

LAKE ORION COMMUNITY SCHOOLS

**Enterprise Wide Budgetary Information
Fiscal Year 2014-15**

**Executive Summary and Budget
Development Assumptions**



Board of Education - Lake Orion Community Schools

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Marion Ginopolis

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Assistant Superintendent of Business & Finance
John Fitzgerald

Assistant Superintendent of Human Resources
Bill Putney

The Uniform Budgeting and Accounting Act require that the district's budget sets forth a statement of the total number of mills of ad valorem property taxes to be levied and the purpose for which the millage is levied. For fiscal year 2014-15, the school district will levy tax mills and generate estimated tax revenue as follows:

<u>Tax Base</u>	<u>Purpose</u>	<u>No of Mills</u>	<u>Est. Tax Revenue</u>
Non-Homestead	General Operating	18.0000	\$ 6,908,390
Commercial Personal Property	General Operating	6.0000	\$ 182,310
All Properties	Debt Retirement	7.4910	\$ 12,141,405

Lake Orion Community Schools Overview

Lake Orion Community Schools is one of 545 Local Educational Authorities (LEA) in the State of Michigan. LEAs are more commonly referred to as local school districts. Lake Orion Community Schools covers an area of approximately 50 square miles and is located entirely in Oakland County. It is comprised of all of the Village of Lake Orion and portions of the City of Auburn Hills and the townships of Addison, Independence, Oakland, Orion, and Oxford. The district is situated in a primarily residential area. The first building to house Lake Orion students was built in 1893 and served grades K-12. The school district is currently comprised of seven elementary schools, three middle schools, one high school, one Community Education Recreation Center and two operational support facilities serving over 7,500 K-12 students. Lake Orion Community Schools is an autonomous, tax-supported public school district governed by Michigan General School Law. The governing body of the district is the Board of Education. The Board consists of seven members who are elected at large for overlapping terms. The Board is responsible for the selection and appointment of the Superintendent of Schools, sets or amends policy, develops long range educational goals, acts upon recommendations of the Superintendent, and adopts and periodically amends the operating budget in accordance with governing laws.

Our vision

Educating our students for the challenges of tomorrow.

Our mission

Providing an exemplary education for all learners.

Our beliefs

We believe:

- Education is the shared responsibility of students, family, school, and community.
- All students can learn.
- All learners deserve equity and opportunity in the education experience.
- High expectations promote success.
- Exemplary education is the result of professional growth and continuous school improvement.
- All learners are entitled to a safe learning environment.
- Education promotes a healthy sense of self and encourages personal achievement.
- Learning is life-long.

What we do

Lake Orion Community Schools provides comprehensive educational programming and services for our students including Pre-K, all day kindergarten, innovative primary and secondary, special education, and adult education programming. The district also provides comprehensive student athletic, music, marching band, and intermural programs.

How we are funded (all funds combined):

Our proposed total combined funding for fiscal year 2014-15 is \$100.7 million:

- Property tax revenue - general operating - \$7.1 million
- Property tax revenue – debt service - \$12.1 million
- Other local source revenue - \$5.0 million
- ISD source revenue – \$5.1 million
- State source revenue - \$63.5 million
- Federal source revenue - \$3.1 millions
- Other financing sources revenue - \$4.8 million

How we use our resources (all funds combined):

Our proposed total expenditures for fiscal year 2014-15 are \$103.8 million:

- Salary & wages - \$42.6 millions
- Employee benefits - \$27.2 million
- Purchased services, supplies & materials - \$9.6 million
- Electric & natural gas utilities - \$1.5 million
- Capital outlay - \$3.6 million
- Dues, fees and other - \$1.1 million
- Debt service - \$16.6 millions
- Transfers to other funds - \$1.6 million

Our fiscal year 2014-15 fund balance expectations:

General Fund total fund balance - \$8.13 million (10.2% of expenditures)

Food Service Fund total fund balance - \$391,000

Community Service Fund total fund balance - \$566,124

Debt Service Funds total fund balance - \$536,350

Capital Project Funds total fund balance - \$108,796

Internal Service Fund total net assets - \$100,165

LOCS Instructional Programs, Services & Other Points of Pride:

- Three nationally and ten State of Michigan recognized Blue Ribbon Schools.
- All Elementary and Middle schools are accredited by the State of Michigan and adhere to the State of Michigan academic guidelines.
- Each elementary building is equipped with networked computers, a technology lab for large group instruction and a mini-lab for student research and technical support.
- Elementary focus schools (year round programing, multi-age and a school of the arts) with enrollment open to every student living within the district's boundary and neighborhood schools were students attend school with those children that are their neighbors and playmates.
- Middle Schools that house grades 6 through 8 were students are assigned to teams for their core academic classes of science, social studies, math, and language arts.
- Middle School students develop new areas of interest through a variety of exploratory and elective classes that include modern language, art, technology and computer applications, life management and physical education.
- Lake Orion High School offers a student centered program for children in grades 9 through 12 and offers a broad based curriculum with numerous options for all students including a service learning graduation requirement.
- The High School facility offers a state of the art auditorium, field house, and natatorium for students and community.
- The district offers a wide range of clubs, team and individual sports programs, and intramural and extracurricular activities.
- The Board of Education's "Lamp of Learning Academic Awards" program that honors and rewards those students who have demonstrated exemplary achievements in the classroom.
- 95% of Lake Orion graduates go on to attend higher education programs.

Our Economic Environment & District Forward Planning:

Our Board of Education and Administration consider many factors when setting the District's June 30, 2015 fiscal budget. One of the most important factors affecting the budget is the economic condition of the State of Michigan. The fiscal year 2014-15 budgets will be adopted effective July 1, 2014 and are based on estimated property tax revenues, state aid, and grant funding. State law requires the District to amend the budget if actual District resources are not sufficient to fund original appropriations. Since the District's revenue is primarily dependent on property taxes, state funding and the health of the State's School Aid Fund, the actual revenue received depends on the rate of stabilization in the State's taxable value tax base and the State's ability to collect revenues to fund its appropriations to school districts. In the recent past, the State of Michigan has

issued several executive orders, prorating and reducing, mid-year, the State's funding commitment to the District. This possibility continues to exist for fiscal year 2014-15. The extent to which possible funding proration by the State of Michigan and how it affects Lake Orion Community Schools' budget has yet to be determined. Our Board of Education and Administration are profoundly aware of the deleterious impact the State's economy and recent legislative changes has had on the State's School Aid Fund and consequently our District. The District's strategic planning goals direct us, in a continuously improving way, to focus, refocus and develop new resources in a manner that directly benefits our student's educational experience.

LOCS Budget Policy, Development Process, Management & Internal Controls

Lake Orion Community Schools' budget and fiscal planning policy (6210, 6215, 6220, 6230, and 6231) directs, authorizes and holds responsible the Superintendent (and their designee) for the planning, preparation, and execution of the District's annual operating budgets. The budget documents represent the numerical representation of the District's programs and operational priorities. The Board of Education authorizes and funds the operating budgets according to approved district policy, procedures and laws of the State of Michigan. The Board of Education conducts budget hearings and a budget adoption process in accordance with state law. Changes to the original annual operating budgets shall be documented to maintain accurate working budgets and shall be presented through the budget amendment process up to three (3) times each fiscal year for Board of Education review and approval.

Significant Budget Policy:

Lake Orion Community Schools' budget policy directs, authorizes and holds responsible the Superintendent for the planning, preparation, and execution of the District's annual operating budgets in accordance with State law. The district's significant budget policies and the complete policy citations are presented below:

Policy 6210 – Fiscal Planning:

The Board of Education shall collect and assemble the information necessary to discharge its responsibility for the fiscal management of the School District and to plan for the financial needs of the educational program. The Board will strive toward maintaining both short and long range projections of District financial requirements. Accordingly, the Board directs the Finance Director to maintain a plan of anticipated local, State, and federal revenues, report to the board any serious financial implications that emerge from the District's ongoing fiscal planning. In addition, the Board directs the Finance Director to maintain annually a detailed three (3) year forecast of estimated expenditures and revenues.

Policy 6215 – Fiscal Planning – Fund Balance:

Fund balance measures the net current financial resources available to finance expenditures of future periods. Fund balance is the difference between assets and liabilities reported in a governmental fund. The purpose of the District's Fund Balance is to provide sufficient financial resources to provide a high level of stability in the financial operation of the Schools District.

The Board realizes its responsibility under law to maintain a balanced, non-deficit, financial condition for the District. A fund balance provides flexibility in dealing with unanticipated budget emergencies such as mid-year reductions in state funding. In addition, a fund balance will help to avoid cash flow borrowing. It is recognized that it will not always be possible to avoid borrowing to provide cash flow.

To this end, the Board will strive to maintain an appropriated and budgeted fund balance in each fund which properly considers known actual or estimated liabilities of each fund and the risk in the operating and state and local economic environment.

The administration shall, in developing each year's budget, utilize a minimum ending fund balance target range equal to 10% to 15% of the General Fund's expected total expenditures and transfers. The Superintendent shall consider the financial environment and the associated risks when establishing contingency reserve levels for all other funds.

This policy has been adopted by the Board of Education, in part, to address the implications of Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*.

Fund type definitions. The following definitions will be used in reporting activity in governmental funds across the district. The District may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

- A. The General Fund is used to account for all financial resources not accounted for and reported in another fund.
- B. Special Revenue Funds are used to account and report the proceeds of *specific revenue sources* that are *restricted or committed* to expenditure for *specific purposes* other than debt service or capital projects.
- C. Debt Service Funds are used to account for all financial resources restricted, committed or assigned to expenditure for principal, interest and applicable fees.
- D. Capital Projects Funds are used to account for all financial resources restricted, committed or assigned to expenditure for the acquisition or construction of capital assets.

- E. Permanent Funds are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's purposes.

Fund Balance Reporting in governmental funds. Fund balance will be reported in governmental funds under the following categories using the definitions provided by GASB statement No. 54:

- A. Nonspendable fund balance – Amounts that are not in a spendable form (such as inventory, pre-pays and non-current receivables) or are required to be maintained intact (such as the corpus of an endowment fund)
- B. Restricted fund balance – Amounts that can be spent only for the specific purposes stipulated by external resource providers, laws, or regulations. This would include, but is not limited to, grants, dedicated millages, bonded capital project funds, debt service funds, food service funds, special education funds or community service funds.
- C. Committed fund balance - Amounts constrained to specific purposes by formal action of the Board of Education. To be reported as committed, amounts cannot be used for any other purpose unless the Board of Education takes the same highest-level action to remove or change the constraint. Creation, amendment or modification must be approved by formal action of the Board of Education by the end of the fiscal year. The actual amount committed may be computed subsequent to year end using prescribed methodologies.
- D. Assigned fund balance – Amounts *intended* to be used by the School District for specific purposes. Intent can be expressed by the Board of Education or by an official or body to which the Board of Education delegates the authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. The Board of Education authorizes the Superintendent or designee to determine the assigned fund balance(s) on an annual basis for the year-end financial reporting. These can include, but are not limited to, the following:
 - 1. Long term obligations including, but not limited to, employee compensated absences, self-insurance;
 - 2. Cash Flow requirements for the next fiscal year to limit borrowing needs;
 - 3. Building and department carry over budgets;
 - 4. Budgeted use of fund balance for next fiscal year;
 - 5. Other items allowable under Generally Accepted Accounting Principles.

- E. Unassigned fund balance – is the residual classification of the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

For purposes of fund balance classification, expenditures are to be presented from Restricted Fund Balance first (when appropriate), followed in order by Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

The Board of Education delegates to the Superintendent or his/her designee, the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Policy 6220 – Budget Preparation:

The District's operation and educational plan is reflected in its budgets. Each year, the Board of Education will cause to have prepared and then review and approve the following Fund budgets:

- A. General Fund
- B. School Services and Special Revenue Funds
- C. Debt Retirement Funds
- D. Fiduciary (where applicable)

Each budget shall be designed to carry out District operations in a thorough and efficient manner, maintain District facilities properly, and honor continuing obligations of the Board. The Board shall maintain a secure financial position.

A proposed budget requires the critical analysis of every member of the Board prior to approval; once adopted, the budget deserves the support of all members of the Board regardless of their position before its adoption.

The Board directs the Business Manager to present the budgets to the Board along with all available information associated with each budget in sufficient time to allow for proper analysis and discussion prior to the hearing.

Policy 6230 – Budget Hearing:

The annual budget adopted by the Board of Education represents the Board's position on the allocation of resources required to operate an appropriate system of education. All reasonable means shall be employed by the Board to present and explain that position to all interested parties. The public budget hearing will be conducted in accordance with law.

Each member of the Board and each District administrator shall be sufficiently acquainted with the budget and its underlying purposes to answer questions from members of the public.

A simplified form of the budget will be made available to the public in the form and at the places required by law.

A simplified budget may include the expenditure in each major category of current expense for the current year and the coming year and a summary of anticipated receipts as well as a brief explanation of significant increases and decreases from the preceding budget.

The final adoption of the proposed annual budget shall be made by the Board after completion of the public hearing and prior to June 30th.

Policy 6231 – Budget Implementation:

The Board of Education places the responsibility of administering the budget, once adopted, with the Superintendent. S/He shall keep the Board informed as to problems or concerns as the budget is being implemented.

The Superintendent shall be authorized to proceed with making financial commitments, purchases, and other expenditures within limits provided in the budget, limitations stated in Board policies, and within legal authority expressed in State statutes.

Listings of expenditures, appropriate financial reports, and budget comparison reports shall be submitted monthly to the Board to keep members informed as to the status of the budget and overall financial condition of the District.

If, during the fiscal year, it appears to the Superintendent that actual revenues are less than estimated revenues, including the available equity upon which the appropriations from the fund were based, the Superintendent shall present to the Board recommended amendments to the General Appropriations Act that will prevent expenditures from exceeding revenues. Such recommendations shall be in accordance with requirements of the law and provisions of negotiated agreements.

Budget Development Process

Budgeting for a school district is the process of allocating limited resources to the various educational expenditure priorities of the district. The general appropriations act or school board adopted budget represents the legal authority for the school district administration to spend money. The school board's vote to adopt the budget implies that a set of decisions has been made to allocate the district's limited revenues to pay, or not pay, for a certain set of educational items or services. The Lake Orion Community Schools' budget development process operates on a continuous improvement basis. In order for the District's budget preparation to proceed in an orderly fashion, the Superintendent (or designee) annually establishes a budget development calendar. Budget documents, as released each year, will include presentation changes and improvements. Accordingly, the proposed new fiscal year budget documents reflect all changes made to our general ledger reporting structure done to maintain compliance with

the Michigan Public Schools Accounting Manual (Bulletin 1022). The District has several fiduciary type funds most of which are associated with the student organizations. Fiduciary funds are used to account for assets held by the school district in a trustee capacity or as an agent. These funds are custodial in nature (assets equals liabilities) and do not involve the measurement of results of operations (no budgets). These funds are not presented in this document as the district is not required to formally adopt a budget for these funds. However information on the Fiduciary funds can be found in the District's most recent Annual Financial Report.

Significant Legal Requirements

The State of Michigan requires Local School Districts to comply with the following Public Acts and Michigan Compiled Laws:

1. Uniform Budgeting and Accounting Act – Public Act 2 of 1968
2. The General Property Tax Act - Public Act 206 of 1893 (MCL 211.24e)
3. Local Government Fiscal Responsibility - PA 72 of 1990
4. Budget Hearings of Local Governments – PA 43 of 1963 (MCL 141.412)
5. The Revised School Code - PA 451 of 1976
6. The State School Aid Act - PA of 1979
7. The Michigan School Accounting Manual (Bulletin 1022)

These Public Acts require all school districts to prepare budgets for their funds, which account for the day-to-day operations of the school district; however, fiduciary funds are not required to be budgeted. The budgets are prepared in accordance with generally accepted accounting principles and a specific uniform chart of accounts established by the State of Michigan. The Michigan School Accounting Manual (Bulletin 1022) serves as a mandatory guide to the uniform classification and recording of accounting transactions for Michigan public school districts. Budgets must be approved and adopted no later than June 30 for the fiscal year beginning July 1, and ending June 30 of the subsequent year. Prior to adoption, the Board must conduct a public hearing and make the budget available for review as well as provide notice of the hearing in accordance with law. Formal adoption of the budget is accomplished through a general appropriations resolution approved by the Board of Education which sets forth the amounts to defray the expenditures by function in each fund and meet the liabilities of the school district as well as a statement of estimated revenues. Once approved, expenditures cannot exceed the budget by function during the fiscal year without Board approval of amendments.

The Michigan School Accounting Manual (Bulletin 1022) serves as a mandatory guide to the uniform classification and recording of accounting transactions for Michigan public school districts. The *Michigan Public School Accounting Manual (Bulletin 1022)* was adopted in 1963 with major revisions in 1976, 1988, and 2004. It conforms to the 2003 federal *Financial Accounting for Local and State School Systems*. The *Bulletin 1022's* primary purpose is to provide a standard

framework for reporting financial data to the state. The following is an excerpt taken from the Michigan School Accounting Manual (Bulletin 1022) describing multiple expenditure function codes that create the basis of our expenditure budget.

Instruction - Instruction includes the activities dealing directly with the teaching of pupils or the interaction between teacher and pupils. Teaching may be provided for pupils in a school classroom, in another location such as in a home or hospital, and other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium such as television, radio, telephone, and correspondence. Included here are the activities of classroom aides, teacher assistants, supplies and machines that directly aid in the instructional process. Include the work of group and class sponsors and chaperons at student activities. Include activities associated with instructional field trips.

Basic Programs - Instructional activities including enrichment designed primarily to prepare pupils for activities as citizens, family members, and workers, as contrasted with programs designed to improve or overcome physical, mental, social and/or emotional handicaps. Includes Pre-Kindergarten, Elementary, Middle-Junior High, and High School.

Added Needs- Instructional Classroom Activities designed for pupils added needs. Include both regular and summer programs. Special Education - Instructional activities designed primarily to deal with pupils having impairments requiring special accommodation. The special education programs area includes Preprimary, Elementary, Middle/Junior High, and High School services for pupils with mental, emotional, hearing, visual, speech, language, physical and other impairments and learning disabilities. Homebound and hospitalized programs for pupils who are not classified as special education pupils should not be included in this account. Compensatory Education - Instructional activities designed to improve the achievement in basic cognitive skills of pupils who have extraordinary need for assistance to improve their competence in such basic skills as State At Risk, NCLB Title I, and Bilingual. Career and Technical Education - Instructional activities which provide laboratory, simulations or instruction offered at the secondary level, based upon individually designed learning experiences in a vocational subject preparing the pupil for competencies required in a recognized occupation coded in accordance with recognized and approved Classification of Instructional Programs (CIP) codes. See the identifications found in the State Code for approved CIP codes. Adult/Continuing Education - Learning experiences designed to develop knowledge and skills to meet educational objectives of adults. Programs include activities to develop the fundamental tools of learning; develop skills and appreciation for special interest; or to enrich the aesthetic qualities of life.

Supporting Services - Supporting Services are those services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction and to a lesser degree, community services.

Supporting Services exist as adjuncts for the fulfillment of the objectives of instruction. The supporting services expenditure function codes include (but are not limited to) Truancy/Absenteeism Services, Guidance Services, Health Services, Psychological Services, Speech Pathology and Audiology Services, Social Work Services, Visual Aid Services, Teacher Consultant, Other Pupil Support Services, Improvement of Instruction, Educational Media Services, Educational Television, Instruction Related Technology, Supervision and Direction of Instructional Staff, Academic Student Assessment, Other Instructional Staff Services, Support Services-General Administration, Support Service School Administration, Support Services Business, Operations and Maintenance, Pupil Transportation Services, Support Services-Central, Support Service-Other.

Community Services - Community Services consist of those activities that are not directly related to providing education for pupils in a school system. These include services provided by the school system for the community as a whole or some segment of the community, such as community recreation programs, civic activities, public libraries, programs of custody and care of children, and community welfare activities.

The complete Michigan School Accounting Manual (Bulletin 1022) can be found at www.michigan.gov . On the left side panel, select "Offices" then "State Aid & School Finance". Bulletin 1022 can be found under the "Publications" section in the middle of the page.

District Budget Management and Internal Controls:

The district maintains a system of budgetary and internal controls designed to assist management in meeting its responsibility for reporting reliable information. The system is designed to provide reasonable assurance that assets are safeguarded and transactions are recorded correctly and executed with management's authorization. The financial software system will not allow funds to be encumbered or processed for payment that exceed the total of the budgetary control account. During the fiscal year, periodic financial reporting packages are provided to the Board of Education. Included in the financial reporting package are "budget to actual" revenue and expenditure reports for all budgeted funds, cash and investment position information, the district disbursements report, general fund cash flow reporting, procurement card activity report and a district grant award activity report..

BUDGET DEVELOPMENT ASSUMPTIONS

Revenue Assumptions & Proposed Budgets

Property Tax Revenues

The recent economic stress that had been effecting the State of Michigan combined appears to have come to an end. We are expecting the commercial and residential real estate markets across the county to improve slightly resulting in increased tax revenues. The District's tax base is comprised of 74% homestead and 26% non-homestead taxable value classification property. Property taxes have been budgeted to increase by 3.0% over the prior year based on current taxable value projections. Below are the property tax revenue expectations by fund for fiscal year 2014-15:

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Change</u>
General Fund	6,952,560	7,090,700	138,140
Debt Service Funds	<u>11,806,626</u>	<u>12,141,405</u>	<u>334,779</u>
Total Property Tax Revenue	18,759,186	19,232,105	472,919

State Source Revenue

The General Fund's state aid revenue is expected to show a net increase as a result of our expected increase in enrollment plus the continued funding of the section 147c categorical which is increasing to \$3.66 million. This funding is a "pass through" funding that has corresponding expenditures established in many of the General Funds expenditure budgets. Revenue budget adjustments will be made after adoption reflecting final state budget figures via the amendment process. The chart below identifies in dollars, by fund, the expectations contained in this budget document:

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Change</u>
General Fund	60,937,940	63,309,178	2,371,238
Food Service Fund	<u>117,400</u>	<u>120,000</u>	<u>2,600</u>
Total State Source Revenue	61,055,340	63,429,178	2,373,838

Federal Source Revenue

The Federal source revenues have been reduced reflecting our expectations of declining grant awards. Revenue budget adjustments will be made after adoption reflecting final state budget figures via the amendment process. The chart below identifies in dollars, by fund, the expectations contained in this budget document:

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Change</u>
General Fund	2,329,386	2,329,386	0
Food Service Fund	<u>786,200</u>	<u>790,000</u>	<u>3,800</u>
Total Federal Source Revenue	3,115,586	3,119,386	3,800

Other Financing Sources - Other

Other financing source revenue is presented in the table below. The Food service and Community Service Funds both provide transfers to the General Fund. The General Fund provides transfers to the Capital Project Fund - 44. The State of Michigan's School Bond Loan/Revolving fund provides funding to meet the district's current debt service requirement.

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Change</u>
General Fund	349,596	360,000	10,404
Debt Service Funds	3,830,088	3,689,759	(140,329)
Capital Projects Fund - 44	<u>889,001</u>	<u>868,690</u>	<u>(20,311)</u>
Total Other Financing Sources Revenue	5,068,685	4,555,235	(513,450)

Grant Award Funding

The Lake Orion Community Schools grant award funds includes formally awarded federal, state, and local grants plus Michigan Department of Education state aid funded projects. The following schedule represents new grant award and potential carryover award funding expectations. Funding amounts as presented in this document for fiscal year 2014-15 are estimates at the time of the writing of this document, therefore the actual award amounts may vary. Grant award revenue and expenditure budgets are part of the consolidated General Fund budget and are continuously updated throughout the fiscal year as the grant awards are received or revised by the grant awardees via the budget amendment process. The majority of our grants operate on a cost reimbursement basis.

Expenditure Assumptions & Proposed Budgets

Salaries and Wages

Salaries and wages comprise the single largest expenditure category for the district. The net change in the existing salary/wage base is budgeted to decline for fiscal year 2014-15 as a result staff reductions and other operational changes. Expenditure budget adjustments will be made after adoption reflecting final implementation of reductions and operational changes and will be addressed via the budget amendment process.

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Change</u>
General Fund	41,170,603	40,820,742	(349,861)
Food Service Fund	714,436	715,500	1,064
Community Services Fund	<u>962,225</u>	<u>962,000</u>	<u>(225)</u>
Total Salary & Wages	42,847,264	42,498,242	(349,022)

Staffing Changes

The district has made material changes impacting staffing that will be implemented in fiscal year 2014-15. Included are direct staff lay-off changes intended to address the organization's recognition of our current economic reality. The resulting staff adjustments are intended to better meet our service priorities and manage our operating costs.

MPSERS Retirement Costs

The district pays, with some exceptions, an additional \$25.00 in retirement costs for every \$100 of wages paid to our employees in fiscal year 2013-14. The blended retirement rate expectation for fiscal year 2014-15 is 26.0%. The increase in the MPSERS rate will be reflected in the district's fiscal year 2014-15 operating costs. The fiscal year 2014-15 blended rates are budgeted at 26.0%. For fiscal year 2014-15 the Legislature continues to fund the section 147c MPSERS rate stabilization payment categorical. The district is funded \$3.66 million through this categorical then turns around and pays the Office of Retirement Services the \$3.66 million in a pass through payment structure. The revenue and expenditure budgets of the General Fund are "grossed up" by this process and the costs are embedded at all functional levels.

FICA Costs

The district pays an additional \$7.65 in FICA payroll taxes (Medicaid 1.45% plus social security 6.2%) for every \$100 of wages paid our employees. The individual applicable salary base upon which the Social Security element of the FICA payroll tax as levied is capped at a specific IRS determined earnings level on a calendar year basis. The calendar year 2014 wage cap is \$117,000. At the

time of this writing, the calendar year 2015 wage cap has not yet been identified by the IRS. The FICA rate expectation for fiscal year 2014-15 remains 7.65%.

Summary Employee Benefits Costs

The district incurs, with some exceptions, employee related costs that include MPERS retirement, FICA, healthcare, dental, vision, long term disability, life, unemployment and workers compensation insurances. Below is a summary chart depicting the district benefits costs:

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Change</u>
General Fund	24,492,877	26,218,144	1,725,267
Food Service Fund	375,366	375,000	(366)
Community Services Fund	<u>399,089</u>	<u>402,000</u>	<u>2,911</u>
Total MPERS Retirement Costs	25,267,332	26,995,144	1,727,812

Utility Costs

The district continues to implement its energy efficiency strategy to ensure cost containment. Newly installed or updated energy management systems, the energy efficiencies associated with recent project based renovations and energy reducing building modifications assists with these measures. In addition to the above, the district continues to monitor electrical and natural gas consumption and expects to reduce overall consumption by continuing to increase employee awareness on energy conservation. Our ongoing cost savings measures continue to include our practice of purchasing electricity or natural gas in partnership with Executive Energy Services. Continued utilization of these cost containment measures are reflected in the fiscal year 2014-15 utilities budgets for the fiscal year:

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Change</u>
General Fund - Natural Gas	575,000	525,000	(50,00)
General Fund - Electricity	<u>1,035,000</u>	<u>950,000</u>	<u>(85,00)</u>
Total Utilities Budget	1,610,000	1,475,000	(135,000)

Other Financing Uses

The chart below depicts the planned operating transfers out for the funds listed for the new fiscal year:

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Change</u>
General Fund	985,785	1,231,699	272,914
Food Service Fund	144,336	145,000	664
Community Services Fund	<u>200,000</u>	<u>215,000</u>	<u>15,000</u>
Total Other Financing Uses	1,330,121	1,591,699	261,578

Debt Service Expenditures

Included in this budget document are the individual budgets for all of our Debt Service funds. For debt service details please reference the specific fund budget documents. Below is the combined debt service budgeted expenditures:

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Change</u>
Debt Service - Principal redemption	9,265,000	9,925,000	660,000
Debt Service - Interest	<u>5,932,148</u>	<u>5,730,964</u>	<u>(201,184)</u>
Total Debt Service	15,197,148	15,655,964	458,816

Fund Equity Assumptions & Proposed Budgets

The comparative fund equity schedules of the three program operating funds of the district are highlighted below based on our assumptions for fiscal year 2014-15.

General Fund – Fund Equity

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Change</u>
Beginning fund balance	9,738,776	8,042,198	(1,696,578)
Operating surplus/(deficit)	<u>(1,696,578)</u>	<u>89,264</u>	<u>1,785,842</u>
Ending fund balance	8,042,198	8,131,462	89,264

Food Service Fund - Fund Equity

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Change</u>
Beginning fund balance	674,138	471,500	(202,638)
Operating surplus/(deficit)	<u>(202,638)</u>	<u>(80,500)</u>	<u>122,138</u>
Ending fund balance	471,500	391,000	(80,500)

Community Service Fund – Fund Equity

	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>Change</u>
Beginning fund balance	545,276	531,424	(13,852)
Operating surplus/(deficit)	<u>(13,852)</u>	<u>34,700</u>	<u>48,552</u>
Ending fund balance	531,424	566,124	34,700

The fiscal year 2014-15, the General Fund, Food Service Fund, and Community Service Fund budgets incorporate all the major revenue and expenditure assumptions identified by the district. The fund level budgets, as incorporated into this document, are presented for approval and adoption to the Lake Orion Community Schools Board of Education at the June 25, 2014 public meeting.

LAKE ORION COMMUNITY SCHOOLS



General Fund Budget at a Glance

2012-13 Actual		2013-14 Amendment #2 Budget		2014-15 Adopted Budget	
Revenue	75,913,369	Revenue	77,177,827	Revenue	79,574,232
Expenditure	78,642,108	Expenditure	78,874,405	Expenditure	79,484,968
Surplus(Deficit)	(2,728,739)	Surplus(Deficit)	(1,696,578)	Surplus(Deficit)	89,264
Fund Balance	9,738,776	Fund Balance	8,042,198	Fund Balance	8,131,462
Fund Balance - % of Exp.	12.4%	Fund Balance - % of Exp.	10.2%	Fund Balance - % of Exp.	10.2%

District policy requires a General Fund fund balance of 10% to 15%.

General Fund Budget By Object Code Category

Object Code Category	2013-14 Amendment #2 Budget	2014-15 Adopted Budget	% of Total Expenditures
Salaries & Wages	\$41,170,603	\$40,820,742	51.4%
Employee Benefits	\$24,492,877	\$26,218,144	33.0%
All Other Expenditures	\$13,210,925	\$12,446,082	15.7%
Total Expenditure Budget	\$78,874,405	\$79,484,968	100.0%

LOCS Foundation Allowance (FA) History

FISCAL YEAR	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FA \$ Per Pupil	\$7,759	\$7,934	\$8,144	\$8,218	\$8,302	\$8,302	\$8,302	\$7,832	\$7,832	\$7,877	*\$7,927
FA \$ Change	\$200	\$175	\$210	\$74	\$84	\$0	\$0	(\$470)	\$0	\$45	\$50
FA % Change	2.6%	2.3%	2.6%	0.9%	1.0%	0.0%	0.0%	-5.7%	0.0%	0.6%	0.6%
MI CPI Change	2.91%	3.04%	1.80%	2.31%	-0.06%	0.78%	3.25%	2.04%	1.57%	Est. 1.23%	Est. 1.61%
MPSERS Rate	14.87%	16.34%	17.74%	16.72%	16.54%	16.94%	20.66%	24.46%	25.00%	25.50%	Est. 26%

*Foundation Allowance increase passed by the Legislature based on the Conference Committee report. Results in a net increase of \$18 per Pupil after loss of \$32 per pupil in Categorical Funding Reduction.

LAKE ORION COMMUNITY SCHOOLS
GENERAL FUND - (11,12,13,14,15,17,19)



FISCAL YEAR 2014-15 ADOPTED BUDGET - June 25, 2014

	FINAL ACTUAL 2012-13	FINAL BUDGET 2013-14	PROPOSED BUDGET 2014-15	Year to Year \$ Variance	Year to Year % Variance	
REVENUES						
Local Sources	\$ 8,887,332	\$ 8,531,225	\$ 8,495,692	\$ (35,533)	-0.4%	
State Sources	59,312,713	60,937,940	63,309,178	2,371,238	3.9%	A
Federal Sources	2,457,727	2,329,386	2,329,386	-	0.0%	
ISD and Medicaid Sources	4,895,597	5,029,680	5,079,977	50,297	1.0%	
Other Revenue	360,000	349,596	360,000	10,404	3.0%	
TOTAL REVENUES	\$ 75,913,369	\$ 77,177,827	\$ 79,574,232	\$ 2,396,405	3.1%	
EXPENDITURES						
INSTRUCTION						
Basic Programs	\$ 37,772,304	\$ 38,777,217	\$ 39,233,021	\$ 455,804	1.2%	B
Added Needs	10,500,765	10,519,979	10,597,149	77,170	0.7%	
TOTAL INSTRUCTION	\$ 48,273,069	\$ 49,297,196	\$ 49,830,170	\$ 532,974	1.1%	
SUPPORT SERVICES						
Pupil Support Services	\$ 6,447,064	\$ 6,662,114	\$ 6,604,127	\$ (57,987)	-0.9%	
Instructional Staff Support Services:						
Instruction Improvement	384,220	505,584	511,778	6,194	1.2%	
Educational Media Services	849,605	1,010,497	1,040,497	30,000	3.0%	
Technology Assisted Instruction	398,723	344,336	355,512	11,176	3.2%	
Instructional Staff Supervision	627,549	637,249	646,190	8,941	1.4%	
General Administration	835,937	853,603	825,226	(28,377)	-3.3%	
School Administration	4,243,713	4,522,299	4,613,487	91,188	2.0%	
Business Services	1,060,085	963,800	1,011,152	47,352	4.9%	
Operation and Maintenance	6,378,844	5,739,882	5,400,239	(339,643)	-5.9%	C
Transportation Services	4,015,110	3,641,651	3,674,226	32,575	0.9%	
Communication Services	-	157,833	157,833	-	0.0%	
Human Resources	937,465	741,763	750,704	8,941	1.2%	
Technology Services	1,373,888	1,347,552	1,354,093	6,541	0.5%	
Athletic Activities	1,216,356	1,191,442	1,176,981	(14,461)	-1.2%	
Community Services	308,904	298,819	301,054	2,235	0.7%	
TOTAL SUPPORT SERVICES	\$ 29,077,463	\$ 28,618,424	\$ 28,423,099	\$ (195,325)	-0.7%	
OUTGOING TRANSFERS						
District CP & DS Funds	\$ 1,291,576	\$ 958,785	\$ 1,231,699	\$ 272,914	28.5%	D
TOTAL TRANSFERS	\$ 1,291,576	\$ 958,785	\$ 1,231,699	\$ 272,914	28.5%	
TOTAL EXPENDITURES	\$ 78,642,108	\$ 78,874,405	\$ 79,484,968	\$ 610,563	0.8%	
Beginning Fund Balance	\$ 12,467,515	\$ 9,738,776	\$ 8,042,198	\$ (1,696,578)	-17.4%	
Revenues over/(under) Expenditures	(2,728,739)	(1,696,578)	89,264	1,785,842	-105.3%	
Ending Fund Balance	\$ 9,738,776	\$ 8,042,198	\$ 8,131,462	\$ 89,264	1.1%	



LAKE ORION COMMUNITY SCHOOLS
General Fund Budget Analysis Explanations

FISCAL YEAR 2014-15 ADOPTED BUDGET - June 25, 2014

Explanations are provided below for significant prior year variances	
A	The \$2,371,238 change in State Source Funding is primarily comprised of an 1) increase in the section 147c categorical of \$1,510,000 over the prior year, 2) net increase in the foundation allowance funding resulting from the schools of choice program.
B	The \$455,804 change in the Basic Programming expenditures are primarily comprised of an 1) increase in the retirement costs associated with the section 147c categorical allocation of \$1.0 over the prior year, 2) net change in the wage base as a result of step, lane, and other contract related (negotiated) changes, 3) reduction in the text replacement budget of \$123,000.
C	The net reduction of \$339,643 in the Operation & Maintenance functional budget primarily consists of 1) a \$225,000 reduction in "one time" insurance work, 2) an overall reduction in the utilities budgets of \$135,000.
D	The net increase of \$272,514 in the Operating Transfer Out functional budget is the result of budgeting for a full year of debt service for the two installment purchase agreements and the Energy bond the District issued in fiscal year 2014.

LAKE ORION COMMUNITY SCHOOLS

FOOD SERVICE FUND - (25)

FISCAL YEAR 2014-15 ADOPTED BUDGET - June 25, 2014



	FINAL ACTUAL 2012-13	FINAL BUDGET 2013-14	PROPOSED BUDGET 2014-15	Year to Year \$ Variance	Year to Year % Variance
REVENUES					
LOCAL SOURCES					
Food & Vending Machine Sales	\$ 1,466,253	\$ 1,432,500	\$ 1,495,000	\$ 62,500	4.4%
Interest and Rebates	9,635	13,270	15,000	1,730	13.0%
Catering Services	39,408	19,500	20,000	500	2.6%
STATE SOURCES	89,522	117,400	120,000	2,600	2.2%
FEDERAL SOURCES	800,145	786,200	790,000	3,800	0.5%
TOTAL REVENUES	\$ 2,404,963	\$ 2,368,870	\$ 2,440,000	\$ 71,130	3.0%
EXPENDITURES					
Salaries	\$ 667,172	\$ 714,436	\$ 715,500	\$ 1,064	0.1%
Benefits	336,915	375,366	375,000	(366)	-0.1%
Purchased Services	52,091	65,450	65,000	(450)	-0.7%
Supplies	1,170,656	1,129,500	1,115,000	(14,500)	-1.3%
Capital Outlay	174,969	117,420	90,000	(27,420)	-23.4%
Other	23,936	25,000	15,000	(10,000)	-40.0%
TOTAL EXPENDITURES	\$ 2,425,739	\$ 2,427,172	\$ 2,375,500	\$ (51,672)	-2.1%
OUTGOING TRANSFERS					
General Fund	160,000	144,336	145,000	664	
TOTAL TRANSFERS	\$ 160,000	\$ 144,336	\$ 145,000	\$ 664	0.5%
TOTAL EXPENDITURES	\$ 2,585,739	\$ 2,571,508	\$ 2,520,500	\$ (51,008)	-2.0%
Beginning Fund Balance	\$ 854,914	\$ 674,138	\$ 471,500	\$ (202,638)	-30.1%
Revenues over/(under) Expenditures	(180,776)	(202,638)	(80,500)	122,138	60.3%
Ending Fund Balance	\$ 674,138	\$ 471,500	\$ 391,000	\$ (80,500)	-17.1%

**LAKE ORION COMMUNITY SCHOOLS
COMMUNITY SERVICES FUND - (23)**



FISCAL YEAR 2014-15 ADOPTED BUDGET - June 25, 2014

	FINAL ACTUAL 2012-13	FINAL BUDGET 2013-14	PROPOSED BUDGET 2014-15	Year to Year \$ Variance	Year to Year % Variance
REVENUES					
Community Enrichment	\$ 643,729	\$ 626,117	\$ 650,000	\$ 23,883	3.8%
Early Childhood	1,315,277	1,306,400	1,343,700	37,300	2.9%
Other	-	-			
TOTAL REVENUES	\$ 1,959,006	\$ 1,932,517	\$ 1,993,700	\$ 61,183	3.2%
EXPENDITURES					
Salaries	\$ 975,951	\$ 962,225	\$ 962,000	\$ (225)	0.0%
Benefits	367,132	399,089	402,000	2,911	0.7%
Purchased Services	250,618	264,380	265,000	620	0.2%
Supplies	58,113	63,140	60,000	(3,140)	-5.0%
Capital Outlay & Other	53,670	57,535	55,000	(2,535)	-4.4%
TOTAL EXPENDITURES	\$ 1,705,484	\$ 1,746,369	\$ 1,744,000	\$ (2,369)	-0.1%
OUTGOING TRANSFERS					
General Fund	200,000	200,000	215,000	15,000	7.5%
TOTAL TRANSFERS	\$ 200,000	\$ 200,000	\$ 215,000	\$ 15,000	7.5%
TOTAL EXPENDITURES	\$ 1,905,484	\$ 1,946,369	\$ 1,959,000	\$ 12,631	0.6%
Beginning Fund Balance	\$ 491,754	\$ 545,276	\$ 531,424	\$ (13,852)	-2.5%
Revenues over/(under) Expenditures	53,522	(13,852)	34,700	48,552	-350.5%
Ending Fund Balance	\$ 545,276	\$ 531,424	\$ 566,124	\$ 34,700	6.5%

**LAKE ORION COMMUNITY SCHOOLS
ENERGY BOND - DEBT SERVICE FUND - (33)**

FISCAL YEAR 2014-15 ADOPTED BUDGET - June 25, 2014



	FINAL ACTUAL 2012-13	FINAL BUDGET 2013-14	PROPOSED BUDGET 2014-15	Year to Year \$ Variance	Year to Year % Variance
REVENUES					
LOCAL SOURCES					
Other	-	-	-	-	0.0%
TOTAL REVENUE	\$ -	\$ -	\$ -	\$ -	0.0%
EXPENDITURES					
Principal	\$ -	\$ -	\$ 190,000	\$ 190,000	100.0%
Interest	-	64,400	173,014	108,614	168.7%
Other	-	124	200	76	61.3%
TOTAL DEBT SERVICE	\$ -	\$ 64,524	\$ 363,214	\$ 298,690	462.9%
OTHER FINANCING SOURCES (USES)					
Operating Transfer-in (GF)	-	64,524	363,214	298,690	462.9%
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ 64,524	\$ 363,214	\$ 298,690	462.9%
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	0.0%
Revenues over/(under) Expenditures	-	-	-	-	0.0%
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -	0.0%

LAKE ORION COMMUNITY SCHOOLS

DEBT SERVICE FUNDS - (37,38,39)

FISCAL YEAR 2014-15 ADOPTED BUDGET - June 25, 2014



	FINAL ACTUAL 2012-13	FINAL BUDGET 2013-14	PROPOSED BUDGET 2014-15	Year to Year \$ Variance	Year to Year % Variance
REVENUES					
LOCAL SOURCES					
2005 Debt	5,611,757	5,634,965	5,585,765	(49,200)	-0.9%
2006 Debt	1,748,087	1,802,916	2,744,885	941,969	52.2%
2012 Debt	4,230,336	4,368,745	3,810,755	(557,990)	-12.8%
TOTAL REVENUE	\$ 11,590,180	\$ 11,806,626	\$ 12,141,405	\$ 334,779	2.8%
EXPENDITURES					
Principal	\$ 8,755,000	\$ 9,265,000	\$ 9,735,000	\$ 470,000	5.1%
Interest	6,464,912	5,932,148	5,557,950	(374,198)	-6.3%
Other	191,500	157,191	175,000	17,809	11.3%
TOTAL DEBT SERVICE	\$ 15,411,412	\$ 15,354,339	\$ 15,467,950	\$ 113,611	0.7%
OTHER FINANCING SOURCES (USES)					
School Bond Loan Funds	\$ 3,575,606	\$ 3,765,564	\$ 3,326,545	\$ (439,019)	-11.7%
TOTAL OTHER FINANCING SOURCES (USES)	\$ 3,575,606	\$ 3,765,564	\$ 3,326,545	\$ (439,019)	-11.7%
Beginning Fund Balance	564,125	318,499	536,350	217,851	68.4%
Revenues over/(under) Expenditures	\$ (245,626)	\$ 217,851	\$ -	\$ (217,851)	100.0%
Ending Fund Balance	\$ 318,499	\$ 536,350	\$ 536,350	\$ -	0.0%

**LAKE ORION COMMUNITY SCHOOLS
ENERGY BOND CAPITAL PROJECTS FUND (43)**

FISCAL YEAR 2014-15 ADOPTED BUDGET - June 25, 2014



	FINAL ACTUAL 2012-13	FINAL BUDGET 2013-14	PROPOSED BUDGET 2014-15	Year to Year \$ Variance	Year to Year % Variance
REVENUES					
LOCAL SOURCES					
Interest	-	5,200	500	(4,700)	-90.4%
TOTAL REVENUES	\$ -	\$ 5,200	\$ 500	\$ (4,700)	-90.4%
EXPENDITURES					
Capital Outlay	-	2,000,014	3,176,200	1,176,186	58.8%
Other	-	109,486	-	(109,486)	0.0%
TOTAL EXPENDITURES	\$ -	\$ 2,109,500	\$ 3,176,200	\$ 1,066,700	50.6%
Other Financing Sources(Uses)					
Proceeds from Bond Issuance	-	5,280,000	-	(5,280,000)	
TOTAL TRANSFERS	\$ -	\$ 5,280,000	\$ -	\$ (5,280,000)	-100.0%
TOTAL EXPENDITURES	\$ -	\$ 2,109,500	\$ 3,176,200	\$ 1,066,700	50.6%
Revenues over/(under) Expenditures	-	3,175,700	(3,175,700)	(6,351,400)	200.0%
Beginning Fund Balance	\$ -	\$ -	\$ 3,175,700	\$ 3,175,700	0.0%
Committed Fund Balance	-	3,175,700	-	(3,175,700)	-100.0%
Total Ending Fund Balance	\$ -	\$ 3,175,700	\$ -	\$ (3,175,700)	-100.0%

LAKE ORION COMMUNITY SCHOOLS

CAPITAL PROJECTS FUND (44)

FISCAL YEAR 2014-15 ADOPTED BUDGET - June 25, 2014



	FINAL ACTUAL 2012-13	FINAL BUDGET 2013-14	PROPOSED BUDGET 2014-15	Year to Year \$ Variance	Year to Year % Variance
REVENUES					
LOCAL SOURCES					
Interest	\$ -	\$ 1,550	\$ 500.00	\$ (1,050.00)	-67.7%
Other	66,458	5,683	-	(5,683)	-100.0%
STATE SOURCES	-	86,600	75,000	(11,600)	-13.4%
TOTAL REVENUES	\$ 66,458	\$ 93,833	\$ 75,500	\$ (18,333)	-19.5%
EXPENDITURES					
Purchased Services	\$ 93,529	\$ 108,152	\$ 25,000	\$ (83,152)	-76.9%
Capital Outlay	2,870,746	3,616,419	75,000	(3,541,419)	-97.9%
Other	-	-	-	-	0.0%
Principal	479,656	606,160	742,750	136,590	22.5%
Interest	26,920	68,971	100,940	31,969	46.4%
TOTAL EXPENDITURES	\$ 3,470,851	\$ 4,399,702	\$ 943,690	\$ (3,456,012)	-78.6%
Other Financing Sources(Uses)					
Proceeds from issuance of IPA(s)	\$ -	\$ 3,002,369	\$ -	\$ (3,002,369)	-100.0%
Operating Transfer-in	3,927,188	889,001	868,690	(20,311)	-2.3%
TOTAL OTHER FINANCING SOURCES	\$ 3,927,188	\$ 3,891,370	\$ 868,690	\$ (3,022,680)	-77.7%
TOTAL EXPENDITURES	\$ 3,470,851	\$ 4,399,702	\$ 943,690	\$ (3,456,012)	-78.6%
Revenues over/(under) Expenditures	\$ 522,795	\$ (414,499)	\$ 500	\$ 414,999	100.1%
Beginning Fund Balance	\$ -	\$ 522,795	\$ 108,296	\$ (414,499)	0.0%
Technology Replacement Reserve	50,000	75,000	100,000	25,000	33.3%
Unassigned Fund Balance	472,795	33,296	8,796	(24,500)	-73.6%
Total Ending Fund Balance	\$ 522,795	\$ 108,296	\$ 108,796	\$ 500	0.5%

LAKE ORION COMMUNITY SCHOOLS
RISK - INTERNAL SERVICE FUND (81)



FISCAL YEAR 2014-15 ADOPTED BUDGET - June 25, 2014

	FINAL ACTUAL 2012-13	FINAL BUDGET 2013-14	PROPOSED BUDGET 2014-15	Year to Year \$ Variance	Year to Year % Variance
Net Assets, Beginning of Year					
CFR - Workers Comp. Ins.	\$ -	\$ -	\$ -	\$ -	0.0%
Contingency Reserve - W/C Settlements	-	50,000	50,000	-	0.0%
Retained Earnings	-	-	65	65	100.0%
Total Net Assets, Beginning of Year	-	50,000	50,065	65	0.1%
REVENUES					
LOCAL SOURCES					
Workers Compensation Contribution	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	100.0%
Interest	-	65	100	35	53.8%
TOTAL REVENUE	\$ 50,000	\$ 65	\$ 50,100	\$ 50,035	76976.9%
EXPENDITURES					
Workers Compensation Claims	\$ -	\$ -	\$ -	\$ -	0.0%
Workers Compensation Settlements	-	-	-	-	0.0%
Other	-	-	-	-	0.0%
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ -	0.0%
REVENUES OVER(UNDER) EXPENSES	\$ 50,000	\$ 65	\$ 50,100	\$ 50,035	76976.9%
Net Assets, End of Year					
CFR - Workers Comp. Ins.	\$ -	\$ -	\$ -	\$ -	0.0%
Contingency Reserve - W/C Settlements	50,000	50,000	100,000	50,000	100.0%
Retained Earnings	-	65	165	100	153.8%
Total Net Assets, End of Year	\$ 50,000	\$ 50,065	\$ 100,165	\$ 50,100	100.1%