

Livonia Public Schools

Office of Assistant Superintendent of Business Services

Date: October 27, 2015

To: Andrea Oquist, Interim Superintendent

From: Lisa Abbey, Assistant Superintendent of Business Services

Re: 2015/2016 Budget Amendment #1

We would like to discuss the 2015-2016 budget amendment at the Finance Committee meeting on Monday, November 2, 2015.

As you know, we amend the budgets two or three times per year to provide the Board of Education with the most up to date projections. The first amendment of the year reflects numerous changes from the original adopted budget. The amended budget includes the fall enrollment data, updated staffing and benefits costs, and updated projections based on prior year actual costs.

Attached please find the Summary - General Fund document. We will go over the changes in detail at the finance committee meeting. Overall we are projecting a decrease in revenues of just under \$1 million. This is primarily due to changes in state aid as a result of enrollment less than anticipated. Expenditures have a small increase of just over \$400,000.

We have reassigned the budget and fund codes for some state grants that are currently recorded in the general fund to the funded project fund. We receive funds for adult education and vocational education that are similar to other grants where the resources are dedicated to that program. We believe the accounting for these grants are more appropriately recorded for in the Funded Project Fund. We have separate funds at the district level to maintain the detailed program information however at year end, the General Fund, Funded Projects Fund and Athletic Fund are combined for the financial statements and for reporting the Financial Information Database (FID).

There is an adjustment to revenues and expenditures for approximately \$1.3 million for the state aid for retirement (147c funds). You may recall that these are funds that come into the district through state aid and are paid out directly to the State retirement system. The funds are dedicated to reducing the state's unfunded pension liability and are generally fund balance neutral. The increase in this budget is an estimate as we have not yet received the final amounts for 2015-2016 from the state.

Again, we will go over the details at the committee meeting. If there are any questions before the meeting please feel free to contact me directly.

LA/kp