



Budget Amendment

Almont Community Schools

General Fund

January 22, 2018

Why do we amend the budget?

1. According to Michigan Law a school district must prepare a budget for the general and all other special revenue funds (MCL 380.622).
 - i. Almont has the Cafeteria Fund, a capital projects (Sinking) fund, and debt service funds.
2. The Budget must be consistent with GAAP (Generally Accepted Accounting Principles), Uniform Budgeting and Accounting Act, and the Uniform Chart of Accounts (MCL 380.1281)
3. When it is determined that the actual and probable revenues from taxes and other sources are less than estimated revenues, or when the local school board expenditure priorities change during the course of the fiscal year the budget must be amended. (MCL 141.437)

What is the purpose of the budget?

School district budgeting is the process of allocating limited resources to the various educational expenditure priorities of the district. The school boards vote to adopt the budget, implies that a set of decisions has been made on how to allocate the district's limited revenue to pay for educational items or services. Additionally budgets provide the ability to control and evaluate the district's use of funds.

What does the term Fund Balance mean?

- A Fund balance is the balance at the end of a term to help fund activities in future terms, and it represents the difference between assets and liabilities in a governmental fund.
- **The fund balance does not just mean available cash!**
 - A balance sheet lists the financial health of an organization
 - The top portion of the balance sheet lists its Assets (Value of the following)
 - Assets include things like:
 - Cash on hand (or in the bank)
 - Accounts Receivables (cash that is owed to the organization)
 - Inventory and Pre paid assets (not easily spendable)
 - Long Term Assets (equipment, buildings, land) (not easily spendable)
 - Investments-not easily spendable
 - Liabilities are debts owed
 - Items purchased on credit
 - Payroll
 - Notes to financial institutions (SAN, and current portion of Long Term Debts)





What is a healthy Fund Balance?

According to the Government Finance Officers Association (GFOA), all governments, including school districts should place a portion of their general operating revenue in a general fund reserve or “rainy day fund”. These savings accounts can be used to stabilize the organization and address revenue shortfalls or unanticipated expenditures.

Governmental units that maintain adequate reserves are better positioned to deal with funding issues in bad times. How large a fund balance or reserve fund should be does not have a one size fits all answer but most experts agree, that governmental units maintain ***at a minimum*** an unrestricted general fund balance of no less than two months of General fund operating revenues, or operating expenditures. (ACS would need a fund balance of \$2,500,000)

As a general rule, the Michigan School Business Organization recommends that districts maintain a fund balance of 15-20% of their total expenditures and operating transfers budget. (ACS would need a fund balance between \$1,950,000 and \$2,600,000)

The absence of sufficient fund balance will likely result in borrowing to meet cash flow needs, which creates a liability and costs the district in terms of interest payments and loan closing costs.

What is the State Aid Note(SAN)?

According to the Michigan Department of Treasury, “the SAN is a streamlined loan program to finance short-term operational cash flow needs for traditional public schools. Michigan Finance Authority(“MFA”) facilitates the process by pooling the loans, soliciting bids and obtaining the highest possible short-term rating, resulting in competitive interest rates and typically lower costs of borrowing.” (http://www.michigan.gov/treasury/0,4679,7-121-1753_55952-5719--,00.html). It is also referred to as a bridge loan because it helps bridge the revenue gap faced in all schools between August 20th and October 20th.

The SAN is a short term loan, it is repaid within 12 months. It is received in August and must be repaid the following August. About 28% of Michigan districts apply for a SAN. Why has Almont had to apply? According to experts, we need a rainy day fund equal to 2 months of expenditures. Audited financial statements for ACS, show that expenditures in the last six years equal \$76,235, 237/6years equal an average of $\$12,704,206/12 = \$1,058,604 \times 2\text{months} =$ recommended rainy day fund balance of \$2,117,368. According to our last audit 80% of our expenditures are for payroll this is equal to $(1,058,604 \times .8) \$846,883$.

After a ACS receives the last fiscal revenue payment from the state in August they have an additional three payrolls to finance before they receive a new fiscal revenue payment in October (September 15, September 30 and October 15th payrolls). On average these payrolls equal $[(\$846,883 \times .5) + \$846,883] \$1,270,325$.

This does not include retiree expenses, utility payments, teaching supplies (85% are purchased in August), other educational expenses such as textbooks/Chromebook lease renewals, the payment on bus leases, professional development costs, operations and maintenance expenses, and transportation expenses. These expenses often exceed \$600,000 in August and September.

Although unrestricted fund balance does not equal cash balance, cash balance is included in the calculation of the fund balance. ACS ended last year with a fund balance of \$822,569. On average this would carry the district for 23 days. This explains why ACS made the decision to seek a SAN.

The State of Michigan requires a *minimum* of 5%

- Michigan does **NOT** consider 5% to be a healthy fund balance but considers a fund balance at this level as an early warning for financial stress leading to deficit
- Michigan's Department of **Treasury**, not the MDE (Michigan Department of Education), monitors districts for enrollment, budgets, audits and other financial information for potential fiscal stress through out the year



What happens when districts are declared as having the potential for fiscal stress?

The State Treasurer will initiate procedures that will include but is not limited to the following:

- An examination of financial practices and compliance with the uniform budgeting and accounting act, budget monitoring and budget amendment practices after adoption
- An examination of staffing with comparisons to other districts as applicable
- An examination of wages with comparisons to other districts as applicable
- An examination of benefits costs as a percentage of wages with a comparison to other districts as applicable
- School Building student capacity utilization review
- An examination of non-instructional costs by function with a comparison to other districts as applicable
- A review of student enrollment projection methods and history
- An examination of deferred maintenance and capital investment needs including technology equipment and infrastructure
- An examination of substitute costs, workers compensation costs, unemployment costs, forecasts and a review of other insurance programs
- An examination of pupil transportation costs and routing
- An examination of current and future costs of existing bargaining agreements

What is Almont Concerned about?



The future! Almont Community Schools must always be looking down the road to prepare for financial climate changes, and to keep moving towards its goals!

We have already been hearing through the grapevine and governmental channels of fiscal stress at the state level!

For example, on October 12, 2017 the State Superintendent, Brian J. Whiston, shared that by the 2019-2020 school year there will be funding issues in the School Aid Fund. There may be cuts or freezes on the per pupil allowance. That gives ACS less than a year to be prepared to handle that possibility. How do we plan to do that?

On December 21, 2017 an email blast was sent out via the MSBO, to inform school officials that the Senate Fiscal Agency released their Revenue Forecast for the January 11, 2018 Consensus Revenue Estimating Conference. They are forecasting that by the end of the 18/19 fiscal year the State will have 1.6 million in their fund balance. This is extremely low. The School Aid Fund is predicted to have \$544 million. I expect the governor to reallocate money from the SAF to offset the low fund balance. We are all keeping our eye on the situation, but ACS must be prepared for these types of situations.

Future Expenses

During the Great Recession, the district made several choices to maintain our outstanding level of education provided to our students, and one of those was to cut back on preventative maintenance measures on plant, machinery and equipment within the district. However, now we are nearing the point where neglect will lead to failure. Failure leads to high repair or outright replacement costs. The district can no longer afford to ignore these needs.

Almont Community Schools has agreed through negotiated contracts to pay certain future expenditures on behalf of personnel who have retired from the district.

Within the next 17 years \$129,000 will be paid out to retirees as a \$10,000 gift. (Grandfathered)

Current employees and past employees who have already retired are contractually guaranteed to receive reimbursement on their medical deductibles for seven years. This is costing the district over \$30,000 for FY 18. Current projections for current employees on the pay rolls today show a projected cost of over \$1,000,000 by over the next 30 years.

Recognition of Service Payments are projected to cost the district \$95,322

See Chart on Next Page for Retiree projections

Schedule of Projected Teacher Retirement Payouts as of September 2017
(Assumes retirement at age 62)

	Years of Service as of Sept 2017	Beginning Date/Hire	Employees Eligible for \$10,000+fica	Reimburse Retiree Health Care	Recognition of Service Plus FICA	Total per Employee
1.	32.00	08/26/85	\$ 10,766	\$ 18,200	\$ 3,691	\$ 32,657
2.	29.00	11/14/88	\$ 10,766	\$ 18,200	\$ 3,691	\$ 32,657
3.	27.50	08/24/87	\$ 10,766	\$ 18,200	\$ 2,812	\$ 31,778
4.	27.00	09/25/90	\$ 10,766	\$ 18,200	\$ 3,255	\$ 32,221
5.	25.50	08/26/91	\$ 10,766	\$ 18,200	\$ 2,952	\$ 31,918
6.	23.00	09/12/94	\$ 10,766	\$ 18,200	\$ 2,952	\$ 31,918
7.	22.75	02/28/94	\$ 10,766	\$ 18,200	\$ 2,325	\$ 31,291
8.	22.00	08/21/95	\$ 10,766	\$ 18,200	\$ 2,214	\$ 31,180
9.	22.00	08/28/95	\$ 10,766	\$ 18,200	\$ 2,325	\$ 31,291
10.	21.50	06/24/96	\$ 10,766	\$ 18,200	\$ 2,325	\$ 31,291
11.	21.00	08/21/95	\$ 10,766	\$ 18,200	\$ 2,214	\$ 31,180
12.	21.00	07/22/96	\$ 10,766	\$ 18,200	\$ 2,325	\$ 31,291
13.	20.50	08/12/96		\$ 18,200	\$ 2,214	\$ 20,414
14.	20.00	08/21/96		\$ 18,200	\$ 2,214	\$ 20,414
15.	20.00	06/23/97		\$ 18,200	\$ 2,441	\$ 20,641
16.	20.00	07/07/97		\$ 18,200	\$ 2,441	\$ 20,641
17.	20.00	07/07/97		\$ 18,200	\$ 2,214	\$ 20,414
18.	20.00	07/28/97		\$ 18,200	\$ 2,214	\$ 20,414
19.	20.00	08/18/97		\$ 18,200	\$ 2,325	\$ 20,525
20.	19.00	07/27/98		\$ 18,200	\$ 2,109	\$ 20,309
21.	19.00	08/24/98		\$ 18,200	\$ 2,441	\$ 20,641
22.	18.50	02/22/99		\$ 18,200	\$ 2,214	\$ 20,414
23.	18.00	07/26/99		\$ 18,200	\$ 2,441	\$ 20,641
24.	18.00	07/01/99		\$ 18,200	\$ 2,214	\$ 20,414
25.	18.00	07/01/99		\$ 18,200	\$ 2,441	\$ 20,641
26.	18.00	07/01/99		\$ 18,200	\$ 2,441	\$ 20,641
27.	17.00	06/07/00		\$ 18,200	\$ 1,689	\$ 19,889
28.	17.00	06/26/00		\$ 18,200	\$ 1,689	\$ 19,889
29.	17.00	06/26/00		\$ 18,200	\$ 1,845	\$ 20,045
30.	17.00	07/24/00		\$ 18,200	\$ 1,689	\$ 19,889
31.	17.00	06/26/00		\$ 18,200	\$ 1,845	\$ 20,045
32.	17.00	08/14/00		\$ 18,200	\$ 1,689	\$ 19,889
33.	17.00	06/07/00		\$ 18,200	\$ 1,689	\$ 19,889
34.	16.00	08/20/01		\$ 18,200	\$ 1,862	\$ 20,062
35.	16.00	08/20/01		\$ 18,200	\$ 1,774	\$ 19,974



	Years of Service as of Sept 2017	Beginning Date/Hire	Employees Eligible for \$10,000+fica	Reimburse Retiree Health Care	Recognition of Service Plus FICA	Total per Employee
36.	16.00	08/20/01		\$ 18,200	\$ 2,035	\$ 20,235
37.	16.00	08/20/01		\$ 18,200	\$ 1,938	\$ 20,138
38.	16.00	08/20/01		\$ 18,200	\$ 1,938	\$ 20,138
39.	16.00	08/20/01		\$ 18,200	\$ 1,774	\$ 19,974
40.	15.00	08/19/02		\$ 18,200	\$ 2,035	\$ 20,235
41.	15.00	08/19/02		\$ 18,200	\$ 1,532	\$ 19,732
42.	14.00	08/25/03		\$ 18,200	\$ 1,459	\$ 19,659
43.	14.00	08/25/03		\$ 18,200	\$ 1,390	\$ 19,590
44.	12.00	08/25/05		\$ 18,200		\$ 18,200
45.	11.75	08/25/05		\$ 18,200		\$ 18,200
46.	11.00	08/25/05		\$ 18,200		\$ 18,200
47.	11.00	08/25/05		\$ 18,200		\$ 18,200
48.	9.25	01/03/08		\$ 18,200		\$ 18,200
49.	9.00	05/06/08		\$ 18,200		\$ 18,200
50.	8.00	08/25/05		\$ 18,200		\$ 18,200
51.	7.50	08/25/05		\$ 18,200		\$ 18,200
52.	7.00	08/27/08		\$ 18,200		\$ 18,200
53.	5.00	08/27/12		\$ 18,200		\$ 18,200
54.	4.00	09/23/13		\$ 18,200		\$ 18,200
55.	3.50	02/03/14		\$ 18,200		\$ 18,200
56.	2.50	06/23/14		\$ 18,200		\$ 18,200
57.	3.00	07/28/14		\$ 18,200		\$ 18,200
58.	3.00	08/25/14		\$ 18,200		\$ 18,200
59.	3.00	08/27/14		\$ 18,200		\$ 18,200
60.	3.00	08/27/14		\$ 18,200		\$ 18,200
61.	3.00	08/27/14		\$ 18,200		\$ 18,200
62.	1.00	09/02/15		\$ 18,200		\$ 18,200
63.	2.00	09/02/15		\$ 18,200		\$ 18,200
64.	2.00	09/02/15		\$ 18,200		\$ 18,200
65.	1.00	06/27/16		\$ 18,200		\$ 18,200
66.	1.00	06/27/16		\$ 18,200		\$ 18,200
67.	1.00	08/15/16		\$ 18,200		\$ 18,200
68.	1.00	08/22/16		\$ 18,200		\$ 18,200
69.	1.00	08/22/16		\$ 18,200		\$ 18,200
70.	1.00	08/22/16		\$ 18,200		\$ 18,200
			\$ 129,192	\$ 1,274,000	\$ 95,322	\$ 1,498,514

Pay Increases Vs. Revenue Increases

Fiscal Year	AEA Percent Increase/Decrease	Michigan Per Pupil Foundation Allowance	Michigan Percent Increase/Decrease
2006/2007		7,085	
2007/2008	2.00%	7,204	1.68%
2008/2009	0.00%	7,316	1.55%
2009/2010	0.00%	7,316	0.00%
2010/2011	0.00%	7,359	0.59%
2011/2012	-2.00%	6,846	-6.97%
2012/2013	-1.00%	6,966	1.75%
2013/2014	0.75%	7,026	0.86%
2014-2015	2.50%	7,126	1.42%
2015-2016	2.50%	7,391	3.72%
2016/2017	5.00%	7,511	1.62%
2017/2018	<u>1.67%</u>	7,631	<u>1.60%</u>
Total increase	11.42%		7.83%

AEA information found on district website
www.almontschools.org; foundation allowance changes found
at <https://mdoe.state.mi.us/samspublic/Report#/StatusReport>

Where are we now?

In the spring of 2007 ACS ended the fiscal year with a 13.9% fund balance
In the spring of 2008 ACS ended the fiscal year with a 13.9% fund balance
In the spring of 2009 ACS ended the fiscal year with a 10.8% fund balance
In the spring of 2010 ACS ended the fiscal year with a 10.5% fund balance
In the spring of 2011 ACS ended the fiscal year with a 8.0% fund balance
In the spring of 2012 ACS ended the fiscal year with a 10.5% fund balance
In the spring of 2013 ACS ended the fiscal year with a 7.1% fund balance
In the spring of 2014 ACS ended the fiscal year with a 7.9% fund balance
In the spring of 2015 ACS ended the fiscal year with a 4.2% fund balance
In the spring of 2016 ACS ended the fiscal year with a 7.0% fund balance
In the spring of 2017 ACS ended the fiscal year with a 6.1% fund balance



How did we get here?



The Great Recession

- Began in 2007
- By 2009 National Unemployment rate was 10%
- Drops in employment meant drops in income taxes and sales tax revenues, and in Michigan property values dropped
- Almont Community Schools was receiving \$7,130 per student at the beginning of the great Recession
- Today, 11 years later we are receiving \$7,631, an increase of \$501, or about 8%
 - FY 2013 saw a decrease in the allowance by \$270 dollars
- During these lean years, the district utilized it's existing fund balance to offset revenue losses



DUAL ENROLLMENT (How did we get here cont.)

- We receive \$7631/student. Students take 7 hours of class which means \$545/class ($7631/(7*2)$)
- Currently we have to pay \$550 per class for dual enrollment
- Most districts do not do more than the legal minimum to inform parents of dual enrollment options
- ACS made the decision to blast out and encourage each student to utilize dual enrollment
- This means that for every student who participates in dual enrollment about \$5/student must be taken from other classes to cover tuition
- Dual enrollment means that students must schedule for both the HS course of their choice and the college course of their choice because they are not guaranteed entry at the college level.
 - HS Dual enrollment students are considered last for course placement at the college level
- When/If the student is accepted at the college for course work, they must then drop the HS course they took as an alternative
- Most students do not get notified of course acceptance until the first week of school
 - This means that ACS has scheduled classes with an adequate number of students attending each class
 - ACS has realized a loss of class attendance to dual enrollment sometimes dropping a class size from 25 to 14



Dual Enrollment (How did we get here)cont.

- District Wide Payroll for Gen Ed students is about \$9,557,247.45
- Because of the blended count formula ACS is paid for 1,495.20 student in this fiscal year.
- This means that \$6,392 dollars are needed from every student to pay for the payroll needs of the district
- Every year dual enrollment costs increase and more students participate this year a minimum of \$100,000 is expected to flow out of the district to other educational institutions to pay for classes offered elsewhere
- Historical trends suggest that more students will participate in dual enrollment next year
- When classrooms are suddenly $\frac{1}{2}$ full, the cost of running the classroom remains at 100%



Latchkey and Preschool wages are not included in payroll estimation

Costs of Employment and Doing Business

Almont Community Schools values the level of education we provide to our students, and we recognize that our teaching staff has done a phenomenal job! To show our appreciation we have done our best to award compensation increases. As previously disclosed on slide 10, since the Great Recession began the district has only received about a 8% increase (including this fiscal year) in revenues from the State of Michigan, but has given out 11.42% in salary increases (including this fiscal year. The 2017/2018 fiscal year has a mid year increase on a negotiated 2.5% increase. The mid year increase equals 1.67%.

And is contractually scheduled to give another 2.5% increase next year. In addition to this the district funds between 98.62% and 100% of employee health premiums (based on plan selection) and deductibles for health coverage.

Additionally other costs have risen over time, such as utility costs, technology costs and supply costs. The only way the district could achieve these goals was by utilizing it's existing rainy day funds to cover the expenses incurred that exceeded the revenues received.

Retirement costs continue to rise and are difficult to predict as the cost of insurance and retirement age impact these costs to the district for ***seven years*** upon the teachers exit from employment by retirement.



No Matter How We Got Here.....Here We Are!

ACS utilized it's fund balance in the ways it was meant to be utilized. The fund balance was used during the Great Recession and for the recovery time from the Great Recession to keep operation and education moving at a brisk and optimum pace

However, the district has not had a chance to rebuild it's fund balance to the industry recommended levels, and a "rainy day" is being predicted and the storm clouds are on the horizon. The State of Michigan is facing financial crisis and will most likely "raid" the School Aid Fund to help stabilize operations at the state level.

Now the Board of Education, the community, the stakeholders and the employees of Almont Community Schools must commit to reaching the goals of the district educationally, socially and financially.

The budget has been modified after careful review and thought and is presented tonight for board approval. This budget is an estimation, but is a fair representation and estimation of the cost of continued operation to get us through the rest of this year and in to the next!



									Original Approved	Original Corrected	Modified Changes	Variance Plus/(Minus)
REVENUES:												
			Local Sources						1,152,029	1,152,029	1,292,200	140,170
			State Sources						11,685,951	11,685,951	12,061,408	375,457
			Federal Sources						409,218	409,218	320,378	(88,840)
			Transfers & Other Transactions						28,941	28,941	28,941	0
TOTAL GENERAL FUND REVENUES									13,276,139	13,276,139	13,702,927	426,787

Local Revenue Increases are based on projected insurance receipts on surge claims, increases to the property tax revenues through the Headlee Amendment and miscellaneous receipts (cobra payments, donations, etc.) State Revenue increases are based on per pupil foundation allowance increase, increased enrollment via school of choice, and increase in At Risk Grant funding which is restricted and the restrictions were also increased Federal grant revenues were cut at the federal level.

<u>INSTRUCTION</u>									
	BASIC PROGRAMS								
	Orchard Primary					2,816,939	2,816,939	2,811,040	(5,899)
	Middle School					1,997,162	1,997,162	2,183,280	186,118
	High School					2,221,754	2,221,754	2,236,102	14,349
	Preschool (Tuition & GSRP)					156,993	156,993	163,502	6,509
		Total Basic Programs				7,192,847	7,192,847	7,393,924	201,076

Increases in basic instruction can be explained by wage increases, staffing changes, ORS mandated rate increases, and supply needs.

	ADDED NEEDS									
	Special Education									
		Orchard Primary					331,766	331,766	342,869	11,103
		Middle School					356,539	356,539	348,910	(7,629)
		High School					366,846	366,846	387,524	20,679
		Title VI					119,727	114,919	118,144	3,225
	Compensatory Education							-	5,182	5,182
		Title I					162,236	144,969	81,418	(64,051)
		At Risk					265,146	99,458	138,651	39,192
		Title III					10,512	9,835	7,647	(2,188)
	Total Added Needs						1,612,772	1,424,333	1,430,346	5,513
	TOTAL INSTRUCTION						8,805,619	8,617,179	8,824,270	206,590

Increases are explained by wage increases, mandatory grant expense reallocations, and mandatory ORS rate increases.

<u>SUPPORT SERVICES</u>										
	Student Services									
		Guidance					136,577	302,265	308,501	6,236
		Special Education-TC					11,064	11,064	26,606	15,543
		Other Pupil					181,646	181,646	184,499	2,853
	Instructional Support									
		Improvement of Instruction					86,839	89,244	89,501	3,107
		Library					109,652	106,802	104,368	(2,434)
		GSRP					2,100			
		Supervision of Instruction					-	7,178	6,833	(345)
		Total Student/Instructional					527,877	698,198	720,308	24,960

Increases are explained by wage increases, mandatory grant reallocations, mandated ORS rate increases.

	General Administration								
	Board of Education					48,090	48,090	61,390	13,300
	Executive Administration					309,548	309,548	326,380	16,832
		Total General Administration				357,638	357,638	387,770	30,132
	School Administration								
	Orchard Primary					227,872	227,872	233,089	5,217
	Middle School					257,023	257,023	261,579	4,556
	High School					270,809	270,809	276,357	5,548
		Total School Administration				755,704	755,704	771,024	15,321

Increases are explained by increased legal expenditures, ORS Mandated rate increases and supply needs.

	Business Services								
	Fiscal Services					226,772	229,678	298,379	68,701
	GSRP					2,686	2,686	2,686	0
	Other Business Services					132,597	132,597	136,456	3,859
		Total Business Services				362,055	364,961	437,520	72,560

Increases are explained by the hiring of an Administrator of Finance, loan costs, and mandated ORS rate increases.

Operations & Maintenance									
	District Wide					51,322	51,322	54,720	3,398
	Orchard Primary					197,478	197,478	213,410	15,932
	High School					349,714	349,714	382,868	33,154
	Middle School					278,016	278,016	327,768	49,752
	GSRP					2,586	2,586	1,361	(1,225)
	Bus Garage					37,691	37,691	38,941	1,250
	Total Operations & Maintenance					916,807	916,807	1,019,068	102,261

Increases are explained by wage increases, mandatory ORS rate increases, and surge damages.

		Transportation									
		Transportation						722,618	723,294	770,533	47,238
		GSRP						7,167	7,167	7,167	0
			Total Transportation					729,785	730,461	777,700	47,238
		Central Support									
		Program Development						3,577	6,150	5,276	(874)
		Information Mgt Services						232,270	232,270	266,536	34,266
			Total Central Support					235,847	238,420	271,812	33,392
		Athletics									
			Total Athletics					265,087	265,088	272,404	7,316
		TOTAL SUPPORT SERVICES					-	4,150,799	4,327,277	4,657,606	330,329

Increases are explained by mandatory grant reallocations, mandated ORS rate increases, increased transportation expenses in relation to increased needs for school of choice, and increased technology repairs. Athletics is expected to bring in about \$100,000 of revenues, the balance of support will be from the General Fund. Expenditures on the General Fund are expected to be about \$175,000.

	<u>COMMUNITY SERVICES</u>										
		Enrichment						26,248	26,248	28,971	2,723
		Community Activities (Grant)						748	6,147	13,016	6,869
		Latchkey						63,696	63,696	64,763	1,067
	TOTAL COMMUNITY SERVICES							90,692	96,091	106,750	10,659
	<u>OUTGOING TRANSFERS & OTHER USES</u>										
		Principal and Interest Payments						135,920	135,920	132,548	(3,372)
		Outgoing Transfers & Transactions						37,200	37,200	37,200	0
		Other Uses (Indirect Costs)						-	4,663	2,144	(2,519)
	TOTAL OUTGOING TRANSFERS & OTHER USES							173,120	177,783	169,748	(5,891)
	TOTAL EXPENDITURES							13,220,230	13,218,330	13,758,375	541,687

Increases are explained by mandatory grant expenditure reallocations, supply increases, mandatory ORS rate increases

TOTAL EXPENDITURES										13,220,230	13,218,330	13,758,375	541,687
TOTAL REVENUES OVER EXPENDITURES										55,909	57,809	(55,448)	(113,257)
BEGINNING FUND BALANCE JULY 1										837,730	837,730	822,569	(15,161)
ENDING FUND BALANCE JUNE 30, 2018 (PROJECTED)										\$ 893,639	\$ 895,539	\$ 767,121	(128,418)
Fund Balance as a Percent of total GF Revenues										6.34%	6.75%	5.60%	
Fund Balance as a Percent of total GF Expenditures											6.77%	5.58%	

Original Budget projection reflects an estimated beginning fund balance, which is overstated by \$15,161 dollars. This overstates the projected ending fund balance by the same amount. Current expenditures reflect approved consolidated application expenses for Title I, Title II and Title IV, and submitted application expenses for Title III, Title VI and GSRP. Current modifications include increases to teaching supply expenditures to reflect current spending to date and projected needs through the end of the school year. Other factors include an increase in expenditures for retirement costs as directed by the state.

Also reflected are the increases to benefits and H.S.A. costs, H.S.A costs are reduced by the payback for overages in FY 17. Continuing machinery and equipment repairs due to damages caused by several power surges have had an impact on operational expenses. Projected damages from power surges predicted at \$250,000, insurance recovery estimated at \$75,000.