

Exhibit 2

February 13, 2014

To: Board of Education

From: Brian Wilmot, Superintendent
Tony Suszek, Assistant Superintendent

Subject: Budget Amendments

Attached for the Board of Education's review and approval are Budget Amendments for 2013-2014 for the General Fund and the Special Education Fund.

General Fund major changes include:

Revenues

1. Increase in GSRP Early Childhood and Great Start Grant – State Revenue
2. Additional Federal Funds for GSRP Food Program
3. Decrease in Transfers from LEAs from Technology Department

Expenditures

1. Increase in Great Start Grant
2. Increase in GSRP Early Childhood Grant
3. Reallocation of partial costs of Business Office
4. Decrease in Technology Services.

General Fund Summary In Thousands

	Approved Budget	Proposed Amendments
Revenues	\$2,146	\$2,742
Expenditures	2,265	2,799
Net Change in Fund Balance	<119>	<57>
Fund Balance, Beginning	576	629
Fund Balance, Ending	\$457	\$572

The ending General Fund equity reflects a projected balance of \$572,516 as of 6/30/2014.

Special Education Fund

Revenues

1. Increase in Medicaid Fee for Service Funds
2. Decrease in State Aid for Memberships
3. Additional IDEA Federal Carryover Funds

Expenses

1. Updates based on staffing, contracts and agreements
2. Increase in Retirement Costs
3. Increase in Health Care Costs
4. Decrease in Transportation Costs

Special Education Summary In Thousands

	Approved Budget	Proposed Amendments
Revenues	\$7,324	\$7,334
Expenditures	7,264	7,421
Net Change in Fund Balance	60	<87>
Fund Balance, Beginning	3,366	3,502
Fund Balance, Ending	\$3,426	\$3,415

The ending Special Education Fund equity reflects a projected balance of \$3,415,293 as of 6/30/2014.

Recommendation: Approval of budget amendments in the General Fund and the Special Education Funds.

ALPENA-MONTMORENCY-ALCONA ESD
PROPOSED GENERAL FUND BUDGET
FOR FISCAL YEAR 2013-14

	AUDITED 2011-12	AUDITED 2012-13	APPROVED Budget 2013-14	PROPOSED Budget 2013-14	CHANGE IN BUDGET \$	CHANGE IN BUDGET %
REVENUES:						

LOCAL SOURCES	460,442	437,361	419,444	422,444	3,000	0.72%
NON-EDUCATIONAL ENTITY	8,245	9,226	2,542	0	(2,542)	-100.00%
STATE SOURCES	1,041,380	981,151	1,152,578	1,830,255	677,677	58.80%
FEDERAL SOURCES	281,850	147,972	10,000	35,475	25,475	254.75%
INCOMING TRANSFERS	413,624	443,951	561,739	453,697	(108,042)	-19.23%
TOTAL REVENUES	2,205,541	2,019,660	2,146,303	2,741,871	595,568	27.75%
EXPENDITURES						

INSTRUCTIONAL SERVICES						

INSTRUCTIONAL SERVICES	448,969	432,177	462,294	460,906	(1,388)	-0.30%
GREAT START GRANT	107,062	92,226	140,830	237,444	96,614	68.60%
MATH/SCIENCE GRANT	49,019	41,482	53,919	60,357	6,438	11.94%
SUMMER ENRICHMENT	4,825	3,445	0	0	0	0.00%
NCLB (ECIA) & REAP GRANT	42,436	23,608	10,000	19,622	9,622	96.22%
AMERICAN HISTORY GRANT	232,168	116,268	0	1,024	1,024	100.00%
GREAT START READINESS	520,200	419,409	550,000	1,122,873	572,873	104.16%
TOTAL INSTRUCTIONAL	1,404,679	1,128,614	1,217,043	1,902,226	685,183	56.30%
ADMIN. & SUPPORT SV.						

LEADERSHIP/GOVERNANCE	406,107	456,446	431,898	432,648	750	0.17%
BUSINESS/COMPLIANCE	342,258	356,575	363,880	330,180	(33,700)	-9.26%
TECHNOLOGY SERVICES	175,060	186,404	185,049	66,173	(118,876)	-64.24%
OPERATION & MAINTENANC	71,770	68,889	67,512	67,512	0	0.00%
TOTAL OTHER AREAS	995,195	1,068,315	1,048,339	896,513	-151,826	-14.48%
TOTAL EXPENDITURES	2,399,874	2,196,929	2,265,382	2,798,739	533,357	23.54%
CURRENT CHANGE IN						
FUND BALANCE	(194,332)	(177,268)	(119,079)	(56,868)		
BEGINNING BALANCE	1,000,985	806,653	575,743	629,384		
ENDING BALANCE	806,653	629,384	456,664	572,516		

**ALPENA-MONTMORENCY-ALCONA ESD
PROPOSED 2013-14 BUDGET
SPECIAL EDUCATION FUND**

	AUDITED 2011-12	AUDITED 2012-13	APPROVED BUDGET 2013-14	PROPOSED Budget 2013-14	\$ Change	% Change
REVENUES:						
LOCAL SOURCES	4,229,817	4,218,187	4,109,451	4,128,675	19,224	0.47%
STATE SOURCES	1,219,504	1,445,275	1,544,126	1,491,071	(53,055)	-3.44%
FEDERAL SOURCES	1,977,508	1,812,913	1,654,899	1,700,270	45,371	2.74%
INCOMING TRANSFERS	17,799	19,583	15,864	14,200	(1,664)	-8.50%
TOTAL REVENUES	7,444,628	7,495,958	7,324,340	7,334,216	9,876	0.13%
DIRECT INSTRUCTION						
PIED PIPER-MoCI	617,273	613,440	642,263	660,664	18,401	2.87%
PIED PIPER-SCI	578,312	559,757	459,367	471,626	12,259	2.67%
EARLY CHILDHOOD CLASSROOM	145,652	148,881	184,896	190,993	6,097	3.30%
TOTAL DIRECT INSTRUCTION	1,341,236	1,322,077	1,286,525	1,323,282	36,757	2.86%
INSTRUCTIONAL SUPPORT						
PSYCHOLOGICAL SERV	338,705	346,918	404,391	455,351	50,960	12.60%
HEARING IMP. CONS.	39,606	44,326	30,500	30,500	0	0.00%
LEARNING DISABILITIES	213,849	217,867	112,954	213,368	100,414	88.90%
MENTALLY IMPAIRED	217,349	220,417	120,000	123,151	3,151	2.63%
AUTISTIC IMPAIRED	113,319	119,261	128,105	131,278	3,173	2.48%
SPEECH THERAPY	799,283	735,172	759,300	783,904	24,604	3.24%
SOCIAL WORK	225,301	227,264	239,516	115,982	(123,534)	-51.58%
EARLY INTERVENING	262,543	231,520	232,275	241,926	9,651	4.15%
OCCUPATIONAL THERAPY	221,058	242,600	137,495	139,424	1,929	1.40%
PHYSICAL THERAPY	73,949	57,797	60,500	60,500	0	0.00%
IMPROVEMENT OF INSTRUCTION	49,720	30,835	40,400	42,095	1,695	4.20%
VISION CONSULTANT	30,891	30,416	20,000	20,000	0	0.00%
EARLY CHILDHOOD CONSULTANT	205,388	208,168	118,824	118,350	(474)	-0.40%
EARLY ON CONSULTANT	41,260	33,345	105,000	120,955	15,955	15.20%
EMOTIONALLY IMPAIRED	209,071	223,736	231,829	232,651	822	0.35%
TRANSITION SERVICES	143,527	142,659	156,186	149,986	(6,200)	-3.97%
TOTAL SUPPORT	3,184,821	3,112,303	2,897,277	2,979,423	82,146	2.84%
ADMINISTRATIVE						
PLANNING, MONITORING, DATA COLLE	166,137	176,528	200,783	220,407	19,624	9.77%
INST. SUPERVISION	410,850	443,564	462,779	461,623	(1,156)	-0.25%
BOARD OF EDUCATION	119,574	25,608	26,300	41,300	15,000	57.03%
TOTAL ADMINISTRATIVE	696,561	645,700	689,862	723,330	33,468	4.85%
OTHER COSTS						
OPERATION AND MAINT.	139,388	142,852	163,238	166,786	3,548	2.17%
CAPITAL OUTLAY	79,734	23,188	26,000	31,788	5,788	22.26%
LOCAL P.A.C.	878	501	750	750	0	0.00%
PUPIL TRANSPORTATION	416,375	384,604	439,123	395,345	(43,778)	-9.97%
OUTGOING TRANSFERS	1,693,931	1,655,947	1,761,000	1,800,621	39,621	2.25%
TOTAL EXPENDITURES	7,552,924	7,287,172	7,263,775	7,421,325	157,550	2.17%
CURRENT CHANGE IN FUND BALANCE						
BALANCE, JULY 1 RESTRICTED	(108,296)	208,786	60,565	(87,109)		
ENDING BALANCE - RESTRICTED	3,293,616	3,502,402	3,426,083	3,415,293		