
Livonia Public Schools

**Financial Report
with Supplementary Information
June 30, 2024**

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Independent Auditor's Report

To the Board of Education
Livonia Public Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2024 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of June 30, 2024 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Education
Livonia Public Schools

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The other supplementary 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. 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Education
Livonia Public Schools

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated on 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, grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of the School District's 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 the School District's internal control over financial reporting and compliance.

Draft

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, 2024. 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 financial 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 and 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, the Special Education Fund, and the 2021 Bond Series II 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 related to the School District's Health and Welfare Fund.

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

Budgetary Comparison Schedule - General Fund - Funded Projects

Budgetary Comparison Schedule - Major Special Revenue Funds

Schedule of Proportionate Share of the Net Pension Liability

Schedule of Pension Contributions

Schedule of Proportionate Share of the Net OPEB Liability (Asset)

Schedule of OPEB Contributions

Other Supplementary Information

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, deferred outflows of resources, liabilities, and deferred inflows of resources, 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 plus deferred outflows of resources and liabilities plus 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 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 Fund and Special Education Fund 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).

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 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 a reconciliation.

Proprietary Funds

Proprietary fund reporting focuses on the 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 it provides to other funds. The School District established a proprietary fund, specifically the Health and Welfare Fund, to finance specific services provided to other funds of the School District on a cost-reimbursement basis. The specific services represent employee benefits, such as health insurance benefits and workers' compensation benefits.

Custodial Funds and Trust Funds

The School District has certain fiduciary responsibility for its custodial funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net position and changes in 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. The following table provides a summary of the School District's net position as of June 30, 2024 and 2023:

	Governmental Activities	
	2024	2023
(in millions)		
Assets		
Current and other assets	\$ 150.5	\$ 181.9
Capital assets	382.4	331.9
Total assets	532.9	513.8
Deferred Outflows of Resources	122.6	148.0
Liabilities		
Current liabilities	58.7	55.4
Noncurrent liabilities	299.3	311.7
Net pension liability	350.2	404.0
Net OPEB liability	-	22.4
Total liabilities	708.2	793.5
Deferred Inflows of Resources	112.4	85.9
Net Position (Deficit)		
Net investment in capital assets	120.8	107.2
Restricted	13.6	3.7
Unrestricted	(299.5)	(328.5)
Total net position (deficit)	\$ (165.1)	\$ (217.6)

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was \$(165.1) million at June 30, 2024. Net investment in capital assets totaling \$120.8 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 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 \$(299.5) million) was unrestricted.

The \$(299.5) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. This deficit includes the impact of the Governmental Accounting Standards Board (GASB) requirement to report the School District's portion of the net pension and OPEB liabilities on its statement of net position. Absent the net pension and OPEB liabilities, the unrestricted net position of the School District would be \$44.5 million. The unrestricted net position balance enables the School District to meet working capital and cash flow requirements, as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

Livonia Public Schools

Management's Discussion and Analysis (Continued)

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2024 and 2023:

	Governmental Activities	
	2024	2023
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 4.5	\$ 5.4
Operating grants	113.6	90.4
General revenue:		
Taxes	60.0	56.3
State aid not restricted to specific purposes	94.3	90.4
Other	9.6	7.1
Total revenue	282.0	249.6
Expenses		
Instruction	115.9	120.2
Support services	79.4	79.9
Athletics	1.9	2.4
Food services	5.2	4.2
Community services	2.7	3.2
Debt service	9.9	8.2
Depreciation expense (unallocated)	14.4	12.5
Total expenses	229.4	230.6
Change in Net Position	52.6	19.0
Net Position (Deficit) - Beginning of year	(217.7)	(236.6)
Net Position (Deficit) - End of year	\$ (165.1)	\$ (217.6)

As reported in the statement of activities, the cost of all of our governmental activities this year was \$229.4 million. Certain activities were partially funded from those who benefited from the programs (\$4.5 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$113.6 million). We paid for the remaining public benefit portion of our governmental activities with \$60.0 million in taxes, \$94.3 million in state foundation allowance, and \$9.6 million of other revenue (i.e., interest and general entitlements).

The School District experienced an increase in net position of \$52.6 million. On a year-over-year basis, total revenue increased by \$32.4 million and total expenses decreased by 1.2 million. A key reason for the change in net position is the reduction of the district's share of the net pension liability and net OPEB asset based on favorable investment returns for the retirement system.

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 several different 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.

As the School District completed this year, the governmental funds reported a combined fund balance of \$86.8 million, which is a decrease of \$41.1 million from last year. This decrease is primarily the result of continued spending of the first series of 2021 bond proceeds on capital improvements identified in the School District's 10-year facility plan.

The School District reports that in the General Fund, our principal operating fund, fund balance increased from \$31.5 million to \$33.3 million, excluding Funded Projects Fund activity. This increase is primarily a result of shifting some recurring General Fund expenditures to the Funded Projects Fund for one year as well as receiving some one-time, nonrecurring revenue such as prior year state aid adjustments. The \$33.3 million fund balance is within the 15-20 percent recommended fund balance range recommended by the Michigan School Business Officials organization. The School District recognizes the importance of a sufficient fund balance, as the presence of a fund balance allows the School District to better manage the impact of a myriad of things, such as midyear reductions in funding, declining enrollment, and increased health care costs, all while avoiding drastic changes in educational programs and/or employee layoffs during the school year.

The fund balance of our special revenue funds increased by \$0.7 million last year to \$3.3 million this year. The Special Education Fund, Food Service Fund, and Student Activities Fund are considered special revenue funds. The increase in fund balance in the special revenue funds is a result of a slight increase in the Student Activities Fund and more significant increases in the Special Education Fund and Food Service Fund. The fund balance in the Food Service Fund is restricted and must be spent on Food Service related expenditures. The fund balance in the Special Education Fund is not restricted but is assigned for future expenditures to support our Act 18 special education programs.

The fund balance of our Debt Service Fund increased by \$1.0 million primarily as a result of the property tax levy bringing in more revenue than anticipated and having fewer taxes written off than what was budgeted for. The fund balance in the Debt Service Fund is reserved and required to remain in the debt service funds to be used for future debt service payments.

Combined, fund balance of our capital project funds decreased by \$45.9 million, from 90.3 million to 44.4 million. During the 2023-2024 school year, the School District maintained four capital project funds: the 2021 Bond Series I Fund, the 2021 Bond Series II Fund, the 2021 Sinking Fund, and a general Capital Projects Fund funded by sale of properties and transfers from other funds. This decrease was a planned use of the fund balance on one-time, nonrecurring capital improvements identified in the School District's 10 year facility plan and 2021 Bond proposal.

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 revenue 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 in June 2024. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information of these financial statements.

School districts, including Livonia Public Schools, are required to adopt a budget by June 30 every year for the coming school year, often prior to the finalization of the School Aid Bill establishing state funding for the coming school year. This means adopting a budget using projected funding and student enrollment and estimated staffing needed to meet our students' needs. For this reason, the School District amends the budget as additional information becomes available.

There were significant revisions made to the 2023-2024 original budget as additional information become available after the adoption of the original budget. Budgeted revenue increased by \$7.8 million. The main drivers of this increase were an unanticipated prior year adjustment in special education categorical funding, an increase in the special education reimbursement made by the intermediate school district for prior year expenses, new categorical funding from the State (Section 27L for reimbursement of transportation costs and Section 27L for a new educator compensation program), an increase in revenue from the Wayne County Enhancement Millage, and an increase in interest earned from the bank on our deposits. Budgeted expenditures increased by \$9.3 million primarily due to a shift of expenditures back to the General Fund from pandemic related grants which are recorded in the Funded Projects Fund.

The School District maintains a separate fund to track grants called the Funded Projects Fund. There were revisions made to the 2023-2024 original budget to account for new grants awarded after the start of the school year, such as the Section 31aa Per-Pupil Mental Health Grant, Section 97 Safety Grants, and Child Care Grant as well as additional grant fund awards for the Section 31a At-Risk Grant, Section 54d Early On Grant, and IDEA Grant.

There were no significant variances between General Fund final budget and actual amounts; however, there was a significant variance between the final budget and actual amounts for the Funded Projects Fund - Community Services as disclosed in Note 3.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2024, the School District had \$382.4 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 \$(50.5) million, or 15.2 percent, from last year.

	Governmental Activities	
	2024	2023
Land	\$ 6,220,906	\$ 6,220,906
Construction in progress	43,282,314	61,378,700
Buildings and improvements	303,060,313	235,569,173
Furniture and equipment	23,612,116	22,506,921
Buses and other vehicles	6,182,220	6,228,867
Total capital assets - Net of accumulated depreciation	\$ 382,357,869	\$ 331,904,567

This year's overall additions of \$65.6 million include building additions such as replacement boilers and replacement roofs, site improvements such as concrete work and a replacement radio tower, and replacement equipment (most notably computers for students) offset by accumulated depreciation. 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 \$268.4 million in bonds outstanding versus \$280.2 million in the previous year - a change of (4.2) percent. Those bonds consisted of the following:

	2024	2023
General obligation bonds	\$ 268,420,000	\$ 280,225,000

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 is below the statutorily imposed limit.

Other obligations include arbitrage liabilities, accrued vacation pay and sick leave, and unamortized bond premiums. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Our elected school board officials and administration considered many factors when setting the School District's 2024-2025 fiscal year budget. One of the most important factors affecting the budget is our student enrollment. The state foundation allowance revenue is determined by multiplying the blended student count by the foundation allowance per pupil. For fiscal year 2025, the blended pupil count for funding will be 90 percent of the October 2024 membership and 10 percent of the February 2024 membership. The 2024-2025 budget was adopted in June 2024 based on an estimate of students enrolled in September 2024. The School District budgeted for a decline in enrollment of 150 students, consistent with the decline the School District has seen in the past as a result of the number of incoming kindergartners being less than the number of graduating seniors. The School District will amend the budget during the year to reflect actual student enrollment. The School District will also amend projected revenue and expenditures as more information becomes available.

During the 2024-2025 fiscal year, the School District will continue to benefit from having two voter approved revenue sources outside the General Fund to help complete the work outlined in the School District's 10-year facility plan and 10-year technology plan. These revenue sources are the 2021 Bond (approved by voters in 2021) and our 2021 Sinking Fund (a 10-year tax levy approved by voters in 2019). These revenue sources alleviate some of the burden on the General Fund so more General Fund dollars can go towards instructional and social/emotional support for the students.

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 finance office.

June 30, 2024

	<u>Governmental Activities</u>
Assets	
Cash and investments (Note 4)	\$ 51,437,059
Receivables:	
Property taxes receivable	74,714
Other receivables	35,126
Due from other governments	32,573,848
Inventory	49,322
Prepaid expenses and other assets	686,721
Restricted assets - Cash and cash equivalents (Note 4)	59,455,492
Net OPEB asset (Note 10)	6,195,296
Capital assets - Net (Note 7)	<u>382,357,869</u>
Total assets	532,865,447
Deferred Outflows of Resources	
Deferred pension costs (Note 10)	100,281,441
Deferred OPEB costs (Note 10)	<u>22,321,948</u>
Total deferred outflows of resources	122,603,389
Liabilities	
Accounts payable	19,441,344
Due to other governmental units	11,817,776
Accrued liabilities and other	22,325,172
Unearned revenue (Note 6)	4,970,426
Noncurrent liabilities:	
Due within one year: (Note 9)	
Compensated absences	532,132
Current portion of bonds and related premiums	13,586,658
Due in more than one year (Note 9)	285,227,002
Net pension liability (Note 10)	<u>350,200,637</u>
Total liabilities	708,101,147
Deferred Inflows of Resources	
Revenue in support of pension contributions made subsequent to the measurement date (Note 10)	21,523,770
Deferred pension cost reductions (Note 10)	40,083,446
Deferred OPEB cost reductions (Note 10)	<u>50,841,834</u>
Total deferred inflows of resources	<u>112,449,050</u>
Net Position (Deficit)	
Net investment in capital assets	120,842,336
Restricted:	
Debt service	2,527,747
Capital projects	4,844,932
Net OPEB Asset	6,195,296
Unrestricted	<u>(299,491,672)</u>
Total net position (deficit)	<u>\$ (165,081,361)</u>

Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue		Governmental
		Charges for Services	Operating Grants and Contributions	Activities
				Net (Expense) Revenue and Changes in Net Position
Primary government - Governmental activities:				
Instruction	\$ 115,924,055	\$ 26,302	\$ 63,521,928	\$ (52,375,825)
Support services	79,377,417	79,917	44,077,848	(35,219,652)
Athletics	1,863,889	548,953	-	(1,314,936)
Food services	5,244,175	334,099	6,021,437	1,111,361
Community services	2,669,007	3,476,832	-	807,825
Interest	8,564,268	-	-	(8,564,268)
Other debt costs	1,391,191	-	-	(1,391,191)
Depreciation expense (unallocated) (Note 7)	14,387,214	-	-	(14,387,214)
Total primary government	\$ 229,421,216	\$ 4,466,103	\$ 113,621,213	(111,333,900)
General revenue:				
Taxes:				
Property taxes levied for general purposes				29,256,018
Property taxes levied for debt service				22,279,526
Property taxes levied for capital projects				8,508,292
State aid not restricted to specific purposes				94,349,533
Interest and investment income				6,307,920
Penalties, interest, and other taxes				24,950
Loss on disposal of capital assets				(131,706)
Other:				
Student activities				3,036,175
Other				299,659
Total general revenue				163,930,367
Change in Net Position				52,596,467
Net Position (Deficit) - Beginning of year				(217,677,828)
Net Position (Deficit) - End of year				<u>\$ (165,081,361)</u>

June 30, 2024

	General Fund	Special Education Fund	2021 Bond Series II Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and cash equivalents (Note 4)	\$ 24,160,176	\$ -	\$ -	\$ 3,116	\$ 24,163,292
Investments (Note 4)	27,273,767	-	-	-	27,273,767
Receivables:					
Property taxes receivable	74,714	-	-	-	74,714
Other receivables	21,638	-	-	13,488	35,126
Due from other governments	32,036,244	477,955	-	59,649	32,573,848
Due from other funds (Note 8)	-	8,767,699	1,426,950	8,942,611	19,137,260
Inventory	1,624	-	-	47,698	49,322
Prepaid expenses and other assets	443,968	1,654	-	-	445,622
Restricted assets (Note 5)	-	-	45,471,237	13,984,255	59,455,492
Total assets	\$ 84,012,131	\$ 9,247,308	\$ 46,898,187	\$ 23,050,817	\$ 163,208,443
Liabilities					
Accounts payable	\$ 1,181,077	\$ 36,218	\$ 15,652,620	\$ 2,320,960	\$ 19,190,875
Due to other governmental units	5,871,685	5,946,091	-	-	11,817,776
Due to other funds (Note 8)	19,731,548	-	-	-	19,731,548
Accrued liabilities and other	19,029,316	1,561,339	-	7,932	20,598,587
Unearned revenue (Note 6)	4,853,392	-	-	117,034	4,970,426
Total liabilities	50,667,018	7,543,648	15,652,620	2,445,926	76,309,212
Deferred Inflows of Resources - Unavailable revenue (Note 6)	-	90,000	-	-	90,000
Total liabilities and deferred inflows of resources	50,667,018	7,633,648	15,652,620	2,445,926	76,399,212
Fund Balances					
Nonspendable - Inventory and prepaid expense	445,592	1,654	-	47,698	494,944
Restricted:					
Debt service	-	-	-	4,145,109	4,145,109
Capital projects	-	-	31,245,567	8,188,673	39,434,240
Food service	-	-	-	1,493,594	1,493,594
Committed - Student activities	-	-	-	1,781,389	1,781,389
Assigned:					
Subsequent year's budget	1,430,252	-	-	-	1,430,252
Capital projects	-	-	-	4,948,428	4,948,428
Center programs	-	1,612,006	-	-	1,612,006
Unassigned	31,469,269	-	-	-	31,469,269
Total fund balances	33,345,113	1,613,660	31,245,567	20,604,891	86,809,231
Total liabilities, deferred inflows of resources, and fund balances	\$ 84,012,131	\$ 9,247,308	\$ 46,898,187	\$ 23,050,817	\$ 163,208,443

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2024

Fund Balances Reported in Governmental Funds	\$ 86,809,231
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	592,031,886
Accumulated depreciation	<u>(209,674,017)</u>
Net capital assets used in governmental activities	382,357,869
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	90,000
Bonds payable and unamortized premiums are not due and payable in the current period and are not reported in the funds	(294,710,672)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,617,362)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(3,247,806)
Net pension liability and related deferred inflows and outflows	(290,002,642)
Net OPEB liability and related deferred inflows and outflows	(22,324,590)
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	(21,523,770)
Other long-term liabilities, consisting of arbitrage rebate liabilities, do not present a claim on current financial resources and are not reported as fund liabilities	(1,387,314)
Internal service funds are included as part of governmental activities	<u>475,695</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (165,081,361)</u></u>

Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

	General Fund	Special Education Fund	Formerly Major - 2021 Bond Series I Fund	2021 Bond Series II Fund	Nonmajor Funds	Total Governmental Funds
Revenue						
Local sources	\$ 34,250,470	\$ -	\$ -	\$ -	\$ 34,230,070	\$ 68,480,540
State sources	146,729,639	10,671,702	-	-	3,839,020	161,240,361
Federal sources	13,027,516	-	-	-	3,425,534	16,453,050
Interdistrict sources	11,839,905	10,742,917	-	-	-	22,582,822
Net realized/unrealized investment earnings	1,761,065	-	-	3,314,201	1,146,406	6,221,672
Total revenue	207,608,595	21,414,619	-	3,314,201	42,641,030	274,978,445
Expenditures						
Current:						
Instruction	120,345,045	10,343,492	-	-	-	130,688,537
Support services	76,961,239	7,498,386	-	165,063	3,302,359	87,927,047
Athletics	2,015,924	-	-	-	-	2,015,924
Food services	-	-	-	-	5,515,724	5,515,724
Community services	3,027,539	-	-	-	-	3,027,539
Debt service:						
Principal	-	-	-	-	11,805,000	11,805,000
Interest	-	-	-	-	10,866,081	10,866,081
Other debt costs	-	-	-	-	3,877	3,877
Capital outlay	4,115,514	118,461	-	42,242,766	18,431,741	64,908,482
Total expenditures	206,465,261	17,960,339	-	42,407,829	49,924,782	316,758,211
Excess of Revenue Over (Under) Expenditures						
	1,143,334	3,454,280	-	(39,093,628)	(7,283,752)	(41,779,766)
Other Financing Sources (Uses)						
Proceeds from sale of capital assets	-	-	-	-	652,334	652,334
Transfers in (Note 8)	2,159,664	-	-	-	1,640,336	3,800,000
Transfers out (Note 8)	(1,500,000)	(2,000,000)	-	-	(300,000)	(3,800,000)
Total other financing sources (uses)	659,664	(2,000,000)	-	-	1,992,670	652,334
Net Change in Fund Balances						
	1,802,998	1,454,280	-	(39,093,628)	(5,291,082)	(41,127,432)
Fund Balances - Beginning of year, as previously reported						
	31,542,115	159,380	10,894,354	70,339,195	15,001,619	127,936,663
Change within Financial Reporting Entity (Note 2)						
	-	-	(10,894,354)	-	10,894,354	-
Fund Balances - Beginning of year, as adjusted or restated						
	31,542,115	159,380	-	70,339,195	25,895,973	127,936,663
Fund Balances - End of year						
	\$ 33,345,113	\$ 1,613,660	\$ -	\$ 31,245,567	\$ 20,604,891	\$ 86,809,231

Governmental Funds

**Reconciliation of the Statement of Revenue, Expenditures, and Changes in
Fund Balances to the Statement of Activities**

Year Ended June 30, 2024

Net Change in Fund Balances Reported in Governmental Funds	\$ (41,127,432)
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:	
Capitalized capital outlay	65,624,556
Depreciation expense	(14,387,214)
Net book value of assets disposed of	(784,040)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	75,567
Revenue in support of pension contributions made subsequent to the measurement date	7,095,377
Repayment of bond principal is an expenditure in the governmental fund but not in the statement of activities (where it reduces long-term debt); amortization of premium/discounts and inflows related to bond refundings are not expenses in the governmental funds	14,178,432
Interest expense is recognized in the government-wide statements as it accrues	(71,619)
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	22,998,304
Arbitrage rebate costs that do not use current financial resources are not reported as expenditures in the governmental funds	(1,387,314)
Internal service funds are included as part of governmental activities	381,850
Change in Net Position of Governmental Activities	\$ 52,596,467

**Proprietary Funds
Statement of Net Position**

June 30, 2024

Internal Service
Fund - Health
and Welfare
Fund

Assets

Current assets:

Due from other funds (Note 8)

Prepaid expenses and other assets

Total assets

Liabilities - Claims payable (Note 11)

Net Position - Unrestricted

\$	551,375
	<u>241,099</u>
	792,474
	<u>316,779</u>
\$	<u>475,695</u>

Proprietary Funds
Statement of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2024

	<u>Internal Service Fund - Health and Welfare Fund</u>
Operating Revenue	
Employee contributions	\$ 2,792,702
Employee contributions - Purchased insurance	362,314
Charges for services	<u>20,129,582</u>
Total operating revenue	23,284,598
Operating Expenses	
Cost (Recoveries) of insurance claims (Note 11)	(86,797)
Other operating and maintenance costs	334,323
Billing and administrative costs	<u>22,655,222</u>
Total operating expenses	<u>22,902,748</u>
Change in Net Position	381,850
Net Position - Beginning of year	<u>93,845</u>
Net Position - End of year	<u><u>\$ 475,695</u></u>

**Proprietary Funds
Statement of Cash Flows**

Year Ended June 30, 2024

	Internal Service Fund - Health and Welfare Fund
Cash Flows from Operating Activities	
Receipts from interfund services and reimbursements	\$ 23,237,266
Claims, premium, and administrative fees paid	<u>(23,237,266)</u>
Net Change in Cash	-
Cash - Beginning of year	<u>-</u>
Cash - End of year	<u><u>\$ -</u></u>
Reconciliation of Change in Net Position to Net Cash from Operating Activities	
Change in net position	\$ 381,850
Adjustments to reconcile change in net position to net cash from operating activities -	
Changes in assets and liabilities:	
Due to and from other funds	(47,332)
Prepaid expenses and other assets	(206,144)
Claims payable	<u>(128,374)</u>
Net cash provided by (used in) operating activities	<u><u>\$ -</u></u>

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2024

	<u>Scholarship</u>
Assets - Due from other funds (Note 8)	\$ 42,913
Net Position - Restricted for endowments	<u>\$ 42,913</u>

Draft

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	<u>Scholarship</u>
Additions - Local sources	\$ 8,596
Deductions - Scholarships awarded	<u>12,098</u>
Change in Net Position	(3,502)
Net Position - Beginning of year	<u>46,415</u>
Net Position - End of year	<u><u>\$ 42,913</u></u>

Draft

Note 1 - Nature of Business

Livonia Public Schools (the "School District") is a school district in the state of Michigan that provides educational services to students.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The School District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). 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. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. 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 and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

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 or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

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

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 and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the School District has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Note 2 - Significant Accounting Policies (Continued)

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the School District considers amounts collected within 60 days of year end to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

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.

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

Fund Accounting

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The School District reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Special Education Fund is a special revenue fund used to account for the proceeds of revenue sources that support special education center program expenditures. Revenue sources for the Special Education Fund include state aid and interdistrict revenues based on the number of the School District's special education students and the costs to operate the center program. Any operating deficit generated by these activities is the responsibility of the General Fund.
- The 2021 Bond Series II 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 nonmajor governmental fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The School District's special revenue funds are the Food Service and the Student Activities funds. Revenue sources for the Food Service Fund include sales to customers and dedicated grants from federal and state sources. Revenue sources for the Student Activities Fund include fundraising revenue and donations earned and received by student groups. Any operating deficit generated by these activities is the responsibility of the General Fund.

Note 2 - Significant Accounting Policies (Continued)

- The 2021 Sinking Fund is used to record the 2021 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.
- Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.
- The Capital Projects Fund are used to account for remaining bond proceeds and proceeds derived from the sale of real estate and transfers in from other funds. These proceeds will be held 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 School District and/or for renovating, replacing, or developing real estate, facilities, or capital equipment, as authorized by the Board of Education.

Proprietary Fund

The School District's internal service fund is used to account for the financing of risk management services provided to other funds on a cost-reimbursement basis. The internal service fund maintained by the School District is the Health and Welfare Fund, which includes transactions related to the School District's risk management programs for health care, workers' compensation, and disability claims.

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the School District's programs. The School District maintains a scholarship fund to account for resources legally held in trust, including contributions received by the School District to be awarded in the form of scholarships.

Interfund Activity

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. The other supplementary information combining balance sheet presenting the General Fund and Funded Projects Fund combined includes \$1,746,886 of interfund balances due from the General Fund to the Funded Projects Fund, which is eliminated within the combined General Fund presented on the governmental funds balance sheet. Eliminated transfers from the Funded Projects Fund to the General Fund were \$340,338 for the year ended June 30, 2024.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. The investments in 2a7-like pools or funds are valued at amortized cost. Investment income is recorded in the fund for which the investment account was established.

Note 2 - Significant Accounting Policies (Continued)

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories 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 items in both government-wide and fund financial statements, when applicable.

Restricted Assets

The following amounts are reported as restricted assets:

- Unspent bond proceeds and related interest of the bonded capital projects funds required to be set aside for construction or other allowable bond purchases
- Unspent property taxes levied in the debt service funds and sinking fund are required to be set aside for future bond principal and interest payments, school building construction or repair, and capital projects.

Capital Assets

Capital assets 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. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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.

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Buildings and building additions	20-50
Furniture and equipment	5-10
Buses and other vehicles	5-10

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 bond 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 net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

Note 2 - Significant Accounting Policies (Continued)

The School District reports deferred outflows related to deferred pension and OPEB costs.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The School District reports various types of deferred inflows. The first arises only under a modified accrual basis of accounting and, therefore, is only reported in the governmental funds balance sheet. The governmental funds report unavailable revenue from federal sources for grant reimbursements that are not collected during the period of availability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other type of deferred inflows of resources reported only in the statement of net position relates to revenue in support of pension contributions made subsequent to the measurement date and deferred pension and OPEB plan cost reductions.

Net Position

Net position of the School District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements (as applicable), a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Note 2 - Significant Accounting Policies (Continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by passing a resolution prior to the end of the fiscal year, commit fund balance. Once passed, the limitation imposed by the resolution remains in place until a similar action is taken (the passing of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The School District has, by resolution, authorized the Board of Education, superintendent, or finance committee to assign fund balance. The School District may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Nonspendable fund balance amounts are not in spendable form or are legally or contractually required to be maintained intact.

Property Tax Revenue

Properties are assessed as of December 31, and the related property taxes become a lien on December 1 of the following year. These taxes are billed on July 1 for approximately 50 percent of the taxes and on December 1 for the remainder of the property taxes. Tax collections are forwarded to the School District as collected by the assessing municipalities through March 1, at which time they are considered delinquent and added to county tax rolls. Any delinquent taxes collected by the county are remitted to the School District by June 30. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Grants and Contributions

The School District receives federal, state, and local grants, as well as contributions. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses.

Pension and Other Postemployment Benefit (OPEB) Plans

For purposes of measuring the net pension and net OPEB liabilities (assets), deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from the MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

Note 2 - Significant Accounting Policies (Continued)

Employee-related Liabilities

The employment-related liabilities reported in the government-wide statements consist 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 for compensated absence 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.

The liability for employment-related obligations also includes severance pay reported in the government-wide statements, which is calculated based on years of service multiplied by \$200 per year once employees reach 10 years of service and are eligible for retirement.

Use of Estimates

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

Accounting Changes

Changes to or within the Financial Reporting Entity

Change in Major Funds

The 2021 Bond Series I Fund was previously reported as a major fund but is now reported as a nonmajor fund for fiscal year 2024. The effects of this change in major funds are shown in the table below.

	<u>June 30, 2023</u>		<u>June 30, 2023</u>
	As Previously Reported	Change to or within the Financial Reporting Entity	As Restated
Governmental funds:			
Major funds:			
General Fund	\$ 31,542,115	\$ -	\$ 31,542,115
Special Education Fund	159,380	-	159,380
2021 Bond Series I Fund	10,894,354	(10,894,354)	-
2021 Bond Series II Fund	70,339,195	-	70,339,195
Nonmajor funds	15,001,619	10,894,354	25,895,973
Total governmental funds	<u>\$ 127,936,663</u>	<u>\$ -</u>	<u>\$ 127,936,663</u>

Upcoming Accounting Pronouncements

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2025.

Note 2 - Significant Accounting Policies (Continued)

In December 2023, the Government Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event, or events associated with a concentration or constraint that could cause the substantial impact, have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2025.

In April 2024, the Government Accounting Standards Board issued Statement No. 103, *Financial Reporting model Improvements*, which establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component unites in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2026.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including , which is the date the financial statements were available to be issued.

Note 3 - 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 service funds, capital project funds, and the internal service fund, except that capital outlay expenditures are budgeted in other expenditure categories and local source revenues include interdistrict revenues. All annual appropriations lapse at fiscal year end.

The General Fund budget is presented consistent with the original and amended budgets adopted. The budget for funded projects was adopted separately, and a separate budget for these activities has 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. Encumbrances (e.g., purchase orders and contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services are rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the School District incurred expenditures in the Funded Projects Fund that were in excess of the amounts budgeted as follows:

	Budget	Actual
General Fund - Funded Projects Fund - Community Services	\$ 161,004	\$ 501,926

Note 4 - 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, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

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

At year end, the School District had \$86,729,260 in investment pools in the Michigan Liquid Asset Fund, which is recorded at amortized cost. There are no limitations or restrictions on participant withdrawals. Additionally, \$86,729,260 of investments may not be redeemed for at least 14 calendar days, with the exception of direct investments of funds distributed by the State of Michigan. Redemptions made prior to the applicable 14-day period are subject to a penalty equal to 15 days' interest on the amount redeemed.

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 does not have a deposit policy for custodial credit risk. At year end, the School District had bank deposits of \$24,556,857 (certificates of deposit and 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.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. At June 30, 2024, there were no investment securities that were uninsured and unregistered.

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.

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. As of year end, the credit quality ratings of investment pools are as follows:

Investment	Carrying Value	Rating	Rating Organization
Michigan Liquid Asset Fund - MAX Class	\$ 86,729,260	AAAm	S&P

June 30, 2024

Note 4 - 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 investment policy prohibit investments in foreign currency.

Note 5 - Restricted Assets

At June 30, 2024, restricted assets are composed of the following:

Description	Governmental Activities
Unspent bond proceeds and related interest	\$ 45,471,237
Unspent sinking fund property taxes levied	10,176,948
Unspent debt service property taxes levied	3,807,307
Total	<u>\$ 59,455,492</u>

Note 6 - 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 recognition in connection with resources that have been received but not yet earned.

At June 30, 2024, the various components of unavailable and unearned revenue were as follows:

	Governmental Funds	
	Deferred Inflow - Unavailable	Liability - Unearned
Unavailable grant revenue	\$ 90,000	\$ -
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	4,853,392
Other	-	117,034
Total	<u>\$ 90,000</u>	<u>\$ 4,970,426</u>

June 30, 2024

Note 7 - Capital Assets

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

	Balance July 1, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 6,220,906	\$ -	\$ -	\$ -	\$ 6,220,906
Construction in progress	61,378,700	(54,676,060)	36,579,674	-	43,282,314
Subtotal	67,599,606	(54,676,060)	36,579,674	-	49,503,220
Capital assets being depreciated:					
Buildings and improvements	404,672,877	54,676,060	23,601,477	(188,385)	482,762,029
Furniture and equipment	44,023,651	-	4,395,655	(275,625)	48,143,681
Buses and other vehicles	10,895,236	-	1,047,750	(320,030)	11,622,956
Subtotal	459,591,764	54,676,060	29,044,882	(784,040)	542,528,666
Accumulated depreciation:					
Buildings and improvements	169,103,704	-	10,598,012	-	179,701,716
Furniture and equipment	21,516,730	-	3,014,835	-	24,531,565
Buses and other vehicles	4,666,369	-	774,367	-	5,440,736
Subtotal	195,286,803	-	14,387,214	-	209,674,017
Net capital assets being depreciated	264,304,961	54,676,060	14,657,668	(784,040)	332,854,649
Net governmental activities capital assets	<u>\$ 331,904,567</u>	<u>\$ -</u>	<u>\$ 51,237,342</u>	<u>\$ (784,040)</u>	<u>\$ 382,357,869</u>

Depreciation expense was not charged to activities, as the School District's assets benefit multiple activities, and allocation is not practical.

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:

	Spent to Date	Remaining Commitment
Capital Projects Fund	\$ 61,695	\$ 178,305
2021 Sinking Fund	2,380,772	5,817,749
2021 Bond Fund (Series II)	55,367,475	5,995,696
Total	<u>\$ 57,809,942</u>	<u>\$ 11,991,750</u>

June 30, 2024

Note 8 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From General Fund
Special Education Fund	\$ 8,767,699
2021 Bond Series II Fund	1,426,950
Nonmajor funds	8,942,611
Private Purpose Trust Fund	42,913
Internal service fund - Health and Welfare Fund	551,375
Total	<u>\$ 19,731,548</u>

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 composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
Special Education Fund	General Fund	\$ 1,859,664
	Nonmajor governmental funds	140,336
	Total	2,000,000
Nonmajor governmental funds General Fund	General Fund	300,000
	Nonmajor governmental funds	1,500,000
	Total	<u>\$ 3,800,000</u>

Transfers from the Special Education Fund and Food Service Fund to the General Fund help offset the indirect costs of running those programs incurred in the General Fund. Transfers from the General Fund and Special Education Fund to the nonmajor Capital Projects Fund include amounts to subsidize future special education capital improvements.

Note 9 - Long-term Debt

Long-term debt activity for the year ended June 30, 2024 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Other debt - General obligations	\$ 280,225,000	\$ -	\$ (11,805,000)	\$ 268,420,000	\$ 12,170,000
Unamortized bond premiums	28,255,954	-	(1,965,282)	26,290,672	1,416,658
Total bonds payable	308,480,954	-	(13,770,282)	294,710,672	13,586,658
Compensated absences	3,206,764	41,042	-	3,247,806	532,132
Arbitrage liability	-	1,387,314	-	1,387,314	-
Total governmental activities long-term debt	<u>\$ 311,687,718</u>	<u>\$ 1,428,356</u>	<u>\$ (13,770,282)</u>	<u>\$ 299,345,792</u>	<u>\$ 14,118,790</u>

June 30, 2024

Note 9 - Long-term Debt (Continued)

General Obligation Bonds and Contracts

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The School District's qualified bonds are fully guaranteed by the State of Michigan. The primary source of any required repayment is from the School District's property tax levy; however, the State of Michigan may withhold the School District's state aid funding in order to recover amounts it has paid on behalf of the School District. General obligations outstanding at June 30, 2024 are as follows:

Purpose	Remaining Annual Installments	Interest Rates	Maturing May 1	Outstanding
\$76,180,000 qualified school building and site bonds	\$2,075,000 - \$4,175,000	5.00%	2045	\$ 65,000,000
\$90,770,000 unqualified refunding bonds	\$4,285,000 - \$6,920,000	0.87% - 3.02%	2043	87,270,000
\$65,925,000 qualified school building and site bonds	\$2,425,000 - \$3,400,000	3.00% - 5.00%	2041	54,860,000
\$62,015,000 qualified school building and site bonds	\$750,000 - \$4,850,000	5.00%	2043	61,290,000
Total governmental activities				<u>\$ 268,420,000</u>

Debt Service Requirements to Maturity

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

Years Ending June 30	Governmental Activities		
	Other Debt		
	Principal	Interest	Total
2025	\$ 12,170,000	\$ 10,396,372	\$ 22,566,372
2026	10,875,000	10,097,849	20,972,849
2027	11,290,000	9,718,514	21,008,514
2028	11,695,000	9,312,555	21,007,555
2029	12,130,000	8,878,010	21,008,010
2030-2034	67,480,000	37,021,211	104,501,211
2035-2039	75,535,000	23,189,362	98,724,362
2040-2044	63,070,000	8,018,664	71,088,664
2045	4,175,000	208,750	4,383,750
Total	<u>\$ 268,420,000</u>	<u>\$ 116,841,287</u>	<u>\$ 385,261,287</u>

In previous years, the School District defeased certain bonds by completing an advance refunding. As of June 30, 2024, there is still \$4,180,000 of bonds outstanding that are considered defeased and continue to be serviced with the related refunding proceeds that are held in trust.

Note 10 - Michigan Public School Employees' Retirement System

Plan Description

The School District participates in the Michigan Public School Employees' Retirement System (the "System"), 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. Certain school district employees also receive defined contribution retirement and health care benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The System is administered by the Office of Retirement Services (ORS). 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 postemployment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care plan are established by state statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit pension plan and the postemployment health care plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of services times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Depending on the member's date of hire, MPERS offers the option of participating in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation, with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits but with an actuarial reduction.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplementary payment in those years when investment earnings exceed actuarial assumptions.

MPERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPERS, with the balance deducted from the monthly pension of each retiree health care recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Contributions

Public Act 300 of 1980, as amended, required the School District to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state Legislature. Under these provisions, each school district's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under the OPEB plan, 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. Participating employers are required to contribute at that rate.

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the retiree health care and keeping the premium subsidy benefit described above or choosing not to pay the 3 percent contribution and, instead, opting out of the subsidy benefit and becoming participants in the Personal Healthcare Fund (PHF), a portable tax-deferred fund that can be used to pay health care expenses in retirement. Participants in the PHF are automatically enrolled in a 2 percent employee contribution into their 457 accounts as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stopped paying the 3 percent contribution to retiree health care as of the day before their transition date, and their prior contributions were deposited into their 401(k) accounts.

The School District's contributions are determined based on employee elections. There are multiple different pension and health care benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The ranges of rates are as follows:

	Pension	OPEB
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The School District's required and actual pension contributions to the plan for the year ended June 30, 2024 were \$46,075,643, which includes the School District's contributions required for those members with a defined contribution benefit. For the year ended June 30, 2024, the School District's required and actual pension contributions include an allocation of \$21,523,770 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2024 were \$9,382,069, which includes the School District's contributions required for those members with a defined contribution benefit.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Net Pension Liability

At June 30, 2024, the School District reported a liability of \$350,200,637 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022, which used update procedures to roll forward the estimated liability to September 30, 2023. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2023 and 2022, the School District's proportion was 1.08 and 1.07 percent, respectively, representing a change of .72 percent.

Net OPEB Liability (Asset)

At June 30, 2024, the School District reported a liability (asset) of \$(6,195,296) for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) for fiscal year 2024 was measured as of September 30, 2023, and the total OPEB liability (asset) used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of September 30, 2022, which used update procedures to roll forward the estimated liability (asset) to September 30, 2023. The School District's proportion of the net OPEB liability (asset) was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2023 and 2022, the School District's proportion was 1.10 and 1.06 percent, respectively, representing a change of (3.59) percent.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For 2024, the School District recognized pension expense of \$41,978,317, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 11,054,766	\$ (536,452)
Changes in assumptions	47,453,780	(27,360,771)
Net difference between projected and actual earnings on pension plan investments	-	(7,166,239)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	2,071,832	(5,019,984)
The School District's contributions to the plan subsequent to the measurement date	39,701,063	-
Total	<u>\$ 100,281,441</u>	<u>\$ (40,083,446)</u>

Note 10 - Michigan Public School Employees' Retirement System (Continued)

The \$21,523,770 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2025	\$ 5,891,886
2026	4,178,920
2027	15,314,360
2028	<u>(4,888,234)</u>
Total	<u>\$ 20,496,932</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the School District recognized OPEB recovery of \$11,080,603.

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (46,814,841)
Changes in assumptions	13,791,811	(1,660,795)
Net difference between projected and actual earnings on OPEB plan investments	18,889	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	1,951,791	(2,366,198)
Employer contributions to the plan subsequent to the measurement date	<u>6,559,457</u>	<u>-</u>
Total	<u>\$ 22,321,948</u>	<u>\$ (50,841,834)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability (asset) and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2025	\$ (11,583,843)
2026	(10,736,978)
2027	(4,527,309)
2028	(3,936,876)
2029	(2,854,691)
Thereafter	<u>(1,439,646)</u>
Total	<u>\$ (35,079,343)</u>

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Actuarial Assumptions

The total pension liability and total OPEB liability (asset) as of September 30, 2023 are based on the results of an actuarial valuation as of September 30, 2022 and rolled forward. The total pension liability and OPEB liability (asset) were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.00%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75%
Health care cost trend rate - OPEB	6.25% - 7.50%	Year 1, graded to 3.5% in year 15, 3.0% in year 120
Mortality basis		PubT-2010 Male and Female Employee Mortality tables, scaled 100% (retirees: 116% for males and 116% for females) and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

Assumption changes as a result of an experience study for the periods from 2017 through 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation.

Significant assumption changes since the prior measurement date, September 30, 2022, for the OPEB plans include a decrease in the health care cost trend rate of 0.25 percent for members under 65 and an increase of 1.0 percent for members over 65. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2022.

Discount Rate

The discount rate used to measure the total pension liability and OPEB liability (asset) was 6.00 percent as of September 30, 2023 depending on the plan option. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability (asset).

Note 10 - Michigan Public School Employees' Retirement System (Continued)

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.00 %	5.80 %
Private equity pools	16.00	9.60
International equity pools	15.00	6.80
Fixed-income pools	13.00	1.30
Real estate and infrastructure pools	10.00	6.40
Absolute return pools	9.00	4.80
Short-term investment pools	10.00	7.30
Real return/opportunistic pools	2.00	0.30
Total	100.00 %	

Long-term rates of return are net of administrative expense and inflation of 2.7 percent.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the School District, calculated using the discount rate depending on the plan option. The following also reflects what the School District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net pension liability of the School District	\$ 473,120,034	\$ 350,200,637	\$ 247,865,793

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the School District, calculated using the current discount rate. It also reflects what the School District's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB liability (asset) of the School District	\$ 6,422,664	\$ (6,195,296)	\$ (17,039,194)

June 30, 2024

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability (asset) of the School District, calculated using the current health care cost trend rate. It also reflects what the School District's net OPEB liability (asset) would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1 Percentage Point Decrease</u>	<u>Current Rate</u>	<u>1 Percentage Point Increase</u>
Net OPEB (asset) liability of the School District	\$ (17,066,231)	\$ (6,195,296)	\$ 5,570,618

Pension Plan and OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan and OPEB Plan

At June 30, 2024, the School District reported a payable of \$11,123,103 and \$1,895,027 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2024.

Note 11 - 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). The School District has purchased commercial insurance for health claims. The School District also 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. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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 claims that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	<u>2024</u>	<u>2023</u>
Estimated liability - Beginning of year	\$ 445,153	\$ 207,424
Estimated claims expense (recovered), including changes in estimates	(86,797)	622,857
Claim payments	<u>(41,577)</u>	<u>(385,128)</u>
Estimated liability - End of year	<u>\$ 316,779</u>	<u>\$ 445,153</u>

Note 12 - Tax Abatements

The School District receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974), brownfield redevelopment agreements, and personal property tax relief exemptions (PA 328 of 1998) granted by cities, villages, and townships within the boundaries of the School District. Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities; brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties; and personal property tax relief agreements are intended to promote business investment in distressed communities.

Note 12 - Tax Abatements (Continued)

For the fiscal year ended June 30, 2024, the School District's property tax revenue was reduced by approximately \$1,540,419 under these programs.

The School District is reimbursed for lost revenue caused by tax abatements on the operating millage of nonhomestead properties from the State of Michigan under the School Aid formula. The School District received approximately \$1,247,000 in reimbursements from the State of Michigan. The School District is not reimbursed for lost revenue from the 2021 Sinking Fund or debt service millages. There are no abatements made by the School District.

Draft

Required Supplementary Information

Draft

**Required Supplementary Information
Budgetary Comparison Schedules
General Fund**

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 31,649,366	\$ 33,717,196	\$ 34,190,844	\$ 473,648
State sources	131,743,679	135,104,197	134,830,467	(273,730)
Federal sources	29,587	58,785	58,785	-
Interdistrict sources	9,424,279	11,333,996	11,667,227	333,231
Net realized/unrealized investment earnings	1,200,000	1,673,904	1,761,065	87,161
Total revenue	174,046,911	181,888,078	182,508,388	620,310
Expenditures				
Current:				
Instruction:				
Basic programs	86,489,142	90,163,302	89,813,858	(349,444)
Added needs	16,851,620	17,545,233	17,211,023	(334,210)
Support services:				
Pupil	7,439,601	9,068,470	8,967,554	(100,916)
Instructional staff	8,071,914	8,922,647	8,834,124	(88,523)
General administration	994,846	937,895	904,538	(33,357)
School administration	11,974,639	12,215,132	12,073,390	(141,742)
Business	2,386,580	2,376,084	2,329,715	(46,369)
Operations and maintenance	19,340,354	21,213,689	21,201,341	(12,348)
Pupil transportation services	8,870,311	9,380,340	9,295,934	(84,406)
Central	5,469,698	5,816,589	5,755,279	(61,310)
Athletics	3,554,611	2,978,312	2,233,726	(744,586)
Community services	2,939,220	3,102,263	3,084,910	(17,353)
Total expenditures	174,382,536	183,719,956	181,705,392	(2,014,564)
Excess of Revenue (Under) Over Expenditures	(335,625)	(1,831,878)	802,996	2,634,874
Other Financing Sources (Uses)				
Transfers in	2,607,912	2,550,000	2,500,002	(49,998)
Transfers out	(1,500,000)	(1,500,000)	(1,500,000)	-
Total other financing sources	1,107,912	1,050,000	1,000,002	(49,998)
Net Change in Fund Balance	772,287	(781,878)	1,802,998	2,584,876
Fund Balance - Beginning of year	31,542,115	31,542,115	31,542,115	-
Fund Balance - End of year	\$ 32,314,402	\$ 30,760,237	\$ 33,345,113	\$ 2,584,876

Required Supplementary Information
Budgetary Comparison Schedules
General Fund - Funded Projects

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 37,800	\$ 114,764	\$ 59,626	\$ (55,138)
State sources	8,639,346	16,538,691	11,899,172	(4,639,519)
Federal sources	14,829,599	13,190,790	12,968,731	(222,059)
Interdistrict sources	-	270,645	172,678	(97,967)
Total revenue	23,506,745	30,114,890	25,100,207	(5,014,683)
Expenditures				
Current:				
Instruction	12,915,497	18,724,018	14,943,818	(3,780,200)
Support services	9,985,451	10,811,175	9,314,125	(1,497,050)
Community services	177,019	161,004	501,926	340,922
Total expenditures	23,077,967	29,696,197	24,759,869	(4,936,328)
Excess of Revenue Over Expenditures	428,778	418,693	340,338	(78,355)
Other Financing Uses - Transfers out	(428,778)	(418,693)	(340,338)	78,355
Net Change in Fund Balance	-	-	-	-
Fund Balance (Deficit) - Beginning of year	-	-	-	-
Fund Balance (Deficit) - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Livonia Public Schools

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Funds
 Special Education Fund

Year Ended June 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Under) Over Final Budget</u>
Revenue				
Local and interdistrict sources	\$ 14,325,609	\$ 13,708,426	\$ 10,742,917	\$ (2,965,509)
State sources	8,159,006	10,157,731	10,671,702	513,971
Total revenue	22,484,615	23,866,157	21,414,619	(2,451,538)
Expenditures				
Current:				
Instruction	12,218,741	12,607,748	10,461,953	(2,145,795)
Support services	8,096,523	8,929,789	7,498,386	(1,431,403)
Total expenditures	20,315,264	21,537,537	17,960,339	(3,577,198)
Excess of Revenue Over Expenditures	2,169,351	2,328,620	3,454,280	1,125,660
Other Financing Uses - Transfers out	(2,500,000)	(2,000,000)	(2,000,000)	-
Net Change in Fund Balance	(330,649)	328,620	1,454,280	1,125,660
Fund Balance - Beginning of year	159,380	159,380	159,380	-
Fund Balance - End of year	<u>\$ (171,269)</u>	<u>\$ 488,000</u>	<u>\$ 1,613,660</u>	<u>\$ 1,125,660</u>

Livonia Public Schools

Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability Michigan Public School Employees' Retirement System

	Last Ten Plan Years									
	Plan Years Ended September 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	1.08200 %	1.07427 %	1.09088 %	1.11055 %	1.10382 %	1.10966 %	1.10839 %	1.11646 %	1.14578 %	1.15492 %
School District's proportionate share of the net pension liability	\$ 350,200,637	\$ 404,017,312	\$ 258,269,636	\$ 381,486,236	\$ 365,547,134	\$ 333,583,678	\$ 287,231,919	\$ 278,547,083	\$ 279,856,068	\$ 254,389,073
School District's covered payroll	\$ 108,805,548	\$ 102,180,226	\$ 96,640,061	\$ 98,377,074	\$ 95,654,243	\$ 94,116,658	\$ 92,678,036	\$ 93,062,218	\$ 95,140,276	\$ 96,119,058
School District's proportionate share of the net pension liability as a percentage of its covered payroll	321.86 %	395.40 %	267.25 %	387.78 %	382.15 %	354.44 %	309.92 %	299.31 %	294.15 %	264.66 %
Plan fiduciary net position as a percentage of total pension liability	65.91 %	60.77 %	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %	66.15 %

Livonia Public Schools

Required Supplementary Information
Schedule of Pension Contributions
Michigan Public School Employees' Retirement System

**Last Ten Fiscal Years
Years Ended June 30**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 45,118,353	\$ 49,300,354	\$ 36,227,182	\$ 32,726,136	\$ 30,130,286	\$ 29,162,712	\$ 28,273,165	\$ 26,551,658	\$ 26,167,534	\$ 20,507,422
Contributions in relation to the statutorily required contribution	45,118,353	49,300,354	36,227,182	32,726,136	30,130,286	29,162,712	28,273,165	26,551,658	26,167,534	20,507,422
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 112,102,854	\$ 107,472,751	\$ 100,463,576	\$ 96,512,832	\$ 97,419,463	\$ 95,355,911	\$ 93,813,172	\$ 95,901,095	\$ 92,940,215	\$ 93,694,674
Contributions as a Percentage of Covered Payroll	40.25 %	45.87 %	36.06 %	33.91 %	30.93 %	30.58 %	30.14 %	27.69 %	28.16 %	21.89 %

Livonia Public Schools

Required Supplementary Information
 Schedule of Proportionate Share of the Net OPEB Liability (Asset)
 Michigan Public School Employees' Retirement System

**Last Seven Plan Years
 Plan Years Ended September 30**

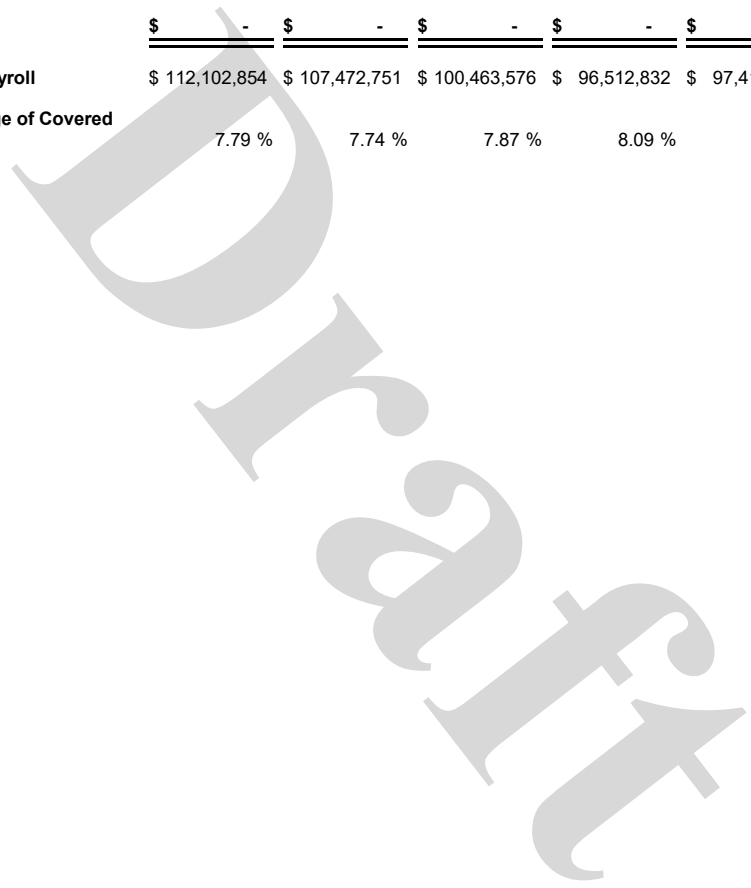
	2023	2022	2021	2020	2019	2018	2017
School District's proportion of the net OPEB liability (asset)	1.09516 %	1.05717 %	1.07353 %	1.11338 %	1.09716 %	1.10760 %	1.10567 %
School District's proportionate share of the net OPEB (asset) liability	\$ (6,195,296)	\$ 22,391,457	\$ 16,386,164	\$ 59,646,548	\$ 78,751,350	\$ 88,042,409	\$ 97,912,644
School District's covered payroll	\$ 108,805,548	\$ 102,180,226	\$ 96,640,061	\$ 98,377,074	\$ 95,654,243	\$ 94,116,658	\$ 92,678,036
School District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	(5.69)%	21.91 %	16.96 %	60.63 %	82.33 %	93.55 %	105.65 %
Plan fiduciary net position as a percentage of total OPEB liability (asset)	105.04 %	83.09 %	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

Livonia Public Schools

Required Supplementary Information
Schedule of OPEB Contributions
Michigan Public School Employees' Retirement System

**Last Seven Fiscal Years
Years Ended June 30**

	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 8,732,655	\$ 8,322,800	\$ 7,903,024	\$ 7,807,388	\$ 7,703,526	\$ 7,413,228	\$ 6,728,930
Contributions in relation to the statutorily required contribution	<u>8,732,655</u>	<u>8,322,800</u>	<u>7,903,024</u>	<u>7,807,388</u>	<u>7,703,526</u>	<u>7,413,228</u>	<u>6,728,930</u>
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 112,102,854	\$ 107,472,751	\$ 100,463,576	\$ 96,512,832	\$ 97,419,463	\$ 95,355,911	\$ 93,813,172
Contributions as a Percentage of Covered Payroll	7.79 %	7.74 %	7.87 %	8.09 %	7.91 %	7.77 %	7.17 %



Pension Information

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of assumptions for each of the reported plan years ended September 30 except for the following:

- 2023 - The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return in the September 30, 2021 actuarial valuation decreased by 0.80 percentage points.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017.
- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

OPEB Information

Ultimately, 10 years of data will be presented in both of the OPEB-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of assumptions for each of the reported plan years ended September 30 except for the following:

- 2023 - The healthcare cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.
- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.

June 30, 2024

- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points. This, in addition to actual per person health benefit costs being lower than projected, reduced the plan's total OPEB liability by an additional \$1.8 billion in 2020.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

Other Supplementary Information

Other Supplementary Information
 Combining Balance Sheet
 Nonmajor Governmental Funds

June 30, 2024

	Special Revenue Funds			Capital Project Funds		Total
	Food Service	Student Activities	Debt Service	Capital Projects	2021 Sinking	
Assets						
Cash and cash equivalents	\$ 3,116	\$ -	\$ -	\$ -	\$ -	\$ 3,116
Receivables:						
Other receivables	13,488	-	-	-	-	13,488
Due from other governments	59,649	-	-	-	-	59,649
Due from other funds	1,542,789	1,781,389	337,802	4,973,391	307,240	8,942,611
Inventory	47,698	-	-	-	-	47,698
Restricted assets	-	-	3,807,307	-	10,176,948	13,984,255
Total assets	\$ 1,666,740	\$ 1,781,389	\$ 4,145,109	\$ 4,973,391	\$ 10,484,188	\$ 23,050,817
Liabilities						
Accounts payable	\$ 482	\$ -	\$ -	\$ 24,963	\$ 2,295,515	\$ 2,320,960
Accrued liabilities and other	7,932	-	-	-	-	7,932
Unearned revenue	117,034	-	-	-	-	117,034
Total liabilities	125,448	-	-	24,963	2,295,515	2,445,926
Fund Balances						
Nonspendable - Inventory and prepaid expenses	47,698	-	-	-	-	47,698
Restricted:						
Debt service	-	-	4,145,109	-	-	4,145,109
Capital projects	-	-	-	-	8,188,673	8,188,673
Food service	1,493,594	-	-	-	-	1,493,594
Committed - Student activities	-	1,781,389	-	-	-	1,781,389
Assigned - Capital projects	-	-	-	4,948,428	-	4,948,428
Total fund balances	1,541,292	1,781,389	4,145,109	4,948,428	8,188,673	20,604,891
Total liabilities and fund balances	\$ 1,666,740	\$ 1,781,389	\$ 4,145,109	\$ 4,973,391	\$ 10,484,188	\$ 23,050,817

Livonia Public Schools

Other Supplementary Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2024

	Special Revenue Funds			Capital Project Funds			Total
	Food Service	Student Activities	Debt Service	Capital Projects	2021 Bond Series I Fund	2021 Sinking	
Revenue							
Local sources	\$ 364,669	\$ 2,977,227	\$ 22,376,204	\$ -	\$ -	\$ 8,511,970	\$ 34,230,070
State sources	2,615,984	-	960,622	-	-	262,414	3,839,020
Federal sources	3,425,534	-	-	-	-	-	3,425,534
Net realized/unrealized investment earnings	-	-	344,991	-	385,079	416,336	1,146,406
Total revenue	6,406,187	2,977,227	23,681,817	-	385,079	9,190,720	42,641,030
Expenditures							
Current:							
Support services	-	2,962,720	-	-	339,639	-	3,302,359
Food services	5,515,724	-	-	-	-	-	5,515,724
Debt service:							
Principal	-	-	11,805,000	-	-	-	11,805,000
Interest	-	-	10,866,081	-	-	-	10,866,081
Other debt costs	-	-	3,877	-	-	-	3,877
Capital outlay	45,954	-	-	1,395,162	10,939,794	6,050,831	18,431,741
Total expenditures	5,561,678	2,962,720	22,674,958	1,395,162	11,279,433	6,050,831	49,924,782
Excess of Revenue (Under) Over Expenditures	844,509	14,507	1,006,859	(1,395,162)	(10,894,354)	3,139,889	(7,283,752)
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	-	-	-	652,334	-	-	652,334
Transfers in	-	-	-	1,640,336	-	-	1,640,336
Transfers out	(300,000)	-	-	-	-	-	(300,000)
Total other financing (uses) sources	(300,000)	-	-	2,292,670	-	-	1,992,670
Net Change in Fund Balances	544,509	14,507	1,006,859	897,508	(10,894,354)	3,139,889	(5,291,082)
Fund Balances - Beginning of year, as previously reported	996,783	1,766,882	3,138,250	4,050,920	-	5,048,784	15,001,619
Change within Financial Reporting Entity	-	-	-	-	10,894,354	-	10,894,354
Fund Balances - Beginning of year, as adjusted	996,783	1,766,882	3,138,250	4,050,920	10,894,354	5,048,784	25,895,973
Fund Balances - End of year	\$ 1,541,292	\$ 1,781,389	\$ 4,145,109	\$ 4,948,428	\$ -	\$ 8,188,673	\$ 20,604,891

**Other Supplementary Information
Combining Balance Sheet
General Fund**

June 30, 2024

	General Fund	Funded Projects Fund	Total
Assets			
Cash and cash equivalents	\$ 24,160,176	\$ -	\$ 24,160,176
Investments	27,273,767	-	27,273,767
Receivables:			
Property taxes receivable	74,714	-	74,714
Other receivables	21,638	-	21,638
Due from other governments	27,684,443	4,351,801	32,036,244
Due from other funds	-	1,746,886	1,746,886
Inventory	1,624	-	1,624
Prepaid expenses	432,554	11,414	443,968
	<u>\$ 79,648,916</u>	<u>\$ 6,110,101</u>	<u>\$ 85,759,017</u>
Total assets			
Liabilities			
Accounts payable	\$ 1,058,060	\$ 123,017	\$ 1,181,077
Due to other governmental units	5,871,685	-	5,871,685
Due to other funds	21,478,434	-	21,478,434
Accrued liabilities and other	17,892,347	1,136,969	19,029,316
Unearned revenue	3,277	4,850,115	4,853,392
	<u>46,303,803</u>	<u>6,110,101</u>	<u>52,413,904</u>
Total liabilities			
Fund Balances			
Nonspendable - Inventory and prepaid expenses	434,178	11,414	445,592
Assigned - Subsequent year's budget	1,430,252	-	1,430,252
Unassigned	31,480,683	(11,414)	31,469,269
	<u>33,345,113</u>	<u>-</u>	<u>33,345,113</u>
Total fund balances			
	<u>\$ 79,648,916</u>	<u>\$ 6,110,101</u>	<u>\$ 85,759,017</u>
Total liabilities and fund balances			

**Other Supplementary Information
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances
General Fund**

Year Ended June 30, 2024

	General Fund	Funded Projects Fund	Total
Revenue			
Local sources	\$ 34,190,844	\$ 59,626	\$ 34,250,470
State sources	134,830,467	11,899,172	146,729,639
Federal sources	58,785	12,968,731	13,027,516
Interdistrict sources	11,667,227	172,678	11,839,905
Net realized/unrealized investment earnings	1,761,065	-	1,761,065
Total revenue	182,508,388	25,100,207	207,608,595
Expenditures			
Current:			
Instruction:			
Basic programs	88,841,403	3,749,505	92,590,908
Added needs	17,012,041	10,437,683	27,449,724
Adult/Continuing education	-	304,413	304,413
Support services:			
Pupil	8,967,554	5,025,129	13,992,683
Instructional staff	8,743,671	2,401,261	11,144,932
General administration	904,538	-	904,538
School administration	12,073,390	-	12,073,390
Business	2,329,715	-	2,329,715
Operations and maintenance	20,796,228	566,905	21,363,133
Pupil transportation services	8,799,804	94,658	8,894,462
Central	5,454,785	97,788	5,552,573
Other	-	705,813	705,813
Athletics	2,015,924	-	2,015,924
Community services	2,525,613	501,926	3,027,539
Capital outlay	3,240,726	874,788	4,115,514
Total expenditures	181,705,392	24,759,869	206,465,261
Excess of Revenue Over Expenditures	802,996	340,338	1,143,334
Other Financing Sources (Uses)			
Transfers in	2,500,002	-	2,500,002
Transfers out	(1,500,000)	(340,338)	(1,840,338)
Total other financing sources (uses)	1,000,002	(340,338)	659,664
Net Change in Fund Balances	1,802,998	-	1,802,998
Fund Balances - Beginning of year	31,542,115	-	31,542,115
Fund Balances - End of year	\$ 33,345,113	\$ -	\$ 33,345,113

Other Supplementary Information
Schedule of Bonded Indebtedness

June 30, 2024

Years Ending June 30	2016 Bond Series	2020 Refunding	2021 Bond Series I	2021 Bond Series	Total
	II			II	
	Principal	Principal	Principal	Principal	
2025	\$ 2,075,000	\$ 6,920,000	\$ 2,425,000	\$ 750,000	\$ 12,170,000
2026	2,175,000	4,285,000	2,760,000	1,655,000	10,875,000
2027	2,275,000	4,300,000	2,885,000	1,830,000	11,290,000
2028	2,375,000	4,315,000	3,055,000	1,950,000	11,695,000
2029	2,475,000	4,335,000	3,165,000	2,155,000	12,130,000
2030	2,575,000	4,355,000	3,275,000	2,385,000	12,590,000
2031	2,675,000	4,370,000	3,375,000	2,665,000	13,085,000
2032	2,775,000	4,385,000	3,375,000	3,045,000	13,580,000
2033	2,875,000	4,405,000	3,375,000	3,325,000	13,980,000
2034	2,975,000	4,420,000	3,375,000	3,475,000	14,245,000
2035	3,075,000	4,435,000	3,395,000	3,625,000	14,530,000
2036	3,175,000	4,470,000	3,400,000	3,775,000	14,820,000
2037	3,275,000	4,510,000	3,400,000	3,925,000	15,110,000
2038	3,375,000	4,545,000	3,400,000	4,075,000	15,395,000
2039	3,475,000	4,580,000	3,400,000	4,225,000	15,680,000
2040	3,600,000	4,615,000	3,400,000	4,375,000	15,990,000
2041	3,725,000	4,645,000	3,400,000	4,525,000	16,295,000
2042	3,850,000	4,670,000	-	4,680,000	13,200,000
2043	3,950,000	4,710,000	-	4,850,000	13,510,000
2044	4,075,000	-	-	-	4,075,000
2045	4,175,000	-	-	-	4,175,000
Total remaining payments	\$ 65,000,000	\$ 87,270,000	\$ 54,860,000	\$ 61,290,000	\$ 268,420,000
Principal payments due	May	May	May	May	
Interest payments due	May and November	May and November	May and November	May and November	
Interest rate	5.00%	0.87 - 3.02%	3.00 - 5.00%	5.00%	
Original issue	\$ 76,180,000	\$ 90,770,000	\$ 65,925,000	\$ 62,015,000	