



LAKE ORION COMMUNITY SCHOOLS

BUDGET AMENDMENT #1

FISCAL YEAR 2014-15

Effective February 11, 2015



LAKE ORION COMMUNITY SCHOOLS Budget Amendment #1 - Fiscal Year 2014-15

EXECUTIVE SUMMARY (As Presented By Fund)

FUNDING SOURCE & EXPENDITURE OVERVIEW INFORMATION:

Operational funding for Lake Orion Community Schools is categorized into five broad revenue sources. The five types of revenue sources are local source, state source, federal source, payments from other public schools and other financing source revenues. Local source revenues include locally levied property taxes, program based fees, and investment revenues. State source revenues include state aid foundation allowance funds, categorical funding, and other state funded grants. Federal source revenues are comprised of federally issued grants. Payments from other public schools & governmental entities include public school tuition, ISD collected millage taxes, and Medicaid related revenue. Other financing source revenue examples include operating transfers between funds, indirect revenues, bond proceeds and fund modifications.

Operational expenditures fall into three broad function based categories as defined by the Michigan Public School Accounting Manual. The first category is Instruction. Instruction includes the activities dealing directly with the teaching of pupils or the interaction between teacher and pupil. The second category is Support Services. Support Services are 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. Support services exist as adjuncts for the fulfillment of the objectives of instruction. The third category is Community Services. Community Services consist of those activities that are not directly related to providing education for pupils in a school system. Examples would 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, and programs of custody and care of children, and community welfare activities. Each category of function based expenditures is further broken down into seven additional cost pools. These include salary & wages, fringe benefits, purchased services, supplies & materials, capital outlay, other expenditures, and outgoing transfers.

WHAT'S NEW?

The "What's New?" section of this document highlights significant additions, reductions or other changes pertaining to budgetary, financial and operational structural changes for the district. The following pages will contain fund specific information and data related to the following:

- Section 147d revenue and off-setting expenditure budgets have been added affecting all functional budgets. Section 147d is a "one-time" MPERS unfunded liability payment added for this year and is intended to "buy down" the retirement liability. The revenue addition of Section 147d MPERS is \$570,668. Off-setting MPERS expenditures have been added in multiple expenditure functions. Salary and wage expenditures drive the allocation of the section 147d MPERS off-setting costs. Larger allocations of this cost are recognized in the "Basic Programs and Added Needs" functions because of the larger concentrations of professional salaries contained within these areas.
- State and federal grants revenue has been increased by a net \$461,142 reflecting an increase in the district's At-Risk and non-special education federal grants. Several "Basic Program and Added Needs" category related expenditure budgets have experienced off-setting increases.
- Fiscal year 2015 budget amendment-1 includes all known final budget adjustments related to the district's recent union contract settlements. Virtually all functional budget categories have been affected.
- All district funds that carry employee related costs have been adjusted for known employee health insurance program changes.
- Fiscal year 2015 operational restructuring involved the Technology Department, District Media Specialists and the filling of the Director of Curriculum position. The Director of Technology position has not been filled, one FTE District Tech position has been eliminated, the Director of Curriculum position has been filled and a net 1.0 FTE Media Specialist positions have been added back to the budget. Most of the related budget changes were included in the FY2015 Adopted Budget but, based on the implementation timing of some of the restructuring, multiple related budget adjustments are now included in this amendment.

FUND BALANCE BUDGET CHANGES:

Each fund's budgeted fiscal year 2015 beginning and ending fund balance has been adjusted to reflect the fiscal 2014 year-end audited fund balance plus the operational revenue and expenditure budget changes included in this document. Commentary on fund balance changes between the original adopted budgets to the amended budgets are summarized below:

General Fund:

The original adopted budget contained an operating surplus of \$89,264. The amendment #1 budget decreases the operating surplus by \$(67,171) to \$22,093. The

FY2015 Amendment #1 - Executive Summary – February 11, 2015

attached Fund Balance Flow Chart depicts the change process associated with this amendment. The amendment #1 projected total fund balance represents 10.4% of total budgeted expenditures including the net operating transfers out. The total amendment #1 budgeted ending fund balance is budgeted to be \$8,395,855. The chart below depicts the fiscal year 2014-15 budgeted ending fund balance progression from the adopted budget to the amendment #1 budget balances:

	<u>Adopted Budget</u>	<u>Amend #1 Budget</u>
Non-spendable Fund Balance:	\$ -	\$ 166,425
Assigned Fund Balance:	-	3,336,584
Unassigned Fund Balance:	<u>8,131,462</u>	<u>4,870,753</u>
Total Fund Balance:	\$8,131,462	\$8,373,762

Food Service Fund:

The original adopted budget contained an operating deficit of \$(80,500). The amendment #1 budget increased the operating deficit by \$(80,679) to \$(161,169). The amendment #1 budgeted ending fund balance of \$453,370 represents 17.1% of total budgeted expenditures and operating transfers-out. The chart below depicts the fiscal year 2014-15 budgeted ending fund balance progression from the adopted budget to the amendment #1 budget balances:

	<u>Adopted Budget</u>	<u>Amend #1 Budget</u>
Non-spendable Fund Balance:	\$ -	\$ 17,784
Restricted Fund Balance:	<u>593,638</u>	<u>435,586</u>
Total Fund Balance:	\$ 593,638	\$ 453,370

Community Services Fund:

The original adopted budget contained an operating surplus of \$34,700. The amendment #1 budget contains an operating deficit of \$(85,956). The amendment #1 budgeted ending fund balance of \$475,116 represents 22.5% of total budgeted expenditures. The chart below depicts the fiscal year 2014-15 budgeted ending fund balance progression from the adopted budget to the amendment #1 budget balances:

	<u>Adopted Budget</u>	<u>Amend #1 Budget</u>
Non-spendable Fund Balance:	\$ -	\$ -
Restricted Fund Balance:	<u>579,976</u>	<u>475,116</u>
Total Fund Balance:	\$ 579,976	\$ 475,116

District Capital Projects Fund - 44:

The original adopted budget contained an operating surplus of \$500. The amendment #1 budget contains an operating deficit of \$(1,789,262). The total amendment #1 budget ending fund balance is \$88,475. The chart below depicts the fiscal year 2014-15 budgeted ending fund balance progression from the adopted budget to the amendment #1 budget balances:

	<u>Adopted Budget</u>	<u>Amend #1 Budget</u>
Assigned Fund Balance:	\$ 100,000	\$ 75,000
Unassigned Fund Balance:	<u>8,796</u>	<u>13,475</u>
Total Fund Balance:	\$ 108,796	\$ 88,475

Energy Bond Capital Projects Fund - 43:

The original adopted budget contained an operating deficit of \$(3,175,700). The amendment #1 budget contains an operating deficit of \$(4,253,714). The total amendment #1 budgeted ending fund balance is expected to be \$0 based on current project timelines. The chart below depicts the fiscal year 2014-15 budgeted ending fund balance progression from the adopted budget to the amendment #1 budget balances:

	<u>Adopted Budget</u>	<u>Amend #1 Budget</u>
Assigned Fund Balance:	\$ _____	\$ _____
Total Fund Balance:	\$ _____	\$ _____

Voted Debt Service Funds – (37, 38, 39):

The adopted budget contains a beginning restricted fund balance of \$536,350. The amendment #1 restricted fund balance of \$576,392 represents 3.74% of total budgeted expenditures. The chart below depicts the fiscal year 2014-15 budgeted ending fund balance progression from the adopted budget to the amendment #1 budget balances:

	<u>Adopted Budget</u>	<u>Amend #1 Budget</u>
Restricted Fund Balance:	\$ <u>536,350</u>	\$ <u>576,392</u>
Total Fund Balance:	\$ 536,350	\$ 576,392

Energy Bond Debt Service Fund – 33:

The fund balance for this fund is expected to be maintained at zero balance because of the nature of the funding process for this fund. The chart below depicts the fiscal year 2014-15 budgeted ending fund balance progression from the adopted budget to the amendment #1 budget balances:

	<u>Adopted Budget</u>	<u>Amend #1 Budget</u>
Restricted Fund Balance:	\$ 0	\$ 0
Total Fund Balance:	\$ 0	\$ 0

RISK – Internal Service Fund – 81:

The original adopted budget contained an operating surplus of \$50,100. The amendment #1 budget contains an operating deficit of \$(50,065). The amendment #1 net assets are budgeted at \$0. The chart below depicts the fiscal year 2014-15 budgeted ending fund balance progression from the adopted budget to the amendment #1 budget balances:

	<u>Adopted Budget</u>	<u>Amend #1 Budget</u>
Net Assets – W.C. CFR:	\$ 25,000	\$ 0
Net Assets – W.C. Settlement Reserve:	75,000	\$ 0
Retained Earnings:	<u>200</u>	<u>0</u>
Total Net Assets:	\$100,200	\$ 0

REVENUE BUDGET CHANGES:

During the course of a fiscal year the District’s funds will experience several revenue budget changes. Some minor and others more significant in nature. With respect to this “Executive Summary” document and the analysis that has gone into it, we will be presenting, at a minimum, discussion on the “significant” budget changes. We continue to define “significant” to mean a change in the revenue line item total of \$100,000 or more. In addition to the “significant” budget changes, items of particular interest may also be presented regardless of the magnitude of the change.

General Fund – (11 – 19):

The General Fund revenue budget increased by a net \$1,260,040 or 1.6%. The new total revenue budget is \$80,834,272. The following information represents the breakdown of the significant changes by revenue source for the General Fund.

Local Sources:

Local Source revenue has increased by \$297,134 to \$8,792,826. Local Source revenue represents 10.9% of the total General Fund revenue. The significant change is the inclusion of \$320,000 of anticipated insurance related reimbursement revenue.

State Sources:

State Source revenue has increased by \$240,333 to \$63,549,511. State Source revenue represents 78.6% of the total General Fund revenue. The significant changes in state source revenue are a decrease in foundation allowance funding of \$535,000 as a result of actual student full time equivalence (FTE) count being less than the FTE budgeted for in the adopted budget, an increase reflecting the addition of Section 147d MPERS funding of \$570,668, and State grant funding increased \$187,000 (At-Risk funding by \$156,000) reflecting actual state grant funding for the year.

Federal Sources:

Federal Source revenue has increased by \$264,000 reflecting an increase in the district's non-special education federal grants. Several "Basic Program and Added Needs" category related expenditure budgets have experienced off-setting increases.

ISD and Medicaid Sources - Payments from other Public Schools:

Intermediate School District (ISD) and Medicaid source revenues have increased by \$388,400. The increase is primarily driven by an additional distribution of PA-18 funds from the ISD.

Other Financing Sources:

Other Financing Source revenue budget has increased by \$60,000 to \$420,000. Other Financing Source revenue represents 0.5% of the total General Fund revenue.

Food Service Fund - 25:

The Food Service Fund revenue budget has increased by a net \$45,374. The Food Service Fund amendment 1 revenue budget is \$2,485,374.

Local Sources:

Local source revenue of \$1,531,945 represents 61.6% of the total revenue. There were no material revenue changes made in this amendment.

State Sources:

State Source revenue (state aid categorical funds) remains \$147,522, which represents 5.9% of the total revenue.

Federal Sources:

With respect to our "federal source" revenue, our grant programs represent all of this funding. Our role here is that of fiscal agent and therefore any budgetary changes related to the grants reside first with awarding agencies then subsequently with us. The federal source revenue budget is \$805,907 which represents 32.4% of the total revenue. There were no material revenue changes made in this amendment.

Community Service Fund - 23:

The Community Service Fund amendment 1 revenue budget has been increased to \$2,068,296. There were no material revenue changes made in this amendment.

Community Enrichment Revenue:

The enrichment revenue budget is \$670,415 which represents 32.4% of the total revenue.

Early Childhood Revenue:

Early Childhood revenue budget is \$1,397,881 which represents 67.6% of the total revenue.

Capital Projects Funds:

District Capital Project Fund - 44

The total revenue and operating transfer-in budgets have increased to \$217,339. There were no material revenue changes made in this amendment.

Energy Bond Capital Project Fund - 43

The total revenue budget for the fund is \$3,500. No material revenue changes made in this amendment.

Debt Service Fund(s):

Voted Debt Service Funds – 37, 38, 39

The Debt Service Fund(s) revenue and operating transfer-in budgets are revised to \$12,062,700 and \$3,300,226 respectively. The total resources available for voter approved debt service obligations is \$15,392,926.

Energy Bond Debt Service Fund – 33

The Energy Bond Debt Service Fund revenue and operating transfer-in total budget is unchanged at \$363,214.

RISK – Internal Service Fund - 81:

The beginnings of year net assets are \$50,065. The total revenue budget has been reduced by \$50,100. The workers compensation claims expense line has been increased to \$50,065.

EXPENDITURE BUDGET CHANGES:

During the course of a fiscal year the District's funds will experience several expenditure budget changes. Some minor and others more significant in nature. With respect to this "Executive Summary" document and the analysis that has gone into it, we will be presenting, at a minimum, discussion on the "significant" budget changes. We continue to define "significant" to mean a change in the expenditure line item total of \$100,000. In addition to the "significant" budget changes items of particular interest may also be presented regardless of the magnitude of the change.

General Fund:

Total budgeted expenditures and operating transfers out have increased by a net of \$1,327,211 or 1.67% to a new total budget of \$80,812,179. The following information represents the breakdown of significant changes for the General Fund.

Instruction – Basic Programs & Added Needs:

The budgeted expenditures have increased by a net \$994,264 or 2.0% to \$50,824,434 reflecting the \$461,142 increase in state and federal grants, the implementation of the expenditure (MPERS retirement costs) side of section 147d, plus multiple small adjustments in the wage, retirement, FICA, healthcare, and other benefit costs associated with the final implementation of the district's recent union contract settlements.

Support Services – Instructional Staff Support Services:

The budgeted expenditures have increased by a net \$547,277 or 3.41% to \$3,101,254 reflecting a portion of the fiscal year 2015 operational restructuring involving the Technology Department, District Media Specialists and the Director of Curriculum position and the implementation of the expenditure side of the state and federal grants, section 147d, plus multiple small adjustments in the wage, retirement, FICA, healthcare, and other benefit costs associated with the final implementation of the district's recent union contract settlements. Regarding the recent restructuring, the Director of Technology position has not been filled, a 1.0 FTE District Tech position has been eliminated, the Director of Curriculum position has been filled and a net 1.0 FTE Media Specialist positions have been added back to the budget. Most of the related budget changes were included in the fiscal year 2015 adopted budget but, based on the timing of some of the restructuring; several related budget adjustments are included in this amendment,

Support Services – General Administration:

The two primary increases in this expenditure category reflect the addition of the Director of Curriculum position and additional expenditure budget increases driven by the implementation of the section 147d changes.

Support Services – School Administration:

The two primary increases in this expenditure category reflect the addition of the Learning Options Intern position and additional expenditure budget increases driven by the implementation of the section 147d changes.

Support Services – Operations & Maintenance:

An expenditure budget of \$257,600 associated with the insurance repair and replacement work the district is currently engaged in has been added.

Support Services - Transportation Services:

The two primary increases in this expenditure category reflect the addition of the department leadership one-time transition costs and additional expenditure budget increases driven by the implementation of the section 147d changes.

Operating Transfer-out:

This budget line has been decreased by \$(358,394) to \$873,305. Fund for the debt service for two of the district's installment purchase agreements (IPAs) has been removed for this year only. Residual and reserve funding currently in the District Capital Projects Fund (44) will be re-assigned to pay the debt service.

Food Service Fund:

The budgeted expenditures have increased by a net total of \$126,053 or 5.0% to a new total expenditure budget of \$2,646,553. The material change includes adjustments to the funds section 147d MPSERS retirement costs and healthcare insurance changes.

Community Service Fund:

The budgeted expenditures have increased by a net total of \$195,252 or 9.9%. The total expenditure budget has increased to \$2,154,252 in this amendment. The material change includes adjustments to the funds section 147d MPSERS retirement, healthcare insurance and Outgoing Transfers costs.

Capital Projects Funds:

District Capital Project Fund - 44

The budgeted expenditures have increased by a net total of \$1,569,487 or 166.3%. The total expenditure budget has increased to \$2,513,177 in this amendment. The material change includes adjustments to expenditure budgets that reflect the remaining project balances as of June 30, 2014 fiscal year end.

Energy Bond Capital Project Fund - 43

The budgeted expenditures have increased by a net total of \$1,081,014 or 25.3%. The total expenditure budget has increased to \$4,257,214 in this amendment. The material change includes adjustments to expenditure budgets that reflect the remaining project balances as of June 30, 2014 fiscal year end.

Debt Service Fund(s):

Voted Debt Service Funds – 37, 38, 39

The total expenditure budget reflects current principal and interest costs of \$15,392,926. There are no material changes to this budget.

Energy Bond Debt Service Fund – 33

The principal and interest expenditure budgets are established at \$363,214. There are no material changes to this budget.

Risk Fund:

The Risk Fund beginning fund assets have been adjusted to reflect the reclassification of net asset reserves, a reduction in revenue expectations and the establishment of an expense line.

Federal, State and Local Grants:

Grant award revenue and expenditure budgets are part of the consolidated General Fund budget and will continue to be updated throughout the 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. The grant revenue budgets represent the award granted in the current fiscal year. The award period may stretch into the next fiscal year.

Summary period to date grant award information:

Aggregate grant awards to date:	\$5,578,492
Current FY 2015 Expenditure budgets:	\$4,299,377

LAKE ORION COMMUNITY SCHOOLS



General Fund Budget Amendent #1 at a Glance

2012-13 Actual		2014-15 Actual		2014-15 Amended Budget	
Revenue	75,913,369	Revenue	77,093,041	Revenue	80,834,272
Expenditure	78,642,108	Expenditure	78,458,055	Expenditure	80,812,179
Surplus(Deficit)	(2,728,739)	Surplus(Deficit)	(1,365,014)	Surplus(Deficit)	22,093
Fund Balance	9,738,776	Fund Balance	8,373,762	Fund Balance	8,395,855
Fund Balance - % of Exp.	12.4%	Fund Balance - % of Exp.	10.7%	Fund Balance - % of Exp.	10.4%

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

General Fund Budget By Object Code Category

Object Code Category	2013-14 Actual	2014-15 Amended Budget	% of Total Expenditures
Salaries & Wages	\$41,015,475	\$40,913,207	50.6%
Employee Benefits	\$23,935,728	\$26,322,625	32.6%
All Other Expenditures	\$13,506,852	\$13,576,347	16.8%
Total Expenditure Budget	\$78,458,055	\$80,812,179	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%

*MPSERS rate, as presented, is an weighted average of the seven (7) different active plans and does not include rate increases driven by section 147c and 147d of the Michigan School Code. FY2015 combined section 147c and 147d rate is an additional 8.76% of payroll.



Lake Orion Community Schools General Fund

Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

	<u>Adopted Budget</u>	<u>Proposed Amendments</u>	<u>Amended Budget</u>	<u>% Chg</u>	<u>Explanations</u>
REVENUE					
Local Revenue	8,495,692	297,134	8,792,826	3.50%	A
State Revenue	63,309,178	240,333	63,549,511	0.38%	B
Federal Revenue	2,329,386	274,142	2,603,528	11.77%	C
ISD and Medicaid Sources	5,079,977	388,430	5,468,407	7.65%	D
Other Revenue	360,000	60,000	420,000	16.67%	
TOTAL REVENUE	<u>79,574,232</u>	<u>1,260,040</u>	<u>80,834,272</u>	<u>1.58%</u>	
EXPENDITURES					
<u>Instruction</u>					
Basic Programs	39,233,021	570,462	39,803,483	1.45%	B, C
Added Needs	10,597,149	423,802	11,020,951	4.00%	B, C
SUB TOTAL	<u>49,830,170</u>	<u>994,264</u>	<u>50,824,434</u>	<u>2.00%</u>	
<u>Support Services</u>					
Pupil Support Services	6,604,127	(68,209)	6,535,918	-1.03%	
Instructional Staff Support Services:					
Instruction Improvement	511,778	57,827	569,605	11.30%	
Educational Media Services	1,040,497	236,725	1,277,222	22.75%	B, E
Technology Assisted Instruction	355,512	55,138	410,650	15.51%	
Instructional Staff Supervision	646,190	197,587	843,777	30.58%	B, C
General Administration	825,226	173,113	998,339	20.98%	E
School Administration	4,613,487	164,760	4,778,247	3.57%	B, F
Business Services	1,011,152	(75,757)	935,395	-7.49%	
Operations and Maintenance	5,400,239	120,804	5,521,043	2.24%	A
Transportation Services	3,674,226	136,190	3,810,416	3.71%	G
Communication Services	157,833	(38,405)	119,428	-24.33%	
Human Resources	750,704	37,017	787,721	4.93%	
Technology Services	1,354,093	(151,434)	1,202,659	-11.18%	
Athletic Activities	1,176,981	(144,645)	1,032,336	-12.29%	
Community Services	301,054	(9,370)	291,684	-3.11%	
SUB TOTAL	<u>28,423,099</u>	<u>691,341</u>	<u>29,114,440</u>	<u>2.43%</u>	
OUTGOING TRANSFERS					
Capital Projects & Debt Service	1,231,699	(358,394)	873,305	-29.10%	H
TOTAL TRANSFERS	<u>1,231,699</u>	<u>(358,394)</u>	<u>873,305</u>	<u>-29.10%</u>	
TOTAL EXPENDITURES	<u>79,484,968</u>	<u>1,327,211</u>	<u>80,812,179</u>	<u>1.67%</u>	
Revenues Over/(Under) Expenditures	<u>89,264</u>	<u>(67,171)</u>	<u>22,093</u>	<u>-75.25%</u>	
Beginning Fund Balance	8,042,198	331,564	8,373,762	4.12%	
Projected Fund Balance	<u>8,131,462</u>	<u>264,393</u>	<u>8,395,855</u>	<u>3.25%</u>	
Fund Balance as a % of Expenditures	<u>10.2%</u>		<u>10.4%</u>		



Lake Orion Community Schools General Fund

Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

Explanations are provided below for amendments by function resulting in a net increase or decrease of \$100,000.

- A** The net increase of \$297,134 in Local Sources Revenue is primarily due to (1) Addition of \$320,000 of anticipated insurance reimbursement revenue. Multiple expenditure budgets in the Operations function (261) have been increased reflecting anticipated insurance work for this year.
- B** State source revenue has experienced a net increased of \$240,333 reflecting (1) a decrease in foundation allowance funding of \$535,000 as a result of actual student full time equivalence (FTE) count being less than the FTE budgeted for in the adopted budget, (2) An increase reflecting the addition of Section 147d MPERS funding of \$570,668. Off-setting MPERS expenditures have been added in multiple expenditure functions. Salary and wage expenditures drive the allocation of the section 147d MPERS off-setting costs. Larger allocations of this cost are recognized in the "Basic Programs and Added Needs" functions because of the larger concentrations of professional salaries contained within these areas. (3) State grant funding increased \$187,000 (At-Risk funding by \$156,000) reflecting actual state grant funding for the year. Several "Added Needs" category expenditure budgets have been correspondingly increased.
- C** Federal source revenue has been increased by \$264,000 reflecting an increase in the district's non-special education federal grants. Several "Basic Program and Added Needs" category related expenditure budgets have experienced off-setting increases.
- D** Intermediate School District (ISD) and Medicaid source revenues have increased by \$388,400. The increase is primarily driven by an additional distribution of PA-18 funds from the ISD.
- E** Fiscal year 2015 operational restructuring involved the Technology Department, District Media Specialists and the filling of the Director of Curriculum position. The Director of Technology position has not been filled, one FTE District Tech position has been eliminated, the Director of Curriculum position has been filled and a net 1.0 FTE Media Specialist positions have been added back to the budget. Most of the related budget changes were included in the FY2015 Adopted Budget but, based on the implementation timing of some of the restructuring, multiple related budget adjustments are now included in this amendment.
- F** Learning Options Intern position budget expenditures have been added to the fiscal year 2015 amended budget.
- G** Transportation leadership transition costs have been included in the fiscal year 2015 amended budget.
- H** Operating Transfers-Out from the General Fund to the District Capital Projects Fund (44) for debt service on the FY14 Installment Purchase Agreements (IPAs) have been reduced for this year only. Prior year pre-funding and residual dollars from the CP44 fund balance will be utilized this year for IPA debt service.



Lake Orion Community Schools
Food Service Special Revenue Fund
Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

	<u>Adopted Budget</u>	<u>Proposed Amendments</u>	<u>Amended Budget</u>	<u>% Chg</u>	<u>Explanations</u>
REVENUE					
LOCAL SOURCES					
Food & Vending Machine Sales	1,495,000	(3,855)	1,491,145	-0.26%	
Interest and Rebates	15,000	(2,200)	12,800	-14.67%	
Catering Services	20,000	8,000	28,000	40.00%	
STATE SOURCES	120,000	27,522	147,522	22.94%	
FEDERAL SOURCES	790,000	15,907	805,907	2.01%	
TOTAL REVENUE	<u>2,440,000</u>	<u>45,374</u>	<u>2,485,374</u>	<u>1.86%</u>	
EXPENDITURES					
Salaries	715,500	26,355	741,855	3.68%	
Benefits	375,000	85,898	460,898	22.91%	B
Purchased Services	65,000	(1,300)	63,700	-2.00%	
Supplies	1,115,000	2,100	1,117,100	0.19%	
Capital Outlay	90,000	-	90,000	0.00%	
Other	15,000	13,000	28,000	86.67%	
TOTAL FOOD SERVICE	<u>2,375,500</u>	<u>126,053</u>	<u>2,501,553</u>	<u>5.31%</u>	
OUTGOING TRANSFERS					
General Fund	145,000	-	145,000	0.00%	
TOTAL TRANSFERS	<u>145,000</u>	<u>-</u>	<u>145,000</u>	<u>0.00%</u>	
TOTAL EXPENDITURES	<u>2,520,500</u>	<u>126,053</u>	<u>2,646,553</u>	<u>5.00%</u>	
Revenues Over/(Under) Expenditures	<u>(80,500)</u>	<u>(80,679)</u>	<u>(161,179)</u>	<u>100.22%</u>	
Beginning Fund Balance	674,138	(59,589)	614,549	-8.84%	A
Ending Fund Balance	<u>593,638</u>	<u>(140,268)</u>	<u>453,370</u>	<u>-23.63%</u>	



Lake Orion Community Schools Food Service Special Revenue Fund

Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

Explanations are provided below for any significant amendments

- A** The Food Service Fund beginning fund balance has been adjusted to reflect the audited final ending fund balance from fiscal year 2014.
- B** The increase in the expenditure category of "Benefits" is primarily driven by the additional costs associated with the compliance to the section 147-d from the School Aid Act and the MPSERS retirement system.



Lake Orion Community Schools
Community Service Special Revenue Fund
Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

	<u>Adopted Budget</u>	<u>Proposed Amendments</u>	<u>Amended Budget</u>	<u>% Chg</u>	<u>Explanations</u>
REVENUE					
Community Enrichment	650,000	20,415	670,415	3.14%	
Early Childhood	1,343,700	54,181	1,397,881	4.03%	
TOTAL REVENUE	<u>1,993,700</u>	<u>74,596</u>	<u>2,068,296</u>	<u>3.74%</u>	
EXPENDITURES					
Salaries	962,000	53,971	1,015,971	5.61%	
Benefits	402,000	76,643	478,643	19.07%	B
Purchased Services	265,000	6,149	271,149	2.32%	
Supplies	60,000	(6,410)	53,590	-10.68%	
Capital Outlay and Other	55,000	4,899	59,899	8.91%	
TOTAL EXPENDITURES	<u>1,744,000</u>	<u>135,252</u>	<u>1,879,252</u>	<u>7.76%</u>	
OUTGOING TRANSFERS					
General Fund	215,000	60,000	275,000	27.91%	
TOTAL TRANSFERS	<u>215,000</u>	<u>60,000</u>	<u>275,000</u>	<u>27.91%</u>	
TOTAL EXPENDITURES	<u>1,959,000</u>	<u>195,252</u>	<u>2,154,252</u>	<u>9.97%</u>	
Revenues Over/(Under) Expenditures	<u>34,700</u>	<u>(120,656)</u>	<u>(85,956)</u>	<u>-347.71%</u>	
Beginning Fund Balance	<u>545,276</u>	<u>15,796</u>	<u>561,072</u>	<u>2.90%</u>	A
Ending Fund Balance	<u>579,976</u>	<u>(104,860)</u>	<u>475,116</u>	<u>-18.08%</u>	



Lake Orion Community Schools Community Service Special Revenue Fund

Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

Explanations are provided below for any significant amendments

- A** The Community Service Fund beginning fund balance has been adjusted to reflect the audited final ending fund balance from fiscal year 2014.

- B** The increase in the expenditure category of "Benefits" is primarily driven by the additional costs associated with the compliance to the section 147-d from the School Aid Act and the MPSERS retirement system.



**Lake Orion Community Schools
District Capital Projects Fund - 44**

Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

	<u>Adopted Budget</u>	<u>Proposed Amendments</u>	<u>Amended Budget #1</u>	<u>% Chg</u>	<u>Explanations</u>
REVENUE					
Local Sources	500	125,978	126,478	na	B
State Sources	75,000	15,861	90,861	21.15%	
Total Revenues	<u>75,500</u>	<u>141,839</u>	<u>217,339</u>	65.26%	
EXPENDITURES					
Purchased Services	25,000	43,118	68,118	172.47%	C
Capital Outlay	75,000	1,526,369	1,601,369	2035.16%	C
Principal	742,750	-	742,750	0.00%	
Interest	100,940	-	100,940	0.00%	
Other	-	-	-	0.00%	
TOTAL EXPENDITURES	<u>943,690</u>	<u>1,569,487</u>	<u>2,513,177</u>	166.31%	
OTHER FINANCING SOURCES					
Proceeds from Issuance of IPA#1	-	-	-		
Proceeds from Issuance of IPA#2	-	-	-		
Operating transfer-in (2012 bus IPA)	506,576	-	506,576		
Operating transfer-in (2014 IPA#1)	198,914	(198,914)	-		D
Operating transfer-in (2014 IPA#2)	138,196	(138,196)	-		D
Operating transfer-in (GF projects)	25,004	(25,004)	-		D
TOTAL OTHER FINANCING SOURCES (USES)	<u>868,690</u>	<u>(362,114)</u>	<u>506,576</u>	-71.48%	D
Revenues Over/(Under) Expenditures	<u>500</u>	<u>(1,789,762)</u>	<u>(1,789,262)</u>	100.03%	
Beginning Fund Balance	<u>108,296</u>	<u>1,769,441</u>	<u>1,877,737</u>	0.00%	A
Technology Replacement Reserve	<u>75,000</u>	<u>50,000</u>	<u>75,000</u>	0.00%	
Unassigned Fund Balance	<u>33,296</u>	<u>1,719,441</u>	<u>1,802,737</u>	0.00%	
Ending Total Fund Balance	<u>108,796</u>	<u>(20,321)</u>	<u>88,475</u>	-22.97%	
Technology Replacement Reserve	<u>100,000</u>	<u>(25,000)</u>	<u>75,000</u>	0.00%	
Unassigned Fund Balance	<u>8,796</u>	<u>4,679</u>	<u>13,475</u>	0.00%	



**Lake Orion Community Schools
District Capital Projects Fund - 44
Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015**

Explanations are provided below for any significant amendments

- A** The District Capital Projects Fund beginning fund balance has been adjusted to reflect the audited final ending fund balance from fiscal year 2014.

- B** The increase in miscellaneous revenue reflects \$95,000 of DTE rebates to be used for additional refitting projects and the anticipated proceeds from the sale of several Building and Grounds older vehicles. The proceeds from the truck sales will be used to purchase one new truck.

- C** Purchase service and capital expenditure budgets have been revised reflecting fiscal year 2014 project actual remaining carry over funding.

- D** Operating Transfers-In from the General Fund for debt service on the FY14 Installment Purchase Agreements (IPAs) has been reduced. Residual dollars from the fund balance will be utilized this year for debt service.



Lake Orion Community Schools
FY2014 Energy Bond Capital Projects Fund - 43
Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

	<u>Adopted Budget</u>	<u>Proposed Amendments</u>	<u>Amended Budget #1</u>	<u>% Chg</u>	<u>Explanations</u>
REVENUE					
Other	500	3,000	3,500	0.00%	
EXPENDITURES					
Purchased Services	-	-	-	0.00%	
Capital Outlay	3,176,200	1,081,014	4,257,214	25.39%	A
Bond Issuance Costs	-	-	-	0.00%	
Bond Premium & Discounts	-	-	-	0.00%	
TOTAL EXPENDITURES	<u>3,176,200</u>	<u>1,081,014</u>	<u>4,257,214</u>	<u>25.39%</u>	
OTHER FINANCING SOURCES					
Proceeds from Issuance of Bonds	-	-	-	0.00%	
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	
Revenues Over/(Under) Expenditures	<u>(3,175,700)</u>	<u>(1,078,014)</u>	<u>(4,253,714)</u>	<u>0.00%</u>	
Beginning Fund Balance	<u>3,175,700</u>	<u>1,078,014</u>	<u>4,253,714</u>	<u>25.34%</u>	
Ending Total Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>	



**Lake Orion Community Schools
FY2014 Energy Bond Capital Projects Fund - 43**

Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

Explanations are provided below for any significant amendments

- A** The Energy Bond Capital Projects Fund beginning fund balance has been adjusted to reflect the audited final ending fund balance from fiscal year 2014.



Lake Orion Community Schools
Voted Debt Service Funds - (37, 38, 39)
Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

	<u>Adopted Budget</u>	<u>Proposed Amendments</u>	<u>Amended Budget #1</u>	<u>Explanations</u>
REVENUE				
LOCAL SOURCES				
2005 Debt	5,757,182	-	5,757,182	
2006 Debt	1,842,019	-	1,842,019	
2012 Debt	4,463,499	-	4,463,499	
TOTAL REVENUE	<u>12,062,700</u>	<u>-</u>	<u>12,062,700</u>	
EXPENDITURES				
Principal	9,735,000	-	9,735,000	
Interest	5,457,926	-	5,457,926	
Other	200,000	-	200,000	
TOTAL DEBT SERVICE	<u>15,392,926</u>	<u>-</u>	<u>15,392,926</u>	
OTHER FINANCING SOURCES (USES)				
School Bond Loan Funds	3,330,226	-	3,330,226	
Payment to escrow agent	-	-	-	
Face value of debt issued	-	-	-	
Premium on debt issued	-	-	-	
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,330,226</u>	<u>-</u>	<u>3,330,226</u>	
Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	
Beginning Fund Balance	<u>536,350</u>	<u>40,042</u>	<u>576,392</u>	A
Ending Fund Balance	<u>536,350</u>	<u>40,042</u>	<u>576,392</u>	



Lake Orion Community Schools
Voted Debt Service Funds - (37, 38, 39)
Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

Explanations are provided below for any significant amendments

- A** The beginning fund balance has been adjusted to reflect the audited final ending fund balance from fiscal year 2014.



Lake Orion Community Schools
FY2014 Energy Bond Debt Service Fund - 33
Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

	<u>Adopted Budget</u>	<u>Proposed Amendments</u>	<u>Amended Budget #1</u>	<u>Explanations</u>
<u>REVENUE</u>				
LOCAL SOURCES				
Other revenues	-	-	-	
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	
<u>EXPENDITURES</u>				
Principal	190,000	-	190,000	
Interest	173,014	-	173,014	
Other	200	-	200	
TOTAL DEBT SERVICE	<u>363,214</u>	<u>-</u>	<u>363,214</u>	
OTHER FINANCING SOURCES				
Operating Transfer In from GF	363,214	-	363,214	
Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	
Ending Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	



Lake Orion Community Schools
FY2014 Energy Bond Debt Service Fund - 33
Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

Explanations are provided below for any significant amendments

No changes in this budget amendment.



Lake Orion Community Schools
Risk Fund - Internal Service Fund - 81
Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

	<u>Adopted Budget</u>	<u>Proposed Amendments</u>	<u>Amended Budget #1</u>	<u>% Chg</u>	<u>Explanations</u>
Net Assets, Beginning of Year					
Claim Fluctuation Reserve - Workers Comp. Ins.	-	50,000	50,000	100.00%	A
Contingency Reserve - W/C Settlements	50,000	(50,000)	-	-100.00%	A
Retained earnings	65	-	65	0.00%	A
Total Net Assets, Beginning of Year	<u>50,065</u>	<u>-</u>	<u>50,065</u>	<u>0.00%</u>	
REVENUE					
LOCAL SOURCES					
Workers Compensation contribution	50,000	(50,000)	-	-100.00%	
Interest	100	(100)	-	-100.00%	
TOTAL REVENUE	<u>50,100</u>	<u>(50,100)</u>	<u>-</u>	<u>-100.00%</u>	
EXPENSES					
Workers Compensation Settlements & Claims	-	50,065	50,065	100.00%	
Other	-	-	-	100.00%	
TOTAL EXPENSES	<u>-</u>	<u>50,065</u>	<u>50,065</u>	<u>100.00%</u>	
 Revenues Over/(Under) Expenses	 <u>50,100</u>	 <u>(100,165)</u>	 <u>(50,065)</u>	 <u>NA</u>	
Net Assets, End of Year					
Claim Fluctuation Reserve - Workers Comp. Claims	25,000	(25,000)	-	-100.00%	
Contingency Reserve - W/C Settlements	75,000	(75,000)	-	-100.00%	
Retained earnings	200	(200)	-	-100.00%	
Total Net Assets, End of Year	<u>100,200</u>	<u>(100,200)</u>	<u>-</u>	<u>-100.00%</u>	



Lake Orion Community Schools
Risk Fund - Internal Service Fund - 81
Fiscal Year 2014-15 Budget Amendment 1 - February 11, 2015

Explanations are provided below for any significant amendments

- A** The Risk Fund beginning fund balance has been adjusted to reflect the reclassification of reserve funding based on audited final ending fund balance from fiscal year 2014.