

Livonia Public Schools

**Report to the Board of Education
June 30, 2014**



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, 2014. In addition to our audit report, we are providing the following results of the audit, other recommendations, and informational items which impact the School District:

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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.

Plante & Moran, PLLC

October 3, 2014

October 3, 2014

To the Board of Education
Livonia Public Schools

We have audited the financial statements of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2014 and have issued our report thereon dated October 3, 2014. 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 April 8, 2014, 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 3, 2014 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 July 29, 2014.

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.

No new accounting policies were adopted and the application of existing policies was not changed during 2014.

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

We noted 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.

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. The attached schedule summarizes uncorrected misstatements of the financial statements which were requested to be recorded. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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 3, 2014.

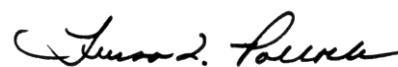
Management Consultations with Other Independent Accountants

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

Attachment I

Client: **Livonia Public Schools**
Opinion Unit: **Internal Service - Health and Welfare Fund Info**
Y/E: **6/30/2014**

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The pretax effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Current Liabilities	Long-term Liabilities	Equity	Revenue	Expenses	Net Income Statement Impact
FACTUAL MISSTATEMENTS:									
A1	None								
JUDGMENTAL ADJUSTMENTS:									
B1	Estimated July and August 2014 health insurance premiums for teachers were understated relative to actual paid amounts			\$ 41,872				\$ 41,872	\$ (41,872)
PROJECTED ADJUSTMENTS:									
C1	None								
	Total	\$ -	\$ -	\$ 41,872	\$ -	\$ -	\$ -	\$ 41,872	\$ (41,872)
PASSED DISCLOSURES:									
D1	None								

Client: **Livonia Public Schools**
Opinion Unit: **Governmental Activities**
Y/E: **6/30/2014**

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

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PROJECTED ADJUSTMENTS:									
C1	None								
	Total	\$ -	\$ -	\$ 41,872	\$ -	\$ -	\$ -	\$ 41,872	\$ (41,872)
PASSED DISCLOSURES:									
D1	Potential range of loss on the Ullico dispute has been omitted from the disclosure								
D2	Potential range of loss on lawsuit has been omitted from the disclosure								

Other Recommendations

Building Closures and Repurposing

Subsequent to year end, the School District is in the process of demolishing two buildings which were previously closed. The School District impaired the capital assets with net book value attributed to the site at fiscal year end. The School District must continue to assess impairment of capital assets if buildings no longer retain their original purpose or character as enrollment trends continue to decline. GASB Statement No. 42 defines impairment events and generally requires impaired assets to be written down to the lower of their fair value or carrying value if events have triggered an unexpected and significant change in the service utility period of an asset. We encourage the School District to consider these rules as part of its annual financial closing process.

Maintenance of Effort for Special Education Grant

Maintenance of effort is a key compliance requirement for the special education cluster. The county provides the School District with regulatory correspondence indicating the intermediate school district met the level of effort thresholds. Though the intermediate school district has met the adequate maintenance of effort levels, the School District is also required to monitor maintenance of effort on a local level. District management and the grant coordinator attend informational conferences related to the subject matter. The School District performs continuous monitoring of effort levels based on the training materials and local special education changes. We recommend that in addition to these procedures the School District also perform formal calculations at least annually to ensure that maintenance of effort is achieved.

Recordkeeping and Review of Bond Activity

The School District continues to streamline the tracking process of bond expenditures. The construction manager of the bond projects provides the School District with outstanding invoice listings to issue direct payment to the subcontractors rather than remitting funds to the construction manager for subcontracted work. With this arrangement and the volume of invoice activity, the School District must establish sound methodology to track open projects at year end. Going forward, the business office has requested that all open project orders at year end be invoiced with a June 30 work-to-date amount rather than accruing expenses from mid-month invoices based on days worked by the contractor through fiscal year end. We recommend that the School District continue to maintain subcontractor invoices within their own records since payment is made directly to the subcontractors by the School District.

Informational Items

State Aid Funding

State Aid and the Foundation Allowance - The fiscal year ended June 30, 2014 saw continued focus on several recurring themes in school funding by the State of Michigan: limited increases in the foundation allowance; additional funding boosts for school districts at the minimum foundation; additional resources dedicated to assisting with funding the districts' retirement/post-retirement healthcare obligation (MPERS); and resources for best practice and student performance. While districts experienced an increase in the foundation, the increases still have not replaced the \$470 per pupil cut experienced in 2011-2012.

- **Foundation** - For the 2013-2014 fiscal year, the School District's foundation allowance was increased to \$8,049. For comparison purposes, the School District's foundation prior to the \$470 cut was \$8,277, meaning the current foundation is \$288 per pupil below the 2011 foundation allowance. In the 2013-2014 State School Aid Act, a new funding provision was added (Section 20f). This section recognizes that the funding shift toward paying the growing MPERS expense could significantly harm some districts. Therefore, this categorical was added to guarantee at least a \$5 per pupil increase after giving account to the funding changes. Your School District did receive funding under this section, meaning that the net resources under the formula only increased by \$5/pupil. This provision continues for 2014-2015.
- **Best Practice** - Instead of mandating certain activities, the governor identified many educational initiatives shortly after taking office and has used best practice funding to provide resources when a district performs the identified activities. Each year the list of criteria is modified and a district must meet the criteria in order to receive the funding. The amount provided in 2013-2014 was maintained at the same level as in 2012-2013 - \$52 per pupil. In 2013-2014, to qualify for this incentive, the School District was required to meet seven of eight identified best practice initiatives. Your district qualified for the \$52/pupil in 2013-2014.
- **Performance Grants** - In 2013-2014, districts could once again qualify for an additional categorical based on the school district's ability to meet certain student performance measures. The maximum a school district could qualify for is \$100/pupil. Your district did not qualify for this funding. For 2014-2015, performance funding continues. Depending on the School District's student performance results, the School District could receive one, two, or all three of the allocations of \$30/\$30/\$40 per pupil for performance measures. The measurement areas are grades 3-8 in reading, 3-8 in math, and 9-12 for all subjects tested, respectively.

Livonia Public Schools

Informational Items (Continued)

- **MPSERS Cost Support** - The contribution rate the School District is required to pay continues to rise. The School District has no ability to influence the rate and no choice regarding its participation in the program. Recognizing that costs are increasing under the current system, the 2013-2014 and 2014-2015 State School Aid Acts continued to include funding to help pay for some of the increased cost. The categorical aid is formula driven using the School District's MPSERS payroll participation data. This funding is provided in two separate sections of the State School Aid Act 147a and 147c. The School District received a total of \$1,371,943 in 147a and \$5,076,174 of 147c categorical aid to help offset the impact of the increase in the retirement costs. The 2014-2015 State Aid Act continues this MPSERS cost support categoricals. The School District Section 147c was designed to fund approximately 4 percent of covered payroll and does not increase School 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 in 2013-2014, representing approximately 29 percent of covered payroll, is recognized as an expenditure in the School 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 percent contribution to the retirement system. The School District budgeted for additional State revenue and additional retirement expenditures in order to accommodate this funding mechanism, but may encounter some budget variances due to the fact the State revenue provided is based on prior year school district payroll information.

This retirement funding approach continues into 2014-2015, along with an additional retirement categorical, 147d, which will operate similarly and in addition to 147c. The net effect of all these changes for 2014-2015 is that the School District's net out-of-pocket contribution will continue at an estimated 25.78 percent, up about 1 percent from the previous year, but the total cost of the retirement system will have grown to an estimated 34.54 percent.

Other State School Aid Act Changes Impacting 2014-2015

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

Change in District Required Filing Dates - Currently the School District must submit its audit report and its FID report to the Michigan Department of Education (MDE) by November 15. Beginning with the 2015 fiscal year, the reports will be due to the MDE on October 15. This significant acceleration will require school districts and auditors to carefully plan the closing of the School District's books, the completion of the audit, and meetings with the Board of Education to ensure the 2015 filing deadlines are met. There has continued to be legislative discussion as to whether October 15 is a realistic date for filing, but for now it is law. We will continue to keep you apprised of any changes in this area. Also included in this accelerated filing date is certain information related to student counts, which will impact your pupil accounting personnel.

Livonia Public Schools

Informational Items (Continued)

Pupil Count Weighting - District membership blend will continue to be based on a 90/10 split. The funding is based on 90 percent of the October 2014 pupil count and 10 percent of the following February pupil count (February 2015). This means that when the initial fiscal year budget is prepared, the School District must estimate its foundation revenue using estimated student counts. In addition, if a student moves to another school district after the October count date, the receiving district can claim a pro-rata 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. As a result, the actual student count, along with the actual foundation revenue, will not be finalized until near the end of the School District's fiscal year.

At-risk Funding (31a) - For 2014-2015, there are several changes to the allowable uses of at-risk funds. The changes focus on third grade reading proficiency and ensuring high school students are career/college ready. School districts will have to review at-risk programming to ensure use of funds align with these changes.

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. Similar funding for MPSERS offsets were provided in 2012-2013 and 2013-2014 also in the amount of \$155 million for each fiscal year. Also in 2011-2012, \$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. For fiscal year 2013-2014, no additional appropriation was made to the reserve fund, but \$150 million was used to contribute towards the Section 147c funding, a mechanism to "cap" the out-of-pocket costs for district contributions to the system.

Livonia Public Schools

Informational Items (Continued)

The 2014-2015 State Aid Bill appropriates an additional \$100 million to be set aside from the School Aid Fund for continued funding through Section 147a, provides no additional funding to the Retirement Obligation Reform Reserve Fund (Section 147b), and also creates an additional funding source for the MPSERS Early Retirement Incentive Extra Payment (Section 147d), for which \$108 million will be appropriated. The impact of this funding is to provide districts with directed resources to help pay for a continually increasing retirement contribution. The gross contribution, before any support from the State, is approximately 34 percent of payroll for 2014-2015. After the various funding offsets, the district out-of-pocket contribution is just under 26 percent of covered payroll.

Public Act 300, signed by the governor in September 2012, created certain caps that essentially placed the employer contribution rate at 24.46 percent, 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 healthcare 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 has been, and will continue to be, a key factor to watch over the upcoming years. Shortly after PA 300 was signed, districts were notified that due to the legal challenges submitted related to the 3 percent contribution from employees, the retirement rate would increase. The overall rate has increased from 24.79 percent for the 2013-2014 fiscal year to 25.78 percent of covered payroll for 2014-2015. This .99 percentage point increase represents an actual increase of 4.0 percent. Until the Supreme Court rules on the constitutionality of the 3 percent contribution from employees, the rate is expected to remain at this higher number.

For your School District, the new, out-of-pocket contribution rate of 25.78 percent for 2014-2015 will represent approximately \$25.48 million in total pension costs and retirement healthcare costs or \$1,686 per pupil. We will continue to keep you informed as the changes to the retirement system unfold.

New Rules Governing Management of Federal Programs

In December 2013, the Office of Management and Budget (OMB) issued long-awaited reforms to the compliance requirements that must be followed by non-federal entities receiving federal funding. All school districts receiving federal dollars will need to understand the changes made as a result of these reforms and may be required to make some changes to their internal procedures, processes, and controls.

Livonia Public Schools

Informational Items (Continued)

These reforms impact three key areas of federal grants management:

1. **Audit Requirements** - For fiscal years beginning on or after January 1, 2015 (fiscal year ending June 30, 2016 for Michigan schools), the threshold for obtaining a federal awards audit will increase from the current threshold of \$500,000 of annual federal spending to \$750,000. There will also be significant changes to the criteria for qualifying as a low-risk auditee and a reduction in the number of major programs required to be tested for some school districts.
2. **Cost Principles** - Effective December 26, 2014, the grant reforms related to cost principles go into effect. Not only were certain changes made to allowable costs under this new guidance, but there were significant changes in the area of time and effort reporting and indirect costs. The State of Michigan will have a significant impact on how these changes will be applied to Michigan schools, as they often have different requirements than the federal government in this area.
3. **Administrative Requirements** - Also effective December 26, 2014, non-federal entities receiving federal funding must adhere to new rules related to administering federal awards. Most notably, these requirements may impact the School District's procurement systems, including maintaining written conflict of interest policies and disclosures as well as updated grants management policies and procedures. MDE has indicated that failure to adhere to these rules could result in the disqualification for participation in federal programs through MDE. Please note these requirements are more stringent than those required under your federal program audit, which focuses on key controls versus overall process.

These revisions are clearly the most significant change to occur to federal grants management in recent history. School Districts receiving federal funding will need to carefully digest these changes as the application of these changes will need to be assessed on a district-by-district basis. Plante & Moran, PLLC has many school district grants experts in these rules who will be working closely with the Michigan Department of Education regarding these changes and can assist you in understanding the changes and how they impact the School District. During the Spring of 2014, we provided two webinars on the grants management changes. Those webinars are archived and available at no charge on our website to assist districts in increasing their understanding of the changes. As we continue to delve into these new rules, we will keep you informed and updated.

Livonia Public Schools

Informational Items (Continued)

Bond Audits

The School District's bond issue is subject to the Michigan Department of Treasury's Bulletin for School District Audits of Bonded Construction Funds and of Sinking Funds in Michigan. This Bulletin was updated in May 2014 and outlines specific auditing and reporting requirements related to your bond issue(s). We understand the School District is currently soliciting proposals from independent auditors to conduct these procedures on your 2013 Bond projects. The risks associated with bond issues can be higher than other school district transactions; however, with careful monitoring of the activity and appropriate control procedures, the School District will decrease its risk. Items to review and monitor closely include:

- Compliance with bidding requirements and establishment of appropriate procurement procedures
- Regular comparison of expenditures with ballot language and original bond application to ensure expenditure is allowable under Section 1351(a) of the School Code
- Assessment of architect and construction manager fees for consistency with agreements
- Review of budgeted vs. actual expenditures including percentage of completion by project, so potential cost overruns may be addressed timely
- Investment earnings and the spending of the bond issue, in order to minimize or eliminate arbitrage payments

Fund Balance

Given the current focus of state funding does not provide significant new resources for operations, we feel that it is important for the School District to maintain an appropriate level of fund equity. We believe that the benefit of the School District maintaining an appropriate amount of fund equity allows the School District the ability to maintain its current level of programs, while being able to meet unforeseen circumstances, like the implementation of State Aid proration or a significant change in enrollment. This becomes especially important due to the funding caps imposed by school finance reform, increasing retirement and healthcare costs, other cost pressures the School District is facing, and cash flow needs due to the fact about 18 percent of the School 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 the future and the fact that the State is increasing its monitoring of each school district's financial health.

Livonia Public Schools

Informational Items (Continued)

During the 2013-2014 school year, the School District's General Fund expenditures exceeded revenues by approximately \$2.9 million. This resulted in decreasing the General Fund equity to approximately \$3.8 million at June 30, 2014. 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, 2013 (excluding Detroit) is approximately 9.60 percent of expenditures. Fund equity of 5.5 percent of expenditures would approximately equal the School District's average accounts payable and payroll for a three-week period, while 11 percent would approximately equal six weeks. The School District's fund equity percentage is 2.5 percent and equals approximately one week of operation. Clearly, the School District will continue to face difficult budget challenges in 2014-2015 to fund recurring operating costs. Given the current focus of how State funding is appropriated, budget planning and fund balance management will continue to be essential elements for district success.

Livonia Public Schools

**Financial Report
with Supplemental Information
June 30, 2014**

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 (the "School District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise 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 Livonia Public Schools as of June 30, 2014 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.

To the Board of Education
Livonia Public Schools

Required Supplemental 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, as identified on the table of contents, 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, which 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 supplemental 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 Livonia Public Schools' basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental 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 supplemental 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 3, 2014 on our consideration of Livonia Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Plante & Moran, PLLC

October 3, 2014

Livonia Public Schools

Management's Discussion and Analysis

This section of Livonia Public Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2014. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Livonia Public Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds - the General Fund and the 2013 Bond Fund, with all other funds presented in one column as nonmajor funds. One of the remaining statements, the statement of fiduciary net position, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. The other remaining statements relate to the School District's internal service fund.

Management's Discussion and Analysis (MD&A)
(Required Supplemental Information)

Basic Financial Statements

Government-wide Financial Statements Fund Financial Statements

Notes to the Basic Financial Statements

(Required Supplemental Information)
Budgetary Information for Major Funds

Other Supplemental Information

Livonia Public Schools

Management's Discussion and Analysis (Continued)

Reporting the School District as a Whole - Government-wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid. These two statements report the School District's net position - the difference between assets and deferred outflows of resources versus liabilities and deferred inflows of resources, as reported in the statement of net position - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position - as reported in the statement of activities - are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District. The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Reporting the School District's Most Significant Funds - Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Food Service and Special Education Center Program Funds are examples) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

Governmental Funds - All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in reconciliations.

Livonia Public Schools

Management's Discussion and Analysis (Continued)

Proprietary Fund - Proprietary fund reporting focuses on economic resources measurement and an accounting method called full accrual accounting. The proprietary fund statements present a long-term view of operations and the services they provide to the other funds.

The School District as Trustee - Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for its student activity funds. All of the School District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table I provides a summary of the School District's net position as of June 30, 2014 and 2013:

Table I

	Governmental Activities	
	June 30	
	2014	2013
	(in millions)	
Assets		
Current and other assets	\$ 151.6	\$ 167.5
Capital assets	128.7	119.3
Total assets	280.3	286.8
Liabilities		
Current liabilities	36.7	36.0
Long-term liabilities	177.5	193.3
Total liabilities	214.2	229.3
Deferred Inflows of Resources - Deferred charges on bond refunding		
	4.6	-
Total liabilities and deferred inflows of resources	218.8	229.3
Net Position		
Net investment in capital assets	44.9	37.1
Restricted	8.4	8.8
Unrestricted	8.2	11.6
Total net position	<u>\$ 61.5</u>	<u>\$ 57.5</u>

Livonia Public Schools

Management's Discussion and Analysis (Continued)

The School District's net position was \$61.5 million at June 30, 2014. The School District experienced an increase in net position of \$4.0 million. Changes during the year resulted from several changes including current assets (cash) decreasing \$15.9 million and long-term liabilities (bond debt), including deferred charges on refunding, decreasing \$11.2 million. Further, capital assets net of depreciation increased approximately \$9.4 million and current liabilities increased \$.7 million.

Net investment in capital assets totaling \$44.9 million, compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position of \$8.4 million is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position \$8.2 million was unrestricted.

The \$8.2 million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. This includes all of the different governmental fund types. Thus, it is important to note that not all unrestricted net position is set aside for day-to-day General Fund operations. It includes funds set aside to complete capital projects, provide for food service, and cover special education shortfalls.

The change in net position of the School District's governmental activities is discussed below.

Table 2

	Governmental Activities	
	Year Ended June 30	
	2014	2013
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 7.6	\$ 7.5
Operating grants and contributions	29.2	32.0
Capital grants and contributions	-	0.1
General revenue:		
Property taxes	46.0	37.1
State foundation allowance	107.0	107.3
Federal sources - Unrestricted	-	0.1
Loss on sale and impairment of capital assets	(0.9)	-
Other	0.6	0.1
Total revenue	189.5	184.2

Livonia Public Schools

Management's Discussion and Analysis (Continued)

Table 2 (Continued)

	Governmental Activities	
	Year Ended June 30	
	2014	2013
	(in millions)	
Functions/Program Expenses		
Instruction	\$ 102.9	\$ 103.4
Support services	66.5	66.5
Athletics	1.6	1.7
Food services	3.7	3.6
Community services	2.2	2.3
Payments to other public schools	0.1	0.1
Interest on long-term debt	8.5	4.6
Total functions/program expenses	<u>185.5</u>	<u>182.2</u>
Increase in Net Position	4.0	2.0
Net Position - Beginning of year	<u>57.5</u>	<u>55.5</u>
Net Position - End of year	<u><u>\$ 61.5</u></u>	<u><u>\$ 57.5</u></u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$185.5 million. Certain activities were partially funded from those who benefited from the programs with \$7.6 million of charges for services or by other governments and organizations that subsidized certain programs with grants and contributions of \$29.2 million. We paid for the remaining "public benefit" portion of our governmental activities with \$46.0 million in taxes, and \$107.0 million in State foundation allowance.

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

The School District's Funds

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

Livonia Public Schools

Management's Discussion and Analysis (Continued)

As the School District completed this year, the governmental funds reported a combined fund balance of \$110.8 million, which is a decrease of \$15.8 million from last year. This is primarily a result of the spending of prior year bond proceeds, (\$12.6 million decrease in fund balance as of year end). Other governmental funds decreased in fund balance including the General Fund (\$2.9 million) and other nonmajor governmental funds decreased by approximately \$240,000.

In the General Fund, our principal operating fund, the fund balance decreased \$2.9 million to \$3.8 million. The School District's budget has been pressured for many years from the overall economic downturn in Michigan, as well as declining enrollment, increased costs for health care, and mandatory pension contributions. While it was the School District's budget plan for 2014 to utilize fund balance to meet budget targets, the School District continues to evaluate the budget and make reductions, increase revenues, and find cost-saving measures whenever possible. The General Fund fund balance is available to fund costs related to allowable school operating purposes.

The 2013 Bond Fund balance decreased by approximately \$12.6 million. This is a result of the Phase I bond project expenditures in the fiscal year. As planned, major upgrades were made to five schools, technology infrastructure upgraded and purchases were made to update maintenance and operations equipment including new buses. There are plans for the remaining voter approved bond funds to be expended over the next five years.

The special revenue funds remained comparable to the prior year. The Food Service Fund and Special Education Fund experienced \$182,000 and \$351,000 respective decreases in fund balance. In addition, indirect costs accumulated in the Special Education Fund were transferred to the General Fund.

Combined, the Debt Service Funds showed a fund balance decrease of approximately \$214,000. In 2014, the 2004A and 2004B bonds were refunded and fund balance was partially utilized in the transaction. The refunding was done to save taxpayer monies on debt service in the long term. The School District millage rates increased from the prior year to 4.6 mills. The increase in the millage rate for debt service results from the Construction Bond of \$195 million approved by the Livonia Public School voters in May 2013. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt service funds fund balances are restricted since they can only be used to pay debt service obligations.

The combined Capital Projects Funds (excluding the 2013 Bond Fund) fund balance increased approximately \$508,000 as the School District continued capital improvements related to the sinking fund. The School District collected \$4.6 million in voter-approved sinking fund millage and expended \$4.1 million on facility improvements. This millage is available to fund specific capital projects allowed by State law and approved by the voters. The Capital Projects Funds also include \$1.8 million of fund balance in the Building and Site Technology Fund, which is used to upgrade and replace technology.

Livonia Public Schools

Management's Discussion and Analysis (Continued)

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted just before year end. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

There were revisions made to the 2013-2014 General Fund original budget. The major change was an increase in budgeted revenues and expenditures to reflect the State of Michigan's UAAL rate stabilization transaction. The State increased the retirement rate for mandated pension costs for 2013-14 and also provided state aid payments to (generally) offset the increased costs. These amounts were not known when the budget was originally adopted and the budget was updated during the year to reflect the increased revenues and expenditures for the State UAAL rate stabilization transaction.

Although the final budgeted revenues increased just under \$700,000 from the original budget, there were other changes in state aid as well. Budgets in state aid for one-time payments to reflect changes in property tax values, and special education categorical revenue decreased from the original budget.

There were minor variances between the final budget and actual amounts received in revenues. Revenue exceeded the budget by just over \$1.1 million. This is a result primarily from one time local revenues including prior year property taxes.

The actual expenditures were just under the final budget amendment by approximately \$100,000. While the School District was overall under budget, there were some areas that were over expended and will require an analysis and review for the 2015 fiscal year budget amendment. Costs for property tax refunds were greater than anticipated. The budgets for maintenance and operations and transportation were higher than anticipated, partially due to overtime, utility costs, and employee benefits costs. This may impact the 2014-2015 budget and will be reviewed for any future budget amendment adjustments.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2014, the School District had \$248.8 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of approximately \$9.4 million, or 7.9 percent, from last year.

Livonia Public Schools

Management's Discussion and Analysis (Continued)

	2014	2013
Land	\$ 4,586,143	\$ 4,586,143
Construction in progress	10,301,682	197,721
Buildings and building improvements	209,037,297	207,487,114
Buses and other vehicles	8,344,713	7,615,801
Furniture and equipment	16,511,617	15,680,104
Total capital assets	248,781,452	235,566,883
Less accumulated depreciation	120,084,397	116,273,451
Net capital assets	<u>\$ 128,697,055</u>	<u>\$ 119,293,432</u>

This year's net additions of \$9.4 million included primarily building renovations. This year marked the beginning of major expenditures of the 2013 bond proceeds. This year's Phase I projects include major renovation and upgrade to five schools, Cleveland, Coolidge, Rosedale and Cooper Elementary schools as well as Frost Middle School. Other Phase I projects included replacing the press boxes at all three high schools and technology infrastructure upgrades across the School District. Purchases this year also included maintenance and operations equipment and school buses. There were other upgrades and renovations utilizing the sinking fund proceeds during the year. We present more detailed information about our capital assets in the notes to the financial statements.

Debt

At the end of this year, the School District had \$163.1 million in bonds outstanding versus \$179.7 million in the previous year - a change of 9.2 percent. This decrease is a result of the retirement of \$16.6 million of prior year debt including the refunding of the 2004A and 2004B refunding bonds. Those outstanding bonds consist of the following:

	2014	2013
General obligation bonds	<u>\$ 163,075,000</u>	<u>\$ 179,650,000</u>

The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this debt limit. The School District's outstanding unqualified general obligation debt of \$163.1 million is significantly below the statutorily imposed limit. Bond payments are due annually and extend through the year 2043. The annual property tax levy to extinguish current debt in 2013-2014 is 4.6 mills. Other long-term obligations include accrued vacation pay, sick leave, and severance pay. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Livonia Public Schools

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2014-2015 fiscal year budget. One of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2015 fiscal year is 10 percent and 90 percent of the February 2015 and Fall 2014 student counts, respectively. The 2014-2015 budget was adopted in June 2014, based on an estimate of students that will be enrolled in September 2014. Almost 82 percent of total General Fund revenue is from the foundation allowance. Under State law, the School District cannot assess additional property tax revenue for general operations. As a result, the district funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2014-2015 school year, we anticipate that the fall student count will be slightly less than the estimates used in creating the 2014-2015 budget. Once the final student count and related per pupil funding are validated, State law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations. The School District amends the budget two to three times per year to reflect the most accurate projections in revenue including state aid, local revenue, or other resources. We also analyze the budget for potential changes in staffing, healthcare costs, utilities, and other costs.

The 2014-2015 budget includes a decrease in revenue based on the estimated decline in enrollment in the School District, a trend that is continuing throughout the state of Michigan. In order to more closely match revenue to expenditures, the School District made revenue enhancement and cost reductions of approximately \$3.0 million. The District will review the budget assumptions early in the fall and make recommendations and budget amendments to reflect any changes in the budget estimates.

Over the past several years, the School District has worked with all employee groups to provide savings in salaries and benefits including reduced salary schedules, changes to healthcare benefit plans, changes in healthcare providers, and changes in employee contributions to health care.

Each year the School District considers critical budget issues including long-range planning, state aid funding, student enrollment, program reductions, and revenue enhancement - cost containment efforts.

Future year operating budgets will also be challenged as the ability of the State to provide funding for schools is in question due to state budget priorities. In addition, student enrollment is projected to continue to decline based on existing demographics, both in the School District and across the state. In future budget planning, the School District will also be challenged to continue efforts to provide a balanced budget without depleting all of the School District's fund equity.

Livonia Public Schools

Management's Discussion and Analysis (Continued)

Contacting the School District's Management

This financial report is intended to provide our taxpayers, parents, and investors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the business office.

Livonia Public Schools

Statement of Net Position June 30, 2014

	<u>Governmental Activities</u>
Assets	
Cash and investments (Note 3)	\$ 16,604,619
Receivables	22,985,853
Inventories	322,775
Prepaid costs and other assets	1,174,018
Restricted assets (Note 9)	110,495,432
Capital assets - Net (Note 5)	<u>128,697,055</u>
Total assets	280,279,752
Liabilities	
Accounts payable	9,601,503
Accrued payroll-related liabilities	14,456,456
State aid anticipation note (Note 7)	5,758,782
Accrued interest	1,444,205
Due to other governmental units	3,216,000
Claims payable (Note 10)	664,793
Unearned revenue (Note 4)	1,510,051
Long-term liabilities (Note 8):	
Due within one year	11,925,446
Due in more than one year	<u>165,574,637</u>
Total liabilities	214,151,873
Deferred Inflows of Resources -	
Deferred charges on refunding	<u>4,618,551</u>
Total deferred inflows of resources and liabilities	<u>218,770,424</u>
Total Net Position	
Net investment in capital assets	44,871,463
Restricted:	
Debt service	76,445
Capital Projects	7,786,583
Food Service	556,179
Unrestricted	<u>8,218,658</u>
Total net position	<u><u>\$ 61,509,328</u></u>

Livonia Public Schools

Statement of Activities Year Ended June 30, 2014

Functions/Programs	Program Revenue			Governmental
	Expenses	Charges for Services	Operating Grants and Contributions	Activities Net (Expense) Revenue and Changes in Net Assets
Primary government - Governmental activities:				
Instruction	\$ 102,910,358	\$ 1,008,953	\$ 16,561,007	\$ (85,340,398)
Support services	66,544,032	75,121	10,665,466	(55,803,445)
Athletics	1,600,793	831,168	-	(769,625)
Food services	3,723,642	1,692,208	2,009,706	(21,728)
Community services	2,202,556	3,960,632	-	1,758,076
Payments to other public schools (ISDs, LEAs)	60,333	-	-	(60,333)
Interest on long-term debt	8,527,571	-	-	(8,527,571)
Total primary government	<u>\$ 185,569,285</u>	<u>\$ 7,568,082</u>	<u>\$ 29,236,179</u>	(148,765,024)
General revenue:				
Taxes:				
Property taxes, levied for general purposes				22,723,584
Property taxes, levied for debt service				18,707,786
Property taxes, levied for capital projects				4,546,642
State aid not restricted to specific purposes				107,048,885
Interest and investment earnings				342,486
Gain on the disposition of capital assets				85,162
Impairment loss on capital assets				(851,562)
Other				166,886
Total general revenue				<u>152,769,869</u>
Change in Net Position				4,004,845
Net Position - Beginning of year				<u>57,504,483</u>
Net Position - End of year				<u>\$ 61,509,328</u>

Livonia Public Schools

Governmental Funds Balance Sheet June 30, 2014

	General Fund	2013 Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments (Note 3)	\$ 14,800,716	\$ -	\$ 1,803,903	\$ 16,604,619
Receivables:				
Accounts receivable	133,717	-	25,340	159,057
Due from other governmental units	21,282,332	-	1,544,464	22,826,796
Due from other funds (Note 6)	150,114	-	4,043,666	4,193,780
Inventories	286,821	-	35,954	322,775
Prepaid costs and other assets	700	-	-	700
Restricted assets (Note 9)	-	101,743,872	8,751,560	110,495,432
Total assets	\$ 36,654,400	\$ 101,743,872	\$ 16,204,887	\$ 154,603,159
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 337,164	\$ 6,807,425	\$ 219,228	\$ 7,363,817
Accrued payroll-related liabilities	13,359,957	-	1,096,499	14,456,456
State aid anticipation note (Note 7)	5,758,782	-	-	5,758,782
Due to other governmental units	923,356	-	2,292,644	3,216,000
Due to other funds	10,023,445	147,383	167,629	10,338,457
Unearned revenue (Note 4)	1,314,443	-	195,608	1,510,051
Total liabilities	31,717,147	6,954,808	3,971,608	42,643,563
Deferred Inflows of Resources -				
Unavailable revenue (Note 4)	1,117,084	-	-	1,117,084
Total liabilities and deferred inflows of resources	32,834,231	6,954,808	3,971,608	43,760,647
Fund Balances				
Nonspendable:				
Inventory	286,821	-	35,954	322,775
Prepaid assets	700	-	-	700
Restricted:				
Capital projects	-	94,789,064	7,445,738	102,234,802
Debt service	-	-	1,520,650	1,520,650
Food service	-	-	520,225	520,225
Assigned:				
Capital projects	-	-	1,959,790	1,959,790
Center program	-	-	750,922	750,922
Budgeted use of fund balance in subsequent year	2,013,046	-	-	2,013,046
Unassigned	1,519,602	-	-	1,519,602
Total fund balances	3,820,169	94,789,064	12,233,279	110,842,512
Total liabilities, deferred inflows of resources, and fund balances	\$ 36,654,400	\$ 101,743,872	\$ 16,204,887	\$ 154,603,159

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

Livonia Public Schools

Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2014

Fund Balance Reported in Governmental Funds	\$ 110,842,512
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	\$ 248,781,452
Accumulated depreciation	<u>(120,084,397)</u> 128,697,055
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds:	
Bonds payable including premium	(173,655,260)
Compensated absences and severance pay	<u>(3,844,823)</u> (177,500,083)
Accrued interest payable is not included as a liability in governmental funds	(1,444,205)
Deferred inflows of resources (deferred interest) that do not benefit the current period are not reported in the governmental funds	(4,618,551)
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	1,117,084
Internal Service Fund assets and liabilities are included in governmental activities in the statement of net position	<u>4,415,516</u>
Net Position of Governmental Activities	<u>\$ 61,509,328</u>

Livonia Public Schools

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended June 30, 2014

	General Fund	2013 Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenue				
Local sources	\$ 29,203,532	\$ 340,727	\$ 25,052,610	\$ 54,596,869
State sources	110,630,246	-	4,590,295	115,220,541
Federal sources	6,649,381	-	1,850,809	8,500,190
Interdistrict sources	224,585	-	11,883,493	12,108,078
Total revenue	<u>146,707,744</u>	<u>340,727</u>	<u>43,377,207</u>	<u>190,425,678</u>
Expenditures				
Current:				
Instruction	90,405,688	-	11,721,193	102,126,881
Support services	55,880,977	632,185	4,203,882	60,717,044
Athletics	1,458,082	-	-	1,458,082
Food services	-	-	3,642,886	3,642,886
Community services	2,202,556	-	-	2,202,556
Debt service:				
Principal	-	-	10,625,000	10,625,000
Interest	-	-	5,882,576	5,882,576
Other	-	-	584,777	584,777
Capital outlay	670,126	12,341,311	4,223,946	17,235,383
Payments to other public schools (ISDs, LEAs)	60,333	-	-	60,333
Total expenditures	<u>150,677,762</u>	<u>12,973,496</u>	<u>40,884,260</u>	<u>204,535,518</u>
Excess of Revenue (Under) Over Expenditures	(3,970,018)	(12,632,769)	2,492,947	(14,109,840)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	119,310	-	133,804	253,114
Payment to escrow agent	-	-	(72,693,045)	(72,693,045)
Transfers in (Note 6)	1,759,999	-	4,170,181	5,930,180
Transfers out (Note 6)	(836,630)	-	(5,093,550)	(5,930,180)
Face value of debt issued	-	-	65,025,000	65,025,000
Premium on debt issued	-	-	5,725,860	5,725,860
Total other financing sources (uses)	<u>1,042,679</u>	<u>-</u>	<u>(2,731,750)</u>	<u>(1,689,071)</u>
Net Change in Fund Balances	(2,927,339)	(12,632,769)	(238,803)	(15,798,911)
Fund Balances - Beginning of year	6,747,508	107,421,833	12,472,082	126,641,423
Fund Balances - End of year	<u>\$ 3,820,169</u>	<u>\$ 94,789,064</u>	<u>\$12,233,279</u>	<u>\$ 110,842,512</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 June 30, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (15,798,911)

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	\$ (5,970,209)	
Capitalized capital outlay	<u>16,393,347</u>	10,423,138

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 or impaired assets. (1,019,515)

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 (85,148)

Bond proceeds provide financial resources to governmental funds, but increase long-term liabilities in the statement of net position (65,025,000)

Underwriter's premium reported as revenue in the funds and amortized in the statement of activities, and deferred charges on bond refunding are capitalized and amortized in the statement of activities (5,238,541)

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) 81,600,000

Interest expense is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid (829,492)

Compensated absences and severance pay are recorded when earned in the statement of activities. In the current year, more was earned than was paid out (167,535)

Internal service funds are included as part of governmental activities 145,849

Change in Net Position of Governmental Activities **\$ 4,004,845**

Livonia Public Schools

Proprietary Fund Internal Service Fund - Health and Welfare Fund Statement of Net Position June 30, 2014

Assets - Current assets	
Due from other funds (Note 6)	\$ 5,344,349
Prepaid costs and other assets	<u>1,173,318</u>
Total assets	6,517,667
Liabilities - Current liabilities	
Accounts payable	1,437,358
Claims payable (Note 10)	<u>664,793</u>
Total liabilities	<u>2,102,151</u>
Net Position - Unrestricted	<u><u>\$ 4,415,516</u></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, 2014

Operating Revenue	
Employee contributions	\$ 3,158,131
Employee contributions - Purchased insurance	350,537
Charges for services	<u>16,590,930</u>
Total operating revenue	20,099,598
Operating Expenses	
Cost of insurance claims	2,359,832
Premiums	16,609,716
Employee premiums - Purchased insurance	314,338
Administrative costs	<u>669,863</u>
Total operating expenses	<u>19,953,749</u>
Change in Net Position	145,849
Net Position - Beginning of year	<u>4,269,667</u>
Net Position - End of year	<u><u>\$ 4,415,516</u></u>

Livonia Public Schools

Proprietary Fund Statement of Cash Flows Year Ended June 30, 2014

Cash Flows from Operating Activities	
Receipts from interfund services and reimbursements	\$ 22,338,799
Claims, premiums, and administrative fees paid	<u>(22,338,799)</u>
Net cash used in operating activities	<u>-</u>
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	\$ 145,849
Adjustments to reconcile operating income to net cash from operating activities - Changes in assets and liabilities:	
Due from others	2,239,201
Prepaid and other assets	(481,243)
Accounts payable	1,409,099
Claims payable	<u>(3,312,906)</u>
Net cash used in operating activities	<u><u>\$ -</u></u>

Livonia Public Schools

Fiduciary Funds Statement of Net Position June 30, 2014

	Private Purpose Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 35,088	\$ 434,697
Due from other funds (Note 6)	6,550	793,778
Total assets	41,638	<u>\$ 1,228,475</u>
Liabilities		
Accounts payable	-	\$ 85
Due to agency fund activities	-	1,228,390
Total liabilities	-	<u>\$ 1,228,475</u>
Net Position - Restricted for endowments	<u>\$ 41,638</u>	

Livonia Public Schools

Fiduciary Funds Statement of Changes in Net Position Year Ended June 30, 2014

	Private Purpose Funds
Additions - Local sources	\$ 500
Deductions - Scholarships awarded	<u>3,026</u>
Change in Net Position	(2,526)
Net Position - Beginning of year	<u>44,164</u>
Net Position - End of year	<u>\$ 41,638</u>

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 and (2) operating 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 workers' compensation and disability 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 the 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 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, short-term investments with a maturity of three months or less when acquired, and long-term fixed-income securities. 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 Capital Projects Funds are required to be set aside for future bond principal and interest payments and capital 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 1 - 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.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District does not have any deferred outflows of resources.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School District has two types of deferred inflows of resources. The first arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second type of deferred inflow of resources is the deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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
- **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 assignments

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

- 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.

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

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.

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.

The School District did not have significant expenditure budget variances.

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

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 three 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 \$15,536,494 had \$14,815,505 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.

Livonia Public Schools

Notes to Financial Statements June 30, 2014

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 that 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. The following investment securities were uninsured and unregistered and held in the following manner:

Investment Type	Carrying Value	How Held
U.S. Treasury Notes	\$ 95,443,803	Held by counterparty

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's investments in U.S. Treasury of \$95,443,803 had a weighted average maturity of less than one year.

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	\$ 10,555,463	Variable	AAAm	Standard & Poor's
Federated Government Obligations Fund	<u>5,785,365</u>	Variable	AAAm	Standard & Poor's
Total investments	<u>\$ 16,340,828</u>			

Livonia Public Schools

Notes to Financial Statements June 30, 2014

Note 3 - Deposits and Investments (Continued)

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.

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 - 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:

	Governmental Funds	
	Deferred Inflow - Unavailable	Liability - Unearned
Delinquent property taxes	\$ 1,117,084	\$ -
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	1,016,771
Summer school tuition	-	286,081
Special Education Center Program	-	195,608
Other	-	11,591
Total	<u>\$ 1,117,084</u>	<u>\$ 1,510,051</u>

Livonia Public Schools

Notes to Financial Statements June 30, 2014

Note 5 - Capital Assets

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

	Balance July 1, 2013	Additions and Adjustments	Disposals and Adjustments	Balance June 30, 2014
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 4,586,143	\$ -	\$ -	\$ 4,586,143
Construction in progress	197,721	10,301,682	197,721	10,301,682
Subtotal	4,783,864	10,301,682	197,721	14,887,825
Capital assets being depreciated:				
Buildings and improvements	207,487,114	3,745,929	2,195,746	209,037,297
Buses and other vehicles	7,615,801	1,495,487	766,575	8,344,713
Furniture and equipment	15,680,104	1,047,970	216,457	16,511,617
Subtotal	230,783,019	6,289,386	3,178,778	233,893,627
Accumulated depreciation:				
Buildings and improvements	100,035,738	5,232,912	1,374,429	103,894,221
Buses and other vehicles	5,787,523	266,408	613,260	5,440,671
Furniture and equipment	10,450,190	470,889	171,574	10,749,505
Subtotal	116,273,451	5,970,209	2,159,263	120,084,397
Net capital assets being depreciated	114,509,568	319,177	1,019,515	113,809,230
Net capital assets	<u>\$ 119,293,432</u>	<u>\$ 10,620,859</u>	<u>\$ 1,217,236</u>	<u>\$ 128,697,055</u>

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

Governmental activities:	
Instruction	\$ 276,696
Support services	5,592,410
Athletics	101,103
Total governmental activities	<u>\$ 5,970,209</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	\$ 280,322	\$ 264,549
2013 Bond Fund	33,358,186	24,203,601
Total	<u>\$ 33,638,508</u>	<u>\$ 24,468,150</u>

Livonia Public Schools

Notes to Financial Statements June 30, 2014

Note 5 - Capital Assets (Continued)

Asset Impairment - Program expenses in the governmental activities include an impairment loss of \$851,562 due to a building closure and subsequent demolition. The impaired assets had no remaining carrying value as of June 30, 2014.

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From			Total
	General Fund	Capital Projects 2013	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 147,383	\$ 2,731	\$ 150,114
Internal Service Fund	5,344,349	-	-	5,344,349
Agency Fund	793,778	-	-	793,778
Private Purpose Trust Fund	6,550	-	-	6,550
Nonmajor governmental funds	3,878,768	-	164,898	4,043,666
Total	\$ 10,023,445	\$ 147,383	\$ 167,629	\$ 10,338,457

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	\$ -	\$ 1,759,999	\$ 1,759,999
Nonmajor governmental funds	836,630	3,333,551	4,170,181
Total	\$ 836,630	\$ 5,093,550	\$ 5,930,180

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 made from the Food Service Fund to the General Fund to pay for indirect costs. A transfer was also made from the Improvement and Technology Fund, 2004A Fund, and 2004B Fund to the 2013 Debt Service Fund as part of the current year bond refunding.

Livonia Public Schools

Notes to Financial Statements June 30, 2014

Note 7 - State Aid Anticipation Note

On August 20, 2013, Livonia Public Schools borrowed \$3,135,000 and \$2,565,000 in state aid anticipation notes from the Michigan Finance Authority. The notes bear interest at 1.05 percent and 1.378 percent, respectively, and are each due on August 20, 2014. At June 30, 2014, Livonia Public Schools has accrued interest of \$58,782 on this note. This note was fully repaid subsequent to year end.

Subsequent to year end, on August 20, 2014, Livonia Public Schools borrowed \$8,300,000 on a state aid anticipation note from PNC Bank. The note bears interest at 0.75 percent and is due on August 20, 2015.

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:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Government obligation bonds	\$ 179,650,000	\$ 65,025,000	\$ 81,600,000	\$ 163,075,000	\$ 10,710,000
Employee compensated absences	3,114,088	-	5,465	3,108,623	247,994
Severance pay	563,200	173,000	-	736,200	280,400
Premium on bonds	9,960,270	5,725,860	5,105,870	10,580,260	687,052
Deferred inflows - Deferred charges on bond refunding	-	4,760,660	142,109	4,618,551	426,328
Total governmental activities	<u>\$ 193,287,558</u>	<u>\$ 75,684,520</u>	<u>\$ 86,853,444</u>	<u>\$ 182,118,634</u>	<u>\$ 12,351,774</u>

Livonia Public Schools

Notes to Financial Statements June 30, 2014

Note 8 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities		
	Principal	Interest	Total
2015	\$ 10,710,000	\$ 8,084,866	\$ 18,794,866
2016	11,555,000	7,242,950	18,797,950
2017	6,970,000	6,837,500	13,807,500
2018	7,235,000	6,567,200	13,802,200
2019	7,580,000	6,221,450	13,801,450
2020-2024	35,770,000	25,331,750	61,101,750
2025-2029	19,205,000	18,655,950	37,860,950
2030-2034	19,750,000	14,100,000	33,850,000
2035-2039	23,125,000	8,837,500	31,962,500
2040-2043	21,175,000	2,682,500	23,857,500
Total	<u>\$ 163,075,000</u>	<u>\$ 104,561,666</u>	<u>\$ 267,636,666</u>

Governmental Activities

General obligation bonds consist of the following:

\$65,025,000 refunding bonds due in annual installments of \$4,125,000 to \$7,810,000 through May 1, 2025; interest at 2.00 percent to 5.00 percent	\$ 65,025,000
\$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 2.00 percent to 5.00 percent	<u>98,050,000</u>
Total general obligation bonded debt	<u>\$ 163,075,000</u>

Note 8 - Long-term Debt (Continued)

Advance and Current Refundings - During the year, the School District issued \$65,025,000 in general obligation bonds with interest rates ranging from 2.0 to 5.0 percent. The proceeds of these bonds were used to currently refund \$70,975,000 of outstanding 2004 refunding bonds with an interest rate ranging from 4.5 to 5.0 percent. The net proceeds of \$70,288,045 (after payment of \$462,814 in underwriting fees, insurance, and other issuance costs), plus an additional \$2,405,000 of 2004A and 2004B Debt Service Fund monies, were used to provide for all debt service payments on the original bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the School District's long-term obligations. The current refunding reduced total debt service payments by approximately \$7,947,959, which represents an economic gain of approximately \$5,924,166.

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, 2014, \$19,033,468 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	\$ 101,743,872
Unspent sinking fund property taxes levied	7,577,980
Unspent debt service property taxes levied	<u>1,173,580</u>
Total restricted assets	<u>\$ 110,495,432</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 and medical claims. As of January 1, 2014, the School District is no longer self-insured for medical benefits and all amounts are fully insured.

Note 10 - Risk Management (Continued)

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 and medical claims 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:

	2014	2013
Estimated liability - Beginning of year	\$ 3,977,699	\$ 3,083,622
Estimated claims incurred - Including changes in estimates	2,359,832	9,282,717
Claim payments	(5,672,738)	(8,388,640)
Unpaid claims - End of year	\$ 664,793	\$ 3,977,699

Note 11 - Contingent Liabilities

The School District is a defendant in a lawsuit related to alleged abuse to a student. The School District is vigorously defending this lawsuit and does not believe that there will be any liability to the School District. The School District is also a defendant in various other 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.

At June 30, 2014, the School District is involved in a dispute with an insurance company regarding a request for equitable adjustment claim related to work performed on behalf of an insolvent contractor. The School District is disputing this claim and does not believe that any potential loss would have a material adverse effect on the School District. No amounts have been accrued at June 30, 2014 related to these claims.

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 healthcare 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 healthcare 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. For the period from July 1, 2013 through September 30, 2013, employees had the following plan options with the corresponding employer contribution rates:

	Basic MIP with Premium Subsidy	Pension Plus with Premium Subsidy	Pension Plus PPHF*	Pension Plus to 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

Livonia Public Schools

Notes to Financial Statements June 30, 2014

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

For the period from October 1, 2013 through June 30, 2014, employees had the following plan options with the corresponding employer contribution rates:

	Basic MIP with Premium Subsidy	Pension Plus with Premium Subsidy	Pension Plus PHF*	Pension Plus to DC with PHF*	Basic MIP DB to DC with DB Health	Basic MIP DB to DC with PHF	Basic MIP with PHF
Pension contributions	18.34 %	18.11 %	18.11 %	15.44 %	15.44 %	15.44 %	18.34 %
Health contributions	6.45 %	6.45 %	5.52 %	5.52 %	6.45 %	5.52 %	5.52 %
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 %

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, 2014, 2013, and 2012 were \$20,934,117, \$16,922,254, and \$15,258,683, 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 or 20 percent for those not Medicare eligible 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 ranged from 8.18 percent to 9.11 percent of covered payroll for the period from July 1, 2013 through September 30, 2013, and from 5.52 percent to 6.45 percent of covered payroll for the period from October 1, 2013 through June 30, 2014 dependent upon the employee's date of hire and plan election as noted above. 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 401(k) account.

The School District's required and actual contributions to the plan for retiree healthcare benefits for the years ended June 30, 2014, 2013, and 2012 were \$8,483,340, \$9,535,273, and \$8,648,564, 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; however, the impact is expected to be material. The provisions of this statement are effective for financial statements for the year ending June 30, 2015.

Required Supplemental Information

Livonia Public Schools

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Over (Under) <u>Final Budget</u>
Revenue				
Local sources	\$ 27,857,110	\$ 27,409,429	\$ 28,308,515	\$ 899,086
State sources	108,368,598	109,589,127	110,099,550	510,423
Federal sources	40,000	51,600	71,070	19,470
Interdistrict sources	108,000	208,000	224,585	16,585
	<u>136,373,708</u>	<u>137,258,156</u>	<u>138,703,720</u>	<u>1,445,564</u>
Expenditures				
Current:				
Instruction:				
Basic program	71,168,222	73,580,245	73,204,270	(375,975)
Added needs	12,762,425	12,550,271	12,421,095	(129,176)
Adult/Continuing education	502,786	591,541	569,768	(21,773)
	<u>84,433,433</u>	<u>86,722,057</u>	<u>86,195,133</u>	<u>(526,924)</u>
Support services:				
Pupil	8,905,953	9,369,463	9,326,277	(43,186)
Instructional staff	6,550,881	6,338,191	6,263,256	(74,935)
General administration	810,026	798,066	767,351	(30,715)
School administration	9,311,066	9,372,541	9,521,171	148,630
Business	4,537,883	3,373,882	3,657,652	283,770
Operations and maintenance	13,785,224	14,197,087	14,327,649	130,562
Pupil transportation services	6,922,168	6,950,224	7,028,757	78,533
Central	2,683,922	2,744,915	2,714,951	(29,964)
	<u>53,507,123</u>	<u>53,144,369</u>	<u>53,607,064</u>	<u>462,695</u>
Community services	2,181,428	2,171,530	2,153,868	(17,662)
Payments to other public schools (ISDs, LEAs)	50,000	50,000	60,333	10,333
	<u>140,171,984</u>	<u>142,087,956</u>	<u>142,016,398</u>	<u>(71,558)</u>
Excess of Expenditures Over Revenue	(3,798,276)	(4,829,800)	(3,312,678)	1,517,122
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	504,000	91,000	119,310	28,310
Transfers in	1,900,000	2,124,376	1,771,182	(353,194)
Transfers out	(1,590,054)	(1,539,590)	(1,505,153)	34,437
Other transactions	-	(3,000)	-	3,000
	<u>813,946</u>	<u>672,786</u>	<u>385,339</u>	<u>(287,447)</u>
Total other financing sources (uses)	<u>813,946</u>	<u>672,786</u>	<u>385,339</u>	<u>(287,447)</u>
Net Change in Fund Balance	(2,984,330)	(4,157,014)	(2,927,339)	1,229,675
Fund Balance - July 1, 2013	<u>6,747,508</u>	<u>6,747,508</u>	<u>6,747,508</u>	<u>-</u>
Fund Balance - June 30, 2014	<u>\$ 3,763,178</u>	<u>\$ 2,590,494</u>	<u>\$ 3,820,169</u>	<u>\$ 1,229,675</u>

Livonia Public Schools

Required Supplemental Information Budgetary Comparison Schedule - General Fund Funded Projects Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue				
Local sources	\$ 197,780	\$ 109,795	\$ 63,849	\$ (45,946)
State sources	500,511	716,795	530,696	(186,099)
Federal sources	<u>6,823,747</u>	<u>6,868,069</u>	<u>6,578,311</u>	<u>(289,758)</u>
Total revenue	7,522,038	7,694,659	7,172,856	(521,803)
Expenditures - Current				
Instruction	4,984,822	4,879,300	4,645,887	(233,413)
Support services	2,584,043	2,676,914	2,467,099	(209,815)
Community services	<u>71,521</u>	<u>69,160</u>	<u>48,688</u>	<u>(20,472)</u>
Total expenditures	<u>7,640,386</u>	<u>7,625,374</u>	<u>7,161,674</u>	<u>(463,700)</u>
Excess of Revenue Over (Under) Expenditures	(118,348)	69,285	11,182	(58,103)
Other Financing Sources (Uses)				
Transfers in	205,261	-	-	-
Transfers out	<u>(86,913)</u>	<u>(69,285)</u>	<u>(11,182)</u>	<u>58,103</u>
Total other financing (uses) sources	<u>118,348</u>	<u>(69,285)</u>	<u>(11,182)</u>	<u>58,103</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Livonia Public Schools

Required Supplemental Information Budgetary Comparison Schedule - General Fund Athletic Activities Year Ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue - Local sources	\$ 881,041	\$ 834,481	\$ 831,168	\$ (3,313)
Expenditures - Athletics	<u>1,508,095</u>	<u>1,523,071</u>	<u>1,499,690</u>	<u>(23,381)</u>
Excess of Expenditures Over Revenue	(627,054)	(688,590)	(668,522)	20,068
Other Financing Sources - Transfers in	<u>627,054</u>	<u>688,590</u>	<u>668,522</u>	<u>(20,068)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Other Supplemental Information

Livonia Public Schools

	Special Revenue Funds		Debt Service Funds	
	Food Service	Special Education Center Programs	2013	2014 Refunding
Assets				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts receivable	25,340	-	-	-
Due from other governmental units	99,880	1,444,584	-	-
Due from other funds	408,741	2,897,733	344,761	167,407
Inventories	35,954	-	-	-
Restricted assets	-	-	409,927	763,653
Total assets	\$ 569,915	\$4,342,317	\$ 754,688	\$ 931,060
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 8,381	\$ 11,999	\$ 200	\$ -
Accrued payroll-related liabilities -				
Salaries payable	3,861	1,092,638	-	-
Due to other governmental units	1,494	2,291,150	-	-
Due to other funds	-	-	164,898	-
Unearned revenue	-	195,608	-	-
Total liabilities	13,736	3,591,395	165,098	-
Fund Balances				
Nonspendable - Inventory	35,954	-	-	-
Restricted:				
Capital projects	-	-	-	-
Debt service	-	-	589,590	931,060
Food service	520,225	-	-	-
Assigned:				
Capital projects	-	-	-	-
Center Program	-	750,922	-	-
Total fund balances	556,179	750,922	589,590	931,060
Total liabilities and fund balances	\$ 569,915	\$4,342,317	\$ 754,688	\$ 931,060

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014**

Capital Projects Fund			Total Nonmajor Governmental Funds
Building and Repairs Fund	Building and Site	2012 Capital Projects	
\$ -	\$ 1,803,903	\$ -	\$ 1,803,903
-	-	-	25,340
-	-	-	1,544,464
66,406	-	158,618	4,043,666
-	-	-	35,954
<u>7,577,980</u>	<u>-</u>	<u>-</u>	<u>8,751,560</u>
<u>\$7,644,386</u>	<u>\$1,803,903</u>	<u>\$ 158,618</u>	<u>\$16,204,887</u>

\$ 198,648	\$ -	\$ -	\$ 219,228
-	-	-	1,096,499
-	-	-	2,292,644
-	2,731	-	167,629
-	-	-	195,608
<u>198,648</u>	<u>2,731</u>	<u>-</u>	<u>3,971,608</u>
-	-	-	35,954
7,445,738	-	-	7,445,738
-	-	-	1,520,650
-	-	-	520,225
-	1,801,172	158,618	1,959,790
-	-	-	750,922
<u>7,445,738</u>	<u>1,801,172</u>	<u>158,618</u>	<u>12,233,279</u>
<u>\$7,644,386</u>	<u>\$1,803,903</u>	<u>\$ 158,618</u>	<u>\$16,204,887</u>

Livonia Public Schools

	Special Revenue Funds		Debt Service Funds			
	Food Service	Special Education Center Programs	2004 A	2004 B	2013	2014 Refunding
Revenue						
Local sources	\$ 1,692,208	\$ 10,223	\$ 8,750,372	\$ 268,609	\$ 9,765,043	\$ -
State sources	158,897	4,431,398	-	-	-	-
Federal sources	1,850,809	-	-	-	-	-
Interdistrict sources	-	11,883,493	-	-	-	-
Total revenue	3,701,914	16,325,114	8,750,372	268,609	9,765,043	-
Expenditures - Current						
Instruction:						
Added needs	-	11,721,193	-	-	-	-
Support services	-	4,185,613	-	-	-	-
Food services	3,642,886	-	-	-	-	-
Debt service:						
Principal	-	-	5,185,000	160,000	5,280,000	-
Interest	-	-	1,946,613	40,710	3,895,253	-
Other	-	-	120,978	3,293	200	460,306
Capital outlay	80,756	6,243	-	-	-	-
Total expenditures	3,723,642	15,913,049	7,252,591	204,003	9,175,453	460,306
Excess of Revenue (Under) Over Expenditures	(21,728)	412,065	1,497,781	64,606	589,590	(460,306)
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	(72,693,045)
Transfers in	-	836,630	-	-	-	3,333,551
Transfers out	(160,000)	(1,599,999)	(3,201,610)	(95,410)	-	-
Face value of debt issued	-	-	-	-	-	65,025,000
Premium on debt issued	-	-	-	-	-	5,725,860
Total other financing sources (uses)	(160,000)	(763,369)	(3,201,610)	(95,410)	-	1,391,366
Net Change in Fund Balances	(181,728)	(351,304)	(1,703,829)	(30,804)	589,590	931,060
Fund Balances - Beginning of year	737,907	1,102,226	1,703,829	30,804	-	-
Fund Balances - End of year	\$ 556,179	\$ 750,922	\$ -	\$ -	\$ 589,590	\$ 931,060

**Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014**

Capital Projects Fund				
Building and Repairs Fund	Building and Site	Improvement and Technology Fund	2012 Capital Projects	Total Nonmajor Governmental Funds
\$ 4,565,932	\$ 219	\$ 4	\$ -	\$ 25,052,610
-	-	-	-	4,590,295
-	-	-	-	1,850,809
-	-	-	-	11,883,493
4,565,932	219	4	-	43,377,207
-	-	-	-	11,721,193
10,570	2,731	-	4,968	4,203,882
-	-	-	-	3,642,886
-	-	-	-	10,625,000
-	-	-	-	5,882,576
-	-	-	-	584,777
4,027,417	109,530	-	-	4,223,946
4,037,987	112,261	-	4,968	40,884,260
527,945	(112,042)	4	(4,968)	2,492,947
-	-	-	133,804	133,804
-	-	-	-	(72,693,045)
-	-	-	-	4,170,181
-	-	(36,531)	-	(5,093,550)
-	-	-	-	65,025,000
-	-	-	-	5,725,860
-	-	(36,531)	133,804	(2,731,750)
527,945	(112,042)	(36,527)	128,836	(238,803)
6,917,793	1,913,214	36,527	29,782	12,472,082
\$ 7,445,738	\$ 1,801,172	\$ -	\$ 158,618	\$ 12,233,279

Livonia Public Schools

Other Supplemental Information Combining Balance Sheet General Fund June 30, 2014

	General Fund	Athletic Activities	Funded Projects	Total
Assets				
Cash and investments	\$ 14,800,716	\$ -	\$ -	\$ 14,800,716
Receivables:				
Accounts receivable	133,717	-	-	133,717
Due from other governmental units	20,211,288	-	1,071,044	21,282,332
Due from other funds	150,114	-	-	150,114
Inventories	286,821	-	-	286,821
Prepaid costs and other assets	-	-	700	700
	<u>35,582,656</u>	<u>-</u>	<u>1,071,744</u>	<u>36,654,400</u>
Total assets	<u>\$ 35,582,656</u>	<u>\$ -</u>	<u>\$ 1,071,744</u>	<u>\$ 36,654,400</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 326,750	\$ 5,324	\$ 5,090	\$ 337,164
Accrued payroll-related liabilities	12,816,669	10,406	532,882	13,359,957
State aid anticipation note	5,758,782	-	-	5,758,782
Due to other governmental units	923,356	-	-	923,356
Due to other funds	9,761,882	(15,730)	277,293	10,023,445
Unearned revenue	1,057,964	-	256,479	1,314,443
	<u>30,645,403</u>	<u>-</u>	<u>1,071,744</u>	<u>31,717,147</u>
Total liabilities	30,645,403	-	1,071,744	31,717,147
Deferred Inflows of Resources -				
Unavailable revenue	1,117,084	-	-	1,117,084
	<u>1,117,084</u>	<u>-</u>	<u>-</u>	<u>1,117,084</u>
Total liabilities and deferred inflows of resources	31,762,487	-	1,071,744	32,834,231
Fund Balances				
Nonspendable:				
Inventory	286,821	-	-	286,821
Prepaid assets	-	-	700	700
Assigned - Budgeted use of fund balance in subsequent year	2,013,046	-	-	2,013,046
Unassigned	1,520,302	-	(700)	1,519,602
	<u>3,820,169</u>	<u>-</u>	<u>-</u>	<u>3,820,169</u>
Total fund balances	3,820,169	-	-	3,820,169
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,582,656</u>	<u>\$ -</u>	<u>\$ 1,071,744</u>	<u>\$ 36,654,400</u>

Livonia Public Schools

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances General Funds Year Ended June 30, 2014

	General Fund	Athletic Activities	Funded Projects	Total
Revenue				
Local sources	\$ 28,308,515	\$ 831,168	\$ 63,849	\$ 29,203,532
State sources	110,099,550	-	530,696	110,630,246
Federal sources	71,070	-	6,578,311	6,649,381
Interdistrict sources	224,585	-	-	224,585
Total revenue	138,703,720	831,168	7,172,856	146,707,744
Expenditures				
Current:				
Instruction:				
Basic program	73,177,310	-	429,081	73,606,391
Added needs	12,366,886	-	3,822,600	16,189,486
Adult/Continuing education	569,768	-	40,043	609,811
Support services:				
Pupil	9,326,277	-	1,471,363	10,797,640
Instructional staff	6,263,256	-	774,295	7,037,551
General administration	767,351	-	-	767,351
School administration	9,521,171	-	-	9,521,171
Business	3,657,652	-	-	3,657,652
Operations and maintenance	14,304,888	-	6,000	14,310,888
Pupil transportation services	7,028,757	-	46,039	7,074,796
Central	2,703,674	-	10,254	2,713,928
Athletics	-	1,458,082	-	1,458,082
Community services	2,153,868	-	48,688	2,202,556
Capital outlay	115,207	41,608	513,311	670,126
Payments to other public schools (ISDs, LEAs)	60,333	-	-	60,333
Total expenditures	142,016,398	1,499,690	7,161,674	150,677,762
Excess of Expenditures (Over) Under Revenue	(3,312,678)	(668,522)	11,182	(3,970,018)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	119,310	-	-	119,310
Transfers in	1,771,182	668,522	-	2,439,704
Transfers out	(1,505,153)	-	(11,182)	(1,516,335)
Total other financing sources (uses)	385,339	668,522	(11,182)	1,042,679
Net Change in Fund Balances	(2,927,339)	-	-	(2,927,339)
Fund Balances - Beginning of year	6,747,508	-	-	6,747,508
Fund Balances - End of year	<u>\$ 3,820,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,820,169</u>

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget Year Ended June 30, 2014

	Original Budget	Final Budget	Actual
Revenues			
Revenue from Local Sources			
Property tax levy	\$ 22,957,410	\$ 22,308,000	\$ 22,734,219
Tuition	1,042,300	1,011,129	1,008,953
Transportation fees	100,000	75,000	75,121
Earnings on investments	600	500	500
Student activities	11,800	13,800	13,848
Medicaid FFS	400,000	380,000	456,255
Other local revenues	3,345,000	3,621,000	4,019,619
Total revenues from local sources	27,857,110	27,409,429	28,308,515
Revenues from State Sources			
Grants - Unrestricted	91,780,937	90,057,169	90,089,857
Grants - Restricted	16,587,661	19,531,958	20,009,693
Total revenues from state sources	108,368,598	109,589,127	110,099,550
Revenues from Federal Sources - Grants	40,000	51,600	71,070
Interdistrict Sources			
Tuition	96,000	190,000	194,823
Administrative fee	12,000	18,000	29,762
Total interdistrict sources	108,000	208,000	224,585
Other Financing Sources			
Proceeds from sale of capital assets	504,000	91,000	119,310
Insurance reimbursements			
Refunds			
Transfer in	1,900,000	2,124,376	1,771,182
Total other financing sources	2,404,000	2,215,376	1,890,492
Total revenue and other financing sources	\$ 138,777,708	\$ 139,473,532	\$ 140,594,212
Expenditures			
Basic Program - Elementary			
Salaries	\$ 21,275,176	\$ 21,966,980	\$ 21,995,111
Employee benefits	10,651,987	11,543,672	11,421,725
Purchased services	362,715	397,500	329,375
Capital outlay	6,883	-	-
Supplies and materials	745,978	398,501	378,127
Total elementary	33,042,739	34,306,653	34,124,338
Basic Program - Middle School			
Salaries	7,545,994	7,402,213	7,373,157
Employee benefits	3,658,779	3,833,440	3,848,849
Purchased services	143,030	111,830	107,047
Supplies and materials	89,348	98,921	61,846
Total middle school	11,437,151	11,446,404	11,390,899

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2014

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Basic Program - High School			
Salaries	\$ 16,409,543	\$ 16,637,037	\$ 16,627,816
Employee benefits	8,022,072	8,616,185	8,570,182
Purchased services	253,675	243,175	194,177
Supplies and materials	228,072	535,473	515,092
Other	10,200	32,660	31,012
Total high school	24,923,562	26,064,530	25,938,279
Basic Program - Pre-school			
Salaries	360,047	350,391	346,827
Employee benefits	168,456	174,994	168,988
Purchased services	4,200	1,100	685
Supplies and materials	6,737	6,089	5,463
Total pre-school	539,440	532,574	521,963
Basic Program - Summer School			
Salaries	714,785	713,486	711,534
Employee benefits	441,527	450,530	451,576
Purchased services	37,065	15,500	17,030
Supplies and materials	28,953	23,568	21,691
Capital outlay	3,000	27,000	26,960
Total summer school	1,225,330	1,230,084	1,228,791
Added Needs - Special Education			
Salaries	5,872,175	5,540,523	5,542,391
Employee benefits	3,078,661	3,130,977	3,094,271
Purchased services	131,690	124,290	128,187
Supplies and materials	20,610	35,524	17,211
Total special education	9,103,136	8,831,314	8,782,060
Added Needs - Compensatory Education			
Salaries	403,314	487,401	453,691
Employee benefits	233,582	271,956	245,401
Purchased services	1,082	3,000	3,334
Total compensatory education	637,978	762,357	702,426
Added Needs - Career and Technical Education			
Salaries	1,739,931	1,752,318	1,757,576
Employee benefits	883,123	901,485	891,273
Purchased services	21,300	24,000	37,868
Supplies and materials	254,683	221,815	195,682
Capital outlay	115,000	56,982	54,210
Total career and technical education	3,014,037	2,956,600	2,936,609

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2014

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Added Needs - Summer School			
Salaries	\$ 3,693	\$ -	\$ -
Employee benefits	2,213	-	-
Supplies and materials	1,368	-	-
Total summer school	7,274	-	-
Adult and Continuing Education - Basic			
Salaries	87,608	98,522	97,028
Employee benefits	28,492	37,284	38,667
Purchased services	-	60.00	53
Supplies and materials	-	9,350	9,414
Total basic	116,100	145,216	145,162
Adult and Continuing Education - Secondary			
Salaries	13,713	66,816	62,876
Employee benefits	4,469	24,868	22,626
Purchased services	1,228	-	-
Total secondary	19,410	91,684	85,502
Adult and Continuing Education - Community Recreation			
Salaries	189,600	214,500	214,784
Employee benefits	62,714	78,741	76,558
Purchased services	104,850	61,400	47,762
Supplies and materials	10,112	-	-
Other	-	-	-
Total occupational training	367,276	354,641	339,104
Pupil - Guidance Services			
Salaries	3,374,357	3,326,048	3,324,014
Employee benefits	1,660,789	1,732,332	1,708,218
Purchased services	16,600	16,100	9,089
Total guidance services	5,051,746	5,074,480	5,041,321
Pupil - Health Services			
Salaries	116,719.00	116,010.00	116,952
Employee benefits	55,707.00	59,195.00	63,643
Purchased services	23,000	12,200	10,612
Supplies and materials	10,000	3,000	1,829
Total health services	205,426	190,405	193,036
Pupil - Psychological Services			
Salaries	380,000	359,083	359,083
Employee benefits	184,131	187,940	183,500
Purchased services	800	1,800	1,668
Total psychological services	564,931	548,823	544,251

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2014

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Pupil - Speech Services			
Salaries	\$ 1,454,337	\$ 1,406,399	\$ 1,406,399
Employee benefits	665,963	691,742	689,332
Purchased services	1,200	32,500	31,449
Total speech services	2,121,500	2,130,641	2,127,180
Pupil - Social Work Services			
Salaries	205,835	259,566	263,847
Employee benefits	89,218	115,139	133,401
Purchased services	2,500	1,500	401
Total social work services	297,553	376,205	397,649
Pupil - Teacher Consultant			
Salaries	26,035	298,631	283,131
Employee benefits	13,978	107,843	143,473
Purchased services	1,075	2,300	2,408
Total teacher consultant	41,088	408,774	429,012
Pupil - Other Support Services			
Salaries	388,706	392,794	378,534
Employee benefits	218,794	231,232	203,546
Purchased services	16,209	16,109	11,748
Total other pupil support services	623,709	640,135	593,828
Instructional Staff - Improvement of Education			
Salaries and materials	1,288,734	1,270,511	1,295,021
Employee benefits	566,220	596,480	583,799
Purchased services	284,810	254,939	218,680
Supplies and materials	25,096	13,778	7,715
Other	2,690	1,550	50
Total improvement of education	2,167,550	2,137,258	2,105,265
Instructional Staff - Educational Media Services			
Salaries and materials	1,729,681	1,683,417	1,669,354
Employee benefits	757,785	816,536	817,436
Purchased services	16,173	15,500	19,846
Supplies and materials	44,601	44,601	42,125
Other	154	154	125
Total education media services	2,548,394	2,560,208	2,548,886
Instructional Staff - Technology Assisted Instruction			
Salaries and materials	2,014	1,520	1,476
Employee benefits	-	-	-
Purchased services	16,500	-	-
Total technology assisted instruction	18,514	1,520	1,476

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2014

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Instructional Staff - Supervision and Direction of Instructional Staff			
Salaries and materials	\$ 777,450	\$ 687,585	\$ 674,447
Employee benefits	366,430	343,846	358,758
Purchased services	5,535	5,835	5,301
Supplies and materials	24,000	5,000	1,305
Other	7,100	2,000	2,060
Total supervision and direction of instructional staff	1,180,515	1,044,266	1,041,871
Instructional Staff - Academic Student Assessment			
Salaries	2,354	-	-
Employee benefits	767	-	-
Supplies and materials	56,206	58,102	49,756
Total academic student assessment	59,327	58,102	49,756
Instructional Staff - Other Services			
Salaries	319,729	306,385	301,321
Employee benefits	161,834	165,607	162,159
Purchased services	82,449	61,450	49,251
Supplies and materials	11,144	3,195	3,072
Other	1,425	200	199
Total other instructional staff services	576,581	536,837	516,002
General Administration - Board of Education			
Salaries	20,000	20,000	25,250
Purchased services	300,250	294,250	299,697
Supplies and materials	1,152	12,000	2,135
Other	3,000	9,000	8,110
Total board of education	324,402	335,250	335,192
General Administration - Executive Administration			
Salaries	310,140	279,666	267,056
Employee benefits	118,367	139,810	125,318
Purchased services	2,550	1,500	480
Supplies and materials	19,567	18,840	17,502
Other	35,000	23,000	21,803
Total executive administration	485,624	462,816	432,159
School Administration - Office of the Principal			
Salaries	6,137,978	6,047,719	6,081,401
Employee benefits	3,027,347	3,167,382	3,307,155
Purchased services	66,719	75,600	69,939
Supplies and materials	49,022	51,840	39,029
Other	30,000	30,000	23,647
Total office of the principal	9,311,066	9,372,541	9,521,171

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2014

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Business - Fiscal Services			
Salaries	\$ 638,675	\$ 651,282	\$ 638,228
Employee benefits	351,454	354,616	369,616
Purchased services	21,383	23,900	27,063
Supplies and materials	9,834	13,140	7,387
Other	350,000	381,020	388,796
Total fiscal services	1,371,346	1,423,958	1,431,090
Business - Internal Services			
Salaries	258,106	254,500	248,506
Employee benefits	155,508	162,466	169,099
Purchased services	93,122	55,550	57,171
Supplies and materials	7,800	8,033	11,508
Total internal services	514,536	480,549	486,284
Business - Other Business Services			
Salaries	-	1,000	24
Employee benefits	-	363	9
Purchased services	886,000	762,800	754,358
Other	1,766,001	705,212	985,887
Total other business services	2,652,001	1,469,375	1,740,278
Operations and Maintenance - Operating Building Services			
Salaries	5,269,565	5,365,847	5,411,675
Employee benefits	3,104,167	3,306,689	3,403,194
Purchased services	3,822,923	3,964,532	3,995,264
Supplies and materials	586,714	627,019	628,317
Capital outlay	19,100.00	20,000	22,761
Other	2,845	2,845	2,220
Total operating building services	12,805,314	13,286,932	13,463,431
Operations and Maintenance - Security Services			
Salaries	47,762	-	-
Employee benefits	9,639	-	-
Purchased services	916,284	906,850	861,567
Supplies and materials	5,225	2,500	2,096
Capital outlay	500	250	-
Other	500	555	555
Total security services	979,910	910,155	864,218
Pupil Transportation Services			
Salaries	3,462,773	3,436,368	3,438,603
Employee benefits	2,078,867	2,151,350	2,285,636
Purchased services	440,047	423,992	442,145
Supplies and materials	1,064,959	1,079,889	1,019,016
Other	(124,478)	(141,375)	(156,643)
Total transportation services	6,922,168	6,950,224	7,028,757

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2014

	Original Budget	Final Budget	Actual
Expenditures (Continued)			
Central - Planning, Research Development, and Evaluation			
Salaries	\$ 75,061	\$ 74,878	\$ 74,878
Employee benefits	31,738	34,903	40,454
Purchased services	100	100	49
Other	48	-	-
Total planning, research development, and evaluation	106,947	109,881	115,381
Central - Communication Services			
Salaries	165,582	187,215	178,847
Employee benefits	65,903	79,343	89,993
Purchased services	67,690	51,500	43,073
Supplies and materials	2,180	1,900	1,488
Capital outlay	1,000.00	4,000	3,873
Other	250	-	-
Total communication services	302,605	323,958	317,274
Central - Staff/Personnel Services			
Salaries	573,827	574,140	574,696
Employee benefits	276,840	283,121	299,958
Purchased services	92,579	88,800	86,276
Supplies and materials	3,207	8,547	9,559
Other	855	200	200
Total staff/personnel services	947,308	954,808	970,689
Central - Pupil Accounting			
Salaries	65,250	65,375	65,375
Employee benefits	36,816	38,700	35,203
Purchased services	4,600	7,740	7,926
Total support services technology	106,666	111,815	108,504
Central - Support Services Technology			
Salaries	485,281	510,651	510,266
Employee benefits	271,794	283,619	296,341
Purchased services	416,597	425,199	379,495
Supplies and materials	35,150	13,500	9,597
Capital outlay	11,384	11,384	7,404
Other	190	100	-
Total pupil accounting	1,220,396	1,244,453	1,203,103
Community Services - Custody and Care of Children			
Salaries	1,506,195	1,465,730	1,460,310
Employee benefits	578,289	610,439	619,885
Purchased services	1,233	1,700	1,500
Supplies and materials	95,661	93,661	72,173
Other	50	-	-
Total custody and care of children	2,181,428	2,171,530	2,153,868

Livonia Public Schools

Other Supplemental Information General Fund Schedule of Revenues and Expenditures Compared to Budget (Continued) Year Ended June 30, 2014

	Original Budget	Final Budget	Actual
Intergovernmental Payments - Payments to other public schools	\$ 50,000	\$ 50,000	\$ 60,333
Other Financing Uses			
Transfers	1,590,054	1,539,590	1,505,153
Site Improvements - Capital Outlay	-	3,000	-
Total other financing uses	1,590,054	1,542,590	1,505,153
Total expenditures and financing uses	\$ 141,762,038	\$ 143,630,546	\$ 143,521,551

Livonia Public Schools

Other Supplemental Information Schedule of Bonded Indebtedness Year Ended June 30, 2014

Year Ending June 30	2013 Issue - Series I	2014 Refunding	Total
2015	\$ 5,675,000	\$ 5,035,000	\$ 10,710,000
2016	5,675,000	5,880,000	11,555,000
2017	850,000	6,120,000	6,970,000
2018	800,000	6,435,000	7,235,000
2019	825,000	6,755,000	7,580,000
2020	850,000	7,095,000	7,945,000
2021	900,000	7,405,000	8,305,000
2022	900,000	7,810,000	8,710,000
2023	1,175,000	4,185,000	5,360,000
2024	1,325,000	4,125,000	5,450,000
2025	1,475,000	4,180,000	5,655,000
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>\$ 98,050,000</u>	<u>\$ 65,025,000</u>	<u>\$ 163,075,000</u>
Principal payments due the first day of	May	May	
Interest payments due on the first day of	May and November	May and November	
Interest rate	2.000 - 5.000%	2.000 - 5.000%	
Original issue	<u>\$ 103,330,000</u>	<u>\$ 65,025,000</u>	

Livonia Public Schools

**Federal Awards
Supplemental Information
June 30, 2014**

Livonia Public Schools

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Plante & Moran, PLLC

Suite 500
2601 Cambridge Court
Auburn Hills, MI 48326
Tel: 248.375.7100
Fax: 248.375.7101
plantemoran.com

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 basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2014 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 3, 2014, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 3, 2014.

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 A-133, *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 basic financial statements. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

Auburn Hills, Michigan
October 3, 2014



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 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 basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2014 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 3, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic 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 basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District'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 School District'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 Management and the Board of Education
Livonia Public Schools

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Livonia Public Schools' basic 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*.

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 School District'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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

Auburn Hills, Michigan
October 3, 2014

**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' (the "School District") 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, 2014. 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.

To the Board of Education
Livonia Public Schools

Opinion on Each Major Federal Program

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, 2014.

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 School District'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 a 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.

To the Board of Education
Livonia Public Schools

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 A-133. Accordingly, this report is not suitable for any other purpose.

Plante & Moran, PLLC

Auburn Hills, Michigan
October 3, 2014

Livonia Public Schools

Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

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, 2013	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue as of June 30, 2014
Clusters:								
Child Nutrition Cluster:								
U.S. Department of Agriculture - Passed through Michigan Department of Education:								
Noncash assistance (commodities) - National School Lunch Program:								
Entitlement commodities	10.555	\$ 185,263	\$ -	\$ -	\$ -	\$ 185,263	\$ 185,263	\$ -
Cash assistance:								
141970 National School Breakfast Program	10.553	291,301	-	-	-	275,723	291,301	15,578
141960 National School Lunch Program	10.555	1,365,174	-	-	-	1,308,993	1,365,174	56,181
131900/130900 Summer Food Service Program	10.559	194	194	194	-	194	-	-
141900/140900 Summer Food Service Program	10.559	9,071	-	-	-	9,071	9,071	-
Total cash assistance		<u>1,665,740</u>	<u>194</u>	<u>194</u>	<u>-</u>	<u>1,593,981</u>	<u>1,665,546</u>	<u>71,759</u>
Total Child Nutrition Cluster		1,851,003	194	194	-	1,779,244	1,850,809	71,759
Special Education Cluster - U.S. Department of Education - Passed through Wayne County RESA:								
IDEA, Part B:								
130450- 2012-2013 IDEA Flowthrough - Regular	84.027	3,388,553	3,388,553	932,548	-	932,548	-	-
140450- 2013-2014 IDEA Flowthrough - Regular		3,177,602	-	-	-	2,677,500	3,177,602	500,102
130450- 2012-2013 IDEA Regular - CPE		790,600	790,600	241,154	-	241,154	-	-
140450- 2013-2014 IDEA Regular - CPE		742,705	-	-	-	689,001	742,705	53,704
Total IDEA, Part B		8,099,460	4,179,153	1,173,702	-	4,540,203	3,920,307	553,806
IDEA Preschool:								
130460- 2012-2013 IDEA Preschool	84.173	197,454	197,454	55,105	-	55,105	-	-
140460- 2013-2014 IDEA Preschool		190,348	-	-	-	153,583	190,348	36,765
Total IDEA Preschool		387,802	197,454	55,105	-	208,688	190,348	36,765
Total Special Education Cluster		8,487,262	4,376,607	1,228,807	-	4,748,891	4,110,655	590,571
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through Wayne County RESA								
	93.778	66,921	-	-	-	66,921	66,921	-
Total Cluster Programs		10,405,186	4,376,801	1,229,001	-	6,595,056	6,028,385	662,330

See Notes to Schedule of Expenditures
of Federal Awards.

Livonia Public Schools

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2014

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, 2013	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue as of June 30, 2014
Other federal programs:								
U.S. Department of Treasury - Direct - JROTC - Department of the Air Force 2012-2013	21.000	\$ 31,604	\$ 31,604	\$ 2,640	\$ -	\$ 2,640	\$ -	\$ -
U.S. Department of Education - Direct - Carol M. White Physical Education Program - S215F130198- 2013-2014 PEP	84.215F	593,365	-	-	-	457,039	466,523	9,484
U.S. Department of Education - Passed through Michigan Department of Education:								
TITLE I, Part A:								
141520-2013-2014 Title I Part A Schoolwide Planning Grant	84.010	3,000	-	-	-	2,117	2,117	-
131530- 2012-2013 Title I Part A		1,437,409	1,311,363	271,122	-	271,122	-	-
141530- 2013-2014 Title I Part A		1,333,711	-	-	-	1,178,170	1,286,447	108,277
Total Title I Part A		2,774,120	1,311,363	271,122	-	1,451,409	1,288,564	108,277
TITLE II, Part A:								
130520- 2012-2013 Title II Part A	84.367	370,087	312,258	61,736	-	61,736	-	-
140520- 2013-2014 Title II Part A		385,426	-	-	-	267,655	298,463	30,808
Total Title II Part A		755,513	312,258	61,736	-	329,391	298,463	30,808
TITLE III, English Language Acquisition State Grants:								
130570- 2012-2013 Title III Immigrant Student	84.365	53,923	50,456	10,253	-	10,253	-	-
140570- 2013-2014 Title III Immigrant Student		3,467	-	-	-	3,467	3,467	-
130580- 2012-2013 Title III Limited English Proficient Students		48,024	44,106	(1,400)	(311)	(1,711)	-	-
140580- 2013-2014 Title III Limited English Proficient Students		46,935	-	-	-	43,316	44,195	879
Total Title III English Language Acquisition State Grants		152,349	94,562	8,853	(311)	55,325	47,662	879
Adult Learning WIA Core Programs								
131120-135497 Federal EL Civics	84.002	14,190	14,190	616	-	616	-	-
141120-145497 Federal EL Civics		13,000	-	-	-	6,737	13,000	6,263
141130-141497 Federal General Instruction		140,000	-	-	-	117,635	120,821	3,186
Total Adult Learning WIA Core Programs		167,190	14,190	616	-	124,988	133,821	9,449
U.S. Department of Education - Passed through Wayne County RESA - Carl D. Perkins Career and Technical Education Program:								
133520-131225- 2012-2013 Perkins	84.048	270,964	270,949	142,542	-	142,542	-	-
143520-141225- 2013-2014 Perkins		232,623	-	-	-	61,991	232,623	170,632
Total Perkins Career and Technical Education Program		503,587	270,949	142,542	-	204,533	232,623	170,632

See Notes to Schedule of Expenditures
of Federal Awards.

Livonia Public Schools

Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2014

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, 2013	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Expenditures	Accrued (Deferred) Revenue as of June 30, 2014
Other federal programs (Continued):								
U.S. Department of Agriculture - Passed through Michigan Department of Education -								
Child and Adult Care Food Program:	10.558							
131920 CACFP Meals		\$ 4,774	\$ 4,774	\$ 864	\$ -	\$ 864	\$ -	\$ -
141920 CACFP Meals		4,149	-	-	-	3,396	4,149	753
Total Child and Adult Care Food Program		8,923	4,774	864	-	4,260	4,149	753
Total noncluster programs		4,986,651	2,039,700	488,373	(311)	2,629,585	2,471,805	330,282
Total federal awards		<u>\$ 15,391,837</u>	<u>\$ 6,416,501</u>	<u>\$ 1,717,374</u>	<u>\$ (311)</u>	<u>\$ 9,224,641</u>	<u>\$ 8,500,190</u>	<u>\$ 992,612</u>

See Notes to Schedule of Expenditures
of Federal Awards.

Livonia Public Schools

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2014

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, 2014. 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. Pass-through entity identifying numbers are presented where available.

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.

Note 4 - Adjustments and Transfers

During the year ended June 30, 2014, there was an adjustment of \$311 relating to Title III Limited English Proficient Students for disallowed costs as a result of revisions to the final expenditure report.

Livonia Public Schools

Schedule of Findings and Questioned Costs Year Ended June 30, 2014

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.215F	Carol M. White Physical Education Program
84.027, 84.173	Special Education Cluster - IDEA

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

Auditee qualified as low-risk auditee? Yes No

Livonia Public Schools

Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2014

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

None

BUDGET DETAIL REPORT

FUNCTION	13-14 ADOPTED	13-14 FINAL AMENDMENT	13-14 ACTUAL	DESCRIPTION
INSTRUCTION-BASIC PROGRAMS				
ELEMENTARY (111)				
SALARIES	\$ 21,275,176	\$ 21,966,980	21,995,111	SALARY FOR ELEMENTARY CLASSROOM TEACHERS AND AIDES
EMPLOYEE BENEFITS	10,651,987	11,543,672	11,421,725	HEALTH/OTHER INSURANCES, FICA, RETIREMENT, & WORKER'S COMP COSTS FOR EMPLOYEES ABOVE
PURCHASED SERVICES	362,715	397,500	329,375	LOCAL TRAVEL - SUBSTITUTE TEACHER & PARAPRO (PESG)
SUPPLIES AND MATERIALS	745,978	398,501	378,127	CLASSROOM TEACHING SUPPLIES/TEXTBOOKS
CAPITAL OUTLAY	6,883			INSTRUCTIONAL EQUIPMENT FOR BUILDINGS
TOTAL (111)	\$ 33,042,739	\$ 34,306,653	34,124,339	
MIDDLE SCHOOL (112)				
SALARIES	\$ 7,545,994	\$ 7,402,213	7,373,157	SALARY FOR MIDDLE SCHOOL CLASSROOM TEACHERS, AIDES, AND SUBSTITUTES
EMPLOYEE BENEFITS	3,658,779	3,833,440	3,848,849	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COST, AND WORKER'S COMP FOR EMPLOYEES ABOVE
PURCHASED SERVICES	143,030	111,830	107,047	SUBSTITUTES AND LOCAL TRAVEL BETWEEN BUILDINGS BY TEACHERS
SUPPLIES AND MATERIALS	89,348	98,921	61,846	CLASSROOM TEACHING SUPPLIES/TEXTBOOKS
CAPITAL OUTLAY				INSTRUCTIONAL EQUIPMENT FOR BUILDINGS
TOTAL (112)	\$ 11,437,151	\$ 11,446,404	11,390,899	
HIGH SCHOOL (113)				
SALARIES	\$ 16,409,543	\$ 16,637,037	16,627,816	SALARY FOR HIGH SCHOOL CLASSROOM TEACHERS, AIDES, AND SUBSTITUTES
EMPLOYEE BENEFITS	8,022,072	8,616,185	8,570,182	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COST, AND WORKER'S COMP FOR EMPLOYEES ABOVE
PURCHASED SERVICES	253,675	243,175	194,177	SUBSTITUTES AND LOCAL TRAVEL BETWEEN BUILDINGS BY TEACHERS
SUPPLIES AND MATERIALS	228,072	535,473	515,092	CLASSROOM TEACHING SUPPLIES/TEXTBOOKS
CAPITAL OUTLAY		10,660	10,660	INSTRUCTIONAL EQUIPMENT FOR BUILDINGS
OTHER EXPENDITURES	10,200	22,000	20,356	PROFESSIONAL DUES AND FEES
TOTAL (113)	\$ 24,923,562	\$ 26,064,530	25,938,282	
OTHER BASIC PROGRAMS (118-119)				
SALARIES	\$ 1,074,832	\$ 1,063,877	1,058,362	SALARY FOR PRESCHOOL, YOUNG 5, SUMMER SCHOOL, AND SHARED-TIME PROGRAM TEACHERS
EMPLOYEE BENEFITS	609,983	625,524	620,564	HEALTH CARE, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	41,265	16,600	17,715	SUBSTITUTES AND LOCAL TRAVEL BETWEEN BUILDINGS BY TEACHERS
SUPPLIES AND MATERIALS	35,690	29,657	27,154	CLASSROOM TEACHING SUPPLIES/TEXTBOOKS
CAPITAL OUTLAY	3,000	27,000	26,960	INSTRUCTIONAL EQUIPMENT
TOTAL (118-119)	\$ 1,764,770	\$ 1,762,658	1,750,753	
INSTRUCTION-ADDED NEEDS				
SPECIAL EDUCATION-CLASSROOM (122)				
SALARIES	\$ 5,872,175	\$ 5,540,523	5,542,393	SALARY FOR SPEC. ED. K-12 CLASSROOM/RESOURCE ROOM TEACHERS, AND PARAPRO'S
EMPLOYEE BENEFITS	3,078,661	3,130,977	3,094,271	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COST, AND WORKER'S COMP FOR EMPLOYEES ABOVE
PURCHASED SERVICES	131,690	124,290	128,187	SUBSTITUTES AND LOCAL TRAVEL BETWEEN BUILDINGS BY TEACHERS
SUPPLIES AND MATERIALS	20,610	35,524	17,211	CLASSROOM TEACHING SUPPLIES
TRANSFERS				TUITION PAYMENTS
TOTAL (122)	\$ 9,103,136	\$ 8,831,314	8,782,061	
COMPENSATORY EDUCATION (125)				
SALARIES	\$ 403,314	\$ 487,401	453,691	SALARY FOR ELEMENTARY & MIDDLE SCHOOL LEARNING SPECIALISTS
EMPLOYEE BENEFITS	233,582	271,956	245,401	HEALTH/OTHER INSURANCES, RETIREMENT COSTS, AND WORKER'S COMP FOR EMPLOYEES ABOVE
PURCHASED SERVICES	1,082	3,000	3,334	LOCAL TRAVEL BETWEEN BUILDINGS BY TEACHERS AND CONTRACTED SERVICES
TOTAL (125)	\$ 637,978	\$ 762,357	702,427	
VOCATIONAL EDUCATION (127)				
SALARIES	\$ 1,743,624	\$ 1,752,318	1,757,576	SALARY FOR VOCATIONAL TEACHERS, AIDES, SUBSTITUTES
EMPLOYEE BENEFITS	885,336	901,485	891,273	HEALTH/OTHER INSURANCES, RETIREMENT COSTS, AND WORKER'S COMP FOR EMPLOYEES ABOVE
PURCHASED SERVICES	21,300	24,000	37,868	LOCAL TRAVEL
SUPPLIES AND MATERIALS	256,051	221,815	195,682	CLASSROOM TEACHING SUPPLIES
CAPITAL OUTLAY	115,000	56,982	54,209	INSTRUCTIONAL EQUIPMENT
TOTAL (127)	\$ 3,021,311	\$ 2,956,600	2,936,607	

FUNCTION	13-14 ADOPTED	13-14 FINAL AMENDMENT	13-14 ACTUAL	DESCRIPTION
INSTRUCTION-ADULT EDUCATION				
ADULT BASIC PROGRAMS (131)				
SALARIES	\$ 87,608	98,522	97,028	SALARY FOR ADULT BASIC EDUCATION AND ENGLISH AS A SECOND LANGUAGE TEACHERS
EMPLOYEE BENEFITS	28,492	37,284	38,667	FICA, RETIREMENT COST FOR EMPLOYEES ABOVE
PURCHASED SERVICES		60	53	LOCAL TRAVEL, CONTRACTED INSTRUCTION
SUPPLIES AND MATERIALS		9,350	9,414	CLASSROOM TEACHING SUPPLIES AND TEXTBOOKS
TOTAL (131)	\$ 116,100	\$ 145,216	145,162	
INSTRUCTION-ADULT EDUCATION (cont.)				
HIGH SCHOOL COMPLETION (132)				
SALARIES	\$ 13,713	\$ 66,816	62,876	SALARY FOR HIGH SCHOOL LEVEL ADULT EDUCATION TEACHERS
EMPLOYEE BENEFITS	4,469	24,868	22,626	HEALTH INSURANCES, FICA, RETIREMENT COST FOR EMPLOYEES ABOVE
SUPPLIES AND MATERIALS	1,228		-	CLASSROOM TEACHING SUPPLIES
TOTAL (132)	\$ 19,410	\$ 91,684	85,502	
ENRICHMENT PROGRAMS (137)				
SALARIES	\$ 189,600	\$ 214,500	214,782	SALARY FOR ENRICHMENT PROGRAM INSTRUCTORS AND AIDES
EMPLOYEE BENEFITS	62,714	78,741	76,558	FICA, RETIREMENT COST FOR ABOVE EMPLOYEES
PURCHASED SERVICES	104,850	61,400	47,762	CONTRACTED SERVICES FOR THE PROGRAM AND LOCAL TRAVEL
SUPPLIES AND MATERIALS	10,112			TEACHING SUPPLIES
TOTAL (137)	\$ 367,276	\$ 354,641	339,102	
PUPIL SUPPORT				
COUNSELORS (212)				
SALARIES	\$ 3,374,357	\$ 3,326,048	3,324,018	SALARY FOR SECONDARY SCHOOL COUNSELORS AND ELEMENTARY STUDENT ASSISTANCE PROVIDERS
EMPLOYEE BENEFITS	1,660,789	1,732,332	1,708,218	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COST FOR EMPLOYEES ABOVE
PURCHASED SERVICES	16,600	16,100	9,089	LOCAL TRAVEL
TOTAL (212)	\$ 5,051,746	\$ 5,074,480	5,041,326	
HEALTH SERVICES (213)				
SALARIES	\$ 116,719	116,010	116,952	SALARY FOR DISTRICT SCHOOLS HEALTH PROFESSIONALS
EMPLOYEE BENEFITS	\$ 55,707	59,195	63,643	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COST FOR EMPLOYEES ABOVE
PURCHASED SERVICES	\$ 23,000	12,200	10,612	VISION SCREENING
SUPPLIES AND MATERIALS	10,000	3,000	1,829	HEALTH SUPPLIES
TOTAL (213)	\$ 205,426	190,405	193,036	
PSYCHOLOGISTS (214)				
SALARIES	\$ 380,000	\$ 359,083	359,083	SALARY FOR DISTRICT SCHOOL PSYCHOLOGISTS
EMPLOYEE BENEFITS	184,131	187,940	183,500	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	800	1,800	1,668	LOCAL TRAVEL BETWEEN BUILDINGS/CONFERENCES
TOTAL (214)	\$ 564,931	\$ 548,823	544,252	
SPEECH THERAPISTS (215)				
SALARIES	\$ 1,454,337	\$ 1,406,399	1,406,399	SALARY FOR DISTRICT SPEECH PROFESSIONALS
EMPLOYEE BENEFITS	665,963	691,742	689,332	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	1,200	32,500	31,449	LOCAL TRAVEL BETWEEN BUILDINGS
TOTAL (215)	\$ 2,121,500	\$ 2,130,641	2,127,180	
SOCIAL WORKERS (216)				
SALARIES	\$ 205,835	\$ 259,566	263,847	SALARY FOR DISTRICT SCHOOL SOCIAL WORKERS
EMPLOYEE BENEFITS	89,218	115,139	133,401	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	2,500	1,500	401	LOCAL TRAVEL BETWEEN BUILDINGS
TOTAL (216)	\$ 297,553	\$ 376,205	397,649	

FUNCTION	13-14 ADOPTED	13-14 FINAL AMENDMENT	13-14 ACTUAL	DESCRIPTION
SPECIAL EDUCATION-TEACHER CONSULTANTS (218)				
SALARIES	\$ 26,035	\$ 298,631	283,131	SALARY FOR SPEC. ED. TEACHING CONSULTANTS (SUPPORT FOR CLASSROOM TEACHER)
EMPLOYEE BENEFITS	13,978	107,843	143,473	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	1,075	2,300	2,408	LOCAL TRAVEL BETWEEN BUILDINGS
TOTAL (218)	\$ 41,088	\$ 408,774	429,013	
OTHER PUPIL SERVICES (219)				
SALARIES	\$ 388,706	\$ 392,794	378,534	SALARY FOR ACTIVITY DIRECTORS/SPONSORS/NOON MONITORS/CROWD CONTROL
EMPLOYEE BENEFITS	218,794	231,232	203,546	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	16,209	16,109	11,748	AUXILIARY POLICE
TOTAL (219)	\$ 623,709	\$ 640,135	593,827	
INSTRUCTIONAL STAFF SUPPORT IMPROVEMENT OF INSTRUCTION (221)				
SALARIES	\$ 1,288,734	\$ 1,270,511	1,295,022	SALARY FOR DEPARTMENT HEADS, CURRICULUM COORDINATORS, IN-SERVICE SUBS AND STIPENDS
EMPLOYEE BENEFITS	566,220	596,480	583,799	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	284,810	254,939	218,680	CURRICULUM IN-SERVICE CONSULTANTS AND CONFERENCES
SUPPLIES AND MATERIALS	25,096	13,778	7,715	IN-SERVICE, CURRICULUM SUPPLIES AND TESTING MATERIALS
OTHER	2,690	1,550	50	PROFESSIONAL DUES AND FEES
TOTAL (221)	\$ 2,167,550	\$ 2,137,258	2,105,266	2509226
LIBRARY/AUDIO VISUAL (222-223)				
SALARIES	\$ 1,729,681	\$ 1,683,417	1,669,354	SALARY FOR MEDIA SPECIALISTS, PARAPRO'S AND SECRETARIES
EMPLOYEE BENEFITS	757,785	816,536	817,436	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	16,173	15,500	19,846	LOCAL TRAVEL/CONFERENCES/LIBRARY MANAGEMENT SERVICES
SUPPLIES AND MATERIALS	46,615	46,121	43,601	LIBRARY BOOKS, PERIODICALS, AUDIO VISUAL SUPPLIES
OTHER	154	154	125	PROFESSIONAL DUES AND FEES
TOTAL (222-223)	\$ 2,550,408	\$ 2,561,728	2,550,362	
TECHNOLOGY/TRAINING (225)				
PURCHASED SERVICES	16,500			CONTRACTED SERVICES
TOTAL (225)	\$ 16,500	\$ -	-	
SUPERVISION OF INSTRUCTIONAL STAFF/ASSESSMENT (226-227)				
SALARIES	\$ 779,804	\$ 687,585	674,447	ADMINISTRATORS AND SECRETARIES FOR GENERAL AND SPECIAL EDUCATION
EMPLOYEE BENEFITS	367,197	343,846	358,758	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	5,535	5,835	5,301	LOCAL TRAVEL/CONFERENCES
SUPPLIES AND MATERIALS	80,206	63,102	51,060	OFFICE SUPPLIES
OTHER	7,100	2,000	2,060	PROFESSIONAL DUES AND FEES
TOTAL (226)	\$ 1,239,842	\$ 1,102,368	1,091,627	
SUPERVISION OF COMMUNITY EDUCATION (229)				
SALARIES	\$ 319,729	\$ 306,385	301,321	ADULT & COMMUNITY EDUCATION ADMINISTRATION, SPECIALISTS, AND SECRETARIES
EMPLOYEE BENEFITS	161,834	165,607	162,159	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	82,449	61,450	49,251	LOCAL TRAVEL/CONFERENCES/MAILING/PRINTING AND OTHER CONTRACTED SERVICES
SUPPLIES AND MATERIALS	11,144	3,195	3,072	OFFICE SUPPLIES
OTHER	1,425	200	199	PROFESSIONAL DUES AND FEES
TOTAL (229)	\$ 576,581	\$ 536,837	516,002	
SUPPORT-GENERAL ADMINISTRATION BOARD OF EDUCATION (231)				
SALARIES	\$ 20,000	\$ 20,000	25,250	BOARD OF EDUCATION MEETING STIPENDS
PURCHASED SERVICES	300,250	294,250	299,697	LEGAL, AUDIT FEES, ELECTIONS
SUPPLIES AND MATERIALS	1,152	12,000	2,135	OFFICE SUPPLIES
OTHER	3,000	9,000	8,110	PROFESSIONAL DUES FEES AND STRATEGIC PLANNING
TOTAL (231)	\$ 324,402	\$ 335,250	335,192	

FUNCTION	13-14 ADOPTED	13-14 FINAL AMENDMENT	13-14 ACTUAL	DESCRIPTION
EXECUTIVE ADMINISTRATION (232)				
SALARIES	\$ 310,140	\$ 279,666	267,057	SUPERINTENDENT, ADMINISTRATIVE ASSISTANT
EMPLOYEE BENEFITS	118,367	139,810	125,318	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	2,550	1,500	480	TRAVEL/CONFERENCES
SUPPLIES AND MATERIALS	19,567	18,840	17,502	OFFICE SUPPLIES
OTHER	35,000	23,000	21,803	PROFESSIONAL DUES AND FEES FOR SCHOOL DISTRICT
TOTAL (232)	\$ 485,624	\$ 462,816	432,160	
SCHOOL ADMINISTRATION SUPPORT				
OFFICE OF THE PRINCIPAL (241 & 249)				
SALARIES	\$ 6,137,978	\$ 6,047,719	6,081,400	SALARY OF THE SCHOOL PRINCIPAL, SECRETARIES, CO-OP STUDENTS
EMPLOYEE BENEFITS	3,027,347	3,167,382	3,307,155	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	66,719	75,600	69,939	LOCAL TRAVEL/CONFERENCES
SUPPLIES AND MATERIALS	49,022	51,840	39,029	OFFICE SUPPLIES
OTHER	30,000	30,000	23,647	PROFESSIONAL DUES AND FEES
TOTAL (241)	\$ 9,311,066	\$ 9,372,541	9,521,170	
BUSINESS SUPPORT				
FISCAL SERVICES (252)				
SALARIES	\$ 638,675	\$ 651,282	638,226	SALARY OF THE BUSINESS OFFICE ADMINISTRATION/SECRETARIES
EMPLOYEE BENEFITS	351,454	354,616	369,616	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	21,383	23,900	27,063	LOCAL TRAVEL, CONFERENCES, LEGAL NOTICES
SUPPLIES AND MATERIALS	9,834	13,140	7,387	OFFICE SUPPLIES, PAPER
OTHER	350,000	381,020	388,796	PROFESSIONAL DUES AND FEES, TAX COLLECTION FEES
TOTAL (252)	\$ 1,371,346	\$ 1,423,958	1,431,088	
WAREHOUSING/MAILING/PRINTING (257-258)				
SALARIES	\$ 258,106	\$ 254,500	248,506	SALARY OF WAREHOUSE/PRINT DEPT. STAFF
EMPLOYEE BENEFITS	155,508	162,466	169,099	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	93,122	55,550	57,171	LOCAL TRAVEL/CONFERENCES
SUPPLIES AND MATERIALS	7,800	8,033	11,508	OPERATING SUPPLIES, DUES AND FEES
TOTAL (257-258)	\$ 514,536	\$ 480,549	486,284	
OTHER BUSINESS SERVICES (259)				
SALARIES		1,000	24	
EMPLOYEE BENEFITS		363	9	
PURCHASED SERVICES	\$ 886,000	\$ 762,800	754,358	PROPERTY, CASUALTY, LIABILITY INSURANCE
OTHER	1,766,001	705,212	985,887	TAX REFUNDS AND INTEREST ON OTHER FINANCING SOURCES
TOTAL (259)	\$ 2,652,001	\$ 1,469,375	1,740,278	
MAINTENANCE & OPERATIONS (261)				
SALARIES	\$ 5,193,258	\$ 5,292,831	5,338,659	SALARY FOR MAINTENANCE/CUSTODIAL STAFF, SECRETARIES, OVERTIME & SUBSTITUTES
EMPLOYEE BENEFITS	3,047,085	3,249,199	3,359,952	HEALTH/OTHER INSURANCES, WORKER'S COMP, FICA, RETIREMENT COSTS FOR EMPLOYEES ABOVE
PURCHASED SERVICES	3,216,611	3,396,564	3,447,839	OUTSIDE CONTRACTORS FOR REPAIRS, EQUIPMENT MAINT., ALARM SERVICE, GARBAGE, PEST, ETC
PURCHASED SERVICES-UTILITIES	606,312	567,968	547,271	WATER, HEAT, ELECTRIC, WASTE DISPOSAL, TELEPHONE
SUPPLIES AND MATERIALS	586,334	626,919	628,317	CUSTODIAL AND MAINTENANCE SUPPLIES, TOOLS, REPAIR SUPPLIES, ETC.
CAPITAL OUTLAY	19,100	20,000	22,761	MAINTENANCE VEHICLES, EQUIPMENT & CLIMATE CONTROL IMPROVEMENTS
OTHER	2,845	2,845	2,204	PROFESSIONAL DUES AND FEES
TOTAL (261)	\$ 12,671,545	\$ 13,156,326	13,347,004	
ENERGY MANAGEMENT (262)				
SALARIES	76,307	73,016	73,016	SALARY FOR ENERGY MANAGER
EMPLOYEE BENEFITS	57,082	57,490	43,241	HEALTH/OTHER INSURANCES, WORKER'S COMP, FICA, RETIREMENT COSTS FOR EMPLOYEE ABOVE
SUPPLIES AND MATERIALS	380	100	153	OFFICE SUPPLIES FOR ENERGY MANAGER
TOTAL (262)	\$ 133,769	\$ 130,606	116,411	

FUNCTION	13-14 ADOPTED	13-14 FINAL AMENDMENT	13-14 ACTUAL	DESCRIPTION
SECURITY SERVICES (266)				
SALARIES	\$ 47,762			SALARY FOR ADMINISTRATOR OF SECURITY
EMPLOYEE BENEFITS	9,639			HEALTH/OTHER INSURANCES, WORKER'S COMP, FICA, RETIREMENT COSTS FOR EMPLOYEES ABOVE
PURCHASED SERVICES	916,284	906,850	861,567	SECURITY MONITORING AGREEMENT/SECURITY AT SCHOOLS
SUPPLIES AND MATERIALS	5,225	2,500	2,096	OFFICE SUPPLIES FOR SECURITY SUPERVISOR
CAPITAL OUTLAY	500	250.00		SECURITY/MONITORING EQUIPMENT
OTHER	500	555	555	PROFESSIONAL DUES AND FEES FOR SECURITY SUPERVISOR
TOTAL (266)	\$ 979,910	\$ 910,155	864,218	
TRANSPORTATION (271)				
SALARIES	\$ 3,462,773	\$ 3,436,368	3,438,612	SALARY FOR BUS DRIVERS, AIDES, MECHANICS, SECRETARIES, AND TRANSPORTATION SUPERVISOR
EMPLOYEE BENEFITS	2,078,867	2,151,350	2,285,636	HEALTH/OTHER INSURANCES, WORKER'S COMP, FICA, RETIREMENT COSTS FOR EMPLOYEES ABOVE
PURCHASED SERVICES	445,047	423,992	280,176	LOCAL TRAVEL, IN-SERVICE, OUTSIDE CONTRACTOR TRANSPORTATION SERVICE, MAILING
SUPPLIES AND MATERIALS	1,059,959	1,079,889	161,969	BUS PARTS, TIRES, BATTERIES, FUEL, OIL, ETC.
CAPITAL OUTLAY			1,019,016	NEW BUSES & OTHER CAPITAL EQUIPMENT
OTHER	3,260	3,260	3,202	PROFESSIONAL DUES AND FEES
OUTGOING TRANSFERS	(127,738)	(144,635)	(159,845)	COST OF ATHLETIC TRANSPORTATION
TOTAL (271)	\$ 6,922,168	\$ 6,950,224	7,028,766	
SUPPORT-CENTRAL SERVICES				
RESEARCH & EVALUATION (281)				
SALARIES	\$ 75,061	\$ 74,878	74,878	SALARY FOR SUPERVISOR OT STUDENT ASSESMENT
EMPLOYEE BENEFITS	31,738	34,903	40,454	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	100	100		LOCAL TRAVEL/CONFERENCES
OTHER	48		49	PROFESSIONAL DUES AND FEES
TOTAL (281)	\$ 106,947	\$ 109,881	115,381	
INFORMATIONAL SERVICES (282)				
SALARIES	\$ 165,582	\$ 187,215	178,847	DEPARTMENT OF COMMUNCATION STAFF
EMPLOYEE BENEFITS	65,903	79,343	89,993	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	67,690	51,500	43,073	LOCAL TRAVEL/CONFERENCES
SUPPLIES AND MATERIALS	2,180	1,900	1,488	OPERATING SUPPLIES, PRINTING AND POSTAGE
CAPITAL OUTLAY	1,000	4,000	3,873	TECHNICAL/OFFICE EQUIPMENT
OTHER	250			PROFESSIONAL DUES AND FEES
TOTAL (282)	\$ 302,605	\$ 323,958	317,274	
PERSONNEL SERVICES (283)				
SALARIES	\$ 573,827	\$ 574,140	574,696	SALARY FOR HUMAN RESOURCE DIRECTOR AND SECRETARIES
EMPLOYEE BENEFITS	276,840	283,121	299,958	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	92,579	88,800	86,279	EMPLOYEE WELLNESS/EMPLOYEE PHYSICALS, OTHER CONTRACTED SERVICES
SUPPLIES AND MATERIALS	3,207	8,547	9,559	OFFICE SUPPLIES
OTHER	855	200	200	DUES/FEES
TOTAL (283)	\$ 947,308	\$ 954,808	970,693	
PUPIL ACCOUNTING SERVICES (284)				
SALARIES	\$ 65,250	\$ 65,375	65,375	SALARY FOR SUPERVISOR OF CHILD ACCOUNTING
EMPLOYEE BENEFITS	36,816	38,700	35,203	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	4,600	7,740	7,926	TECH SUPPORT, AUDIT SERVICES, CONFERENCES, TRAVEL
OTHER				PROFESSIONAL DUES
TOTAL (284)	\$ 106,666	\$ 111,815	108,504	

FUNCTION	13-14 ADOPTED	13-14 FINAL AMENDMENT	13-14 ACTUAL	DESCRIPTION
DATA PROCESSING (285)				
SALARIES	\$ 485,281	\$ 510,651	510,266	SALARY FOR ADMINISTRATOR OF IT AND IT APPLICATIONS SYSTEM & TECHNOLOGY SUPPORT
EMPLOYEE BENEFITS	271,794	283,619	296,341	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	416,597	425,199	379,495	LOCAL TRAVEL/CONFERENCES/SOFTWARE MAINT.
SUPPLIES AND MATERIALS	35,150	13,500	9,591	OFFICE AND COMPUTER SUPPLIES, PAPER
CAPITAL OUTLAY	11,384	11,384	7,404	DISTRICT WIDE TECHNOLOGY, NETWORK HARDWARE AND SOFTWARE
OTHER	190	100		DUES/FEES
TOTAL (285)	\$ 1,220,396	\$ 1,244,453	1,203,096	
COMMUNITY SERVICES				
CUSTODY & CHILD CARE (350)				
SALARIES	\$ 1,506,195	\$ 1,465,730	1,460,310	STAFF FOR CHILD CARE/SACC PROGRAMS
EMPLOYEE BENEFITS	578,289	610,439	619,885	HEALTH/OTHER INSURANCES, FICA, RETIREMENT COSTS, FOR EMPLOYEES ABOVE
PURCHASED SERVICES	1,233	1,700	1,500	LOCAL TRAVEL/CONFERENCES
SUPPLIES AND MATERIALS	95,661	93,661	72,174	SUPPLIES, FOOD SERVICE
OTHER	50			DUES/FEES
TOTAL (350)	\$ 2,181,428	\$ 2,171,530	2,153,868	
COMMUNITY SERVICES (cont.)				
OUTGOING TRANSFERS (410-430)				
TRANSFERS TO OTHER DISTRICTS	\$ 50,000	\$ 50,000	60,333	DUAL ENROLLMENTS/ALTERNATIVE EDUCATION THROUGH OTHER DISTRICTS
TRANSFERS TO OTHER FUNDS	130,000			FUNDED PROJECTS TRANSFER ROTC/OTHER
TRANSFERS TO OTHER FUNDS	33,000			FOOD SERVICE TRANSFER FOR NOON MONITORS
TRANSFERS TO OTHER FUNDS	800,000	851,000	836,630	CENTER PROGRAM TRANSFER STATE AID & PARAPRO
TRANSFERS TO OTHER FUNDS	627,054	688,590	668,523	ATHLETICS FUND SUPPORT
TOTAL (410-430)	\$ 1,640,054	\$ 1,589,590	1,565,486	
CAPITAL OUTLAY (452)				
CAPITAL OUTLAY (452)		\$ 3,000	-	CAPITAL OUTLAY
		\$ 3,000	-	
TOTAL GENERAL FUND EXPENDITURES	\$ 141,762,038	\$ 143,630,546	\$ 143,521,549	