

Livonia Public Schools

Business Services Office

Date: June 6, 2013

To: Randy Liepa, Ph.D., Superintendent

From: Lisa Abbey, Director of Business Services

Re: 2012-2013 Final Budget Amendments

In an effort to keep the Board of Education informed as to our financial position, we amend our budgets several times during the year to update the Board on the most recent projections. We would like to discuss the changes at the Finance Committee meeting on Monday June 10, 2013 and we will ask the Board to adopt the final budget amendment at the June 17, 2013 Board of Education meeting.

Attached for review is the 2012-13 Summary General Fund Budget. We are projecting a fund balance at June 30, 2013 of \$4.8 million, an increase of \$790,000 from the second budget amendment.

We are projecting an increase in revenues just under \$230,000. This is primarily due to receipt of prior year state aid. This increase is offset by an increase in expenditures for property tax refunds.

We have reduced projected expenditures by approximately \$560,000. This is due to a variety of line items including salaries, benefits and supplies. As noted in the paragraph above, expenditures for property tax refunds increased by approximately \$200,000. This was offset by increase in state aid for the same amount.

Recently the State passed legislation that will affect the 2012-2013 budget for retirement costs, but will not affect the fund balance to districts. The Michigan Department of Education is currently working to provide guidance to local districts on how to account for the change, and we are still waiting for this information. In July or August we will receive a state aid payment for a new categorical (grant) from the state to offset retirement costs. We will then record an entry to expense the costs on our ledger and send the money to the Office of Retirement Services (ORS). We will adjust our final budget that we bring to the Board on June 17, 2013 for this increase in revenue and expenditures. Again, this is an accounting entry required by the State and it will not affect our final fund balance for this year.

Also attached are the 2012-2013 Final Budget Resolutions for the General Fund and all other funds that we will be asking the Board of Education to approve at our next voting meeting. Please note we have included a new fund, 2013 Bond Fund. As we expect to receive the proceeds of the first series in the bond fund in 2013, we need to adopt the revenues and expenditures for this fund at this time. We will be amending

the projections and cash flows for the bond as we continue our bond planning work this summer.

We are currently working on the recent request for detailed budget information by function area (departments). This information will be emailed to Board members this week. Please let me know if there are any questions. Thank you.

LA/kp

Attachments:

2012-13 Summary General Fund Budget

2012-2013 Final Budget Resolutions

**2012-2013 SUMMARY
GENERAL FUND
BUDGET**

A	B	C	D	E	F
GENERAL FUND	2012-2013 Proposed Budget	1st Amended Budget	2nd Amended Budget	Final Amended Budget	Increase (decrease)
Fund balance 7/01/12	6,658,404	8,422,895	8,422,895	8,422,895	-
Revenues	138,281,796	139,235,611	140,413,208	140,413,208	-
Expenditures	143,239,521	143,559,965	144,780,038	144,217,890	(562,148)
Surplus (Deficit)	(4,957,725)	(4,324,354)	(4,366,830)	(3,804,682)	562,148
					-
Fund Balance:					-
Assigned	0	0	0	0	-
Unassigned	1,700,679	4,098,541	4,056,065	4,618,213	562,148
Total Fund balance 6/30/13	1,700,679	4,098,541	4,056,065	4,618,213	562,148

**RESOLUTION FOR BUDGET ADOPTION
BY THE BOARD OF EDUCATION
LIVONIA PUBLIC SCHOOLS**

RESOLVED, that the general appropriation for Livonia Public Schools for revenue for the fiscal year 2012-13 General Fund is amended as follows:

REVENUE	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
Local	\$ 29,756,583	\$ 29,033,503	\$ 28,873,200	\$ 27,869,571
State	\$ 106,522,213	\$ 108,208,108	\$ 109,517,508	\$ 110,719,210
Federal	\$ 190,000	\$ 190,000	\$ 180,500	\$ 198,500
Incoming Transfers and Other Transactions	\$ 1,813,000	\$ 1,804,000	\$ 1,842,000	\$ 1,853,800
Total Revenue	\$ 138,281,796	\$ 139,235,611	\$ 140,413,208	\$ 140,641,081
Beginning Fund Balance:				
2012 Non-spendable		\$ 385,695	\$ 385,695	\$ 385,695
2012 Assigned		\$ 4,957,725	\$ 4,957,725	\$ 4,957,725
Fund Balance - July 1, 2012 Unassigned	\$ 6,638,404	\$ 3,079,475	\$ 3,079,475	\$ 3,079,475
Fund Balance Sub Total	\$ 6,638,404	\$ 8,422,895	\$ 8,422,895	\$ 8,422,895
Total Fund Equity and Revenues Available to Appropriate	\$ 144,920,200	\$ 147,658,506	\$ 148,836,103	\$ 149,063,976

The property tax adopted to be levied to support General Fund Operating purposes is 18.00 mills non-homestead and 6.00 mills on Commerical Personal Property

**RESOLUTION FOR BUDGET ADOPTION
BY THE BOARD OF EDUCATION
LIVONIA PUBLIC SCHOOLS**

RESOLVED, that the general appropriation for Livonia Public Schools for expenditures for the fiscal year 2012-13 General Fund is amended as follows:

EXPENDITURES	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
INSTRUCTION				
Basic Programs	\$ 72,882,799	\$ 72,912,284	\$ 73,137,251	\$ 72,759,293
Added Needs	13,409,117	13,389,632	13,105,680	13,062,318
Adult & Continuing Education	560,351	506,111	502,786	491,655
Total Instruction	\$ 86,854,267	\$ 86,808,027	\$ 86,745,717	\$ 86,313,266
SUPPORTING SERVICES				
Pupil	\$ 8,894,477	\$ 8,925,854	\$ 8,942,734	\$ 8,850,228
Instructional Staff	6,547,600	6,600,292	6,567,332	6,519,284
General Administration	802,347	813,470	811,179	787,840
School Administration	9,268,071	9,390,750	9,321,236	9,261,084
Business	3,681,197	3,603,910	4,786,745	4,725,557
Operations	13,844,827	14,036,722	14,158,289	14,255,999
Transportation	6,922,372	7,027,900	6,937,958	6,927,483
Central	2,705,863	2,668,711	2,691,503	2,639,766
Total Supporting Services	\$ 52,664,754	\$ 53,067,609	\$ 54,216,976	\$ 53,967,241
COMMUNITY SERVICES				
Custody & Child Care	\$ 2,128,577	\$ 2,019,275	\$ 2,177,291	\$ 2,226,382
Other (DARE)	-	-	-	-
Total Community Services	\$ 2,128,577	\$ 2,019,275	\$ 2,177,291	\$ 2,226,382
OPERATION TRANSFERS AND OTHER				
Transfers to Other Districts	\$ 30,000	\$ 50,000	\$ 50,000	\$ 80,000
Transfers to Other Funds	1,561,923	1,615,054	1,590,054	1,624,001
Other Transactions	-	-	-	7,000
Total Operating Transfers and Other	\$ 1,591,923	\$ 1,665,054	\$ 1,640,054	\$ 1,711,001
TOTAL APPROPRIATED-GENERAL FUND	\$ 143,239,521	\$ 143,559,965	\$ 144,780,038	\$ 144,217,890
ANTICIPATED FUND BALANCE				
Assigned	\$ -	\$ -	\$ -	\$ -
Unassigned	\$ 1,700,679	\$ 4,098,541	\$ 4,056,065	\$ 4,846,086
Total Anticipated Fund Balance	\$ 1,700,679	\$ 4,098,541	\$ 4,056,065	\$ 4,846,086

SPECIAL EDUCATION FUND BUDGET

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
BEGINNING FUND BALANCE	\$ 787,720	\$ 1,117,758	\$ 1,117,758	\$ 1,117,758
REVENUES				
General Fund Transfer	\$ 774,760	\$ 823,449	\$ 789,852	\$ 790,953
County	12,762,093	13,729,812	13,241,820	13,244,569
State	4,281,467	4,532,797	4,370,791	4,342,285
Total Revenue	\$ 17,818,320	\$ 19,086,058	\$ 18,402,463	\$ 18,377,807
EXPENDITURES				
Instructional	\$ 11,569,911	\$ 13,165,468	\$ 12,189,210	\$ 12,241,266
Support	4,890,276	4,285,701	4,545,402	4,403,741
Outgoing Transfers and Other	1,700,000	1,700,000	1,700,000	1,700,000
Total Expenditures	\$ 18,160,187	\$ 19,151,169	\$ 18,434,612	\$ 18,345,007
SURPLUS (DEFICIT)	\$ (341,867)	\$ (65,111)	\$ (32,149)	\$ 32,800
FUND BALANCE	\$ 445,853	\$ 1,052,647	\$ 1,085,609	\$ 1,150,558

NOTE: Special Education is estimated and may change throughout the year based on actual student enrollment and placements.

SPECIAL EDUCATION FUND EXPENDITURES BY PROGRAM

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
PROGRAM COSTS				
Autistic	\$ 4,687,846	\$ 4,666,695	\$ 4,528,320	\$ 4,588,358
Skill Center	4,353,816	4,894,002	4,587,354	4,700,497
Least Restrictive Environment	2,708,645	2,878,802	2,760,887	2,763,967
Trainable Mentally Impaired	4,451,971	4,778,476	4,639,802	4,354,011
Visually Impaired	1,477,881	1,502,123	1,519,640	1,524,597
Total Program Costs	\$ 17,680,159	\$ 18,720,098	\$ 18,036,003	\$ 17,931,430
INDIRECT COSTS				
Total Building Expenditures	\$ 384,119	\$ 379,084	\$ 335,227	\$ 347,811
12.00% Reimbursable Indirect Costs	(1,604,091)	(1,648,013)	(1,636,618)	(1,634,234)
Costs in Excess of Building Expense	\$ (1,219,972)	\$ (1,268,929)	\$ (1,301,391)	\$ (1,286,423)
OTHER				
Outgoing Transfer To General Fund	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000	\$ 1,700,000
Total Expenditures	\$ 18,160,187	\$ 19,151,169	\$ 18,434,612	\$ 18,345,007

DEBT RETIREMENT FUND BUDGET

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
BEGINNING FUND BALANCE	\$ 1,619,526	\$ 1,877,138	\$ 1,877,138	\$ 1,877,138
REVENUES				
Tax Revenues	\$ 8,492,250	\$ 8,492,250	\$ 8,492,250	\$ 8,781,000
Interest Income	4,500	4,500	700	4,300
Other Revenue				
Total Revenue	\$ 8,496,750	\$ 8,496,750	\$ 8,492,950	\$ 8,785,300
EXPENDITURES				
Bond Redemption	\$ 4,955,000	\$ 4,955,000	\$ 4,955,000	\$ 4,955,000
Bond Interest	3,955,178	3,955,178	3,955,178	3,955,178
Other	350,000	350,000	350,000	350,000
Total Expenditures	\$ 9,260,178	\$ 9,260,178	\$ 9,260,178	\$ 9,260,178
SURPLUS (DEFICIT)	\$ (763,428)	\$ (763,428)	\$ (767,228)	\$ (474,878)
FUND BALANCE	\$ 856,098	\$ 1,113,710	\$ 1,109,910	\$ 1,402,260

NOTE: The property tax adopted to cover debt is 2.20 mills.

2013 BOND FUND BUDGET

12/13
FINAL
AMENDED

BEGINNING FUND BALANCE

REVENUES

Bond Proceeds	\$	107,950,000
Total Revenue	\$	107,950,000

EXPENDITURES

Fees and Other Costs	\$	1,662,517
Total Expenditures	\$	1,662,517

SURPLUS (DEFICIT) \$ 106,287,483

FUND BALANCE \$ **106,329,104**

These are estimates and will be amended based on actual Bond Sale.

BUILDING & SITE TECHNOLOGY FUND BUDGET

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
BEGINNING FUND BALANCE	\$ 1,843,237	\$ 1,915,751	\$ 1,915,751	\$ 1,915,751
REVENUES				
Interest Income	\$ 2,000	\$ 1,000	\$ 200	\$ 240
Total Revenue	\$ 2,000	\$ 1,000	\$ 200	\$ 240
EXPENDITURES				
Technology Equipment	\$ 1,000,000	\$ 1,000,000	\$ 500,000	\$ 50,000
Transfer to General Fund				
Total Expenditures	\$ 1,000,000	\$ 1,000,000	\$ 500,000	\$ 50,000
SURPLUS (DEFICIT)	\$ (998,000)	\$ (999,000)	\$ (499,800)	\$ (49,760)
FUND BALANCE	\$ 845,237	\$ 916,751	\$ 1,415,951	\$ 1,865,991

Funds to be used for "Five Year Technology Plan" and other technology purchases district wide
Current year projects: Network Maintenance, upgrade network equipment, school computer labs, other.

TECHNOLOGY BOND FUND BUDGET

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
BEGINNING FUND BALANCE	\$ 36,519	\$ 36,523	\$ 36,523	\$ 36,523
REVENUES				
Interest Income	\$ -	\$ 10	\$ 10	\$ 10
Total Revenue	\$ 36,519	\$ 36,533	\$ 36,533	\$ 10
EXPENDITURES				
Equipment	\$ 36,519	\$ 36,533	\$ 36,533	\$ 36,533
Total Expenditures	\$ 36,519	\$ 36,533	\$ 36,533	\$ 36,533
SURPLUS (DEFICIT)	\$ -	-	-	(36,523)
FUND BALANCE	\$ -	-	-	-

SINKING FUND CAPITAL PROJECTS BUDGET

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
BEGINNING FUND BALANCE	\$ 4,475,327	\$ 6,531,374	\$ 6,531,374	\$ 6,531,374
REVENUES				
Property Taxes	\$ 4,563,157	\$ 4,563,157	\$ 4,563,157	\$ 4,531,283
Interest Income	3,000	3,000	1,000	2,800
Other Income				
Total Revenue	\$ 4,566,157	\$ 4,566,157	\$ 4,564,157	\$ 4,534,083
EXPENDITURES				
Repairs	\$ 5,000,000	\$ 5,000,000	\$ 6,000,000	\$ 6,000,000
Taxes written off	\$ 100,000	\$ 100,000	\$ 100,000	\$ 130,000
Total Expenditures	\$ 5,100,000	\$ 5,100,000	\$ 6,100,000	\$ 6,130,000
SURPLUS (DEFICIT)	\$ (533,843)	\$ (533,843)	\$ (1,535,843)	\$ (1,595,917)
FUND BALANCE	\$ 3,941,484	\$ 5,997,531	\$ 4,995,531	\$ 4,935,457

Current Year Projects may include; paving, cement, water mains, parking lot lights, storm sewers, play structures, gym floors, major building renovations, boiler repair, tunnel work, sheet metal siding, grading/drainage, and other work as needed throughout the year.

NOTE: The adopted property tax levy for the sinking fund is 1.120 mills.

SPECIAL MAINTENANCE FUND BUDGET

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
BEGINNING FUND BALANCE	\$ 194,434	\$ 47,551	\$ 47,551	\$ 47,551
REVENUES				
Interest Income	\$ -	\$ -	\$ -	\$ 6
Total Revenue	\$ -	\$ -	\$ -	\$ 6
EXPENDITURES				
Renovation	\$ 194,434	\$ 47,551	\$ 47,551	\$ 47,557
Total Expenditures	\$ 194,434	\$ 47,551	\$ 47,551	\$ 47,557
SURPLUS (DEFICIT)	\$ (194,434)	\$ (47,551)	\$ (47,551)	\$ (47,551)
FUND BALANCE	\$ -	\$ -	\$ -	\$ -

NOTE: Funds to be used for maintenance projects including supplies and materials district wide. Due to budget reductions this fund will supplement General Fund maintenance costs for 2012-13.

CAPITAL PROJECTS FUND BUDGET

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
BEGINNING FUND BALANCE	\$ -	\$ 138,608	\$ 138,608	\$ 138,608
REVENUES				
Interest Income		\$ -	\$ -	\$ -
Total Revenue		\$ -	\$ -	\$ -
EXPENDITURES				
Capital Improvements		\$ 138,608	\$ 138,608	\$ 138,608
Total Expenditures		\$ 138,608	\$ 138,608	\$ 138,608
SURPLUS (DEFICIT)		\$ (138,608)	\$ (138,608)	\$ (138,608)
FUND BALANCE	\$ -	\$ -	\$ -	\$ -

NOTE: Source of funds is the sale of property in 2012. Funds to be used for Capital Improvements.

FOOD SERVICE FUND BUDGET

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
BEGINNING FUND BALANCE	\$ 661,834	\$ 606,807	\$ 606,807	\$ 606,807
REVENUES				
Local Sales	\$ 1,737,958	\$ 1,778,076	\$ 1,769,903	\$ 1,750,480
State Reimbursement	133,000	133,892	133,892	149,531
Federal Reimbursement	1,836,668	1,922,026	1,879,562	1,845,037
General Fund Support	33,000	33,000	33,000	33,000
Total Revenue	\$ 3,740,626	\$ 3,866,994	\$ 3,816,357	\$ 3,778,048
EXPENDITURES				
Wages & Benefits	\$ 1,499,116	\$ 1,437,554	\$ 1,435,562	\$ 1,423,999
Contracted Services	328,550	389,850	412,085	393,550
Food Costs	1,676,964	1,750,961	1,710,961	1,672,422
Non-Food Cost	221,897	227,771	224,143	232,643
Total Expenditures	\$ 3,726,527	\$ 3,806,136	\$ 3,782,751	\$ 3,722,614
SURPLUS (DEFICIT)	\$ 14,099	\$ 60,858	\$ 33,606	\$ 55,434
FUND BALANCE	\$ 675,933	\$ 667,665	\$ 640,413	\$ 662,241

HEALTH & WELFARE FUND BUDGET

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
BEGINNING FUND BALANCE	\$ 2,710,429	\$ 3,890,669	\$ 3,890,669	\$ 3,890,669
REVENUES				
Employee Transfers	\$ 3,451,816	\$ 3,194,598	\$ 3,142,503	\$ 3,142,503
Employee Paid Premiums	108,000	40,967	40,636	40,636
Employee Voluntary Insurance	300,100	262,438	262,438	262,438
Other Fund Transfers	4,415,129	3,806,761	3,793,625	3,793,625
General Fund Transfers	15,503,752	14,251,992	14,337,875	14,337,875
Total Revenue	\$ 23,778,797	\$ 21,556,756	\$ 21,577,077	\$ 21,577,077
EXPENDITURES				
Claims	\$ 11,863,000	\$ 9,872,294	\$ 9,812,648	\$ 9,812,648
Premiums	11,077,358	10,638,000	10,698,000	10,698,000
Administrative Fees	842,006	824,000	834,000	834,000
Voluntary Insurance	300,100	262,438	262,438	262,438
Total Expenditures	\$ 24,082,464	\$ 21,596,732	\$ 21,607,086	\$ 21,607,086
SURPLUS (DEFICIT)	\$ (303,667)	\$ (39,976)	\$ (30,009)	\$ (30,009)
FUND BALANCE	\$ 2,406,762	\$ 3,850,693	\$ 3,860,660	\$ 3,860,660

Funds used to record costs of claims, fees and premiums for employees benefit costs.
Some of the health care costs are self-insured and final costs are not known until the year end.

ATHLETIC FUND BUDGET

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
REVENUES				
Student Fees	\$ 638,200	\$ 638,200	\$ 638,200	\$ 616,700
Gate Receipts	219,000	219,000	221,949	228,000
General Fund Transfers	606,923	627,054	627,054	661,001
Total Revenue	\$ 1,464,123	\$ 1,484,254	\$ 1,487,203	\$ 1,505,701
EXPENDITURES				
Coaches/Director/Stipends	\$ 589,131	\$ 650,001	\$ 610,269	\$ 631,585
Contracted Services	679,142	645,653	664,334	665,834
Supplies/Equipment/Misc.	195,850	188,600	212,600	208,282
Total Expenditures	\$ 1,464,123	\$ 1,484,254	\$ 1,487,203	\$ 1,505,701
SURPLUS (DEFICIT)	\$ -	\$ -	\$ -	\$ -
FUND BALANCE	\$ -	\$ -	\$ -	\$ -

SCHOLARSHIP FUND BUDGET

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	11/12 FINAL AMENDED
BEGINNING FUND BALANCE	\$ 45,711	\$ 46,688	\$ 46,688	\$ 46,688
REVENUES				
Donations	\$ 500	\$ 500	\$ 500	\$ 500
Interest Income				
Total Revenue	\$ 500	\$ 500	\$ 500	\$ 500
EXPENDITURES				
Scholarships	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Total Expenditures	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
SURPLUS (DEFICIT)	\$ (3,500)	\$ (3,500)	\$ (3,500)	\$ (3,500)
FUND BALANCE	\$ 42,211	\$ 43,188	\$ 43,188	\$ 43,188

FUNDED PROJECTS BUDGET

	12/13 ADOPTED	12/13 FIRST AMENDED	12/13 SECOND AMENDED	12/13 FINAL AMENDED
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -
REVENUES				
General Fund Transfer	\$ 213,968	\$ 207,925	\$ 205,261	\$ 210,635
Local	186,186	192,458	197,780	197,780
State	350,499	341,242	503,775	500,511
Federal	6,721,761	6,782,272	6,828,747	6,828,747
Total Revenue	\$ 7,472,414	\$ 7,523,897	\$ 7,735,563	\$ 7,737,673
EXPENDITURES				
Instructional	\$ 5,329,338	\$ 5,272,954	\$ 4,933,127	\$ 4,935,237
Support	1,815,404	1,973,615	2,552,415	2,552,415
Community Service	82,184	69,403	74,650	74,650
Outgoing Transfers and Other	245,488	207,925	175,371	175,371
Total Expenditures	\$ 7,472,414	\$ 7,523,897	\$ 7,735,563	\$ 7,737,673
SURPLUS (DEFICIT)	\$ -	\$ -	\$ -	\$ -
FUND BALANCE	\$ -	\$ -	\$ -	\$ -