

Livonia Public Schools

Business Services Office

Date: October 31, 2012

To: Randy Liepa, PhD., Superintendent

From: Lisa Abbey, Director of Business Services

Re: 2012-2013 Financial Statements

We would like to present the 2012-2013 financial statements at the Finance Committee meeting on Monday, November 4, 2013.

By law the financial statements of the District are prepared each year at the end of our fiscal year, June 30. These statements reflect the financial activity for the year completed and cumulative effect over time. These financial statements are then audited by an independent accounting firm.

The audit was completed by Plante Moran, LLC. The firm's responsibility is to express an opinion about whether the financial statements are fairly presented in all material respects, in accordance with generally accepted accounting principles. We are pleased to announce that the District has received an unqualified opinion, which is the highest level of assurance provided.

On Monday, November 4, 2013 Plante Moran will be in attendance to discuss the financial statements in detail. We have included the following documents for the Board of Education to review prior to the meeting:

- Financial Report with Supplemental Information
- Federal Awards Supplemental Information
- Report to Board of Education
- Budget Detail Report (spreadsheet)

As we discussed at the October 28, 2013 Finance Sub-Committee Meeting, there was an operating deficit of \$1.7 million decreasing the fund balance to just over \$6.7 million at the end of 2013. Revenues exceeded the budget by just over \$700,000 and expenditures were under budget approximately \$1.2 million, an overall change of just over one percent from the final budget, well within our 2% target. We note there were two areas in the general fund with higher than anticipated costs in 2013 that we will need to monitor going forward; property tax refunds and security costs. We noted these amounts in the prior year and the costs to the District in this area continue to grow and must be monitored.

We adjusted the amount of the transfer from the Special Education fund to the General fund from \$1.7 million to \$1.35 million. This allowed the Special Education fund to maintain the fund balance anticipated this fiscal year and to maintain resources in the Special Education Fund for future needs.

The results of operation in the other funds of the District were generally as projected. There is a new Capital Projects Fund for the 2013 bond as a result of the voter approved bond in May, 2013.

There is additional information in the Management Discussion and Analysis section of the financial statements that is prepared by District management. This section provides both a broad look at the District as a whole (all funds combined) and also provides details on budget variances and future budget considerations. In addition, the footnotes in the financial statements are an integral part of the statements and provide useful information about how the statements are prepared, the Districts accounting policies and additional detail.

The annual audit of the federal funds was completed and the required report, Federal Awards Supplemental Information details all of the federal funds expended by the District in 2013 including Child Nutrition, Special Education, Title programs, ROTC, and other programs for a total of over \$8 million in expenditures and revenue from federal resources.

The Report to the Board of Education is required communication and the report includes the letter addressed to the Board of Education with the results of the audit. In addition, the report contains accounting recommendations which we will review, and informational items that will assist the District in future planning.

The Budget Detail Report is new this year and prepared by the business office staff. This spreadsheet was requested by the Board of Education earlier this year. As you can see, we are reporting in detail the results of the general fund operations for the prior year and the current year as compared to all budgets adopted throughout the year. Please let us know if you find this information useful.

We look forward to discussing the 2012-2013 financial statements at the Monday, November 4, 2013 Finance Committee Meeting. Please let us know if there is any additional information that we can provide at this time.

LA/kp
Attachments

Livonia Public Schools

**Financial Report
with Supplemental Information
June 30, 2013**

Draft

Livonia Public Schools

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Independent Auditor's Report

To the Board of Education
Livonia Public Schools

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Livonia Public Schools' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Livonia Public Schools as of June 30, 2013, and the respective changes in its financial position and cash flows, where applicable, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, the District adopted the provisions of GASB

Statement Nos. 63 and 65 as of July 1, 2012. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the major fund budgetary comparison schedules on pages *OPEN* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Livonia Public Schools' basic financial statements. The other supplementary information, as identified in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information, as identified in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as identified in the table of contents is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2013 on our consideration of the Livonia Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Livonia Public Schools' internal control over financial reporting and compliance.

October 16, 2013

Livonia Public Schools

Statement of Net Position June 30, 2013

	<u>Governmental Activities</u>
Assets	
Cash and investments (Note 3)	\$ 24,007,811
Receivables	25,400,645
Inventories	405,247
Prepaid costs and other assets	756,010
Restricted assets (Note 9)	116,960,394
Capital assets - Net (Note 5)	<u>119,293,432</u>
Total assets	286,823,539
Liabilities	
Accounts payable	2,385,299
Accrued payroll-related liabilities	19,160,986
State aid anticipation note (Note 7)	6,041,752
Accrued interest	614,713
Due to other governmental units	2,562,594
Claims payable (Note 10)	3,977,699
Unearned revenue (Note 4)	1,288,455
Long-term liabilities: (Note 8)	
Due within one year	11,808,677
Due in more than one year	<u>181,478,881</u>
Total liabilities	<u>229,319,056</u>
Total net position	
Net Investment in Capital Assets	37,104,995
Restricted:	
Debt service	1,119,920
Building and Repairs Fund	6,954,320
Food Service	737,907
Unrestricted	<u>11,587,341</u>
Total net position	<u>\$ 57,504,483</u>

Livonia Public Schools

Statement of Activities Year Ended June 30, 2013

	Program Revenue			Governmental	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
				Net (Expense) Revenue and Changes in Net Assets	
Functions/Programs					
Primary government - Governmental activities:					
Instruction	\$ 103,374,676	\$ 1,051,502	\$ 17,495,365	\$ -	\$ (84,827,809)
Support services	66,574,395	110,214	12,534,694	-	(53,929,487)
Athletics	1,704,223	851,560	-	-	(852,663)
Food services	3,624,772	1,720,303	2,002,569	-	98,100
Community services	2,270,665	3,810,401	-	138,599	1,678,335
Payments to other public schools (ISDs, LEAs)	76,484	-	-	-	(76,484)
Interest on long-term debt	4,655,917	-	-	-	(4,655,917)
Total primary government	\$ 182,281,132	\$ 7,543,980	\$ 32,032,628	\$ 138,599	(142,565,925)
General revenue:					
Taxes:					
Property taxes, levied for general purposes					22,954,317
Property taxes, levied for debt service					9,372,387
Property taxes, levied for capital projects					4,726,073
State aid not restricted to specific purposes					107,308,614
Federal sources - Unrestricted					140,500
Interest and investment earnings					3,280
Loss on the disposition of capital assets					(22,122)
Other					92,734
					144,575,783
					Change in Net Position
					2,009,858
					Net Position - Beginning of year
					55,494,625
					Net Position - End of year
					\$ 57,504,483

Livonia Public Schools

Governmental Funds Balance Sheet June 30, 2013

	General Fund	2013 Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents (Note 3)	\$ 22,099,716	\$ -	\$ 1,908,095	\$ 24,007,811
Receivables:				
Accounts receivable	92,814	-	26,259	119,073
Due from other governmental units	23,800,400	-	1,481,172	25,281,572
Due from other funds (Note 6)	16,685	-	3,277,013	3,293,698
Inventories	364,743	-	40,504	405,247
Prepaid costs and other assets	63,935	-	-	63,935
Restricted assets (Note 9)	-	107,945,783	9,014,611	116,960,394
	<u>\$ 46,438,293</u>	<u>\$ 107,945,783</u>	<u>\$ 15,747,654</u>	<u>\$ 170,131,730</u>
Total assets				
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 778,108	\$ 361,156	\$ 424,433	\$ 1,563,697
Accrued payroll-related liabilities	17,994,556	-	1,166,430	19,160,986
State aid anticipation note (Note 7)	6,041,752	-	-	6,041,752
Due to other governmental units	1,212,234	-	1,350,360	2,562,594
Due to other funds	11,490,694	162,794	17,103	11,670,591
Unearned revenue (Note 4)	971,209	-	317,246	1,288,455
	<u>38,488,553</u>	<u>523,950</u>	<u>3,275,572</u>	<u>42,288,075</u>
Total liabilities				
Deferred Inflows of Resources				
Unavailable revenue (Note 4)	1,202,232	-	-	1,202,232
	<u>1,202,232</u>	<u>-</u>	<u>-</u>	<u>1,202,232</u>
Total liabilities and deferred inflows of resources				
	<u>39,690,785</u>	<u>523,950</u>	<u>3,275,572</u>	<u>43,490,307</u>
Fund Balances				
Nonspendable				
Inventory	364,743	-	40,504	405,247
Prepaid assets	63,935	-	-	63,935
Restricted				
Capital projects	-	107,421,833	6,954,320	114,376,153
Debt service	-	-	1,734,633	1,734,633
Food service	-	-	697,403	697,403
Assigned				
Capital projects	-	-	1,942,996	1,942,996
Budgeted use of fund balance in subsequent year	2,984,330	-	-	2,984,330
Center Program	-	-	1,102,226	1,102,226
Unassigned	3,334,500	-	-	3,334,500
	<u>6,747,508</u>	<u>107,421,833</u>	<u>12,472,082</u>	<u>126,641,423</u>
Total fund balances				

Livonia Public Schools

Governmental Funds Balance Sheet (Continued) June 30, 2013

Total liabilities, deferred inflows of resources and fund balances	<u>\$ 46,438,293</u>	<u>\$ 107,945,783</u>	<u>\$ 15,747,654</u>	<u>\$ 170,131,730</u>
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Livonia Public Schools

Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2013

Fund Balance Reported in Governmental Funds \$ 126,641,423

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds:

Cost of capital assets	\$ 235,566,883	
Accumulated depreciation	<u>(116,273,451)</u>	119,293,432

Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds:

Bonds payable including premium	(189,610,270)	
Compensated absences and severance pay	<u>(3,677,288)</u>	(193,287,558)

Accrued interest payable is not included as a liability in governmental funds (614,713)

Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds 1,202,232

Internal Service Fund assets and liabilities are included in governmental activities in the statement of net position 4,269,667

Net Position of Governmental Activities **\$ 57,504,483**

Livonia Public Schools

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2013

	General Fund	2013 Bond Fund	Nonmajor Governmenta l Funds	Total Governmental Funds
Revenue				
Local sources	\$ 29,477,364	\$ 118	\$ 15,420,585	\$ 44,898,067
State sources	113,533,403	-	4,213,499	117,746,902
Federal sources	6,824,822	-	1,853,037	8,677,859
Interdistrict sources	112,121	-	12,464,363	12,576,484
Total revenue	<u>149,947,710</u>	<u>118</u>	<u>33,951,484</u>	<u>183,899,312</u>
Expenditures				
Current:				
Instruction	91,610,433	-	11,749,681	103,360,114
Support services	56,324,645	291,169	4,273,796	60,889,610
Athletics	1,448,301	-	-	1,448,301
Food services	-	-	3,618,877	3,618,877
Community services	2,270,665	-	-	2,270,665
Debt service:				
Principal	-	-	4,955,000	4,955,000
Interest	-	-	3,955,178	3,955,178
Other	-	815,726	333,970	1,149,696
Capital outlay	431,332	1,000	4,325,647	4,757,979
Payments to other public schools (ISDs, LEAs)	76,484	-	-	76,484
Total expenditures	<u>152,161,860</u>	<u>1,107,895</u>	<u>33,212,149</u>	<u>186,481,904</u>
Excess of Revenue Over (Under) Expenditures	(2,214,150)	(1,107,777)	739,335	(2,582,592)
Other Financing Sources (Uses)				
Transfers in	1,350,000	-	811,237	2,161,237
Transfers out	(811,237)	-	(1,350,000)	(2,161,237)
Face value of debt issued	-	103,330,000	-	103,330,000
Premium on debt issued	-	5,199,610	-	5,199,610
Total other financing sources (uses)	<u>538,763</u>	<u>108,529,610</u>	<u>(538,763)</u>	<u>108,529,610</u>
Net Change in Fund Balances	(1,675,387)	107,421,833	200,572	105,947,018
Fund Balances - Beginning of year	<u>8,422,895</u>	<u>-</u>	<u>12,271,510</u>	<u>20,694,405</u>
Fund Balances - End of year	<u>\$ 6,747,508</u>	<u>\$07,421,833</u>	<u>\$12,472,082</u>	<u>\$ 126,641,423</u>

The Notes to Financial Statements are an
Integral Part of this Statement.

Livonia Public Schools

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds **\$ 105,947,018**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Depreciation expense	\$ (6,117,809)	
Capitalized capital outlay	<u>4,363,169</u>	(1,754,640)

Governmental funds report proceeds from sale of assets as revenue; in the statement of activities, these are recorded net of carrying value of the disposed assets (22,122)

Revenue is reported in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end 413,799

Bond proceeds provide financial resources to governmental funds, but bond issuance increases long-term liabilities in the statement of activities. (103,330,000)

Underwriter's premium reported as revenue in the funds and amortized in the statement of activities (4,791,554)

Repayment of bond and note principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt) 4,955,000

Interest expense is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid 40,901

Compensated absences and severance pay are recorded when earned in the statement of activities. In the current year, more was paid out than was earned 172,457

Internal service funds are included as part of governmental activities 378,999

Change in Net Position of Governmental Activities **\$ 2,009,858**

Livonia Public Schools

Proprietary Fund Internal Service Fund - Health and Welfare Fund Statement of Net Position June 30, 2013

Assets - Current assets	
Due from other funds (Note 6)	\$ 7,583,550
Prepaid costs and other assets	<u>692,075</u>
Total assets	8,275,625
Liabilities - Current liabilities	
Accounts payable	28,259
Claims payable (Note 10)	<u>3,977,699</u>
Total liabilities	<u>4,005,958</u>
Net Position - Unrestricted	<u>\$ 4,269,667</u>

Livonia Public Schools

Proprietary Fund Internal Service Fund - Health and Welfare Fund Statement of Revenue, Expenses, and Changes in Net Position Year Ended June 30, 2013

Operating Revenue - Charges for services	\$ 21,810,367
Operating Expenses	
Cost of insurance claims	9,571,914
Administrative costs	920,239
Premiums	<u>10,939,215</u>
Total operating expenses	<u>21,431,368</u>
Change in Net Position	378,999
Net Position - Beginning of year	<u>3,890,668</u>
Net Position - End of year	<u><u>\$ 4,269,667</u></u>

Livonia Public Schools

Proprietary Fund Statement of Cash Flows Year Ended June 30, 2013

Cash Flows from Operating Activities	
Receipts from interfund services and reimbursements	\$ 18,804,568
Claims, premiums, and administrative fees paid	<u>(18,804,568)</u>
Net cash used in operating activities	-
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning of year	<u>-</u>
Cash and Cash Equivalents - End of year	<u><u>\$ -</u></u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 378,999
Adjustments to reconcile operating income to net cash from operating activities - Changes in assets and liabilities:	
Due from others	(3,005,799)
Prepaid and other assets	1,730,356
Accounts payable	2,367
Estimated claims liability	<u>894,077</u>
Net cash used in operating activities	<u><u>\$ -</u></u>

Livonia Public Schools

Fiduciary Funds Statement of Net Position June 30, 2013

	Private Purpose Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 35,088	\$ -
Due from other funds (Note 6)	<u>9,076</u>	<u>784,267</u>
Total assets	<u>44,164</u>	<u>\$ 784,267</u>
Liabilities		
Accounts payable	-	\$ 39,030
Due to agency fund activities	<u>-</u>	<u>745,237</u>
Total liabilities	<u>-</u>	<u>\$ 784,267</u>
Net Position - Restricted for endowments	<u>\$ 44,164</u>	

Livonia Public Schools

Fiduciary Funds Statement of Changes in Net Position Year Ended June 30, 2013

	Private Purpose Funds
Additions - Local sources	\$ 500
Deductions - Scholarships awarded	<u>3,024</u>
Change in Net Position	(2,524)
Net Position - Beginning of year	<u>46,688</u>
Net Position - End of year	<u><u>\$ 44,164</u></u>

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Note I - Nature of Business and Significant Accounting Policies

The accounting policies of Livonia Public Schools (the "School District") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the School District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the School District. Based on the application of the criteria, the School District does not contain any component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's government-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenue are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note I - Nature of Business and Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid, and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance are available, the School District's policy is to first apply restricted resources. When an expense is incurred for purposes which amounts in any of the unrestricted fund balance classifications could be used, it is the School District's policy to spend funds in this order: committed, assigned, and unassigned.

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes, unrestricted state aid, and unrestricted federal funds.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. Revenue not meeting this definition is classified as a deferred inflow of resources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the School District.

Note I - Nature of Business and Significant Accounting Policies (Continued)

Proprietary fund and fiduciary fund statements are also reported using the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The only proprietary fund maintained is an Internal Service Fund, which is used to account for the financing of risk management services provided to other funds on a cost reimbursement basis. The Internal Service Fund maintained by the School District is the Health and Welfare Fund, which includes transactions related to the School District's risk management programs for health, workers' compensation, disability, and life insurance claims. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

The School District reports the following major governmental funds:

General Fund - The General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund. The School District's General Funds include General Fund, athletic activities, and funded projects.

2013 Bond Fund - The 2013 Bond Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring equipment and technology, and for remodeling and equipping school facilities. The fund operates until the purpose for which it was created is accomplished.

Additionally, the School District reports the following fund types:

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes. The School District's special revenue funds include the Food Service, Special Maintenance, and Center Program Funds. Any operating deficit generated by these activities is the responsibility of the General Fund.

Debt Service Funds - Debt service funds are used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term bond debt.

Note I - Nature of Business and Significant Accounting Policies (Continued)

Capital Projects Funds - The Improvement and Technology Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, building, equipment, and for remodeling and repairs. The fund is kept open until the purpose for which the fund was created has been accomplished.

The Building and Site Fund was used to record Durant plaintiff court settlement proceeds and other revenue. Disbursements are specifically for acquiring capital improvements, technology replacement, or other improvements determined by the Board of Education. The fund operates until the purpose for which it was created is accomplished.

The 2012 Capital Projects Fund is used to account for the proceeds derived from the sale of real estate. These proceeds will be held in trust in a special capital project fund identified separately from any other capital project funds which shall be used for purchasing other real estate for the district and/or for renovating, replacing, or developing real estate, facilities, or capital equipment as authorized by the Board of Education.

The Building and Repairs Fund is used to record the sinking fund property tax levy and other revenue and the disbursement of invoices specifically designated for acquiring new school sites and construction or repair of school buildings and sites.

Internal Service Fund - Internal service funds account for risk management services provided to other departments of the School District on a cost-reimbursement basis.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent. The Private Purpose Trust Fund is used to account for resources legally held in trust, including contributions received by the School District to be awarded in the form of scholarships. The Agency Fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. This fund is used to record the transactions of student groups for school and school-related purposes. The funds are segregated and held in trust for the students.

Assets, Liabilities, and Net Position or Equity

Cash and Investments - Cash and investments include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Investment income is recorded in the fund for which the investment account was established.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds."

Note I - Nature of Business and Significant Accounting Policies (Continued)

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded. Property taxes are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. These taxes are due on or before September 14 for approximately 50 percent of the taxes and on February 14 for the remainder of the property taxes. Taxes are considered delinquent on March 1 of the following year. At this time, penalties and interest are assessed and the total obligation is added to the county tax rolls.

Inventories and Prepaid Costs - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid costs in both government-wide and fund financial statements.

Restricted Assets - The unspent bond proceeds and related interest of the Capital Projects Funds require amounts to be set aside for construction. In addition, the unspent property taxes levied in the Debt Service Funds and Special Maintenance Fund are required to be set aside for future bond principal and interest payments and maintenance projects, respectively. These amounts have been classified as restricted assets.

Capital Assets - Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The School District does not have infrastructure-type assets.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and building additions	20 to 50 years
Buses and other vehicles	5 to 10 years
Furniture and other equipment	5 to 10 years

Note I - Nature of Business and Significant Accounting Policies (Continued)

Compensated Absences - The liability for compensated absences reported in the government-wide statements consists of earned but unused accumulated vacation and sick leave benefits. A liability for these amounts is reported in governmental funds as it comes due for payment. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments at normal retirement age and other employees who are expected to become eligible in the future to receive such payments upon normal retirement are included.

Severance Pay - The liability for severance pay reported in the government-wide statements is calculated based on years of service multiplied by \$200 per year once employees reach 10 years of service and are eligible for retirement.

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Balance - Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are comprised of the following - nonspendable, restricted, committed, assigned, and unassigned.

In the fund financial statements, governmental funds report the following components of fund balance:

- Nonspendable - Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- Restricted - Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

- Committed - Amounts that have been formally set aside by the Board of Education for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Board of Education.
- Assigned - Intent to spend resources on specific purposes expressed by the Board of Education, superintendent, or finance committee, who are authorized by resolution approved by the Board of Education to make assignment
- Unassigned: Amounts that do not fall into any other category above. This is the residual classification for amounts in the general fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed or assigned to specific purposes in the general fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed or assigned to those purposes.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Comparative Data/Reclassifications - Comparative data is not included in the School District's financial statements.

Accounting Change - Effective July 1, 2012, the School District implemented the provisions of Governmental Accounting Standards Board No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement incorporates into GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989 that is included in FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure. This statement did not have a significant impact on the School District's financial statements.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Effective July 1, 2012, the School District implemented the provisions of Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This statement also provided a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. This statement impacted the format and report of the balance sheet at the government-wide and also at the fund level.

Also effective July 1, 2012, the School District implemented the provisions of Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund, Special Revenue Funds, Debt Retirement Funds, Capital Project Funds, and the Internal Service Fund, except that capital outlay expenditures are budgeted in other expenditure categories. All annual appropriations lapse at fiscal year end.

The General Fund budget is presented consistent with the original and amended budgets adopted. The budgets for funded projects and athletics were adopted separately and separate budgets for each of these activities have been presented accordingly.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. The School District amended budgeted amounts during the year to reflect the most up-to-date information available relative to student counts and government funding received along with the related budgetary cuts to align with updated funding amounts.

Note 2 - Stewardship, Compliance, and Accountability (Continued)

Encumbrance accounting is employed in governmental funds. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, the School District incurred expenditures in the General Fund which were in excess of the amounts budgeted, as follows:

	<u>Budget</u>	<u>Actual</u>
General Fund - Business	<u>\$ 4,725,557</u>	<u>\$ 5,385,711</u>

Capital Projects Fund Compliance - The Building and Repairs Fund records capital project activities funded with Sinking Fund millage. For this fund, the School District has complied with the applicable provisions of §1212(1) of the State of Michigan School Code and the State of Michigan Department of Treasury Letter No. 01-95.

Note 3 - Deposits and Investments

State statutes (and the School District's investment policy) authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

The School District has designated two banks for the deposit of its funds.

The School District's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level be used for the School District's deposits for custodial credit risk. At year end, the School District's deposit balance of \$22,874,076 had \$22,374,076 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The School District believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories

Note 3 - Deposits and Investments (Continued)

Custodial Credit Risk of Investments - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law, and by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. At June 30, 2013, the School District did not have investments with custodial credit risk.

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities, other than commercial paper which can only be purchased with a 270-day maturity. The School District's policy minimizes interest rate risk by requiring the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the School District's cash requirements. The School District has no investments held at year end subject to interest rate risk.

Credit Risk - State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District's investment policy does not further limit its investment choices.

At year end, the maturities of investments and the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Maturities	Rating	Rating Organization
U.S. Government Money Market Fund Capital Share Class	<u>\$ 118,868,488</u>	Variable	AAAm	Standard and Poor's

Concentration of Credit Risk - The School District places no limit on the amount the School District may invest in any one issuer. The School District's policy minimizes concentration of credit risk by requiring diversification of the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Livonia Public Schools

Notes to Financial Statements June 30, 2013

Note 3 - Deposits and Investments (Continued)

Foreign Currency Risk - Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's policy prohibit investment in foreign currency.

Note 4 - Receivables and Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of unearned and unavailable revenue are as follows:

	<u>Governmental Funds</u>	
	<u>Deferred Inflow - Unavailable</u>	<u>Liability - Unearned</u>
Delinquent property taxes	\$ 1,202,232	\$ -
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	700,747
Summer school tuition	-	258,765
Special Education Center Program	-	317,246
Other	-	11,697
	<u> </u>	<u> </u>
Total	<u>\$ 1,202,232</u>	<u>\$ 1,288,455</u>

Livonia Public Schools

Notes to Financial Statements June 30, 2013

Note 5 - Capital Assets

Capital asset activity of the School District's governmental activities is as follows:

	Balance July 1, 2012	Additions and Adjustments	Disposals and Adjustments	Balance June 30, 2013
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 4,586,143	\$ -	\$ -	\$ 4,586,143
Construction in progress	2,541,979	197,721	2,541,979	197,721
Subtotal	7,128,122	197,721	2,541,979	4,783,864
Capital assets being depreciated:				
Buildings and improvements	201,127,748	6,359,366	-	207,487,114
Buses and other vehicles	7,726,409	-	110,608	7,615,801
Furniture and equipment	15,332,043	348,061	-	15,680,104
Subtotal	224,186,200	6,707,427	110,608	230,783,019
Accumulated depreciation:				
Buildings and improvements	94,896,934	5,138,804	-	100,035,738
Buses and other vehicles	5,669,420	206,589	88,486	5,787,523
Furniture and equipment	9,677,774	772,416	-	10,450,190
Subtotal	110,244,128	6,117,809	88,486	116,273,451
Net capital assets being depreciated	113,942,072	589,618	22,122	114,509,568
Net capital assets	\$ 121,070,194	\$ 787,339	\$ 2,564,101	\$ 119,293,432

Depreciation expense was charged to activities of the School District (primary government) as follows:

Governmental activities:	
Instruction	\$ 243,540
Support services	5,773,166
Athletics	101,103
Total governmental activities	<u>\$ 6,117,809</u>

Construction Commitments - The School District has active construction projects at year end. At year end, the School District's commitments with contractors are as follows:

	Total Contracts	Remaining Commitment
Building and Repairs Fund	\$ 3,788,404	\$ 3,605,325

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Livonia Public Schools

Notes to Financial Statements June 30, 2013

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

Fund Due To	Fund Due From			Total
	General Fund	Capital Projects 2013	Nonmajor Governmental Funds	
General Fund	\$ (163,212)	\$ 162,794	\$ 17,103	\$ 16,685
Internal Service Fund	7,583,550	-	-	7,583,550
Agency Fund	784,267	-	-	784,267
Private Purpose Trust Fund	9,076	-	-	9,076
Nonmajor governmental funds	3,277,013	-	-	3,277,013
Total	\$11,490,694	\$ 162,794	\$ 17,103	\$ 11,670,591

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are comprised of the following:

Fund Transferred To	Fund Transferred From		Total
	General Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 1,350,000	\$ 1,350,000
Nonmajor governmental funds	811,237	-	811,237
Total	\$ 811,237	\$ 1,350,000	\$ 2,161,237

Interfund transfers were made during the year between the General Fund and the Special Education Center Program to cover indirect costs and to transfer the State's portion of LRE (least restrictive environment) paraprofessional costs. A transfer was also made from the General Fund to the Food Service Fund to help pay for the cost of lunch room aides.

Livonia Public Schools

Notes to Financial Statements June 30, 2013

Note 7 - State Aid Anticipation Note

On August 20, 2012, Livonia Public Schools borrowed \$6,000,000 in a state aid anticipation note. The note bears interest ranging from .27 percent to 1.46 percent and is due on August 20, 2013. At June 30, 2013, Livonia Public Schools has accrued interest of \$41,752 on this note. This note was fully repaid subsequent to year end.

Subsequent to year end, on August 20, 2013, Livonia Public Schools borrowed \$3,135,000 and \$2,565,000 in a state aid anticipation notes. The notes bear interest of 1.05 percent and 1.378 percent, respectively, and are each due on August 20, 2014.

Note 8 - Long-term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences and termination benefits.

Long-term obligation activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Government obligation bonds	\$ 81,275,000	\$103,330,000	\$ 4,955,000	\$ 179,650,000	\$ 10,625,000
Employee compensated absences	3,103,305	10,783	-	3,114,088	319,701
Severance pay	746,440	-	183,240	563,200	282,600
Premium on bonds	5,168,716	5,199,610	408,056	9,960,270	581,376
Total governmental activities	\$ 90,293,461	\$108,540,393	\$ 5,546,296	\$ 193,287,558	\$ 11,808,677

Years Ending June 30	Governmental Activities		
	Principal	Interest	Total
2014	\$ 10,625,000	\$ 7,603,688	\$ 18,228,688
2015	11,425,000	8,002,225	19,427,225
2016	11,835,000	7,601,225	19,436,225
2017	7,440,000	7,122,975	14,562,975
2018	7,765,000	6,767,975	14,532,975
2019-2023	40,670,000	28,224,975	68,894,975
2024-2028	22,265,000	19,839,000	42,104,000
2029-2033	19,125,000	15,056,250	34,181,250
2034-2038	22,400,000	9,957,500	32,357,500
2039-2043	26,100,000	3,987,500	30,087,500
Total	\$ 179,650,000	\$ 114,163,313	\$ 293,813,313

Note 8 - Long-term Debt (Continued)

Governmental Activities

General obligation bonds consist of the following:

\$92,570,000 refunding bonds due in annual installments of \$4,740,000 to \$8,385,000 through May 1, 2025; interest at 4.50 percent to 5.00 percent	\$ 74,810,000
\$2,350,000 refunding bonds due in annual installments of \$160,000 to \$225,000 through May 1, 2021; interest at 4.35 percent to 5.00 percent	1,510,000
\$103,330,000 school building and site bonds due in annual installments of \$800,000 to \$5,675,000 through May 1, 2043; interest at 1 percent to 5 percent	<u>103,330,000</u>
Total general obligation bonded debt	<u>\$ 179,650,000</u>

In prior years, the School District defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts assets and liabilities for the defeased bonds are not included in the basic financial statements. At June 30, 2013 \$20,690,128 of bonds outstanding are considered defeased.

Note 9 - Restricted Assets

The balances for the restricted asset accounts are as follows:

	Governmental Activities
Unspent bond proceeds and related interest	\$ 107,984,377
Unspent sinking fund property taxes levied	7,191,453
Unspent debt service property taxes levied	1,770,469
Unspent special maintenance property taxes levied	<u>14,095</u>
Total restricted assets	<u>\$ 116,960,394</u>

Note 10 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District participates in the Metropolitan Association for Improved School Legislation (M.A.I.S.L.) risk pool for claims relating to property loss, torts, and errors and omissions; the School District is self-insured for workers' compensation, medical claims, and employee life insurance.

The shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The School District estimates the liability for workers' compensation, medical claims, and life insurance that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These estimates are recorded in the Internal Service Fund. Changes in the estimated liability for the past two fiscal years were as follows:

	<u>2013</u>	<u>2012</u>
Estimated liability - Beginning of year	\$ 3,083,622	\$ 3,742,600
Estimated claims incurred - Including changes in estimates	9,282,717	11,542,337
Claim payments	<u>(8,388,640)</u>	<u>(12,201,315)</u>
Unpaid claims - End of year	<u>\$ 3,977,699</u>	<u>\$ 3,083,622</u>

Note 11 - Contingent Liabilities

The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Note 12 - Defined Benefit Pension Plan and Postemployment Benefits

Plan Description - The School District participates in the Michigan Public School Employees' Retirement System (MPERS), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. The system provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The system also provides post-employment health care benefits to retirees and beneficiaries who elect to receive those benefits.

Note 12 - Defined Benefit Pension Plan and Postemployment Benefits (Continued)

The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and post employment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>, or by writing to the Office of Retirement System at 7150 Harris Drive, P.O. Box 30171, Lansing MI 48909.

Pension Benefits - Employer contributions to the pension system result from the implementing effects of the School Finance Reform Act. Under these procedures, each school district is required to contribute the full actuarial funding contribution amount to fund pension benefits. The employer contribution rate for basic plan members was 15.96 percent of covered payroll for the period from July 1, 2012 through September 30, 2012. The employer contribution rate for pension plus plan members was 14.73 percent for the period from July 1, 2012 through September 30, 2012. Beginning October 1, 2012 through January 31, 2013 employees were given the following plan options with the corresponding employer contribution rates:

	First Worked before July 1, 2010*	First Worked on or after July 1, 2010, through September 3, 2012**	First Worked on or after September 4, 2012 and remain Pension Plus	First worked on or after September 4, 2012 and elect DC
Pension Contributions	16.25 %	15.02 %	15.02 %	12.78 %
Health Contributions	9.11 %	9.11 %	8.18 %	8.18 %

* Basic, MIP Fixed, MIP Graded, MIP Plus

** Pension Plus

Note 12 - Defined Benefit Pension Plan and Postemployment Benefits (Continued)

For the period February 1, 2013 through June 30, 2013 employees could transition to a defined contribution plan (DC), and could also elect out of the healthcare premium subsidy and into the Personal Healthcare Fund (PHF), depending upon their date of hire and retirement plan election. Employees had the following plan options with the corresponding employer contribution rates:

	Basic MIP	Pension Plus	Pension Plus PHF*	Pension DC with PHF*	Basic MIP DB to DC with DB Health	Basic MIP DB to DC with PHF	Basic MIP with PHF
Pension Contributions	15.21 %	15.02 %	15.02 %	12.78 %	12.78 %	12.78 %	15.21 %
Health Contributions	9.11 %	9.11 %	8.18 %	8.18 %	9.11 %	8.18 %	8.18 %
Defined Contribution Plan Employer Contributions							
DC Employer Contributions	0.00 %	1.00 %	1.00 %	3.00 %	4.00 %	4.00 %	0.00 %
Personal Healthcare Fund	0.00 %	0.00 %	2.00 %	2.00 %	0.00 %	2.00 %	2.00 %

* First worked September 4, 2012 or later

Depending on the plan selected, plan member contributions range from 0 percent up to 7.0 percent of gross wages. Plan members electing into the defined contribution plan are not required to make additional contributions.

The School District's required and actual contributions to the plan for the years ended June 30, 2013, 2012, and 2011 were \$16,922,254, \$15,258,683, and \$12,204,846, respectively.

Note 12 - Defined Benefit Pension Plan and Postemployment Benefits (Continued)

Postemployment Benefits - Under the MPSERS Act, all retirees participating in the MPSERS pension plan have the option of continuing health, dental, and vision coverage through MPSERS. Retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS Board of trustees annually sets the employer contribution rate to fund the benefits on a pay as you go basis. Participating employers are required to contribute at that rate. The employer contribution rate was 8.5 percent of covered payroll for the period from July 1, 2012 through September 30, 2012. For the period from October 1, 2012 through June 30, 2013 the employer contribution rate ranged from 8.18 percent to 9.11 percent dependent upon the employee's date of hire and plan election as noted above. Effective February 1, 2013 members can choose to contribute 3 percent of their covered payroll to the Retiree Healthcare Fund and keep this premium subsidy benefit, or they can elect not to pay the 3 percent contribution and instead choose the Personal Healthcare Fund, which can be used to pay healthcare expenses in retirement. Members electing the Personal Healthcare Fund will be automatically enrolled in a 2 percent employee contribution into their 457 account as of their transition date and create a 2 percent employer match into the employee's 401k account.

The School District's required and actual contributions to the plan for retiree health care benefits for the years ended June 30, 2013, 2012, and 2011 were \$9,535,273, \$8,648,564, and \$8,432,033, respectively.

Note 13 - Upcoming Accounting Pronouncements

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary, and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The School District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the year ending June 30, 2015.

Required Supplemental Information

Draft

Livonia Public Schools

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 29,756,583	\$ 27,869,571	\$ 28,458,152	\$ 588,581
State sources	106,522,213	112,649,656	113,169,991	520,335
Federal sources	190,000	198,500	214,253	15,753
Other	-	45,800	-	(45,800)
Interdistrict sources	98,000	108,000	112,121	4,121
Total revenue	136,566,796	140,871,527	141,954,517	1,082,990
Expenditures				
Current:				
Instruction:				
Basic program	72,884,799	74,186,705	73,570,520	(616,185)
Added needs	13,409,117	13,250,119	13,067,766	(182,353)
Adult/Continuing education	560,351	491,655	396,208	(95,447)
Total instruction	86,854,267	87,928,479	87,034,494	(893,985)
Support services:				
Pupil	8,894,477	8,850,228	8,786,074	(64,154)
Instructional staff	6,545,600	6,570,307	6,450,412	(119,895)
General administration	802,347	787,840	728,035	(59,805)
School administration	9,268,071	9,261,084	9,200,232	(60,852)
Business	3,681,197	4,725,557	5,385,711	660,154
Operations and maintenance	13,844,827	14,520,209	14,144,574	(375,635)
Pupil transportation services	6,922,372	6,927,483	6,852,114	(75,369)
Central	2,705,863	2,639,766	2,524,444	(115,322)
Total support services	52,664,754	54,282,474	54,071,596	(210,878)
Community services	2,128,577	2,226,382	2,221,430	(4,952)
Payments to other public schools (ISDs, LEAs)	30,000	80,000	76,484	(3,516)
Total expenditures	141,677,598	144,517,335	143,404,004	(1,113,331)
Excess of Revenue (Under) Over Expenditures	(5,110,802)	(3,645,808)	(1,449,487)	2,196,321
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	15,000	-	-	-
Transfers in	1,700,000	1,700,000	1,350,000	(350,000)
Transfers out	(1,561,923)	(1,624,001)	(1,575,900)	48,101
Other transactions	-	(7,000)	-	7,000
Total other financing sources	153,077	68,999	(225,900)	(294,899)
Net Change in Fund Balance	(4,957,725)	(3,576,809)	(1,675,387)	1,901,422
Fund Balance - July 1, 2012	8,422,895	8,422,895	8,422,895	-
Fund Balance - June 30, 2013	<u>\$ 3,465,170</u>	<u>\$ 4,846,086</u>	<u>\$ 6,747,508</u>	<u>\$ 1,901,422</u>

Livonia Public Schools

Required Supplemental Information Budgetary Comparison Schedule - General Fund Funded Projects Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 186,186	\$ 197,780	\$ 167,652	\$ (30,128)
State sources	350,499	500,511	363,412	(137,099)
Federal sources	6,721,761	6,823,747	6,610,569	(213,178)
Total revenue	7,258,446	7,522,038	7,141,633	(380,405)
Expenditures - Current				
Instruction	5,329,338	4,984,822	4,780,878	(203,944)
Support services	1,815,404	2,584,043	2,433,449	(150,594)
Community services	82,184	71,521	49,235	(22,286)
Total expenditures	7,226,926	7,640,386	7,263,562	(376,824)
Excess of Revenue Over (Under)				
Revenue	31,520	(118,348)	(121,929)	(3,581)
Other Financing Sources (Uses)				
Transfers in	213,968	205,261	201,763	(3,498)
Transfers out	(245,488)	(86,913)	(79,834)	7,079
Total other financing sources (uses)	(31,520)	118,348	121,929	3,581
Net Change in Fund Balance				
	-	-	-	-
Fund Balance - July 1, 2012				
	-	-	-	-
Fund Balance - June 30, 2013				
	\$ -	\$ -	\$ -	\$ -

Livonia Public Schools

Required Supplemental Information Budgetary Comparison Schedule - General Fund Athletic Activities Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue - Local sources	\$ 857,200	\$ 844,700	\$ 851,560	\$ 6,860
Expenditures - Athletics	<u>1,464,123</u>	<u>1,505,701</u>	<u>1,494,294</u>	<u>(11,407)</u>
Excess of Expenditures Over Revenue	(606,923)	(661,001)	(642,734)	18,267
Other Financing Sources - Transfers in	<u>606,923</u>	<u>661,001</u>	<u>642,734</u>	<u>(18,267)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1, 2012	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Other Supplemental Information

Draft

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Special Revenue Funds			Debt Service Funds	
	Food Service	Special Maintenance	Center Program	2004 A	2004 B
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Accounts receivable	26,259	-	-	-	-
Due from other governmental units	27,394	-	1,453,778	-	-
Due from other funds	667,231	-	2,410,685	4,303	-
Inventories	40,504	-	-	-	-
Restricted assets	-	14,095	-	1,738,714	31,755
Total assets	761,388	14,095	3,864,463	1,743,017	31,755
Total assets and deferred outflows of resources	\$ 761,388	\$ 42,285	\$ 1,593,389	\$ 5,229,051	\$ 95,265
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 17,438	\$ 10	\$ 20,345	\$ 1,596	\$ -
Accrued payroll-related liabilities:					
Salaries payable	4,480	-	1,161,950	-	-
Due to other governmental units	1,563	-	1,262,696	37,592	-
Due to other funds	-	14,085	-	-	951
Unearned revenue	-	-	317,246	-	-
Total liabilities	23,481	14,095	2,762,237	39,188	951
Total liabilities and deferred inflows of resources	23,481	14,095	2,762,237	39,188	951
Fund Balances					
Nonspendable:					
Inventory	40,504	-	-	-	-
Restricted:					
Capital projects	-	-	-	-	-
Debt service	-	-	-	1,703,829	30,804
Food service	697,403	-	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Center Program	-	-	1,102,226	-	-
Total fund balances	737,907	-	1,102,226	1,703,829	30,804
Total liabilities and fund balances	\$ 761,388	\$ 14,095	\$ 3,864,463	\$ 1,743,017	\$ 31,755

Livonia Public Schools

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds June 30, 2013

	Capital Projects Fund				Total Nonmajor Governmental Funds	
	Building and Repairs Fund	Building and Site	Improvement and Technology Fund	2012 Capital Projects		
				Total		
Assets						
Cash and cash equivalents	\$ -	\$ 1,908,095	\$ -	\$ -	\$ 1,908,095	\$ 1,908,095
Receivables:						
Accounts receivable	-	-	-	-	-	26,259
Due from other governmental units	-	-	-	-	-	1,481,172
Due from other funds	158,937	6,075	-	29,782	194,794	3,277,013
Inventories	-	-	-	-	-	40,504
Restricted assets	7,191,453	-	38,594	-	7,230,047	9,014,611
Total assets	7,350,390	1,914,170	38,594	29,782	9,332,936	15,747,654
Total assets and deferred outflows of resources	<u>\$2,051,170</u>	<u>\$ 5,742,510</u>	<u>\$ 115,782</u>	<u>\$ 89,346</u>	<u>\$7,998,808</u>	<u>\$45,720,186</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 384,088	\$ 956	\$ -	\$ -	\$ 385,044	\$ 424,433
Accrued payroll-related liabilities:						
Salaries payable	-	-	-	-	-	1,166,430
Due to other governmental units	48,509	-	-	-	48,509	1,350,360
Due to other funds	-	-	2,067	-	2,067	17,103
Unearned revenue	-	-	-	-	-	317,246
Total liabilities	432,597	956	2,067	-	435,620	3,275,572
Total liabilities and deferred inflows of resources	432,597	956	2,067	-	435,620	3,275,572
Fund Balances						
Nonspendable:						
Inventory	-	-	-	-	-	40,504
Restricted:						
Capital projects	6,917,793	-	36,527	-	6,954,320	6,954,320
Debt service	-	-	-	-	-	1,734,633
Food service	-	-	-	-	-	697,403
Assigned:						
Capital projects	-	1,913,214	-	29,782	1,942,996	1,942,996
Center Program	-	-	-	-	-	1,102,226
Total fund balances	6,917,793	1,913,214	36,527	29,782	8,897,316	12,472,082
Total liabilities and fund balances	<u>\$ 7,350,390</u>	<u>\$ 1,914,170</u>	<u>\$ 38,594</u>	<u>\$ 29,782</u>	<u>\$ 9,332,936</u>	<u>\$ 15,747,654</u>

Livonia Public Schools

	Special Revenue Funds			Debt Service Funds	
	Lunch Fund	Special Maintenance	Special Education Center Programs	2004 A	2004 B
Revenue					
Local sources	\$ 1,720,303	\$ 6	\$ 8,033	\$ 8,860,451	\$ 241,192
State sources	149,532	-	4,063,967	-	-
Federal sources	1,853,037	-	-	-	-
Interdistrict sources	-	-	12,464,363	-	-
Total revenue	3,722,872	6	16,536,363	8,860,451	241,192
Expenditures - Current					
Instruction:					
Added needs	-	-	11,749,681	-	-
Support services	-	47,557	4,226,239	-	-
Food services	3,618,877	-	-	-	-
Debt service:					
Principal	-	-	-	4,800,000	155,000
Interest	-	-	-	3,873,975	81,203
Other	-	-	-	324,868	9,102
Capital outlay	5,895	-	4,212	-	-
Total expenditures	3,624,772	47,557	15,980,132	8,998,843	245,305
Excess of Revenue (Under) Over Expenditures	98,100	(47,551)	556,231	(138,392)	(4,113)
Other Financing Sources					
Transfers in	33,000	-	778,237	-	-
Transfers out	-	-	(1,350,000)	-	-
Total other financing sources	33,000	-	(571,763)	-	-
Net Change in Fund Balances	131,100	(47,551)	(15,532)	(138,392)	(4,113)
Fund Balances - Beginning of year	606,807	47,551	1,117,758	1,842,221	34,917
Fund Balances - End of year	\$ 737,907	\$ -	\$ 1,102,226	\$ 1,703,829	\$ 30,804

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2013

Capital Projects Fund				Total Nonmajor Governmental Funds
Building and Repairs Fund	Building and Site	Improvement and Technology Fund	2012 Capital Projects	
\$ 4,590,353	\$ 243	\$ 4	\$ -	\$ 15,420,585
-	-	-	-	4,213,499
-	-	-	-	1,853,037
-	-	-	-	12,464,363
4,590,353	243	4	-	33,951,484
-	-	-	-	11,749,681
-	-	-	-	4,273,796
-	-	-	-	3,618,877
-	-	-	-	4,955,000
-	-	-	-	3,955,178
-	-	-	-	333,970
4,203,934	2,780	-	108,826	4,325,647
4,203,934	2,780	-	108,826	33,212,149
386,419	(2,537)	4	(108,826)	739,335
-	-	-	-	811,237
-	-	-	-	(1,350,000)
-	-	-	-	(538,763)
386,419	(2,537)	4	(108,826)	200,572
6,531,374	1,915,751	36,523	138,608	12,271,510
\$ 6,917,793	\$ 1,913,214	\$ 36,527	\$ 29,782	\$ 12,472,082

Livonia Public Schools

Other Supplemental Information Combining Balance Sheet General and Funded Projects Funds June 30, 2013

	General Fund	Athletic Activities	Funded Projects	Total
Assets				
Cash and cash equivalents (Note 3)	\$ 22,099,716	\$ -	\$ -	\$ 22,099,716
Receivables:				
Accounts receivable	92,814	-	-	92,814
Due from other governmental units	21,858,156	-	1,942,244	23,800,400
Due from other funds (Note 6)	-	16,685	-	16,685
Inventories	364,743	-	-	364,743
Prepaid costs and other assets	63,935	-	-	63,935
	<u>\$ 44,479,364</u>	<u>\$ 16,685</u>	<u>\$ 1,942,244</u>	<u>\$ 46,438,293</u>
Total assets				
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 735,157	\$ 6,288	\$ 36,663	\$ 778,108
Accrued payroll-related liabilities	17,341,779	10,258	642,519	17,994,556
State aid anticipation note (Note 7)	6,041,752	-	-	6,041,752
Due to other governmental units	1,212,095	139	-	1,212,234
Due to other funds	10,413,368	-	1,077,326	11,490,694
Unearned revenue (Note 4)	785,473	-	185,736	971,209
	<u>36,529,624</u>	<u>16,685</u>	<u>1,942,244</u>	<u>38,488,553</u>
Total liabilities				
Deferred Inflows of Resources				
Unavailable revenue (Note 4)	<u>1,202,232</u>	<u>-</u>	<u>-</u>	<u>1,202,232</u>
Total liabilities and deferred inflows of resources	<u>37,731,856</u>	<u>16,685</u>	<u>1,942,244</u>	<u>39,690,785</u>
Fund Balances				
Nonspendable				
Inventory	364,743	-	-	364,743
Prepaid assets	63,935	-	-	63,935
Assigned				
Budgeted use of fund balance in subsequent year	2,984,330	-	-	2,984,330
Unassigned	<u>3,334,500</u>	<u>-</u>	<u>-</u>	<u>3,334,500</u>
Total fund balances	<u>6,747,508</u>	<u>-</u>	<u>-</u>	<u>6,747,508</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,479,364</u>	<u>\$ 16,685</u>	<u>\$ 1,942,244</u>	<u>\$ 46,438,293</u>

Livonia Public Schools

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances General Funds Year Ended June 30, 2013

	General Fund	Athletic Activities	Funded Projects	Total
Revenue				
Local sources	\$ 28,458,152	\$ 851,560	\$ 167,652	\$ 29,477,364
State sources	113,169,991	-	363,412	113,533,403
Federal sources	214,253	-	6,610,569	6,824,822
Interdistrict sources	112,121	-	-	112,121
Total revenue	<u>141,954,517</u>	<u>851,560</u>	<u>7,141,633</u>	<u>149,947,710</u>
Expenditures				
Current:				
Instruction	86,906,145	-	4,704,288	91,610,433
Support services	54,037,080	-	2,287,565	56,324,645
Athletics	-	1,448,301	-	1,448,301
Community services	2,221,430	-	49,235	2,270,665
Capital outlay	162,865	45,993	222,474	431,332
Payments to other public schools (ISDs, LEAs)	76,484	-	-	76,484
Total expenditures	<u>143,404,004</u>	<u>1,494,294</u>	<u>7,263,562</u>	<u>152,161,860</u>
Excess of Revenue Over (Under) Expenditures	(1,449,487)	(642,734)	(121,929)	(2,214,150)
Other Financing Sources (Uses)				
Transfers in	1,350,000	642,734	201,763	2,194,497
Transfers out	(1,575,900)	-	(79,834)	(1,655,734)
Total other financing sources (uses)	<u>(225,900)</u>	<u>642,734</u>	<u>121,929</u>	<u>538,763</u>
Net Change in Fund Balances	(1,675,387)	-	-	(1,675,387)
Fund Balances - Beginning of year	8,422,895	-	-	8,422,895
Fund Balances - End of year	<u>\$ 6,747,508</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,747,508</u>

Livonia Public Schools

Other Supplemental Information General Fund

Schedule of Revenues and Expenditures Compared to Budget Year Ended June 30, 2013

	Original Budget	Final Budget	Actual
Revenues			
Revenue from Local Sources			
Property tax levy	\$ 23,973,500	\$ 22,967,659	\$ 22,968,354
Tuition	1,138,300	1,000,200	1,051,502
Transportation fees	145,000	65,000	87,425
Earnings on investments	600.00	-	1,645
Student activities	17,000	11,875	11,250
Medicaid FFS	481,153.00	480,497	480,497
Other local revenues	4,001,030	3,344,340	3,857,479
Total revenues from local sources	29,756,583	27,869,571	28,458,152
Revenues from State Sources			
Grants - Unrestricted	90,585,456	92,491,491	92,603,301
Grants - Restrictd	15,936,757	20,158,165	20,566,690
Total revenues from state sources	106,522,213	112,649,656	113,169,991
Revenues from Federal Sources - Grants			
	190,000	198,500	214,253
Interdistrict Sources			
Tuition	98,000	108,000	112,121
Total interdistrict sources	98,000	108,000	112,121
Other Financing Sources			
Proceeds from sale of capital assets	15,000	-	-
Insurance reimbursements	-	-	-
Refunds	-	45,800	-
Transfer in	1,700,000	1,700,000	1,350,000
Total other financing sources	1,715,000	1,745,800	1,350,000
Total revenue and other financing sources	\$ 138,281,796	\$ 142,571,527	\$ 143,304,517
Expenditures			
Basic Program - Elementary			
Salaries	\$ 22,057,617	\$ 22,066,941	\$ 21,979,282
Employee Benefits	10,405,900	11,382,258	11,346,928
Purchased services	307,715	360,300	364,216
Capital outlay	601,719.00	715,985.00	675,312
Supplies and materials	143,000	13,297	13,297
Total elementary	33,515,951	34,538,781	34,379,035
Basic Program - Middle School			
Salaries	7,593,757	7,825,154	7,727,313
Employee benefits	3,524,951	3,883,420	3,843,184
Purchased services	143,030	117,730	97,890
Supplies and materials	80,420	83,456	72,880
Total middle school	11,342,158	11,909,760	11,741,267

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2013

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Basic Program - High School			
Salaries	\$ 17,420,581	\$ 16,994,034	\$ 16,902,683
Employee benefits	8,024,863	8,538,004	8,503,021
Purchased services	238,675	243,905	249,182
Supplies and materials	263,314	207,072	198,332
Other	10,200	10,400	10,400
Total high school	25,957,633	25,993,415	25,863,618
Basic Program - Pre-school			
Salaries	415,906	356,900	352,763
Employee benefits	183,045	167,609	165,766
Purchased services	6,200	3,200	352
Supplies and materials	6,846	6,737	4,814
Total pre-school	611,997	534,446	523,695
Basic Program - Summer School			
Salaries	873,668	703,785	600,414
Employee benefits	513,231	445,812	416,996
Purchased services	37,065	33,291	31,120
Supplies and materials	30,096	25,415	13,545
Capital outlay	3,000	2,000	830
Total summer school	1,457,060	1,210,303	1,062,905
Added Needs - Special Education			
Salaries	6,311,900	6,052,987	5,900,754
Employee benefits	3,205,736	3,292,122	3,284,964
Purchased services	111,690	169,100	176,350
Supplies and materials	15,610	14,390	8,689
Other	-	2,400	2,400
Total special education	9,644,936	9,530,999	9,373,157
Added Needs - Compensatory Education			
Salaries	463,880	409,375	414,288
Employee benefits	263,444	233,935	224,865
Purchased services	1,082	2,482	1,924
Total compensatory education	728,406	645,792	641,077
Added Needs - Career and Technical Education			
Salaries	1,815,379	1,804,623	1,798,611
Employee benefits	885,552	896,022	882,134
Purchased services	21,300	24,000	25,795
Supplies and materials	169,878	233,683	232,764
Capital outlay	136,465	115,000	114,228
Total career and technical education	3,028,574	3,073,328	3,053,532

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2013

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Added Needs - Summer School			
Salaries	\$ 3,693	\$ -	\$ -
Employee benefits	2,140	-	-
Supplies and materials	1,368	-	-
Total summer school	7,201	-	-
Adult and Continuing Education - Basic			
Salaries	87,608	87,608	33,978
Employee benefits	22,962	28,082	14,030
Supplies and materials	-	2,100.00	2,234
Total basic	110,570	117,790	50,242
Adult and Continuing Education - Secondary			
Salaries	13,713	17,700	33,496
Employee benefits	4,160	5,686	10,990
Purchased services	1,228	2,900	3,536
Total secondary	19,101	26,286	48,022
Adult and Continuing Education - Occupational Training			
Salaries	201,923	196,100	190,589
Employee benefits	57,840	63,909	58,888
Purchased services	158,850	84,650	45,295
Supplies and materials	12,067	2,920	-
Other	-	-	3,172
Total occupational training	430,680	347,579	297,944
Pupil - Guidance Services			
Salaries	3,509,867	3,359,623	3,354,105
Employee benefits	1,674,161	1,651,397	1,644,091
Purchased services	16,650	18,300	17,485
Total guidance services	5,200,678	5,029,320	5,015,681
Pupil - Health Services			
Salaries	-	116,625.00	116,625
Employee benefits	-	55,712.00	56,090
Purchased services	23,000	15,200	10,460
Supplies and materials	6,397	5,000	2,689
Total health services	29,397	192,537	185,864

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2013

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Pupil - Psychological Services			
Salaries	\$ 220,373	\$ 378,565	\$ 318,781
Employee benefits	102,585	183,223	163,331
Purchased services	800	800	1,024
Total psychological services	323,758	562,588	483,136
Pupil - Speech Services			
Salaries	1,503,250	1,419,086	1,418,928
Employee benefits	673,725	678,992	664,066
Purchased services	1,025	1,200	1,450
Total speech services	2,178,000	2,099,278	2,084,444
Pupil - Social Work Services			
Salaries	315,450	178,448	241,806
Employee benefits	129,572	84,394	120,339
Purchased services	2,500	1,500	217
Total social work services	447,522	264,342	362,362
Pupil - Teacher Consultant			
Salaries	105,571	26,035	25,835
Employee benefits	46,444	14,130	12,575
Purchased services	1,075	1,075	433
Total teacher consultant	153,090	41,240	38,843
Pupil - Other Support Services			
Salaries	336,374	422,720	404,115
Employee benefits	209,449	222,194	201,090
Purchased services	16,209	16,009	10,539
Total other pupil support services	562,032	660,923	615,744
Instructional Staff - Improvement of Education			
Salaries and materials	1,338,601	1,274,688	1,326,638
Employee benefits	594,902	574,132	592,489
Purchased services	215,857	295,593	209,924
Supplies and materials	13,330	16,263	8,721
Other	2,690	2,100	1,495
Total improvement of education	2,165,380	2,162,776	2,139,267

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2013

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Instructional Staff - Educational Media Services			
Salaries and materials	\$ 1,781,393	\$ 1,714,119	\$ 1,700,273
Employee benefits	760,192	786,071	800,232
Purchased services	16,173	27,250	32,801
Supplies and materials	44,601	60,342	41,297
Other	154	154	125.00
Total education media services	2,602,513	2,587,936	2,574,728
Instructional Staff - Audiovisual Services -			
Supplies and materials	2,014	1,520	1,511
Instructional Staff - Technology Assisted Instruction			
Salaries and materials	-	7,164	9,222
Employee benefits	-	3,310	2,983
Purchased services	16,500	6,697	4,627
Total technology assisted instruction	16,500	17,171	16,832
Instructional Staff - Supervision and Direction of Instructional Staff			
Salaries and materials	758,444	775,421	769,363
Employee benefits	352,160	362,919	373,079
Purchased services	5,535	5,535	3,540
Supplies and materials	17,088	8,000	1,849
Other	7,100	2,100	854
Total supervision and direction of instructional staff	1,140,327	1,153,975	1,148,685
Instructional Staff - Academic Student Assessment			
Salaries	2,354	2,029	-
Employee benefits	-	652	-
Supplies and materials	56,206	57,206	14,293
Total academic student assessment	58,560	59,887	14,293
Instructional Staff - Other Services			
Salaries	319,401	322,528	324,867
Employee benefits	155,487	177,086	179,522
Purchased services	72,849	78,750	47,424
Supplies and materials	11,144	8,628	3,233
Other	1,425	50	50
Total other instructional staff services	560,306	587,042	555,096

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2013

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
General Administration - Board of Education			
Salaries	\$ 20,000	\$ 20,000	\$ 23,650
Purchased services	297,378	325,250	284,696
Supplies and materials	1,152	14,152	15,076
Other	3,000	3,000	110
Total board of education	321,530	362,402	323,532
General Administration - Executive Administration			
Salaries	311,473	258,497	258,417
Employee benefits	112,227	119,724	111,525
Purchased services	2,550	2,050	520
Supplies and materials	19,567	19,567	13,460
Other	35,000	25,600	20,581
Total executive administration	480,817	425,438	404,503
School Administration - Office of the Principal			
Salaries	6,140,407	6,074,705	6,036,377
Employee benefits	2,986,981	3,041,067	3,027,764
Purchased services	61,219	71,180	73,249
Supplies and materials	49,556	47,537	38,614
Other	30,000	25,000	22,641
Total office of the principal	9,268,163	9,259,489	9,198,645
School Administration - Other			
Salaries	-	1,200	1,199
Employee benefits	(92)	395	388
Total other school administration	(92)	1,595	1,587
Business - Fiscal Services			
Salaries	592,047	632,318	624,484
Employee benefits	325,126	349,172	328,754
Purchased services	21,383	12,883	9,652
Supplies and materials	9,834	8,740	7,352
Other	348,450	255,000	378,816
Total fiscal services	1,296,840	1,258,113	1,349,058
Business - Internal Services			
Salaries	226,609	143,000	135,797
Employee benefits	107,853	82,055	72,342
Purchased services	105,572	60,572	50,668
Supplies and materials	6,583	5,233	8,332
Total internal services	446,617	290,860	267,139

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2013

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Business - Other			
Salaries	\$ 117,068	\$ 114,956	\$ 106,777
Employee benefits	75,149	68,077	66,340
Purchased services	3,550	550	560
Supplies and materials	2,067	1,000	35
Other purchased services	782,000	726,000	712,298
Other	957,906	2,266,001	2,883,504
Total other business	1,937,740	3,176,584	3,769,514
Operations and Maintenance - Operating Building Services			
Salaries	5,140,890	5,263,800	5,222,752
Employee benefits	3,097,338	3,382,450	3,261,539
Purchased services	4,590,682	4,265,923	4,127,709
Supplies and materials	372,264	599,002	587,433
Capital outlay	19,100.00	24,100	26,544
Other	2,845	2,845	2,677
Total operating building services	13,223,119	13,538,120	13,228,654
Operations and Maintenance - Security Services			
Salaries	38,564	47,947	47,946
Employee benefits	14,635	10,828	9,492
Purchased services	561,284	919,034	856,693
Supplies and materials	5,225	3,225	1,004
Capital outlay	1,000	500	230
Other	1,000	555	555
Total security services	621,708	982,089	915,920
Pupil Transportation Services			
Salaries	3,488,811	3,426,551	3,423,855
Employee benefits	2,190,633	2,094,151	2,106,040
Purchased services	339,747	493,300	466,403
Supplies and materials	1,027,659	1,037,959	995,930
Other	(124,478)	(124,478)	(140,114)
Total transportation services	6,922,372	6,927,483	6,852,114
Central - Planning, Research Development, and Evaluation			
Salaries	76,531	75,061	73,132
Employee benefits	30,512	32,596	33,063
Purchased services	100	100	33.00
Other	48	-	-
Total planning, research development and evaluation	107,191	107,757	106,228

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2013

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Central - Communication Services			
Salaries	\$ 206,934	\$ 164,209	\$ 157,085
Employee benefits	110,552	66,043	67,013
Purchased services	67,690	51,310	43,034
Supplies and materials	2,180	3,080	317
Capital outlay	1,000.00	1,000	-
Other	250	250	-
Total communication services	388,606	285,892	267,449
Central - Staff/Personnel Services			
Salaries	513,769	560,627	551,462
Employee benefits	249,502	273,519	252,877
Purchased services	125,579	79,579	53,802
Supplies and materials	3,207	3,207	1,234
Other	855	855	200
Total staff/personnel services	892,912	917,787	859,575
Central - Pupil Accounting			
Salaries	65,375	65,250	65,250
Employee benefits	36,306	37,081	37,080
Purchased services	4,600	8,300	8,073
Total support services technology	106,281	110,631	110,403
Central - Support Services Technology			
Salaries	478,624	485,189	473,161
Employee benefits	268,928	276,189	273,973
Purchased services	416,597	416,597	414,447
Supplies and materials	35,150	30,150	12,282
Capital outlay	11,384	9,384	6,840
Other	190	190	86
Total pupil accounting	1,210,873	1,217,699	1,180,789
Community Services - Custody and Care of Children			
Salaries	1,511,720	1,546,630	1,543,685
Employee benefits	547,638	582,858	582,601
Purchased services	1,233	1,233	898
Supplies and materials	67,936	95,661	94,246
Other	50	-	-
Total custody and care of children	2,128,577	2,226,382	2,221,430

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2013

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Intergovernmental Payments - Payments to other public schools	30,000	80,000	76,484
Other Financing Uses			
Transfers	1,561,923	1,624,001	1,575,900
Site Improvements - Capital Outlay	-	7,000	-
Total other financing uses	1,561,923	1,631,001	1,575,900
Total expenditures and financing uses	<u>\$ 143,239,521</u>	<u>\$ 146,148,336</u>	<u>\$ 144,979,904</u>

Livonia Public Schools

Other Supplemental Information Schedule of Bonded Indebtedness Year Ended June 30, 2013

Year Ending June 30	2004 Refunding Issue - Series A	2004 Refunding Issue - Series B	2013 Issue - Series I	Total
2014	\$ 5,185,000	\$ 160,000	\$ 5,280,000	\$ 10,625,000
2015	5,585,000	165,000	5,675,000	11,425,000
2016	5,985,000	175,000	5,675,000	11,835,000
2017	6,405,000	185,000	850,000	7,440,000
2018	6,775,000	190,000	800,000	7,765,000
2019	7,105,000	200,000	825,000	8,130,000
2020	7,425,000	210,000	850,000	8,485,000
2021	7,685,000	225,000	900,000	8,810,000
2022	8,385,000	-	900,000	9,285,000
2023	4,785,000	-	1,175,000	5,960,000
2024	4,750,000	-	1,325,000	6,075,000
2025	4,740,000	-	1,475,000	6,215,000
2026	-	-	3,200,000	3,200,000
2027	-	-	3,325,000	3,325,000
2028	-	-	3,450,000	3,450,000
2029	-	-	3,575,000	3,575,000
2030	-	-	3,700,000	3,700,000
2031	-	-	3,825,000	3,825,000
2032	-	-	3,950,000	3,950,000
2033	-	-	4,075,000	4,075,000
2034	-	-	4,200,000	4,200,000
2035	-	-	4,325,000	4,325,000
2036	-	-	4,475,000	4,475,000
2037	-	-	4,625,000	4,625,000
2038	-	-	4,775,000	4,775,000
2039	-	-	4,925,000	4,925,000
2040	-	-	5,075,000	5,075,000
2041	-	-	5,225,000	5,225,000
2042	-	-	5,375,000	5,375,000
2043	-	-	5,500,000	5,500,000
Total bonded debt	<u>\$ 74,810,000</u>	<u>\$ 1,510,000</u>	<u>\$ 103,330,000</u>	<u>\$ 179,650,000</u>
Principal payments due the first day of	May		May	
Interest payments due on the first day of	May and November	May and November	May and November	
Interest rate	2.000 - 5.000%	4.350 - 5.000%	1.000 - 5.000%	
Original issue	<u>\$ 92,570,000</u>	<u>\$ 2,350,000</u>	<u>\$ 103,330,000</u>	

Livonia Public Schools

**Federal Awards
Supplemental Information
June 30, 2013**

Draft

Independent Auditor's Reports:

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Report on Schedule of Expenditures of Federal Awards
Required by OMB Circular A-133

Independent Auditor's Report

To the Board of Education
Livonia Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 15, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 15, 2013. .

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

October 15, 2013

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Education
Livonia Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 15, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Livonia Public Schools' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Education
Livonia Public Schools

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Livonia Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of Livonia Public Schools in a separate letter dated October 15, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 15, 2013

Report on Compliance For Each Major Federal Program;
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Board of Education
Livonia Public Schools

Report on Compliance for Each Major Federal Program

We have audited Livonia Public Schools' compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. Livonia Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Livonia Public Schools' major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Livonia Public Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Livonia Public Schools' compliance.

Opinion on Each Major Federal Program

To the Board of Education
Livonia Public Schools

In our opinion, Livonia Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Livonia Public Schools is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Livonia Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A133. Accordingly, this report is not suitable for any other purpose.

October 15, 2013

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013**

Federal Agency Name / Pass Through Agency / Federal Program Title	Federal CFDA Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue as of July 1, 2012	Adjustments and Transfers	Federal Funds/Payments - kind Received	Expenditures	Accrued (Deferred) Revenue as of June 30, 2013
Clusters:								
Child Nutrition Cluster:								
U.S. Department of Agriculture - Passed through Michigan Department of Education:								
Non cash assistance (commodities) - National School Lunch Program:								
Entitlement commodities	10.555	154,657	-	-	-	154,657	154,657	-
Total noncash assistance		154,657	-	-	-	154,657	154,657	-
Cash assistance:								
131970 National School Breakfast Program	10.553	278,268	-	-	-	278,268	278,268	-
131960 National School Lunch Program	10.555	1,419,918	-	-	-	1,419,918	1,419,918	-
131900/130900 Summer Food Service Program	10.559	194	-	-	-	-	194	194
Total cash assistance		1,698,380	-	-	-	1,698,186	1,698,380	194
Total Child Nutrition Cluster		1,853,037	-	-	-	1,852,843	1,853,037	194
Special Education Cluster :								
U.S. Department of Education - Passed through Wayne County RESA:								
IDEA, Part B:								
120450- 2011-2012 IDEA Flowthrough - Regular	84.027A	3,084,709	3,084,709	774,433	-	774,433	-	-
130450- 2012-2013 IDEA Flowthrough - Regular		3,388,553	-	-	-	2,456,005	3,388,553	932,548
120450- 2011-2012 IDEA Regular - CPE		932,200	932,200	179,952	-	179,952	-	-
130450- 2012-2013 IDEA Regular - CPE		790,600	-	-	-	549,446	790,600	241,154
Total IDEA, Part B		8,196,062	4,016,909	954,385	-	3,959,836	4,179,153	1,173,702
IDEA Preschool:								
120460- 2011-2012 IDEA Preschool	84.173A	216,149	216,149	51,519	-	51,519	-	-
130460- 2012-2013 IDEA Preschool		197,454	-	-	-	142,349	197,454	55,105
Total IDEA Preschool		413,603	216,149	51,519	-	193,868	197,454	55,105
Total Special Education Cluster		8,609,665	4,233,058	1,005,904	-	4,153,704	4,376,607	1,228,807
Medicaid Cluster								
U.S. Department of Health and Human Services- Passed through Wayne County RESA:								
Medicaid Outreach	93.778	42,606	42,606	14,401	(14,401)	-	-	-
Medicaid Outreach		68,979	-	-	-	68,979	68,979	-
Total Medicaid Outreach		111,585	42,606	14,401	(14,401)	68,979	68,979	-
Title I, Part A Cluster:								
U.S. Department of Education - Passed through Michigan Department of Education:								
TITLE I, Part A:								
121530- 2011-2012 Title I Part A	84.010	1,539,863	1,530,033	309,493	-	309,493	-	-
131530- 2012-2013 Title I Part A		1,437,409	-	-	-	1,040,241	1,311,363	271,122
Total Title I Part A		2,977,272	1,530,033	309,493	-	1,349,734	1,311,363	271,122
Total of Cluster Programs		13,551,559	5,805,697	1,329,798	(14,401)	7,425,260	7,609,986	1,500,123

Livonia Public Schools

Draft

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2013

Federal Agency Name / Pass Through Agency / Federal Program Title	Federal CFDA Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue as of July 1, 2012	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue as of June 30, 2013
Other Federal Programs:								
U.S. Department of Education - Passed through Michigan Department of Education:								
TITLE II, Part A:								
120520- 2011-2012 Title II Part A	84.367	437,415	412,140	47,413	-	47,413	-	-
130520- 2012-2013 Title II Part A		370,087	-	-	-	250,522	312,258	61,736
Total Title II Part A		807,502	412,140	47,413	-	297,935	312,258	61,736
TITLE III, Immigrant Student - Limited English Proficient Students:								
120570- 2011-2012 Title III Immigrant Student	84.365A	44,944	34,207	7,191	-	7,191	-	-
130570- 2012-2013 Title III Immigrant Student		53,923	-	-	-	40,203	50,456	10,254
120580- 2011-2012 Title III Limited English Proficient Students		71,015	63,095	10,137	-	10,137	-	-
130580- 2012-2013 Title III Limited English Proficient Students		48,024	-	-	-	45,506	44,106	(1,400)
Total Title III Limited English Proficient Students		217,906	97,302	17,328	-	103,036	94,562	8,853
Adult Learning WIA Core Programs								
131120- 2012-2013 Federal EL Civics	84.002A	14,190	-	-	-	13,574	14,190	616
131130- 2012-2013 Federal General Instruction		160,000	-	-	-	160,000	160,000	-
Total Adult Learning WIA Core Programs		174,190	-	-	-	173,574	174,190	616
Education Jobs Fund								
112545- 2011-2012 Education Jobs Fund	84.410	140,500	-	-	-	140,500	140,500	-
U.S. Department of Education - Passed through Wayne County RESA:								
Carl D. Perkins Career and Technical Education Program:								
103520-101225- 2011-2012 Perkins	84.048A	227,698	220,754	151,308	-	151,308	-	-
133520-131225- 2012-2013 Perkins		270,964	-	-	-	128,407	270,949	142,542
Total Perkins Career and Technical Education Program		498,662	220,754	151,308	-	279,715	270,949	142,542
U.S. Department of Education - Direct:								
Carol M. White Physical Education Program:								
Q215F090231- 2011-2013 PEP	84.215F	\$ 182,225	\$ 154,436	\$ 57,676	-	\$ 85,465	\$ 27,789	-
U.S. Department of Agriculture - Passed through Michigan Department of Education:								
Child and Adult Care Food Program:								
112920 CACFP Meals	10.558	4,681	4,681	871	-	871	-	-
131920 CACFP Meals		4,774	-	-	-	3,910	4,774	864
Total Child and Adult Care Food Program		9,455	4,681	871	-	4,781	4,774	864
U.S. Department of Treasury - Direct:								
JROTC - Department of the Navy:								
2011-2012	21.000	70,468	70,768	18,398	-	18,398	-	-
JROTC - Department of the Air Force								
2011-2012		31,424	31,424	2,630	-	2,630	-	-
2012-2013		31,604	-	-	-	28,964	31,604	2,640
Subtotal U.S. Department of the Treasury - JROTC		63,028	31,424	2,630	-	31,594	31,604	2,640
Total U.S. Department of the Treasury - Direct Programs		133,496	102,192	21,028	-	49,992	31,604	2,640

Livonia Public Schools

Draft

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2013

Federal Agency Name / Pass Through Agency / Federal Program Title	Federal CFDA Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued (Deferred) Revenue as of July 1, 2012	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue as of June 30, 2013
U.S. Library of Congress - Passed through Illinois State University: Teaching with Primary Sources - Regional Center Pilot 70029- 2012-2013 Social Studies Grant	NONE	12,289	-	-	-	11,247	11,247	-
Total of Non-Cluster Programs		2,176,224	991,505	295,624	-	1,146,245	1,067,873	217,251
Total Federal Awards		\$ 15,727,784	\$ 6,797,202	\$ 1,625,422	\$ (14,401)	\$ 8,571,505	\$ 8,677,859	\$ 1,717,375

Livonia Public Schools

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

Note 1 - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Livonia Public Schools under programs of the federal government for the year ended June 30, 2013. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the schedule presents only a selected portion of the operations of Livonia Public Schools, it is not intended to and does not present the financial position, changes in net position or cash flows, if applicable, of Livonia Public Schools.

Note 2 - Grant Auditor Report

Management has utilized the Cash Management System (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

Note 3 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of OMB Circular A-133 and has been included in the SEFA.

Note 4 - Adjustments and Transfers

During the year ended June 30, 2013, there was an adjustment of \$14,401 relating to the Medicaid Outreach grant. In the prior year schedule, the amount was presented as an accrued revenue. However, the funds had already been received during the year ended June 30, 2012.

Livonia Public Schools

Schedule of Findings and Questioned Costs Year Ended June 30, 2013

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

_____ Yes X No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.555, 10.553, 10.559 84.010	Child Nutrition Cluster Title I, Part A Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? X Yes _____ No

Livonia Public Schools

Schedule of Findings and Questioned Costs Year Ended June 30, 2013

Section II - Financial Statement Audit Findings

None

Draft

Livonia Public Schools

Schedule of Findings and Questioned Costs Year Ended June 30, 2013

Section III - Federal Program Audit Findings

None

Draft

Livonia Public Schools

Report to the Board of Education

June 30, 2013

To the Board of Education
Livonia Public Schools

We have recently completed our audit of the basic financial statements of Livonia Public Schools (the “School District”) as of and for the year ended June 30, 2013. In addition to our audit report, we are providing the following required audit communication, recommendations, and informational comments which impact the School District:

	<u>Page</u>
Results of the Audit	2-4
Other Recommendations	5-6
Informational Items	7-17

We are grateful for the opportunity to be of service to Livonia Public Schools. Should you have any questions regarding the comments in this report, please do not hesitate to call.

October 16, 2013

Results of the Audit

October 16, 2013

To the Board of Education
Livonia Public Schools

We have audited the basic financial statements of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2013 and have issued our report thereon dated October 16, 2013. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated June 3, 2013, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of Livonia Public Schools. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the School District's financial statements has also been conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. Under Government Auditing Standards, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the School District, including compliance with certain provisions of laws, regulations, contracts, grant agreements, certain instances of error or fraud, illegal acts applicable to government agencies, and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated October 16, 2013 regarding our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our communication about planning matters dated August 14, 2013.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the School District are described in Note I to the financial statements. As described in Note I, the School District changed accounting policies related to the implementation of GASB's 62, 63, and 65.

We noted no transactions entered into by the School District during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was the calculation of the liability related to self-insured benefits. We evaluated the key factors and assumptions used to develop the self-insurance liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the financial statements in the current year.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the organization, and business plans and strategies that may affect the risks of material misstatement with management each year prior to retention as the School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 16, 2013

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

This information is intended solely for the use of the Board of Education and management of Livonia Public Schools and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Plante & Moran, PLLC

Teresa L. Pollock

Other Recommendations

Livonia Public Schools

Other Recommendations

Accrued Health Insurance

Health insurance expense for teachers and employees who have contracts on a school year basis is required to be accrued as of June 30 since those benefits are deemed to be earned at the end of each school year. The majority of the School District's teachers are provided health care benefits through a plan that is self-insured by the School District and all amounts were properly accrued and calculated for these individuals. There are also a small number of teachers that have elected health care coverage under a fully insured plan through HAP. It was noted during testing of year end balances, that the July and August coverage for these individuals was not accrued by the School District. This amount was not considered significant, but should be considered by the School District going forward.

The total balance of the July bill was paid by the District prior to year end, resulting in a prepaid expense being recorded for this amount within the governmental funds. The amount recorded as prepaid expense included the amount also accrued for relating to the 10 month employees, as noted above, for the July premiums. This resulted in that portion of the accrual and prepaid expenses being grossed up on the balance sheet as of June 30, 2013. There was no impact on fund balance as a result of this presentation, but the District should consider adjusting both amounts going forward to reflect the true amount payable at year end.

Information Technology Control Environment

In the prior year it was noted that individuals with administrative access also had access to post transactions within the financial system. While this incompatible access is still in effect, we commend the District for implementing an independent review of data changes to mitigate the risk associated with this issue.

Informational Items

State Aid Funding

Redefining State Aid and the Foundation Allowance – The fiscal year ended June 30, 2013 was the second year under a redefined funding approach for Michigan Schools. While the foundation allowance concept continues, changes in the funding strategy significantly impacted your district's 2012/13 funding level and, with some modifications, those changes carry forward into 2013/14. The three changes are a permanent reduction of the District's foundation allowance, use of an incentive payment concept (Best Practice and student performance) and an additional categorical to aid in paying for the significantly increased cost of the retirement system (MPSERS).

Foundation: After receiving a per pupil foundation reduction of \$470 in 2011-2012, for the 2012-2013 fiscal year the District's Foundation Allowance was continued at \$8,019. For the 2013-2014 fiscal year, the base foundation increases by \$30, from \$8,019 to \$8,049. Additionally, the minimum foundation allowance increases by \$60 per pupil to \$7,026, under a 2x formula. Any district receiving less than \$7,076 will qualify for equity payments. An equity payment of at least \$50 will be made to districts with a foundation allowance less than \$7,076. The payment is the lesser of \$50 per pupil or the difference between districts FY 2013-2014 foundation and \$7,076. No equity payments are provided if the foundation allowance exceeds \$7,076. The equity payment is considered a one-time revenue source and has not been rolled into the foundation allowance formula. Based on these changes your District will receive a \$30 increase in its foundation allowance.

Best Practice: The Governor identified many educational initiatives shortly after taking office. One key initiative was the concept of encouraging best practices. This concept was built into the State Aid Act for the first time in 2011-2012. This concept continued into 2012-2013 and 2013-2014. For 2012-2013, the concept of funding Best Practices included new initiative criteria listed in the State Aid Act. The amount provided \$52 per pupil in 2012-2013 and 2013-2014. To qualify for this incentive, the District is required to meet seven of eight identified best practice initiatives. These incentives are not guaranteed past 2013-2014 year. A new best practice item has been added to include the addition of new items to a district's dashboard requesting revenue and expenditure projections for 2014-15, a list of all debt service obligations by project, anticipated payments for fiscal year 2013-2014, and total outstanding debt. Your district qualified for the \$52/pupil in 2012-2013

Performance Grants: In 2012-2013, Districts could qualify for an additional categorical based on the District's ability to meet certain student performance measures. The maximum a District could qualify for is \$100/pupil. Your district did not qualify for this funding. For 2013-2014, performance funding continues. Depending on the District's student performance results, the District could receive one, two, or all three of the allocations of \$30/\$30/\$40 per pupil for performance measures met on MEAP or Michigan Merit Examination scores.

MPSERS Cost Support: The contribution rate the District is required to pay has continued to rise. The District has no ability to influence the rate and no choice regarding its participation in the program. Recognizing the costs are increasing under the current system, the 2012-2013 State Aid Act continued to include funding to help pay for some of the increased cost. The categorical

aid is formula driven using the District's MPERS payroll participation data. The District received \$2,038,612 in categorical aid to help offset the impact of the increase in the retirement costs, under what is termed Section 147a categorical funding. The 2013-2014 State Aid Act continues this MPERS cost support categorical, but at a lower level. In addition, near the end of the 2012-2013 fiscal year, the State determined that additional support the State was paying into the retirement system would now be distributed to the District via their State Aid Status report, and then remitted by the District, in the exact same amount, to the Office of Retirement Services. This is termed the Section 147c categorical funding. This payment represents approximately 4% of covered payroll and does not increase District resources. Instead, the funding is recognized as revenue and then returned directly to the retirement system. In general terms, this means that the total cost of the retirement system contributions, representing approximately 29% of covered payroll, is recognized as an expenditure in the District's financial statements along with related revenue that was previously considered state support to the system. The net effect is that the district is responsible for an approximate 25% contribution to the retirement system. This retirement funding approach continues into 2013-2014. The District budgeted for additional State revenue and additional retirement expenditures in order to accommodate this funding mechanism.

Other State Aid Act Changes Impacting 2013/2014

The Amendments to the State Aid Act made several other changes impacting School Districts. Several changes we identified that could impact the District include:

Hold harmless: minimum \$5 increase – The changes in the packaging of school funding for 2013-2014 created the potential that some districts might actually incur a reduction in their state funding. As a result, a categorical was added for districts not having an increase of at least \$5 when adding up the foundation allowance increase, equity payments and MPERS cost offsets. Districts in that situation will be provided with an increase of up to \$5. Meaning each district will have a net increase of at least \$5 per pupil. This funding is not added to the foundation allowance and is considered one time funding.

Pupil Count Weighting – District membership blend will be based on a 90/10 split. The funding will be based on 90% of the October pupil count and 10% of the FOLLOWING February pupil count. This means when the initial fiscal year budget is prepared 100% of student counts and, therefore, foundation revenue is not known, since the February count will not yet have occurred. In addition, for the first time, if a student moves to another school district after the count date, the receiving district can claim a prorata share of the count with the "sending" district having a like reduction. The tracking of students has become exponentially more complex and now involves reporting and coordination through the intermediate school district and the State of Michigan.

Technology Infrastructure Grants – A total of \$50 million will continue to be appropriated for FY 2013-14 to support technology improvements. The bill provides for \$5 million of these funds to be used for "whole-school" technology projects. Grants to aid districts in preparing for upcoming computer adaptive testing did not pass the conference agreement.

State Aid Planning Considerations for 2013/2014 and Beyond

Michigan's economy continues to show signs of improvement. As we have seen by the Revenue Estimating Conference predictions the School Aid Fund revenues are expected to grow, but at a slow pace. The Governor's executive recommendation provided little increase for general operations. Increases were concentrated in early childhood and in funding for the increasing retirement obligation. The final State Aid Act amendments provided for some additional funds for operations in 2013/14

because the May revenue estimates showed some improvement. However, this only provided for a small foundation increase ranging from \$30 to \$60 per pupil. Because the future projections did not suggest additional increases could be sustainable, the remaining revenues over the January estimates were provided as one-time revenues. Key categoricals impacted by this were an up to \$50 per pupil equity payment for District's with foundations below \$7,076, and maintaining the best practice per pupil allocation at \$52 per pupil. The availability of School Aid Fund resources to fund K12 operations is further limited by the use of the fund's resources to fund higher education.

Clearly, the key issue facing the future of school funding is the need to cover the cost of the retirement system. Because the costs continue to increase by amounts in excess of current contributions, the funding theme in the future will continue to be how to use school aid fund resources to cover the obligation. Funding this obligation will continue to impact the school district's ability to receive additional resources to fund general education initiatives.

As the District looks to the future, careful planning will continue to be key. The use of budget modeling will increase in importance, especially as it looks to assess the impact of one time funding resources on future funding projections. Given that many revenues are one time resources, we recommend the District fully analyze the finances before entering into multi-year expenditure agreements.

MPSERS Reform and Future Contribution Rates

Over the last five years, the Michigan legislature enacted several reforms designed to curb the rising contribution rates and perpetual under-funded situation of the Michigan Public School Employee Retirement System (MPSERS). These reforms included early retirement incentives, employee funding of a portion of retiree health costs, a tiered rate and benefit structure for employees hired after July 1, 2010, and certain other provisions. These provisions were designed to avert a long-term financial crisis with the Plan. The impact of investment declines during 2008 and 2009, coupled with a shrinking base of contributing active lives funding an ever increasing number of retirees, continue to result in rising costs of sustaining the MPSERS program.

The 2011-2012 State Aid Bill contained two provisions designed to defray a portion of these costs. \$155 million was set aside from the School Aid Fund (SAF) for one time allocations that Districts used to offset their annual retirement contribution in 2012. Similar funding for MPSERS offsets are being provided in 2012-2013 in the amount of \$160 million. Also in 2011-12, \$133 million was taken from the SAF to be held in a "Retirement Obligation Reform Reserve Fund" and utilized for future pension reform needs. During 2012-2013, an additional \$41 million was added to this fund. To date, these funds remain in the Reserve Fund and no decision has been made regarding their use.

Public Act 300, signed by the Governor in September 2012, created certain caps that essentially placed the employer contribution rate at 24.46%, created retirement plan alternatives which could modify the rate, increased employee contributions, provided for future employees to receive defined contribution instead of the current defined benefit for health care, and began prefunding health care benefits from a pay-as-you-go method to a combination of employee contributions, employer contributions, and state funding. The capped elements of the overall rate will mean that the SAF will be responsible to fund any unmet required contributions determined by the actuaries. A concern is that the state funding needed to keep the rate down may limit the ability for the SAF to provide any increases in the foundation allowance and other categoricals. This will be a key factor to watch over the next few years. Shortly after PA 300 was signed, districts were notified that due to the legal challenges submitted related to the 3% contribution from employees, the retirement rate would increase. The overall rate, effective October 1,

2012, increased to 25.36 percent of covered payroll, and on February 1, 2013, once the temporary restraining order on PA 300 was lifted, decreased slightly to 24.32 percent. The rate for 2013-2014, again increased slightly to 24.79 percent of covered payroll. This .47 percentage point increase represents an actual increase of 1.9 percent. Until the Supreme Court rules on the constitutionality of the 3% contribution from employees, the rate is expected to remain at this higher number.

FEDERAL GRANTS

Written Procedures for Grants

As part of your Single Audit annually, the auditors are required to assess the written procedures that exist related to the specific compliance requirements for the federal programs that are selected for testing. It is important for the District to be aware of the comprehensive list of required written procedures required for federal grant participation. The Michigan Department of Education continues to emphasize the importance of maintaining adequate written procedures for grants, as discussed in the 2012-2013 Accounting and Audit Alert. The department has added examples procedures to the Office of Audits website for reference. These requirements are described in 34 CFR Part 80, 2 CFR Part 215, and OMB Circular A-133 Compliance Supplement Part 6 and include the following:

- Financial management systems
- Payments
- Allowable costs
- Period of availability
- Matching or cost sharing (if applicable)
- Program income (if applicable)
- Procurement
- Equipment and real property (if applicable)
- Supplies
- Copyrights (if applicable)
- Subawards to debarred and suspended parties
- Monitoring and reporting program performance (if applicable)
- Financial reporting
- Retention and access requirements for records
- In addition, districts should also have written procedures for:
 - Cash management
 - Conflict of interest

- Payroll
- Federal timekeeping

The District should be aware the written procedures are more extensive in nature than the written documentation required for a financial statement audit, which focuses on key controls related to grants management.

We encourage the district to review its procedures and the documentation of such procedures to ensure that the items listed above have been addressed. The procedure itself is not required to be specific to federal grants as long as it has applicability to the grants as well. Many, if not all, of the items may already be addressed in various different forms throughout the Districts policies and procedures. It is important the District be aware of where the documentation resides to cover the items listed above. The MDE has been performing Federal Program Fiscal Monitoring and will request these procedures when on site. If any items are not currently addressed, we recommend the District evaluate putting procedures in place and document them accordingly. The MDE has placed sample policies on their website which can be used as either a guide or implemented as provided. Please note MDE views these as "safe harbor" and will accept their approved documents as demonstrated compliance with the rules. The documents can be located at www.michigan.gov/mde and then navigate to the Office of Audits webpage.

Accounting Items

GASB Statement No. 68 - Pension Standards

In June 2012, GASB issued GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions*, which will be effective for the District's June 30, 2015 financial statements. Statement No. 68 requires governments providing defined benefit pensions to recognize its unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Due to the District's participation in the Michigan Public School Employees' Retirement System (MPERS), the District will be required to report the difference between the District's share of the MPERS pension plan net assets and the pension obligation liability as an asset or liability in the basic financial statements (at the government wide level and in proprietary funds – but not in governmental funds). This will be called the "net pension liability" or "net pension asset". The data required to record this liability will come from the Retirement System. Changes in the net pension liability will generally be reported as pension expense at the government-wide level and in proprietary funds. Currently, the unfunded liability associated with retiree health care is not included in the computation, but may be added in the future. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI).

Affordable Care

In 2010 the Patient Protection and Affordable Care Act (PPACA) was passed in an effort to reduce the cost of health care, extend care to virtually all Americans, and improve the delivery and quality of health care. Since becoming effective, many parts of the law have been enacted. More recent DOL, IRS and/or Treasury notices have been provided specifically the delay of the Shared Responsibility mandate for large employers in 2014. Employers should take care and consider an advance strategy to ensure compliance with PPACA so that application of any penalties due to non-compliance with the Play or pay/Shared Responsibility mandates are avoided.

The Patient Protection and Affordable Care Act (PPACA) sets forth a number of requirements that large employers need to consider in order to avoid the potential application of penalties due to non-compliance. Here are a few questions your District should consider:

- Have you reviewed the staffing of your organization to determine your status as a large employer - 50 or more staff including full time and full time equivalents?
- Have you examined the affiliated business relationships to determine if the shared Responsibility rules apply to your organization (possible with some contractual relationships)?
- Are you certain that your organization's eligibility rules meet the requirements of PPACA (staff working 30 or more hours/week)?
- Have you evaluated the plans that are available to ensure they satisfy the minimum essential coverage requirements (are all the required coverage elements included at or above the minimum values)?
- Are your plans affordable, as defined by the law?

If assistance is needed with answering these questions, contact your plan advisor or connect with a Plante Moran benefits professional.

Fund Balance

Given the continued uncertainties with State funding, we feel that it is important for the District to maintain an appropriate level of fund equity. We believe that the benefit of the District maintaining an appropriate amount of fund equity allows the District the ability to maintain its current level of programs, while being able to meet unforeseen circumstances, like the implementation of State Aid pro-ration. This becomes especially important due to the funding caps imposed by school finance reform, retirement costs, health care, energy, and other cost pressures, and cash flow needs due to the fact about 18% of the District's state aid is received after the school year has ended, as well as concerns over the financial health of the school aid fund in 2013-2014 and beyond.

During the 2012-2013 school year, the District's General Fund expenditures exceeds revenues by approximately \$1,675,000. This resulted in decreasing the General Fund equity to approximately \$6,700,000 at June 30, 2013. Fund balance goals are often stated in terms of a percentage of total expenditures. As a point of reference, the statewide average for school districts at June 30, 2012 (excluding Detroit) is approximately 11 percent of expenditures. Fund equity of 5.5 percent of expenditures would approximately equal the District's average accounts payable and payroll for a 3-week period, while 11 percent would approximately equal 6 weeks. The school district's fund equity percentage is 4.4 percent and equals approximately 2 weeks of operation. Clearly, as the district moves through 2013/2014 it will face unprecedented challenges in this area given the funding plan put in place by the state coupled with fringe benefit and other costs.

BUDGET DETAIL REPORT

FUNCTION	11-12 ACTUAL	12-13 ADOPTED	1ST 12-13 AMENDED	2ND 12-13 AMENDED	12-13 FINAL AMENDMENT	12-13 ACTUAL	DESCRIPTION
INSTRUCTION-BASIC PROGRAMS							
ELEMENTARY (111)							
SALARIES	\$ 21,534,881	\$ 22,057,617	\$ 22,049,401	\$ 22,068,086	\$ 22,066,941	\$ 21,979,282	SALARY FOR ELEMENTARY CLASSROOM TEACHERS AND AIDES
EMPLOYEE BENEFITS	10,273,529	10,405,900	10,678,130	10,797,599	11,382,258	11,346,928	HEALTH/OTHER INSURANCES, FICA, RETIREMENT, & WORKER'S COMP COSTS FOR EMPLOYEES ABOVE
PURCHASED SERVICES	328,639	307,715	342,715	362,715	360,300	364,216	LOCAL TRAVEL - SUBSTITUTE TEACHER & PARAPRO (PESG)
SUPPLIES AND MATERIALS	592,267	601,719	730,978	745,978	715,985	675,312	CLASSROOM TEACHING SUPPLIES/TEXTBOOKS
CAPITAL OUTLAY	143	143,000	6,883	6,883	13,297	13,297	INSTRUCTIONAL EQUIPMENT FOR BUILDINGS
TOTAL (111)	\$ 32,729,458	\$ 33,515,951	\$ 33,808,107	\$ 33,981,261	\$ 34,538,781	\$ 34,379,035	
MIDDLE SCHOOL (112)							
SALARIES	\$ 7,725,643	\$ 7,593,757	\$ 7,794,935	\$ 7,824,000	\$ 7,825,154	\$ 7,727,313	SALARY FOR MIDDLE SCHOOL CLASSROOM TEACHERS, AIDES, AND SUBSTITUTES
EMPLOYEE BENEFITS	3,618,487	3,524,951	3,686,614	3,698,602	3,883,420	3,843,184	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COST, AND WORKER'S COMP FOR EMPLOYEES ABOVE
PURCHASED SERVICES	114,997	143,030	143,030	143,030	117,730	97,890	SUBSTITUTES AND LOCAL TRAVEL BETWEEN BUILDINGS BY TEACHERS
SUPPLIES AND MATERIALS	77,616	80,420	76,348	89,348	83,456	72,880	CLASSROOM TEACHING SUPPLIES/TEXTBOOKS
CAPITAL OUTLAY	0						INSTRUCTIONAL EQUIPMENT FOR BUILDINGS
TOTAL (112)	\$ 11,536,743	\$ 11,342,158	\$ 11,700,927	\$ 11,754,980	\$ 11,909,760	\$ 11,741,267	
HIGH SCHOOL (113)							
SALARIES	\$ 17,544,680	\$ 17,420,581	\$ 16,973,193	\$ 17,006,157	\$ 16,994,034	\$ 16,902,683	SALARY FOR HIGH SCHOOL CLASSROOM TEACHERS, AIDES, AND SUBSTITUTES
EMPLOYEE BENEFITS	8,242,594	8,024,863	8,047,885	8,120,194	8,538,004	8,503,021	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COST, AND WORKER'S COMP FOR EMPLOYEES ABOVE
PURCHASED SERVICES	233,647	238,675	253,675	253,675	243,905	249,182	SUBSTITUTES AND LOCAL TRAVEL BETWEEN BUILDINGS BY TEACHERS
SUPPLIES AND MATERIALS	232,229	263,314	258,859	228,072	207,072	198,332	CLASSROOM TEACHING SUPPLIES/TEXTBOOKS
CAPITAL OUTLAY	0	0	0	0			INSTRUCTIONAL EQUIPMENT FOR BUILDINGS
OTHER EXPENDITURES	10,200	10,200	10,200	10,200	10,400	10,400	PROFESSIONAL DUES AND FEES
TOTAL (113)	\$ 26,263,350	\$ 25,957,633	\$ 25,543,813	\$ 25,618,298	\$ 25,993,415	\$ 25,863,618	
OTHER BASIC PROGRAMS (118-119)							
SALARIES	\$ 1,138,456	\$ 1,289,574	\$ 1,146,485	\$ 1,079,485	\$ 1,060,685	\$ 953,177	SALARY FOR PRESCHOOL, YOUNG 5, SUMMER SCHOOL, AND SHARED-TIME PROGRAM TEACHERS
EMPLOYEE BENEFITS	714,924	696,276	630,998	623,272	613,421	582,762	HEALTH CARE, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	22,243	43,265	43,265	41,265	36,491	31,472	SUBSTITUTES AND LOCAL TRAVEL BETWEEN BUILDINGS BY TEACHERS
SUPPLIES AND MATERIALS	35,082	36,942	35,690	35,690	32,152	18,360	CLASSROOM TEACHING SUPPLIES/TEXTBOOKS
CAPITAL OUTLAY	3,002	3,000	3,000	3,000	2,000	824	INSTRUCTIONAL EQUIPMENT
TOTAL (118-119)	\$ 1,913,707	\$ 2,069,057	\$ 1,859,438	\$ 1,782,712	\$ 1,744,749	\$ 1,586,595	
INSTRUCTION-ADDED NEEDS							
SPECIAL EDUCATION-CLASSROOM (122)							
SALARIES	\$ 5,900,898	\$ 6,311,900	\$ 6,291,816	\$ 6,076,654	\$ 6,052,988	\$ 5,900,754	SALARY FOR SPEC. ED. K-12 CLASSROOM/RESOURCE ROOM TEACHERS, AND PARAPRO'S
EMPLOYEE BENEFITS	3,113,014	3,205,736	3,162,520	3,127,968	3,292,122	3,284,964	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COST, AND WORKER'S COMP FOR EMPLOYEES ABOVE
PURCHASED SERVICES	120,120	111,690	131,690	131,690	169,100	176,350	SUBSTITUTES AND LOCAL TRAVEL BETWEEN BUILDINGS BY TEACHERS
SUPPLIES AND MATERIALS	11,437	15,610	20,610	20,610	14,390	8,689	CLASSROOM TEACHING SUPPLIES
CAPITAL OUTLAY							INSTRUCTIONAL EQUIPMENT
TRANSFERS					2,400	2,400	TUITION PAYMENTS
TOTAL (122)	\$ 9,145,469	\$ 9,644,936	\$ 9,606,636	\$ 9,356,922	\$ 9,530,999	\$ 9,373,157	
COMPENSATORY EDUCATION (125)							
SALARIES	\$ 448,540	\$ 463,880	\$ 430,177	\$ 412,620	\$ 409,375	\$ 414,288	SALARY FOR ELEMENTARY & MIDDLE SCHOOL LEARNING SPECIALISTS
EMPLOYEE BENEFITS	254,125	263,444	244,026	236,903	233,935	224,865	HEALTH/OTHER INSURANCES, RETIREMENT COSTS, AND WORKER'S COMP FOR EMPLOYEES ABOVE
PURCHASED SERVICES	2,916	1,082	1,082	1,082	2,482	1,924	LOCAL TRAVEL BETWEEN BUILDINGS BY TEACHERS AND CONTRACTED SERVICES
SUPPLIES AND MATERIALS	0						CLASSROOM TEACHING SUPPLIES
CAPITAL OUTLAY	0						INSTRUCTIONAL EQUIPMENT
TOTAL (125)	\$ 705,580	\$ 728,406	\$ 675,285	\$ 650,605	\$ 645,792	\$ 641,077	
VOCATIONAL EDUCATION (127)							
SALARIES	\$ 1,797,403	\$ 1,815,379	\$ 1,817,029	\$ 1,803,963	\$ 1,804,623	\$ 1,798,611	SALARY FOR VOCATIONAL TEACHERS, AIDES, SUBSTITUTES
EMPLOYEE BENEFITS	888,050	885,552	889,923	895,933	896,022	882,134	HEALTH/OTHER INSURANCES, RETIREMENT COSTS, AND WORKER'S COMP FOR EMPLOYEES ABOVE
PURCHASED SERVICES	23,546	21,300	21,300	21,300	24,000	25,795	LOCAL TRAVEL
SUPPLIES AND MATERIALS	152,260	169,878	247,183	254,683	233,683	232,766	CLASSROOM TEACHING SUPPLIES
CAPITAL OUTLAY	158,411	136,465	125,000	115,000	115,000	114,228	INSTRUCTIONAL EQUIPMENT
TOTAL (127)	\$ 3,019,669	\$ 3,028,574	\$ 3,100,436	\$ 3,090,879	\$ 3,073,328	\$ 3,053,533	
OTHER ADDED NEEDS-SUMMER PROGRAMS (129)							
SALARIES		\$ 3,693	\$ 3,693	\$ 3,693			SALARY FOR SPECIAL ED SUMMER SCHOOL TEACHERS/AIDES
EMPLOYEE BENEFITS		2,140	2,214	2,213			FICA, RETIREMENT COST FOR EMPLOYEES ABOVE
PURCHASED SERVICES							LOCAL TRAVEL AND CONTRACTED SERVICES
SUPPLIES AND MATERIALS		1,368	1,368	1,368			CLASSROOM TEACHING SUPPLIES
TOTAL (129)	\$ -	\$ 7,201	\$ 7,275	\$ 7,274	\$ -	\$ -	
INSTRUCTION-ADULT EDUCATION							
ADULT BASIC PROGRAMS (131)							
SALARIES	\$ 60,287	\$ 87,608	87,608	87,608	87,608	33,978	SALARY FOR ADULT BASIC EDUCATION AND ENGLISH AS A SECOND LANGUAGE TEACHERS

FUNCTION	11-12 ACTUAL	12-13 ADOPTED	1ST 12-13 AMENDED	2ND 12-13 AMENDED	12-13 FINAL AMENDMENT	12-13 ACTUAL	DESCRIPTION
EMPLOYEE BENEFITS	33,360	22,962	28,466	28,492	28,082	14,030	FICA, RETIREMENT COST FOR EMPLOYEES ABOVE
PURCHASED SERVICES	134						LOCAL TRAVEL, CONTRACTED INSTRUCTION
SUPPLIES AND MATERIALS	2,082				2,100	2,234	CLASSROOM TEACHING SUPPLIES AND TEXTBOOKS
CAPITAL OUTLAY							INSTRUCTIONAL EQUIPMENT
TOTAL (131)	\$ 95,864	\$ 110,570	\$ 116,074	\$ 116,100	\$ 117,790	\$ 50,242	
INSTRUCTION-ADULT EDUCATION (cont.)							
HIGH SCHOOL COMPLETION (132)							
SALARIES	\$ 22,789	\$ 13,713	\$ 13,713	\$ 13,713	\$ 17,700	\$ 33,496	SALARY FOR HIGH SCHOOL LEVEL ADULT EDUCATION TEACHERS
EMPLOYEE BENEFITS	7,253	4,160	4,466	4,469	5,686	10,990	HEALTH INSURANCES, FICA, RETIREMENT COST FOR EMPLOYEES ABOVE
PURCHASED SERVICES							LOCAL TRAVEL
SUPPLIES AND MATERIALS	505	1,228	1,228	1,228	2,900	3,536	CLASSROOM TEACHING SUPPLIES
CAPITAL OUTLAY							INSTRUCTIONAL EQUIPMENT
TOTAL (132)	\$ 30,547	\$ 19,101	\$ 19,407	\$ 19,410	\$ 26,286	\$ 48,022	
OCCUPATIONAL PROGRAMS (135)							
SALARIES							SALARY FOR OCCUPATIONAL LEVEL ADULT EDUCATION TEACHERS
EMPLOYEE BENEFITS	8,443						UNEMPLOYMENT BENEFITS
PURCHASED SERVICES							LOCAL TRAVEL, CONTRACTED INSTRUCTIONAL SERVICES
SUPPLIES AND MATERIALS							CLASSROOM TEACHING SUPPLIES
TOTAL (135)	\$ 8,443	\$ -	\$ -	\$ -	\$ -	\$ -	
ENRICHMENT PROGRAMS (137)							
SALARIES	\$ 193,377	\$ 201,923	\$ 185,000	\$ 189,600	\$ 196,100	\$ 190,589	SALARY FOR ENRICHMENT PROGRAM INSTRUCTORS AND AIDES
EMPLOYEE BENEFITS	55,056	57,840	66,668	62,714	63,909	58,888	FICA, RETIREMENT COST FOR ABOVE EMPLOYEES
PURCHASED SERVICES	82,597	158,850	108,850	104,850	84,650	45,295	CONTRACTED SERVICES FOR THE PROGRAM AND LOCAL TRAVEL
SUPPLIES AND MATERIALS	1,198	12,067	10,112	10,112	2,920	3,172	TEACHING SUPPLIES
TOTAL (137)	\$ 332,228	\$ 430,680	\$ 370,630	\$ 367,276	\$ 347,579	\$ 297,943	
PUPIL SUPPORT							
COUNSELORS (212)							
SALARIES	\$ 3,513,642	\$ 3,509,867	\$ 3,397,465	\$ 3,374,357	\$ 3,359,623	\$ 3,354,105	SALARY FOR SECONDARY SCHOOL COUNSELORS AND ELEMENTARY STUDENT ASSISTANCE PROVIDERS
EMPLOYEE BENEFITS	1,703,275	1,674,161	1,673,264	1,685,179	1,651,397	1,644,091	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COST FOR EMPLOYEES ABOVE
PURCHASED SERVICES	16,173	16,650	16,600	16,600	18,300	17,485	LOCAL TRAVEL
SUPPLIES AND MATERIALS							OFFICES SUPPLIES
TOTAL (212)	\$ 5,233,090	\$ 5,200,678	\$ 5,087,329	\$ 5,076,136	\$ 5,029,320	\$ 5,015,681	
HEALTH SERVICES (213)							
SALARIES	\$ 1,686		\$ 37,264	\$ 116,719	116,625	116,625	SALARY FOR DISTRICT SCHOOLS HEALTH PROFESSIONALS
EMPLOYEE BENEFITS	328		430	56,290	55,712	56,090	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COST FOR EMPLOYEES ABOVE
PURCHASED SERVICES	20,479	23,000	23,000	23,000	15,200	10,460	VISION SCREENING
SUPPLIES AND MATERIALS	2,635	6,397	10,000	10,000	5,000	2,689	HEALTH SUPPLIES
TOTAL (213)	\$ 25,129	\$ 29,397	\$ 70,694	\$ 206,009	\$ 192,537	\$ 185,864	
PSYCHOLOGISTS (214)							
SALARIES	\$ 217,606	\$ 220,373	\$ 402,751	\$ 380,000	\$ 378,565	\$ 318,781	SALARY FOR DISTRICT SCHOOL PSYCHOLOGISTS
EMPLOYEE BENEFITS	103,807	102,585	217,222	186,295	183,223	163,331	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	847	800	800	800	800	1,024	LOCAL TRAVEL BETWEEN BUILDINGS/CONFERENCES
TOTAL (214)	\$ 322,259	\$ 323,758	\$ 620,773	\$ 567,095	\$ 562,588	\$ 483,136	
SPEECH THERAPISTS (215)							
SALARIES	\$ 1,477,447	\$ 1,503,250	\$ 1,497,776	\$ 1,454,337	\$ 1,419,086	\$ 1,418,928	SALARY FOR DISTRICT SPEECH PROFESSIONALS
EMPLOYEE BENEFITS	682,948	673,725	680,982	671,590	678,992	664,066	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	23,005	1,025	1,200	1,200	1,200	1,450	LOCAL TRAVEL BETWEEN BUILDINGS
TOTAL (215)	\$ 2,183,400	\$ 2,178,000	\$ 2,179,958	\$ 2,127,127	\$ 2,099,278	\$ 2,084,444	
SOCIAL WORKERS (216)							
SALARIES	\$ 307,026	\$ 315,450	\$ 222,765	\$ 205,835	\$ 178,448	\$ 241,806	SALARY FOR DISTRICT SCHOOL SOCIAL WORKERS
EMPLOYEE BENEFITS	132,489	129,572	102,744	89,995	84,394	120,339	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	889	2,500	2,500	2,500	1,500	217	LOCAL TRAVEL BETWEEN BUILDINGS
TOTAL (216)	\$ 440,404	\$ 447,522	\$ 328,009	\$ 298,330	\$ 264,342	\$ 362,362	
SPECIAL EDUCATION-TEACHER CONSULTANTS (218)							
SALARIES	\$ 109,320	\$ 105,571	\$ 29,287	\$ 26,035	\$ 26,035	\$ 25,835	SALARY FOR SPEC. ED. TEACHING CONSULTANTS (SUPPORT FOR CLASSROOM TEACHER)
EMPLOYEE BENEFITS	48,000	46,444	15,048	14,130	14,130	12,575	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	941	1,075	1,075	1,075	1,075	433	LOCAL TRAVEL BETWEEN BUILDINGS
TOTAL (218)	\$ 158,261	\$ 153,090	\$ 45,410	\$ 41,240	\$ 41,240	\$ 38,843	
OTHER PUPIL SERVICES (219)							
SALARIES	\$ 367,671	\$ 336,374	\$ 359,921	\$ 388,706	\$ 422,720	\$ 404,115	SALARY FOR ACTIVITY DIRECTORS/SPONSORS/NOON MONITORS/CROWD CONTROL
EMPLOYEE BENEFITS	204,617	209,449	217,551	221,882	222,194	201,090	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	10,533	16,209	16,209	16,209	16,009	10,539	AUXILIARY POLICE

FUNCTION	11-12 ACTUAL	12-13 ADOPTED	1ST 12-13 AMENDED	2ND 12-13 AMENDED	12-13 FINAL AMENDMENT	12-13 ACTUAL	DESCRIPTION
SUPPLIES AND MATERIALS							GRADUATION SUPPLIES FOR ADULT EDUCATION
CAPITAL OUTLAY							EQUIPMENT
TOTAL (219)	\$ 582,821	\$ 562,032	\$ 593,681	\$ 626,797	\$ 660,923	\$ 615,743	
INSTRUCTIONAL STAFF SUPPORT IMPROVEMENT OF INSTRUCTION (221)							
SALARIES	\$ 1,351,474	\$ 1,338,601	\$ 1,333,871	\$ 1,288,734	\$ 1,274,688	\$ 1,326,638	SALARY FOR DEPARTMENT HEADS, CURRICULUM COORDINATORS, IN-SERVICE SUBS AND STIPENDS
EMPLOYEE BENEFITS	602,445	594,902	593,512	570,524	574,132	592,489	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	196,916	215,857	279,523	284,810	295,593	209,924	CURRICULUM IN-SERVICE CONSULTANTS AND CONFERENCES
SUPPLIES AND MATERIALS	12,898	13,330	25,096	25,096	16,363	8,721	IN-SERVICE, CURRICULUM SUPPLIES AND TESTING MATERIALS
CAPITAL OUTLAY		0	2,690				EQUIPMENT
OTHER	1,155	2,690		2,690	2,000	1,495	PROFESSIONAL DUES AND FEES
TOTAL (221)	\$ 2,164,888	\$ 2,165,380	\$ 2,234,692	\$ 2,171,854	\$ 2,162,776	\$ 2,139,268	
LIBRARY/AUDIO VISUAL (222-223)							
SALARIES	\$ 1,753,329	\$ 1,781,393	\$ 1,729,281	\$ 1,729,681	\$ 1,714,119	\$ 1,700,273	SALARY FOR MEDIA SPECIALISTS, PARAPROPS AND SECRETARIES
EMPLOYEE BENEFITS	764,132	760,192	756,473	762,854	786,070	800,232	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	19,056	16,173	16,173	16,173	27,250	32,801	LOCAL TRAVEL/CONFERENCES/LIBRARY MANAGEMENT SERVICES
SUPPLIES AND MATERIALS	46,741	46,615	46,615	46,615	61,862	42,808	LIBRARY BOOKS, PERIODICALS, AUDIO VISUAL SUPPLIES
CAPITAL OUTLAY			154				EQUIPMENT FOR LIBRARIES
OTHER		154		154	154	125	PROFESSIONAL DUES AND FEES
TOTAL (222-223)	\$ 2,583,258	\$ 2,604,527	\$ 2,548,697	\$ 2,555,477	\$ 2,589,456	\$ 2,576,239	
TECHNOLOGY/TRAINING (225)							
SALARIES	\$ 2,520				\$ 508	\$ 9,222	SALARY FOR SUPPORT OF TEACHER TECHNOLOGY TRAINING
EMPLOYEE BENEFITS	803				163	2,983	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	16,200	16,500	16,500	16,500	16,500	4,627	CONTRACTED SERVICES
SUPPLIES AND MATERIALS							TECHNOLOGY TRAINING SUPPLIES
CAPITAL OUTLAY							
OTHER							
TOTAL (225)	\$ 19,523	\$ 16,500	\$ 16,500	\$ 16,500	\$ 17,171	\$ 16,832	
SUPERVISION OF INSTRUCTIONAL STAFF/ASSESSMENT (226-227)							
SALARIES	\$ 785,539	\$ 760,798	\$ 779,804	\$ 779,804	\$ 777,450	\$ 769,363	ADMINISTRATORS AND SECRETARIES FOR GENERAL AND SPECIAL EDUCATION
EMPLOYEE BENEFITS	375,799	352,160	376,952	372,188	363,571	373,079	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	4,906	5,535	5,535	5,535	5,535	3,540	LOCAL TRAVEL/CONFERENCES
SUPPLIES AND MATERIALS	39,870	73,294	80,206	80,206	65,206	16,142	OFFICE SUPPLIES
CAPITAL OUTLAY							OFFICE EQUIPMENT
OTHER	1,518	7,100	7,100	7,100	2,100	854	PROFESSIONAL DUES AND FEES
TOTAL (226)	\$ 1,207,631	\$ 1,198,887	\$ 1,249,597	\$ 1,244,833	\$ 1,213,862	\$ 1,162,978	
SUPERVISION OF COMMUNITY EDUCATION (229)							
SALARIES	\$ 307,633	\$ 319,401	\$ 294,008	\$ 319,729	\$ 322,528	\$ 324,867	ADULT & COMMUNITY EDUCATION ADMINISTRATION, SPECIALISTS, AND SECRETARIES
EMPLOYEE BENEFITS	152,482	155,487	161,780	163,921	177,086	179,522	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	81,542	72,849	82,449	82,449	78,750	47,424	LOCAL TRAVEL/CONFERENCES/MAILING/PRINTING AND OTHER CONTRACTED SERVICES
SUPPLIES AND MATERIALS	5,568	11,144	11,144	11,144	8,628	3,232	OFFICE SUPPLIES
CAPITAL OUTLAY							OFFICE EQUIPMENT
OTHER	50	1,425	1,425	1,425	50	50	PROFESSIONAL DUES AND FEES
TOTAL (229)	\$ 547,275	\$ 560,306	\$ 550,806	\$ 578,668	\$ 587,042	\$ 555,095	
SUPPORT-GENERAL ADMINISTRATION BOARD OF EDUCATION (231)							
SALARIES	\$ 17,100	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 23,650	BOARD OF EDUCATION MEETING STIPENDS
PURCHASED SERVICES	280,252	297,378	297,378	300,250	325,250	284,696	LEGAL, AUDIT FEES, ELECTIONS
SUPPLIES AND MATERIALS	98	1,152	1,152	1,152	14,152	15,076	OFFICE SUPPLIES
OTHER	140	3,000	3,000	3,000	3,000	110	PROFESSIONAL DUES FEES AND STRATEGIC PLANNING
TOTAL (231)	\$ 297,590	\$ 321,530	\$ 321,530	\$ 324,402	\$ 362,402	\$ 323,532	
EXECUTIVE ADMINISTRATION (232)							
SALARIES	\$ 318,701	\$ 311,473	\$ 310,140	\$ 310,140	\$ 258,497	\$ 258,417	SUPERINTENDENT, ADMINISTRATIVE ASSISTANT
EMPLOYEE BENEFITS	109,685	112,227	124,683	119,520	119,724	111,525	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	1,160	2,550	2,550	2,550	2,050	520	TRAVEL/CONFERENCES
SUPPLIES AND MATERIALS	12,432	19,567	19,567	19,567	19,567	13,460	OFFICE SUPPLIES
CAPITAL OUTLAY							OFFICE EQUIPMENT
OTHER	34,446	35,000	35,000	35,000	25,600	20,582	PROFESSIONAL DUES AND FEES FOR SCHOOL DISTRICT
TOTAL (232)	\$ 476,424	\$ 480,817	\$ 491,940	\$ 486,777	\$ 425,438	\$ 404,503	
SCHOOL ADMINISTRATION SUPPORT OFFICE OF THE PRINCIPAL (241 & 249)							
SALARIES	\$ 6,022,274	\$ 6,140,407	\$ 6,135,539	\$ 6,101,905	\$ 6,075,905	\$ 6,037,575	SALARY OF THE SCHOOL PRINCIPAL, SECRETARIES, CO-OP STUDENTS
EMPLOYEE BENEFITS	2,996,503	2,986,889	3,109,470	3,073,590	3,041,462	3,028,153	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	69,304	61,219	66,719	66,719	71,180	73,249	LOCAL TRAVEL/CONFERENCES

FUNCTION	11-12 ACTUAL	12-13 ADOPTED	1ST 12-13 AMENDED	2ND 12-13 AMENDED	12-13 FINAL AMENDMENT	12-13 ACTUAL	DESCRIPTION
SUPPLIES AND MATERIALS	36,969	49,556	49,022	49,022	47,537	38,614	OFFICE SUPPLIES
CAPITAL OUTLAY							OFFICE EQUIPMENT
OTHER	21,825	30,000	30,000	30,000	25,000	22,642	PROFESSIONAL DUES AND FEES
TOTAL (241)	\$ 9,146,876	\$ 9,268,071	\$ 9,390,750	\$ 9,321,236	\$ 9,261,084	\$ 9,200,232	
BUSINESS SUPPORT							
FISCAL SERVICES (252)							
SALARIES	\$ 631,121	\$ 592,047	\$ 636,621	\$ 638,675	\$ 632,318	\$ 624,484	SALARY OF THE BUSINESS OFFICE ADMINISTRATION/SECRETARIES
EMPLOYEE BENEFITS	339,548	325,126	366,344	357,622	349,172	328,754	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	16,628	21,383	21,383	21,383	12,883	9,652	LOCAL TRAVEL, CONFERENCES, LEGAL NOTICES
SUPPLIES AND MATERIALS	7,920	9,834	9,834	9,834	8,740	7,352	OFFICE SUPPLIES, PAPER
CAPITAL OUTLAY							OFFICE EQUIPMENT
OTHER	270,458	348,450	350,000	350,000	255,000	378,816	PROFESSIONAL DUES AND FEES, TAX COLLECTION FEES
TOTAL (252)	\$ 1,265,674	\$ 1,296,840	\$ 1,384,182	\$ 1,377,514	\$ 1,258,113	\$ 1,349,058	
WAREHOUSING/MAILING/PRINTING (257-258)							
SALARIES	\$ 339,816	\$ 343,677	\$ 258,000	\$ 258,106	\$ 257,956	\$ 242,574	SALARY OF WAREHOUSE/PRINT DEPT. STAFF
EMPLOYEE BENEFITS	180,355	183,002	165,405	158,202	150,132	138,682	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	55,798	109,122	93,122	93,122	61,122	51,228	LOCAL TRAVEL/CONFERENCES
SUPPLIES AND MATERIALS	(1,097)	8,650	7,800	7,800	6,233	8,367	OPERATING SUPPLIES, DUES AND FEES
CAPITAL OUTLAY							EQUIPMENT
OTHER							
TOTAL (257-258)	\$ 574,872	\$ 644,451	\$ 524,327	\$ 517,230	\$ 475,443	\$ 440,851	
OTHER BUSINESS SERVICES (259)							
SALARIES							
EMPLOYEE BENEFITS							
PURCHASED SERVICES	653,790	\$ 782,000	\$ 825,000	\$ 826,000	\$ 726,000	\$ 712,298	PROPERTY, CASUALTY, LIABILITY INSURANCE
SUPPLIES AND MATERIALS							
CAPITAL OUTLAY							
OTHER	1,643,228	957,906	870,401	2,066,001	2,266,001	2,883,505	TAX REFUNDS AND INTEREST ON OTHER FINANCING SOURCES
TOTAL (259)	\$ 2,297,018	\$ 1,739,906	\$ 1,695,401	\$ 2,892,001	\$ 2,992,001	\$ 3,595,803	
MAINTENANCE & OPERATIONS (261)							
SALARIES	\$ 5,176,340	\$ 5,064,583	\$ 5,185,557	\$ 5,179,219	\$ 5,190,522	\$ 5,149,475	SALARY FOR MAINTENANCE/CUSTODIAL STAFF, SECRETARIES, OVERTIME & SUBSTITUTES
EMPLOYEE BENEFITS	3,063,688	3,057,833	3,212,418	3,119,993	3,326,814	3,204,383	HEALTH/OTHER INSURANCES, WORKER'S COMP, FICA, RETIREMENT COSTS FOR EMPLOYEES ABOVE
PURCHASED SERVICES	724,086	807,522	670,532	617,763	598,763	569,741	OUTSIDE CONTRACTORS FOR REPAIRS, EQUIPMENT MAINT., ALARM SERVICE, GARBAGE, PEST, ETC
PURCHASED SERVICES-UTILITIES	3,377,045	3,783,160	3,583,160	3,518,160	3,667,160	3,557,967	WATER, HEAT, ELECTRIC, WASTE DISPOSAL, TELEPHONE
SUPPLIES AND MATERIALS	283,936	371,884	474,084	586,334	598,622	587,433	CUSTODIAL AND MAINTENANCE SUPPLIES, TOOLS, REPAIR SUPPLIES, ETC.
CAPITAL OUTLAY	19,074	19,100	19,100	19,100	24,100	20,327	MAINTENANCE VEHICLES, EQUIPMENT & CLIMATE CONTROL IMPROVEMENTS
OTHER	730	2,845	2,845	2,845	2,845	2,677	PROFESSIONAL DUES AND FEES
TOTAL (261)	\$ 12,644,901	\$ 13,106,927	\$ 13,147,696	\$ 13,043,414	\$ 13,408,826	\$ 13,092,004	
ENERGY MANAGEMENT (262)							
SALARIES	76,307	76,307	76,307	76,307	73,277	73,277	SALARY FOR ENERGY MANAGER
EMPLOYEE BENEFITS	40,205	39,505	41,215	58,278	55,637	57,156	HEALTH/OTHER INSURANCES, WORKER'S COMP, FICA, RETIREMENT COSTS FOR EMPLOYEE ABOVE
SUPPLIES AND MATERIALS		380	380	380	380	0	OFFICE SUPPLIES FOR ENERGY MANAGER
TOTAL (262)	\$ 116,512	\$ 116,192	\$ 117,902	\$ 134,965	\$ 129,293	\$ 130,433	
SECURITY SERVICES (266)							
SALARIES	\$ 96,000	\$ 38,564	\$ 47,762	\$ 47,762	\$ 47,947	\$ 47,946	SALARY FOR ADMINISTRATOR OF SECURITY
EMPLOYEE BENEFITS	34,759	14,635	10,853	9,639	10,828	9,492	HEALTH/OTHER INSURANCES, WORKER'S COMP, FICA, RETIREMENT COSTS FOR EMPLOYEES ABOVE
PURCHASED SERVICES	879,650	561,284	706,284	916,284	919,034	856,693	SECURITY MONITORING AGREEMENT/SECURITY AT SCHOOLS
SUPPLIES AND MATERIALS	(470)	5,225	5,225	5,225	3,225	1,004	OFFICE SUPPLIES FOR SECURITY SUPERVISOR
CAPITAL OUTLAY	717.90	1,000.00	500.00	500.00	500.00	230.40	SECURITY/MONITORING EQUIPMENT
OTHER	555	1,000	500	500	555	555	PROFESSIONAL DUES AND FEES FOR SECURITY SUPERVISOR
TOTAL (266)	\$ 1,011,212	\$ 621,708	\$ 771,124	\$ 979,910	\$ 982,089	\$ 915,921	
TRANSPORTATION (271)							
SALARIES	\$ 3,409,372	\$ 3,488,811	\$ 3,532,485	\$ 3,452,885	\$ 3,426,551	\$ 3,423,855	SALARY FOR BUS DRIVERS, AIDES, MECHANICS, SECRETARIES, AND TRANSPORTATION SUPERVISOR
EMPLOYEE BENEFITS	2,202,814	2,190,633	2,191,587	2,129,545	2,094,151	2,106,040	HEALTH/OTHER INSURANCES, WORKER'S COMP, FICA, RETIREMENT COSTS FOR EMPLOYEES ABOVE
PURCHASED SERVICES	371,884	339,747	381,547	445,047	493,300	466,403	LOCAL TRAVEL, IN-SERVICE, OUTSIDE CONTRACTOR TRANSPORTATION SERVICE, MAILING
SUPPLIES AND MATERIALS	1,014,267	1,027,659	1,046,759	1,034,959	1,037,959	995,930	BUS PARTS, TIRES, BATTERIES, FUEL, OIL, ETC.
CAPITAL OUTLAY							NEW BUSES & OTHER CAPITAL EQUIPMENT
OTHER	4,558	3,260	3,260	3,260	3,260	3,622	PROFESSIONAL DUES AND FEES
OUTGOING TRANSFERS	(119,470)	(127,738)	(127,738)	(127,738)	(127,738)	(143,737)	COST OF ATHLETIC TRANSPORTATION
TOTAL (271)	\$ 6,883,425	\$ 6,922,372	\$ 7,027,900	\$ 6,937,958	\$ 6,927,483	\$ 6,852,113	
SUPPORT-CENTRAL SERVICES							
RESEARCH & EVALUATION (281)							
SALARIES	\$ 74,311	\$ 76,531	\$ 76,109	\$ 75,061	\$ 75,061	\$ 73,132	SALARY FOR SUPERVISOR OT STUDENT ASSESSMENT
EMPLOYEE BENEFITS	31,044	30,512	34,266	32,018	32,597	33,063	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE

FUNCTION	11-12 ACTUAL	12-13 ADOPTED	1ST 12-13 AMENDED	2ND 12-13 AMENDED	12-13 FINAL AMENDMENT	12-13 ACTUAL	DESCRIPTION
PURCHASED SERVICES		100	100	100	100	33	LOCAL TRAVEL/CONFERENCES
OTHER		48	48	48			PROFESSIONAL DUES AND FEES
TOTAL (281)	\$ 105,354	\$ 107,191	\$ 110,522	\$ 107,227	\$ 107,757	\$ 106,228	
INFORMATIONAL SERVICES (282)							
SALARIES	\$ 261,601	\$ 206,934	\$ 155,832	\$ 165,582	\$ 164,209	\$ 157,085	DEPARTMENT OF COMMUNICATION STAFF
EMPLOYEE BENEFITS	128,473	110,552	67,575	66,293	66,043	67,013	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	56,287	67,690	67,690	67,690	52,210	43,034	LOCAL TRAVEL/CONFERENCES
SUPPLIES AND MATERIALS	1,789	2,180	2,180	2,180	2,180	317	OPERATING SUPPLIES, PRINTING AND POSTAGE
CAPITAL OUTLAY	11,753	1,000	1,000	1,000	1,000	0	TECHNICAL/OFFICE EQUIPMENT
OTHER		250	250	250	250	-	PROFESSIONAL DUES AND FEES
TOTAL (282)	\$ 459,903	\$ 388,606	\$ 294,527	\$ 302,995	\$ 285,892	\$ 267,448	
PERSONNEL SERVICES (283)							
SALARIES	\$ 523,892	\$ 513,769	\$ 572,856	\$ 573,827	\$ 560,628	\$ 551,462	SALARY FOR HUMAN RESOURCE DIRECTOR AND SECRETARIES
EMPLOYEE BENEFITS	234,388	249,502	261,700	276,540	273,518	252,877	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	138,574	125,579	92,579	92,579	79,579	53,802	EMPLOYEE WELLNESS/EMPLOYEE PHYSICALS, OTHER CONTRACTED SERVICES
SUPPLIES AND MATERIALS	3,825	3,207	3,207	3,207	3,207	1,234	OFFICE SUPPLIES
CAPITAL OUTLAY							EQUIPMENT
OTHER	547	855	855	855	855	200	DUES/FEES
TOTAL (283)	\$ 901,225	\$ 892,912	\$ 931,197	\$ 947,008	\$ 917,787	\$ 859,575	
PUPIL ACCOUNTING SERVICES (284)							
SALARIES	\$ 65,375	\$ 65,375	\$ 65,250	\$ 65,250	\$ 65,250	\$ 65,250	SALARY FOR SUPERVISOR OF CHILD ACCOUNTING
EMPLOYEE BENEFITS	37,009	36,306	37,779	37,388	37,081	37,081	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	5,420	4,600	4,600	4,600	8,300	8,073	TECH SUPPORT, AUDIT SERVICES, CONFERENCES, TRAVEL
OTHER	50						PROFESSIONAL DUES
TOTAL (284)	\$ 107,854	\$ 106,281	\$ 107,629	\$ 107,238	\$ 110,631	\$ 110,404	
DATA PROCESSING (285)							
SALARIES	\$ 466,840	\$ 478,624	\$ 483,005	\$ 485,281	\$ 485,189	\$ 473,161	SALARY FOR ADMINISTRATOR OF INFORMATION TECHNOLOGY-IT APPLICATIONS SYSTEM & TECHNOLOGY SUPPO
EMPLOYEE BENEFITS	272,064	268,928	278,509	278,433	276,189	273,973	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	193,799	416,597	416,597	416,597	416,597	414,447	LOCAL TRAVEL/CONFERENCES/SOFTWARE MAINT.
SUPPLIES AND MATERIALS	9,278	35,150	35,150	35,150	30,150	12,282	OFFICE AND COMPUTER SUPPLIES, PAPER
CAPITAL OUTLAY	8,213	11,384	11,384	11,384	9,384	6,840	DISTRICT WIDE TECHNOLOGY, NETWORK HARDWARE AND SOFTWARE
OTHER	100	190	190	190	190	100	DUES/FEES
TOTAL (285)	\$ 950,295	\$ 1,210,873	\$ 1,224,835	\$ 1,227,035	\$ 1,217,699	\$ 1,180,803	
COMMUNITY SERVICES							
CUSTODY & CHILD CARE (350)							
SALARIES	\$ 1,627,976	\$ 1,511,720	\$ 1,395,220	\$ 1,506,195	\$ 1,546,630	\$ 1,543,685	STAFF FOR CHILD CARE/SACC PROGRAMS
EMPLOYEE BENEFITS	601,822	547,638	539,136	574,152	582,858	582,601	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	1,138	1,233	1,233	1,233	1,233	898	LOCAL TRAVEL/CONFERENCES
SUPPLIES AND MATERIALS	102,169	67,936	83,636	95,661	95,661	94,244	SUPPLIES, FOOD SERVICE
CAPITAL OUTLAY							EQUIPMENT
OTHER		50	50	50			DUES/FEES
TOTAL (350)	\$ 2,333,104	\$ 2,128,577	\$ 2,019,275	\$ 2,177,291	\$ 2,226,382	\$ 2,221,427	
COMMUNITY SERVICES (cont.)							
OUTGOING TRANSFERS (410-430)							
TRANSFERS TO OTHER DISTRICTS	\$ 75,490	\$ 30,000	\$ 50,000	\$ 50,000	\$ 80,000	\$ 76,484	DUAL ENROLLMENTS/ALTERNATIVE EDUCATION THROUGH OTHER DISTRICTS
TRANSFERS TO OTHER FUNDS	137,498	155,000	155,000	130,000	130,000	121,929	FUNDED PROJECTS TRANSFER ROTC/OTHER
TRANSFERS TO OTHER FUNDS	200,000	0	33,000	33,000	33,000	33,000	FOOD SERVICE TRANSFER FOR NOON MONITORS
TRANSFERS TO OTHER FUNDS	1,101,982	800,000	800,000	800,000	800,000	778,237	CENTER PROGRAM TRANSFER STATE AID & PARAPRO
TRANSFERS TO OTHER FUNDS	687,565	606,923	627,054	627,054	661,001	642,734	ATHLETICS FUND SUPPORT
TOTAL (410-430)	\$ 2,202,535	\$ 1,591,923	\$ 1,665,054	\$ 1,640,054	\$ 1,704,001	\$ 1,652,384	
CAPITAL OUTLAY (452)							
CAPITAL OUTLAY (452)					\$ 7,000	\$ 6,209	CAPITAL OUTLAY
TOTAL (452)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 6,209	
OTHER TRANSACTIONS (500)							
OTHER	\$ 189,791						FINANCING OF BUS LEASE/PURCHASE
TOTAL (500)	\$ 189,791	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL GENERAL FUND EXPENDITURES	\$ 143,213,565	\$ 143,239,521	\$ 143,559,965	\$ 144,780,038	\$ 146,148,336	\$ 144,979,905	