

June 24, 2013

**Management Discussion and Analysis
4th Quarter Fiscal Year 2012-2013**

Revenues

Revenues for the period increased by \$563,830.00 due to adjustments in many areas of the budget. This is the final adjustment of the fiscal year. Major revenue changes occurred in State Aid prior year adjustments of \$100,492 for prior year property tax reclassifications, Local miscellaneous Revenue of \$47,000, Lunchroom salary reimbursement by Alpena Public of \$106,500, Tiger Clinic Revenue of \$97,500, and \$76,000 for MSPERS reimbursement from the State. These MSPERS revenues will need to be transferred back to the State so the net effect on the budget will be nullified. AMA Act 18 or Special Education payback increased this year by \$29,000 from prior year increases in expenses.

Expenditures

Expenditures for the period increased by \$444,870.00 leaving the district with projected fund equity of \$880,671.00 Major changes in the expense side of the budget come from expensing of the Lunchroom salaries (\$52,000) in the General Fund, Contracted Services (WillSub) of \$30,000, Tiger Clinic expenses of \$97,500, Title grant increases of \$53,500, expensing the MSPERS reimbursement \$76,000, and an increase in Athletic expenses transferred to the General Fund of \$30,000. Unused sick day payout to the 3 retirees will be booked at \$42,346.

Summary

This will be the last budget adjustment for the 2012 – 2013 school year and although it will show \$563,830 of additional revenues, because of increases in expenditures of \$444,870 there will only be a change in fund balance of \$118,960. These figures presented in the final budget adjustment will be the starting figures for the new school year budget for 2013 – 2014. If we do not carry over any monies from unspent 2012/13 budget amounts, then we will have a projected unaudited Fund Balance of \$880,671. This amount is lower than the starting fund balance from the 2012/13 school year by \$206,257. We will need additional fund equity to balance the 2013-2014 budget as the budgets remain tight and the revenues are expected to be trimmed from the State.

Thank you, Alan