

# School District of the City of Bay City Introduction

## To the Reader:

The School District of the City of Bay City, Michigan encompasses 270 square miles over portions of Bay, Saginaw, and Midland Counties serving over 9,800 students and other members of the community. The School District offers comprehensive K-12 education as well as a wide variety of programs and services in areas such as special education, vocational and career development, gifted and talented, pre-school, community education, day care, and athletics. The District has over 1,200 union and non-union employees and 9 employee bargaining units and is one of the three largest employers in Bay County. The District's fiscal operating year runs from July 1 to June 30.

A budget is the primary financial document used by all governmental entities including the School District. A budget consists of a combination of estimates, projections, and some actual known information to create an operational plan based on the District's goals. Michigan law requires that all school districts adopt a balanced budget by July 1 of each school year.

Another document, the annual audit, which is also required by law after each fiscal year is completed, contains actual financial results in comparison with revenues and expenditures approved in the budget plan. Put simply, a budget is a future/current financial plan while an audit is a report of actual historical financial information.

Many factors can affect the actual results, or audited financial results, of a governmental entity as compared to the adopted budget. These factors include but are not limited to changes in economic conditions, new federal and state legislation, employment contract negotiations, changes in student count, changes in employee benefit costs, changes in funding, and changes to the strategic plan of the school district. The more these variables change, the greater the impact on the current budget and future budget projections.

The budget and information included in this document is designed to provide readers an understanding of how budgetary monies are allocated and used within the instructional programs, supporting services, and general operations of the School District. This budget document is divided in the following sections:

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|----------------------------------|------------------------------|
| *District and Budget Information | *School Lunch Fund Budget    |
| *General Fund Operating Budget   | *Debt Service Fund Budget    |
| *Athletic Fund Budget            | *Capital Project Fund Budget |
| *Community Service Fund Budget   |                              |

The District and Budget Information Section contains the mission statement and goals, budget and finance definitions, data on student count, property taxable values, millage rates, state aid, budget assumptions, budget definitions, and an example of a budget process flowchart. There is a graphic that summarizes on a per-student basis the type of funding received and how funding is spent and a listing of outstanding bonds.

The General Fund is by far the largest budget within the School District containing most of the programs and operations. The Food Service, Athletics, and Community Service Funds comprise what is known as the School Service Fund. The Debt Service Fund is used to account for the principal and interest payments for bonds owed by the School District. The Capital Project Fund consists of borrowed proceeds from the issuance of bonds as well as from the General Fund for the purposes of facility construction and renovation, technology, or school buses as called for in the District's strategic plan.

Budget and finance questions can be directed to the District's finance department by calling 989-671-8112.

Respectfully,

Douglas L. Newcombe, MBA, CPA  
Director of Finance and Accounting

