

## 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:						
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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%
<b>TOTAL REVENUES</b>	<b>2,205,541</b>	<b>2,019,660</b>	<b>2,146,303</b>	<b>2,741,871</b>	<b>595,568</b>	<b>27.75%</b>
EXPENDITURES						
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INSTRUCTIONAL SERVICES						
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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%
<b>TOTAL INSTRUCTIONAL</b>	<b>1,404,679</b>	<b>1,128,614</b>	<b>1,217,043</b>	<b>1,902,226</b>	<b>685,183</b>	<b>56.30%</b>
ADMIN. & SUPPORT SV.						
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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%
<b>TOTAL OTHER AREAS</b>	<b>995,195</b>	<b>1,068,315</b>	<b>1,048,339</b>	<b>896,513</b>	<b>-151,826</b>	<b>-14.48%</b>
<b>TOTAL EXPENDITURES</b>	<b>2,399,874</b>	<b>2,196,929</b>	<b>2,265,382</b>	<b>2,798,739</b>	<b>533,357</b>	<b>23.54%</b>
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
<b>REVENUES:</b>						
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%
<b>TOTAL REVENUES</b>	<b>7,444,628</b>	<b>7,495,958</b>	<b>7,324,340</b>	<b>7,334,216</b>	<b>9,876</b>	<b>0.13%</b>
<b>DIRECT INSTRUCTION</b>						
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%
<b>TOTAL DIRECT INSTRUCTION</b>	<b>1,341,236</b>	<b>1,322,077</b>	<b>1,286,525</b>	<b>1,323,282</b>	<b>36,757</b>	<b>2.86%</b>
<b>INSTRUCTIONAL SUPPORT</b>						
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%
<b>TOTAL SUPPORT</b>	<b>3,184,821</b>	<b>3,112,303</b>	<b>2,897,277</b>	<b>2,979,423</b>	<b>82,146</b>	<b>2.84%</b>
<b>ADMINISTRATIVE</b>						
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%
<b>TOTAL ADMINISTRATIVE</b>	<b>696,561</b>	<b>645,700</b>	<b>689,862</b>	<b>723,330</b>	<b>33,468</b>	<b>4.85%</b>
<b>OTHER COSTS</b>						
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%
<b>TOTAL EXPENDITURES</b>	<b>7,552,924</b>	<b>7,287,172</b>	<b>7,263,775</b>	<b>7,421,325</b>	<b>157,550</b>	<b>2.17%</b>
<b>CURRENT CHANGE IN FUND BALANCE</b>						
BALANCE, JULY 1 RESTRICTED	(108,296)	208,786	60,565	(87,109)		
<b>ENDING BALANCE - RESTRICTED</b>	<b>3,293,616</b>	<b>3,502,402</b>	<b>3,426,083</b>	<b>3,415,293</b>		