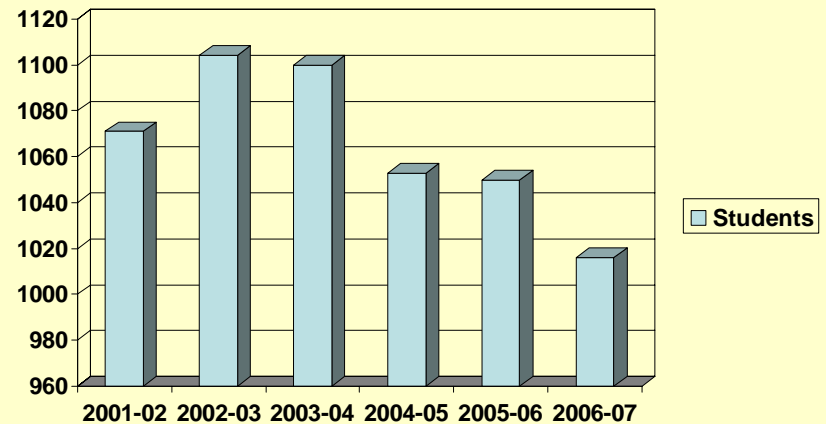
Revenue Source ENROLLMENT

McBain Student Count

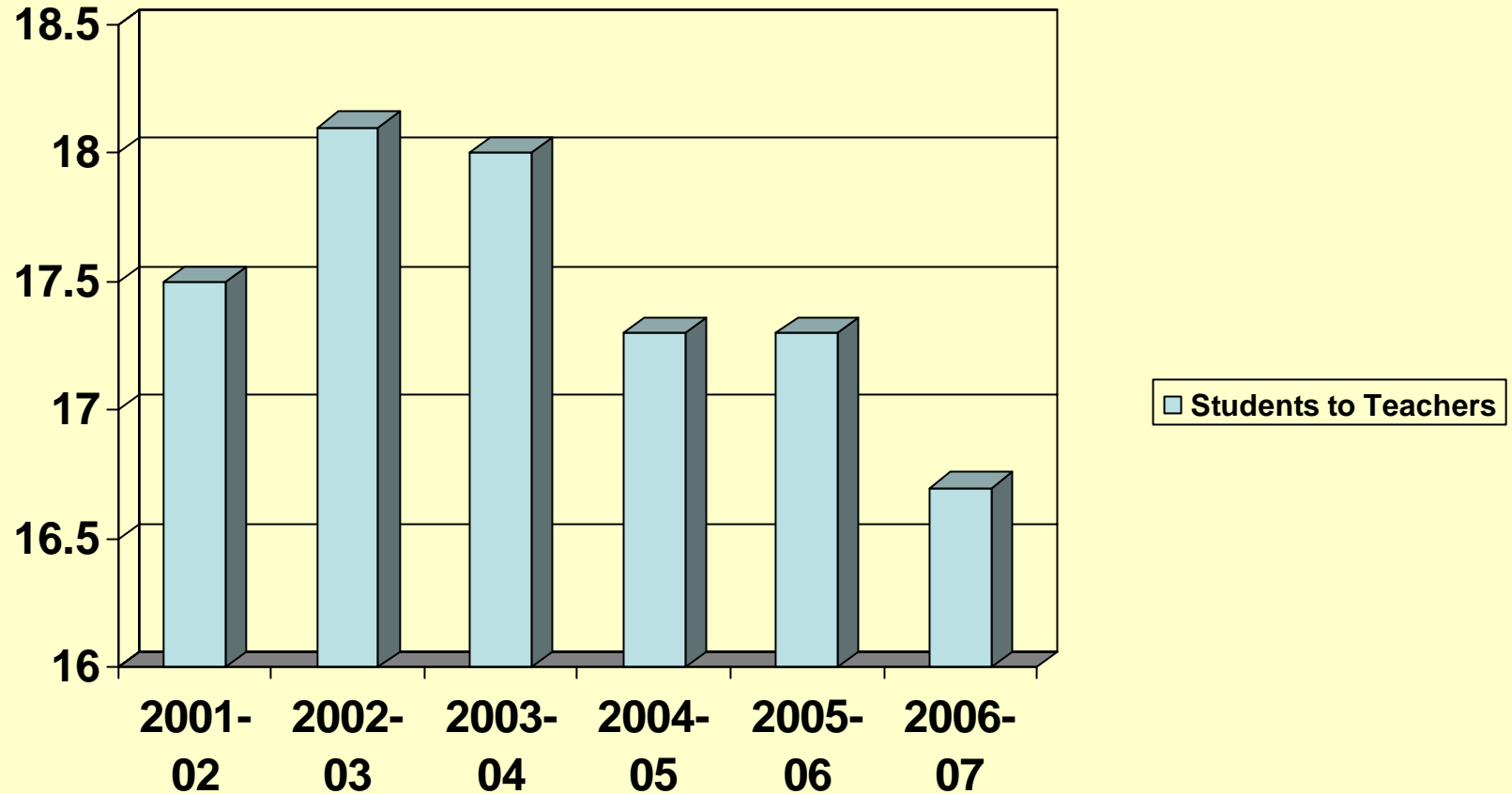


Enrollment

- The 2006-07 school year continued the trend of declining enrollment with the district losing 34 students, 3.3% of its total enrollment.

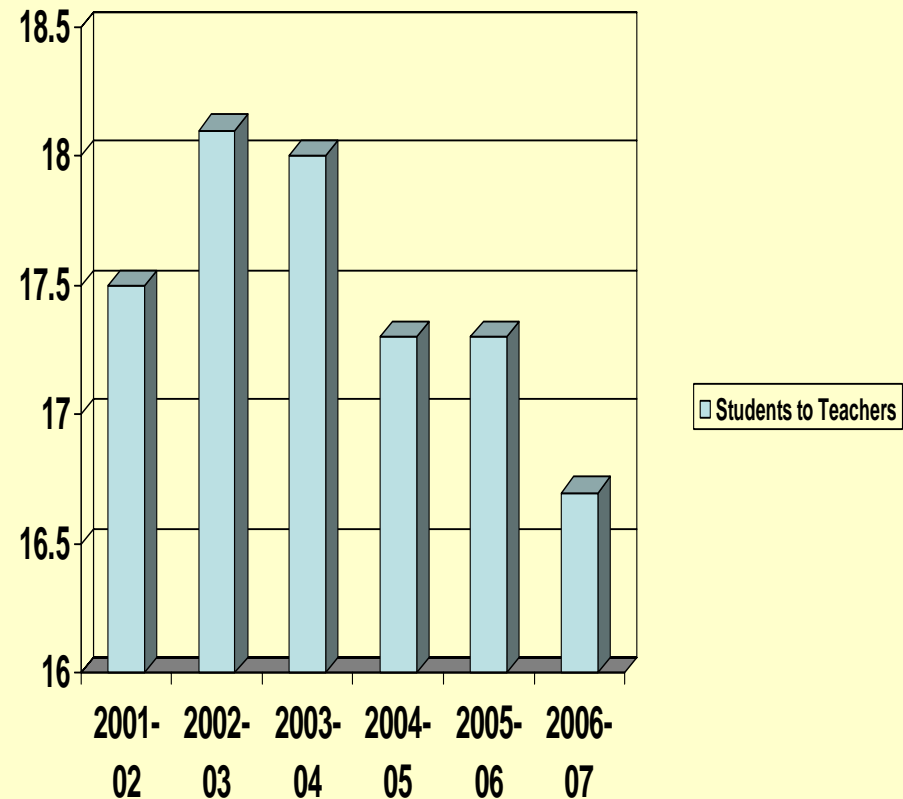


District Student-Teacher Ratio



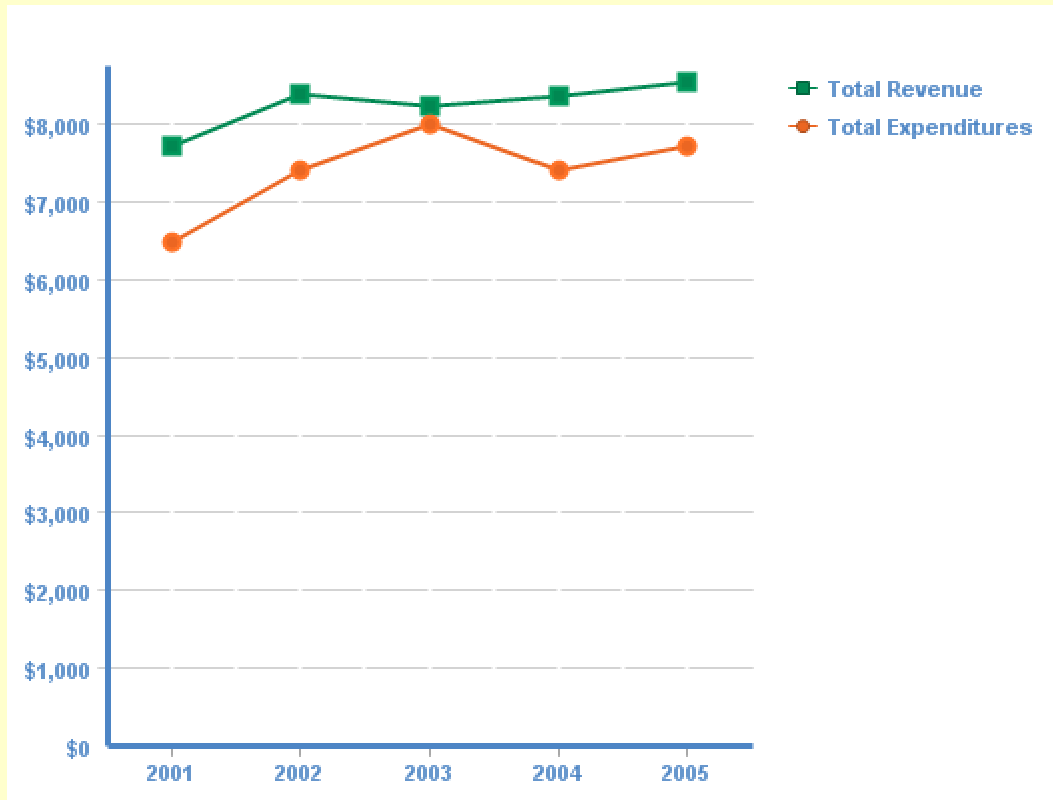
According to Standard's and Poor's the average Student-Teacher Ratio in the State of Michigan is 17.4 to 1

- McBain Schools fell below this average for the 2006-07 school year.
- Some studies show a 19 to 1 ratio is needed for optimal efficiency.
- This ratio should be watched closely.



Revenues and Expenditures

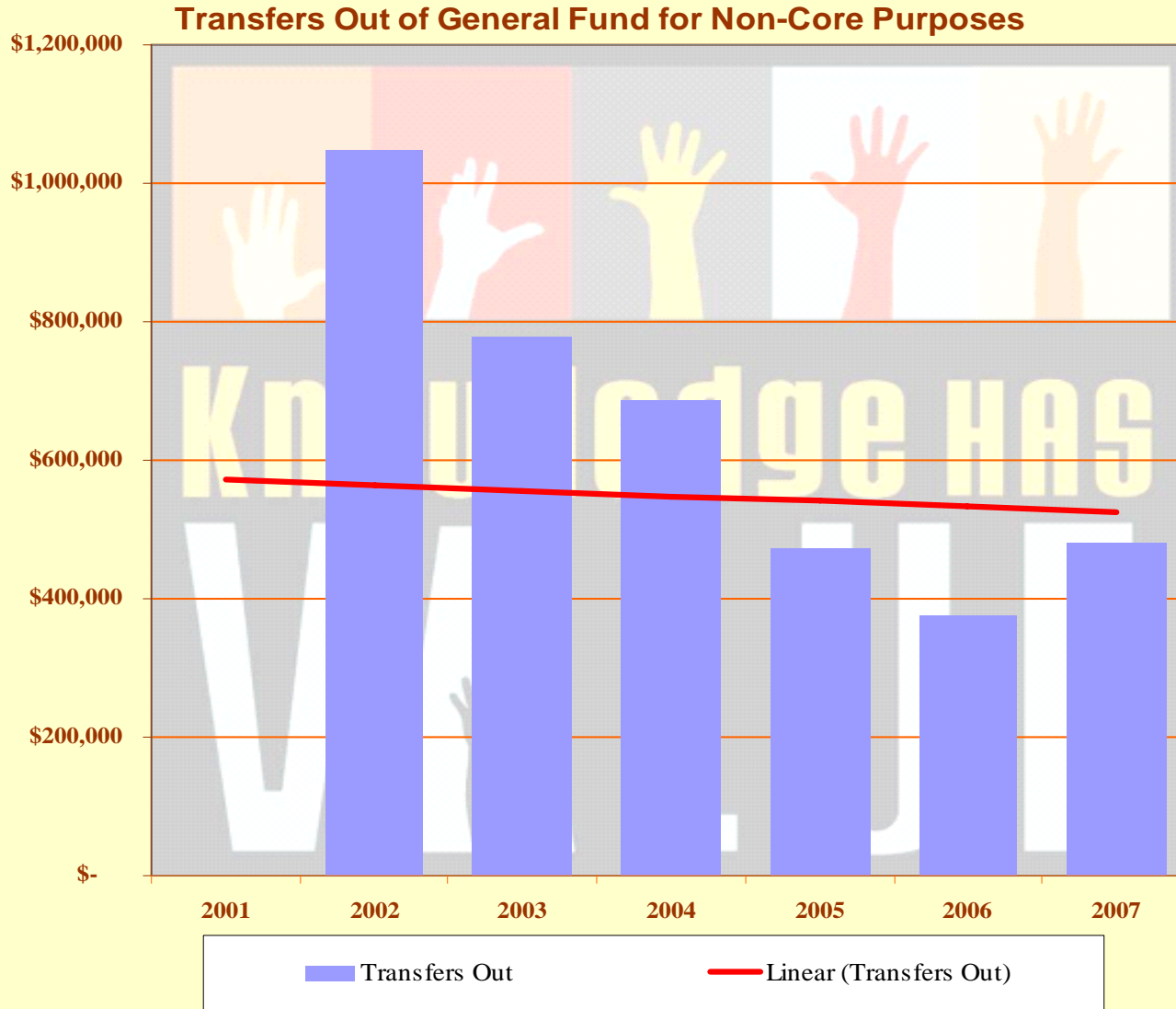
McBain High School
District Spending & Revenue Over Time (\$ per Student)



Standard's and Poor's

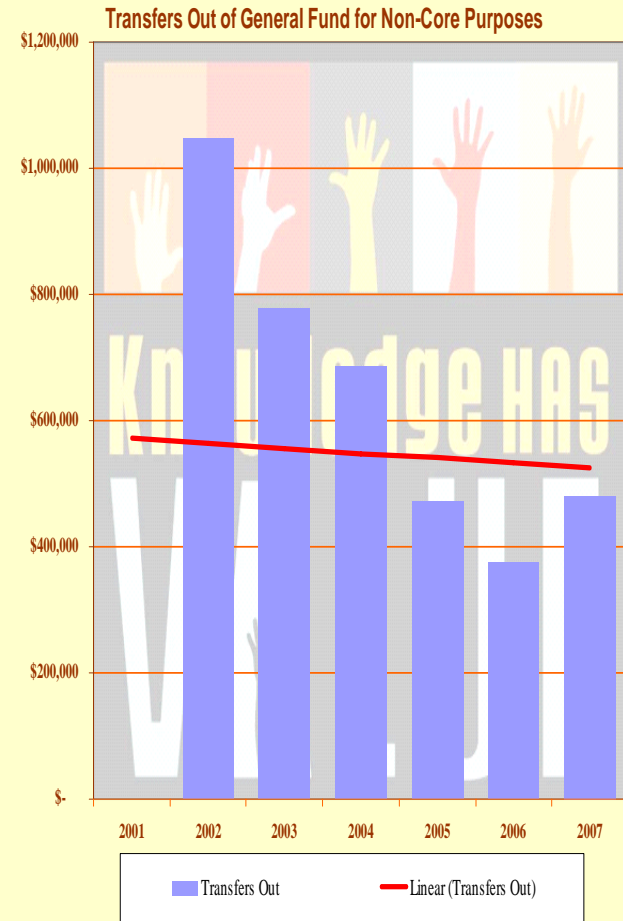
General Fund Transfers

Transfers out of the General Fund

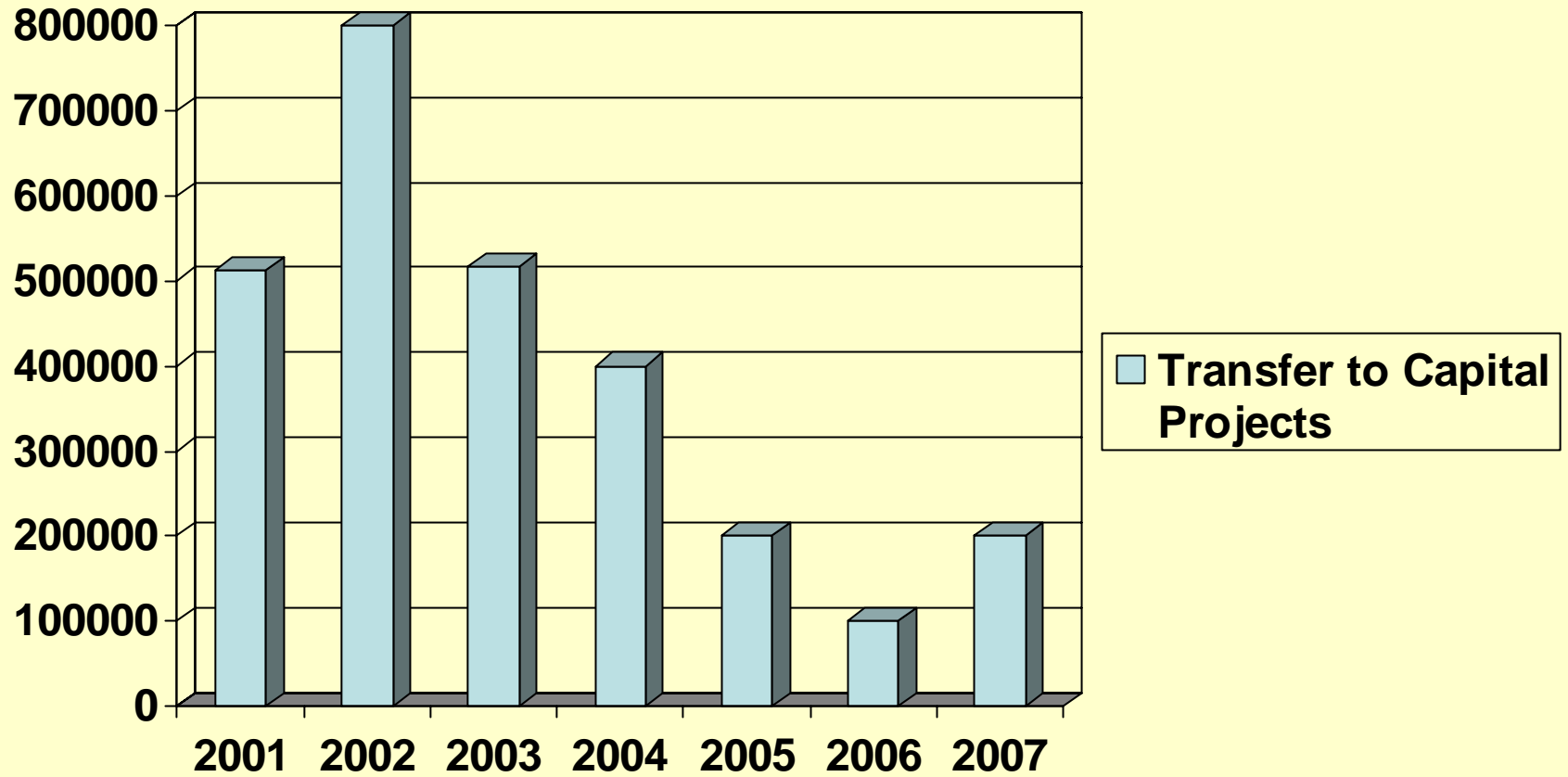


Transfers out for non-CORE purposes

- Funds are transferred to the Athletic Fund and the Capital Project Fund.
- Funds transferred to Athletics are similar to other area schools.
- The funds transferred to Capital Projects are substantial.

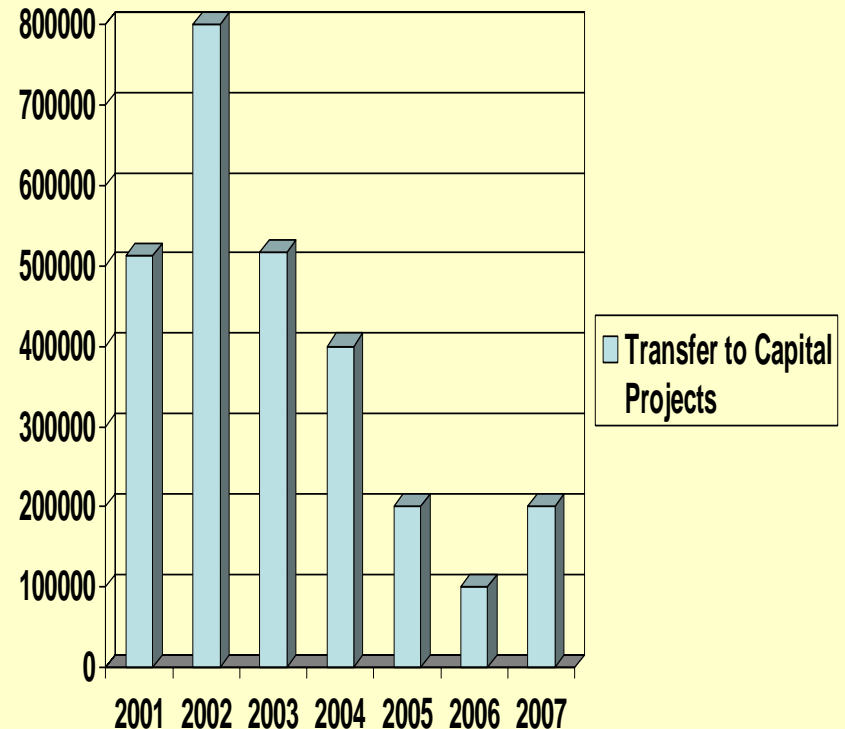


Transfers to the Capital Projects Fund



Transfers to the Capital Projects Fund

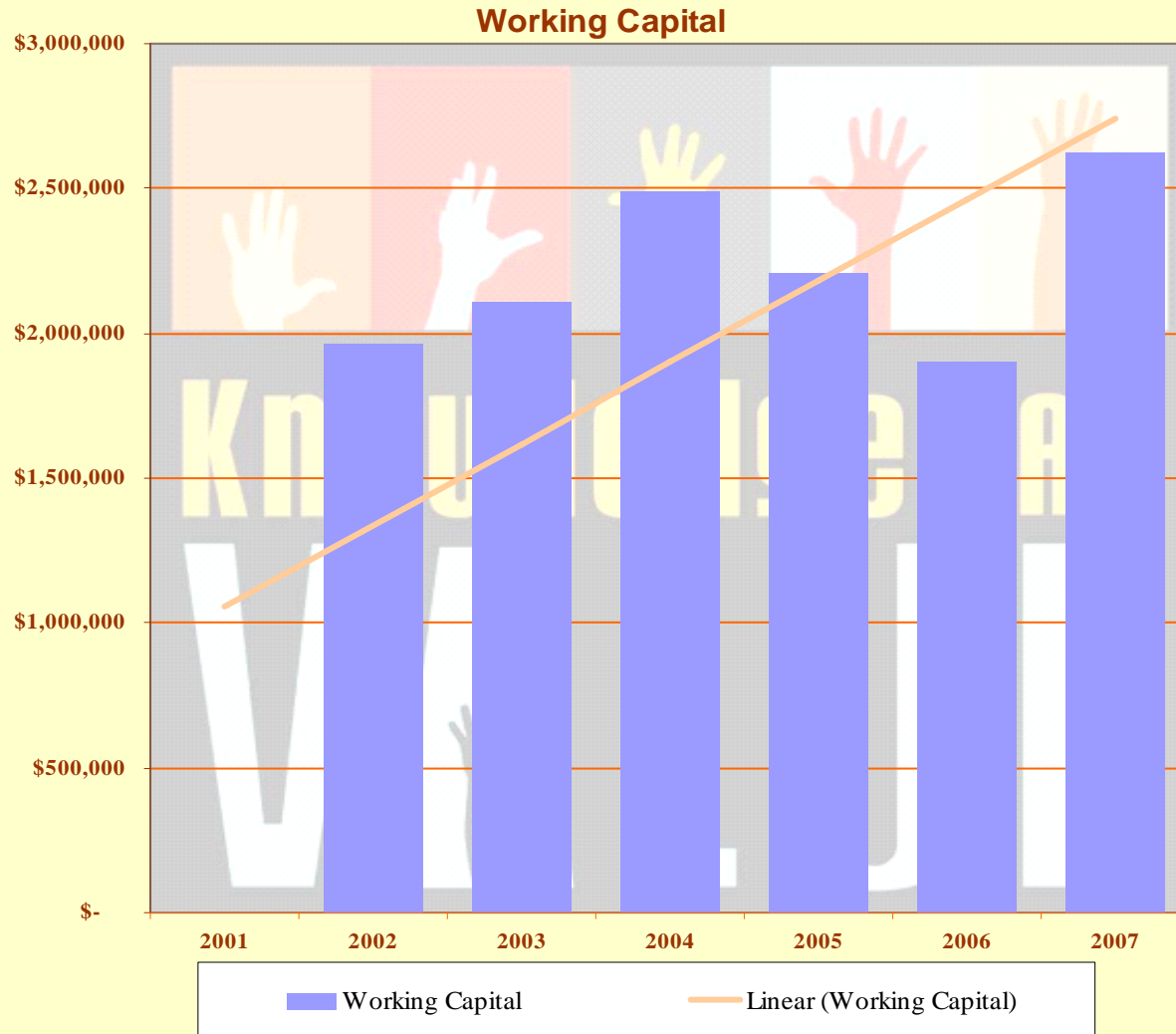
- \$2,729,880 has been transferred out of the general fund into the capital projects fund since 2001.
- These are dollars normally dedicated to the CORE purpose of teaching students.



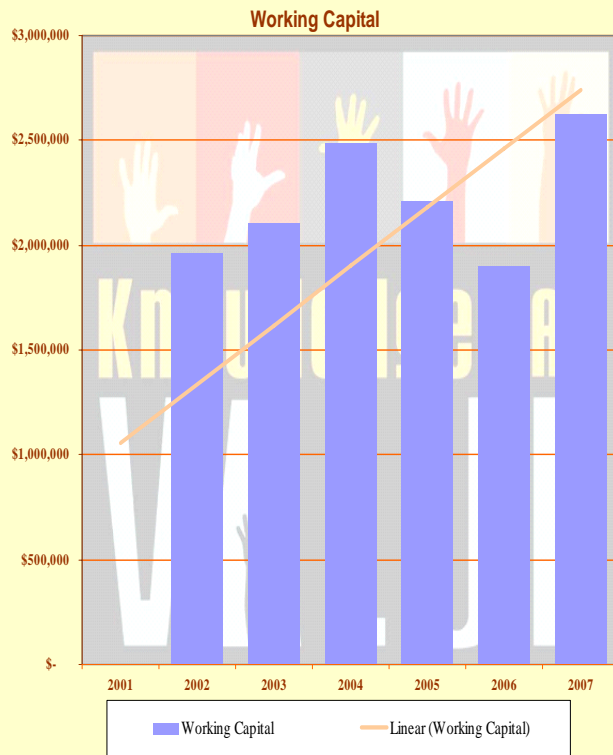
A Word on Fund Balances

- Many people use a district's fund balance as a marker of the district's financial health.
- The fund balance is simply the assets available to the district that have not yet been used.
- A better indicator of financial health may be working capital or cash and investments on hand.

Working Capital at the Close of the Fiscal Year

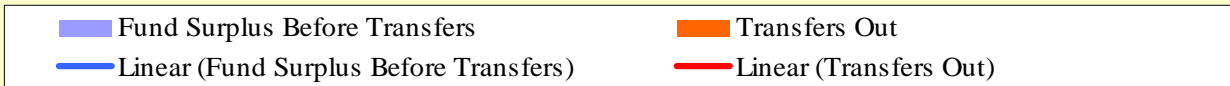
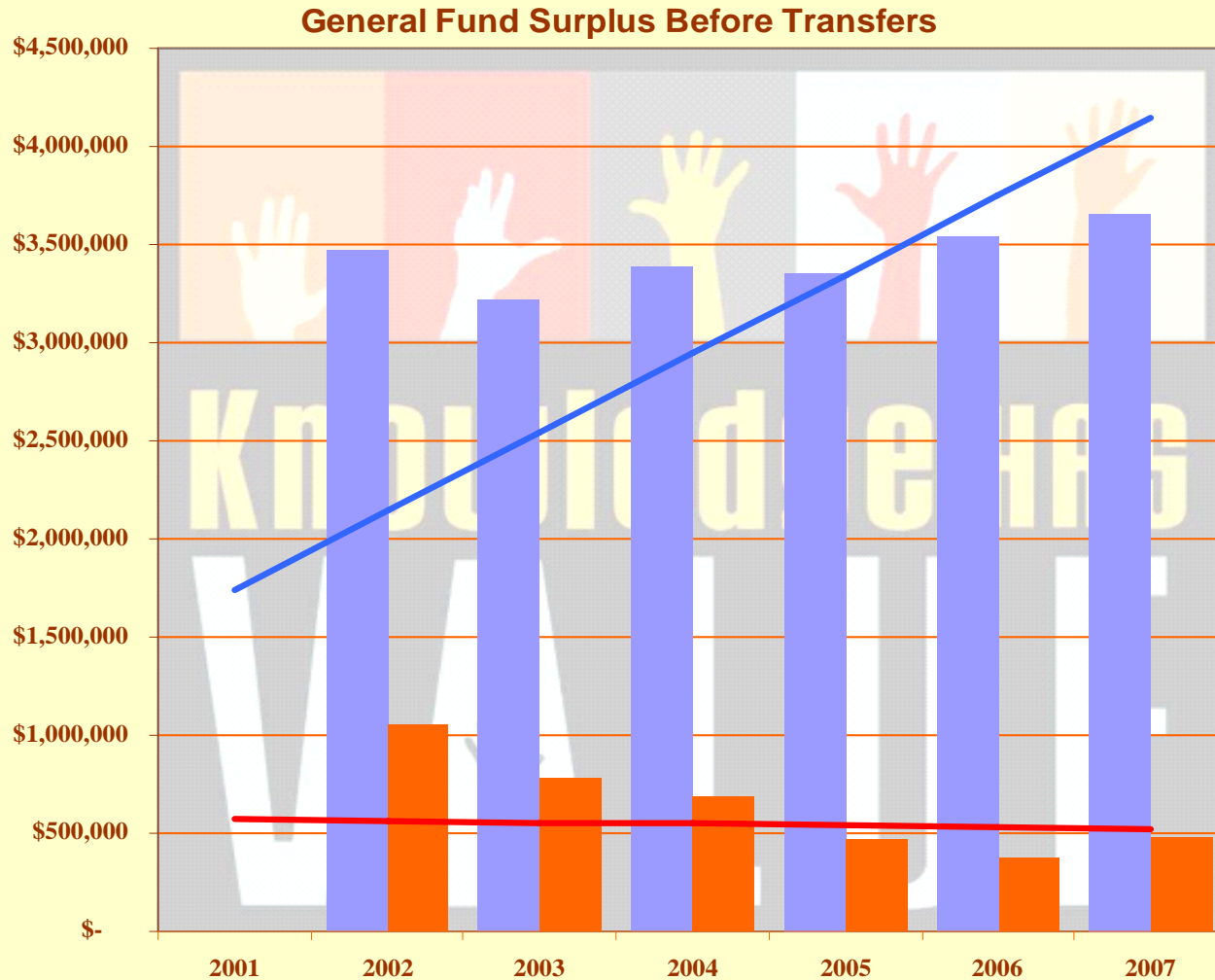


Stable Cash Resources



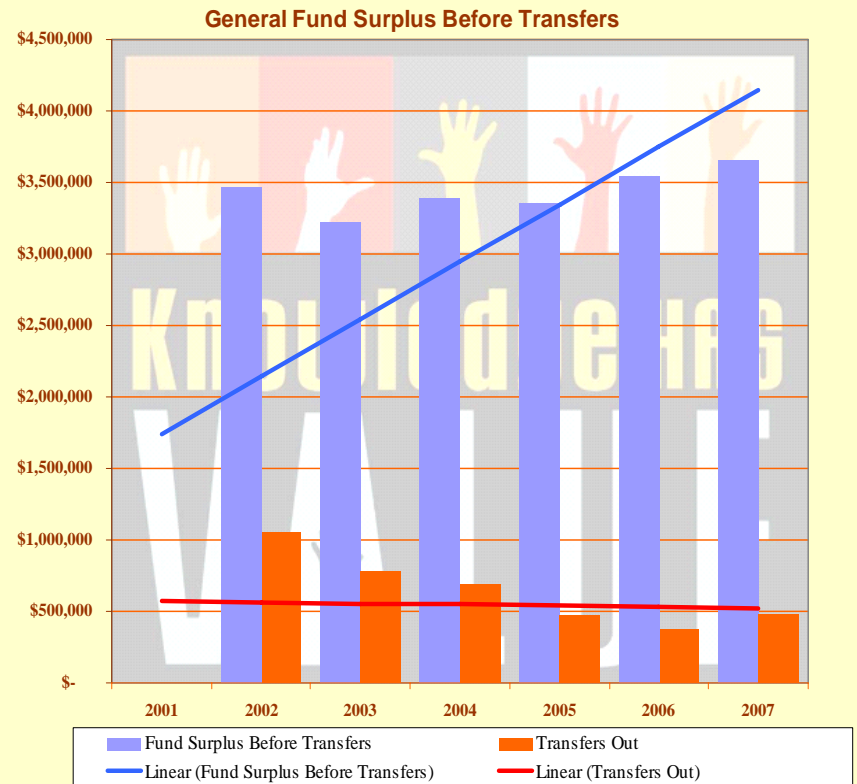
- In spite a small decline in the years 2005 and 2006 the district's working capital has been sufficient for the past six years with a rebound in 2007.

A Growing Fund Surplus



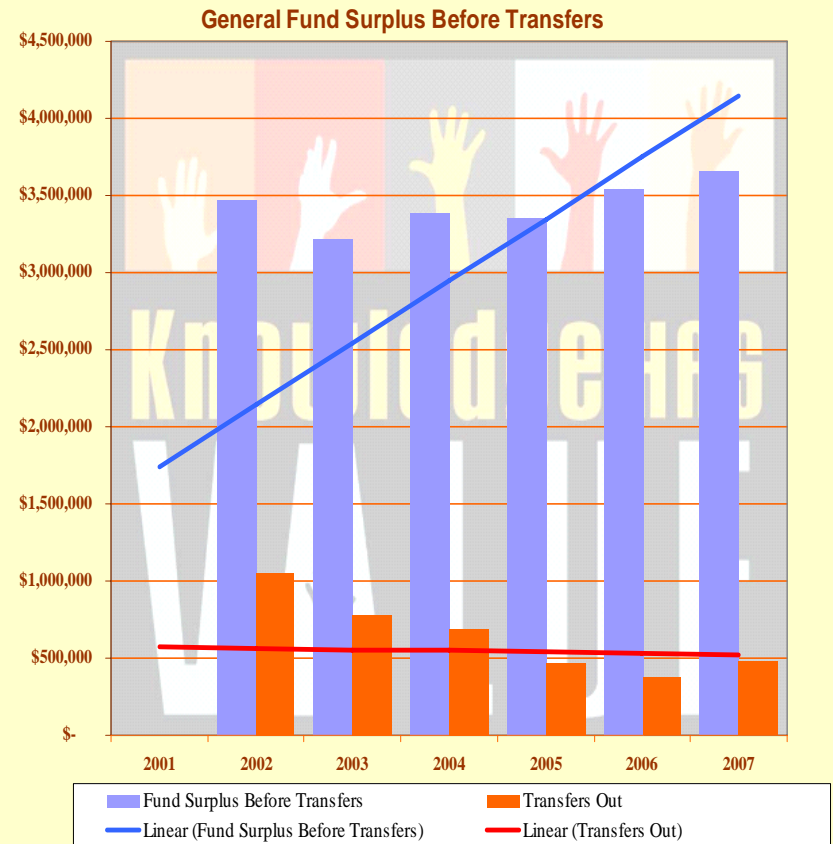
General Fund Surplus

- General fund surplus in 2007 was 41% of Expenditures.
- Only 23 public non-charter schools in MI have a greater percentage.
- This places McBain in the top 4% of the state.



District Surplus

- If we include the Capital Projects Fund surplus the total unrestricted district surplus stands at 54% of expenditures.
- In other words the district could operate for over a half of one year without receiving any revenue.



Summary

- Teacher salaries have remained flat in both total dollar cost and as a percent of revenue for the past six years.
- The District has transferred a substantial amount of general funds into the Capital Projects Fund over the last six years.
- In spite of transfers and loss of enrollment the District maintains a very healthy general fund balance as well as stable working capital.

Thank You