

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**Regular Meeting
October 17, 2022 - 6:30 PM
Board Room
15125 Farmington Road
Livonia, Michigan 48154**

AGENDA

- I. ROLL CALL: Madeline Acosta, Tammy Bonifield, Karen Bradford, Colleen Burton, Dan Centers, Liz Jarvis, Mark Johnson**
- II. PLEDGE OF ALLEGIANCE**
- III. COMMUNICATIONS**
 - A. Points of Pride - Recognition of Churchill Students 2**
 - B. District Update from the Superintendent**
 - C. Written Communications**
 - D. Response to Prior Audience Communications**
 - E. Audience Communications (limited to 15 minutes, with remainder taking place prior to HEARING FROM BOARD MEMBERS)**
- IV. CONSENT AGENDA--Items marked with an "*" will be considered in one motion. These routine items have been individually reviewed by Board committees and were unanimously recommended for placing on this consent agenda. Any member of the Board may remove items from the consent agenda prior to voting. 4**
- V. DISPOSITION OF MINUTES**
 - A. *Minutes of the Regular Meeting of September 26, 2022 5**
- VI. BUSINESS MATTERS**
 - A. Approval of Dickinson Abatement 11**
 - B. Approval of RTA Roof Designs 13**
 - C. Approval to Purchase LMC Bookshelves - 2021 Bond 28**
 - D. Acceptance of Financial Statements for 2021-2022 50**
- VII. INSTRUCTION MATTERS**
 - A. Section 98c Learning Loss Grant**
- VIII. PERSONNEL MATTERS**
 - A. Teachers for Approval 156**
 - B. Teacher for Recall 159**
 - C. Teachers for Tenure 161**
 - D. Resignations 162**
 - E. Retirement 163**
- IX. HEARING FROM BOARD MEMBERS**
 - A. Hearing from Board Members**
- X. ADJOURNMENT**

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2022**

TOPIC: **Recognition of Churchill Students**

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District adopt the attached resolution recognizing the heroic efforts of Churchill High School students Chase Adams, Colin Anderson, and Ethan Morche on August 29, 2022, when they helped rescue residents from a house fire.

RATIONALE:

Chase Adams, Colin Anderson and Ethan Morche noticed smoke coming from a home on Ellen Street as they were driving by on the afternoon of August 29, 2022. Without hesitation, the three young men stopped to assist the residents in exiting the home after calling 911. The young men received a commendation from the Livonia Fire & Rescue Department and many praises via media coverage following the incident.

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Stacy Jenkins

EXHIBITS:

Attached Resolution

LIVONIA PUBLIC SCHOOLS

Livonia, Michigan

October 17, 2022

RESOLUTION

WHEREAS, The Trustees of the Board of Education are desirous of recognizing and promoting good character shown by students in this school district; and

WHEREAS, Churchill High School students Chase Adams, Colin Anderson, and Ethan Morche displayed the core elements of the district's Community with Character traits that are emphasized in this school district each and every day; and

WHEREAS, Chase, Colin, and Ethan noticed smoke coming from a home on Ellen Street and without hesitation stopped to call 911, knocked on the doors and assisted the residents in exiting safely from the home; and

WHEREAS, By their actions, Chase, Colin, and Ethan showed selfless courage and compassion on the afternoon of August 29, 2022, and were commended by the Livonia Fire & Rescue Department for their actions.

NOW, THEREFORE, BE IT RESOLVED, that the Trustees of the Board of Education do hereby recognize Chase Adams, Colin Anderson, and Ethan Morche for their heroic efforts, which likely helped save the lives of the residents.

Karen Bradford
Secretary, Board of Education

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2022**

TOPIC: Consent Agenda

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District approve the following consent agenda items, as recommended by the superintendent:

V.A. Minutes of the Regular Meeting of September 26, 2022

RATIONALE:

The agenda for the Board of Education meeting has certain items designated and identified by an asterisk *. These items, identified in advance with the concurrence of all Board members present, will be acted upon in a single motion.

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Andrea L. Oquist, Superintendent

EXHIBITS:

Attached

Off/Supt/jw

**MINUTES
BOARD OF EDUCATION
Livonia Public Schools
Regular Meeting
September 26, 2022**

President Burton convened the meeting at 6:32 p.m.

Members Present	Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Members Absent	None
Highlights of Summer Learning Programs	Mrs. O'Brien, Chief Academic Officer, and Dr. Taiariol, Director of Student Services, shared pictures and highlights of educational and athletic programs that took place over the summer for LPS students.
Highlights of Summer 2022 Bond Renovations	Mrs. Jenkins, Administrator of Communications, shared a presentation of renovations taking place at LPS, utilizing funds from the 2021 Bond that was approved by the community.
District Update from the Superintendent	Superintendent Oquist presented highlights of recent activities taking place across the District.
Written Communications	None
Response to Prior Audience Communications	None
Audience Communications	None
Consent Agenda	<p>It was moved by Mrs. Bonifield and supported by Mr. Centers that the Board of Education of the Livonia Public Schools School District approve the following consent agenda items, as recommended by the superintendent:</p> <ul style="list-style-type: none">V.A. Minutes of the Regular Meeting of August 22, 2022VII.A. Approval to Purchase Road Salt Detroit Salt Company - \$90,865

VII.B. Approval to Purchase Dairy Products
Cedar Crest Dairy - \$220,000 for 2022-23
Additional \$3,500 for 2021-22

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

**Appointment of
Principal for
Western Wayne
Skill Center at
Garfield
Community
School**

It was moved by Mr. Johnson and supported by Mrs. Jarvis that the Board of Education of the Livonia Public Schools School District accept the recommendation of the superintendent and appoint Maegan Sprow as Principal of the Western Wayne Skill Center at Garfield Community School effective September 27, 2022.

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

**40-Year
Resolutions**

It was moved by Mrs. Bradford and supported by Mr. Centers that the Board of Education of the Livonia Public Schools School District accept the proposed resolutions of appreciation for 40 years of full-time service with the District for:

FORTY-YEAR RESOLUTIONS

William Bowman

WHEREAS, The Board of Education is desirous of recognizing loyal and longstanding service to the Livonia Public Schools School District; and,

WHEREAS, It has come to the attention of the Board that William Bowman completed 40 years of full-time employment in the Livonia Public Schools on September 21, 2021 and,

WHEREAS, In an era where many and varied employment opportunities often result in numerous work assignments, it is rare to encounter employees who have remained loyal to employers for over 40 years; and,

WHEREAS, It is a testament to both the quality of the work environment in the Livonia Public Schools School District and the steadfastness and dedication of its workforce, that William Bowman has attained a 40-year record of employment with the school district; and

WHEREAS, He has given of his talents, time, and efforts in fulfilling his many and varied responsibilities as a custodian.

NOW, THEREFORE, BE IT RESOLVED That the Board of Education hereby expresses appreciation and gratitude to William Bowman for his sincere and dedicated service to the Livonia Public Schools and extends its best wishes to William on reaching this milestone in his professional career.

Glenn Macorkindale

WHEREAS, The Board of Education is desirous of recognizing loyal and longstanding service to the Livonia Public Schools School District; and,

WHEREAS, It has come to the attention of the Board that Glenn Macorkindale completed 40 years of full-time employment in the Livonia Public Schools on September 14, 2021 and,

WHEREAS, In an era where many and varied employment opportunities often result in numerous work assignments, it is rare to encounter employees who have remained loyal to employers for over 40 years; and,

WHEREAS, It is a testament to both the quality of the work environment in the Livonia Public Schools School District and the steadfastness and dedication of its workforce, that Glenn Macorkindale has attained a 40-year record of employment with the school district; and

WHEREAS, He has given of his talents, time, and efforts in fulfilling his many and varied responsibilities as a custodian, building supervisor, and custodial supervisor.

NOW, THEREFORE, BE IT RESOLVED That the Board of Education hereby expresses appreciation and gratitude to Glenn Macorkindale for his sincere and dedicated service to the Livonia Public Schools and extends its best wishes to Glenn on reaching this milestone in his professional career.

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

Teachers for Approval

It was moved by Mr. Centers and supported by Mrs. Jarvis that the Board of Education of the Livonia Public Schools School District accept the recommendation of the superintendent and offer employment for the 2022-23 school year to the following teachers:

Alvarez, Lauren	1.0 Elementary Teacher	Cooper
Beale, Keith	1.0 Elementary Art Teacher	Cooper
Bertera-Morrison, Briana	1.0 School Social Worker	Roosevelt/Hoover
Copeland, Melissa	1.0 Elementary Literacy Coach	Academic Serv.
Cottrell, Lucas	1.0 Teacher	Cooper
Craig, Jennifer	1.0 Kindergarten Teacher	Hayes
Flinchum, Danielle	1.0 GSRP Lead Teacher	Garfield
Fugedi, Nicholas	1.0 Elementary Art Teacher	Grant
Garcia, Jazmin	1.0 School Social Worker	Student Serv.
Goodhue, Diana	1.0 Elementary Teacher	Cooper
Haddad, Jacqueline	1.0 Teacher	Cooper
Halimi, Amy	1.0 Teacher	Roosevelt
Kaczor, Jodi	1.0 Title I Learning Interventionist	Rosedale
Khzouz, Amara	1.0 EL Secondary Teacher	Academic Serv.
Kim, Maureen	1.0 Autism Spectrum Disorder Coach	Student Serv.
Klein, Dawn	1.0 Early on Service Support Staff	Jackson
Kruger, Lindsey	0.5 Elementary Art Teacher	Niji-Iro
Liedel, Ashley	1.0 Early on Service Support Staff	Jackson
Loveall, Carrie	1.0 Elementary Teacher	Cooper
MacLellan, Shannon	1.0 Music Teacher	Cooper
Mason, Fran	1.0 Elementary Art Teacher	.6 Kennedy
		.4 Rosedale
Moore, Brittany	1.0 Teacher of Speech & Language	Cleveland

Ploucha, Nicholas	1.0 Elementary PE Teacher	Coolidge
Reggish, Madison	1.0 Teacher	Cooper
Rohrhoff, Juliane	1.0 Teacher of Visually Impaired	Student Services
Rotter, Nicholas	.7 Elementary PE Teacher	Cleveland
Swierb, Kristen	1.0 Sixth Grade Teacher	Cooper
Weaver, Jennifer	1.0 Resource Room Teacher	Frost

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

Teachers for Tenure

It was moved by Mrs. Jarvis and supported by Mr. Johnson that the Board of Education of the Livonia Public Schools School District accept the recommendation of the superintendent and acknowledge that tenure status has been granted to the following teachers on the respective date:

Tara Hillary	9/11/22
Whitney Osborne	9/2/22
Megan Paszek	9/18/22
Samantha Shoemake	9/6/22
Rebecca Vandongen	9/13/22
Martha Ware	9/2/22

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

Leave of Absence

It was moved by Mrs. Acosta and supported by Mr. Centers that the Board of Education of the Livonia Public Schools School District accept the recommendation of the superintendent and approve the request for a leave of absence for:

Emily Newton	10/31/22
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Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

Resignations

The Board was informed of the following resignations:

Mary Bousquette Trotter	8/22/22
Ashley Dailey	8/26/22
Angela Fetting	9/23/22
Lisa Floyd	8/25/22
Lauren Green	8/29/22
Julie Hay	8/22/22
Quintanya Johnson	8/22/22
Kimberly Lammers	8/29/22
Teneja Mosley	8/29/22
Sarah Sparrow	8/31/22

Retirement

It was moved by Mrs. Bonifield and supported by Mrs. Bradford that the Board of Education of the Livonia Public Schools School District adopt a resolution of appreciation for:

Lynne Gulick, who retired from the District on September 23, 2022, and devoted 11 years of dedicated, loyal, and outstanding service to the Livonia Public Schools as a secretary at Webster Elementary.

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

Approval to Purchase School Meal Supplies

It was moved by Mr. Johnson and supported by Mr. Centers that the Board of Education of the Livonia Public Schools School District approve the purchase of school meal products from Van Eerden Foodservice Company, Grand Rapids, Michigan in the amount of \$2,000,000.00 for the 2022-2023 school year.

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

Approval of Bid Results for Fiber Lunch Trays

It was moved by Mrs. Bradford and supported by Mrs. Jarvis that the Board of Education of the Livonia Public Schools School District approve the purchase of Fiber Lunch Trays from MMAS Solutions, Livonia, Michigan in the amount of \$35,850.00.

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

Approval of Bid Results for Renovation of the ArmCo Building

It was moved by Mr. Centers and supported by Mrs. Bradford that the Board of Education of the Livonia Public Schools School District approve Spartan Construction Group Inc., Shelby Township, Michigan for the renovation of the ArmCo building, in the amount of \$311,850.00 which includes contingency.

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

Approval to Purchase U.S. History Online Textbook Licenses

It was moved by Mrs. Jarvis and supported by Mr. Johnson that the Board of Education of the Livonia Public Schools School District approve the purchase of 810 U.S. History: History Alive! Pursuing American Ideals student licenses from TCI Publishing, for a total cost of \$34,020.00. Teacher licenses will be provided free with this purchase.

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

Second Reading and Adoption of Board Policy KEA – Public

It was move by Mrs. Acosta and supported by Mr. Centers that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Policy Committee and adopt Board Policy language for:

**Performances,
Assemblies,
and/or
Exhibitions**

**BOARD POLICY
GENERAL PUBLIC RELATIONS
PUBLIC PERFORMANCES, ASSEMBLIES,
AND/OR EXHIBITIONS**

**KEA
SEPTEMBER 26, 2022**

All public performances, assemblies and/or exhibitions presented to students shall be recommended by school or District leadership and approved by the Superintendent or designee.

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

**Approval of
Voting Delegates
for 2022 MASB
Delegate
Assembly**

It was moved by Mrs. Bonifield and supported by Mrs. Bradford that the Board of Education of the Livonia Public Schools School District approve Madeline Acosta and Karen Bradford as voting delegates and Tammy Bonifield, Dan Centers, Liz Jarvis, and Mark Johnson as alternates for the MASB Delegate Assembly in Acme, Michigan, on October 20, 2022.

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

**Approval of
Payment for
Board Member’s
Participation in
MASB Webinar**

It was moved by Mr. Johnson and supported by Mrs. Acosta that the Board of Education of the Livonia Public Schools School District approve a payment of \$99 be made to MASB for Board Secretary Karen Bradford’s participation in the MASB Webinar on September 20, 2022 – Election Forecast and What It Means for Our Schools.

Ayes: Acosta, Bonifield, Bradford, Burton, Centers, Jarvis, Johnson
Nays: None

Adjournment

President Burton adjourned the meeting at 8:29 p.m.

Off/Supt/jw

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2022**

TOPIC: Approval of Dickinson Abatement

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District approve the recommendation to appoint the contract award for abatement at Dickinson Center to Quality Environmental Services, Beaverton, Michigan, for a total cost of \$310,200.00, which includes contingency, and authorize the Superintendent or her designee to negotiate and execute final contracts on behalf of the Board of Education.

RATIONALE:

The recommendation for the asbestos abatement project will provide the necessary environmental work at Dickinson in preparation for razing the building. This is the location for the new Early Childhood Center.

BUDGETARY INFORMATION:

Sinking Fund

RESOURCE PERSONNEL:

Phillip Francis, Assistant Superintendent of District Services

EXHIBITS:

Attached

PF/ko

**Asbestos Abatement Services at Dickinson
Bid Tab
Central Office, 12:00 Noon 9/28/22**

VENDORS BIDDING DESCRIPTION	Quality Environmental Services	Dore & Assoc.	Qualified Abatement Services	Global Green Service Group	Environmental Maintenance Engineers	Environmental Specialty Services
GRAND TOTAL:	\$282,000.00	\$448,400.00	\$352,500.00	\$358,000.00	\$349,900.00	\$389,800.00
BID BOND	X	X	X	X	X	X
EQUAL OPPORTUNITY	X	X	X	X	X	X
SWORN AND NOTARIZED FAMILIAL DISCLOSURE STATEMENT	X	X	X	X	X	X
IRAN SANCTIONS STATEMENT	X	X	X	X	X	X
ADDENDUM 1	X	X	X	X	X	X
FIRM REPRESENTATIVE PARTICIPATED IN MANDATORY PRE BID SITE INSPECTION						12
PRICE FIRM FOR 90 DAYS						
TERMS OF PAYMENT						
ADDITIONAL SHEETS						
COMMENTS	Schedule					
	30 days	90 days	82 days	45 days	65-70 days	30 days
RECORDED BY: Harry Lau	DATE: 9/28/22		WITNESSED BY:	Cliff Andrews		DATE: 9/28/22

October 5, 2022

Mr. Phillip Francis
Assistant Superintendent of District Services
Livonia Public Schools
15125 Farmington Road
Livonia, MI 48154

RE: Contract Amendment Recommendation for Roofing Design & Construction Administration Services
Sinking Fund - Roofing Replacement Projects
2023 Projects - Kennedy Elementary School, Webster Elementary School (Design Phase only),
and Coolidge Elementary School (Design Phase only)

Dear Mr. Francis:

This letter transmits an update from Plante Moran Cresa (PMC) as it relates to the assignment to assist and advise Livonia Public Schools (LPS) in its selection of a Roofing Designer & Construction Administration Services Firm for the Projects listed above. This update represents the mutual efforts of PMC and LPS administration and staff (Sinking Fund Team) to present a framework in order to identify, evaluate and recommend a Firm for these Projects.

In 2017, LPS awarded a contract to Roofing Technology Associates, LTD (RTA) to conduct a district-wide roofing assessment of the existing roofs. The completed report indicated that numerous buildings needed near-term repair and/or replacement. Based upon the results and utilizing RTA's weighted Roofing Condition Index (RCI) of the various facilities, the Sinking Fund Team created an initial priority list of facilities requiring roofing work that continues to be monitored and updated by the Sinking Fund Team.

In 2018, the board approved the contract award to RTA for roofing design and construction administration services with subsequent contract amendments for roof replacement projects as follows:

- 2018: Holmes Middle School, Transportation, Warehouse (partial), Franklin High School (partial)
- 2019: Johnson Upper Elementary School

- 2020: Career Technical Center, Emerson Middle School, Rosedale Elementary School
- 2021: Riley Upper Elementary School, Randolph Elementary School, Hayes Elementary School, Frost Middle School
- 2022: Stevenson High School (Partial), Franklin High School (Partial), Garfield Elementary School and Grant Elementary School

The Sinking Fund Team has identified Kennedy Elementary School, Webster Elementary School (Design Phase only), and Coolidge Elementary School (Design Phase only) as the next facilities to have roof replacement work completed. In general, the scope involves complete removal of the existing roofing system in the identified areas and installation of a new roofing system including any required sheet metal.

The Sinking Fund Team has been satisfied with the work completed by RTA to date and requested a formal proposal from them to incorporate this additional scope of work. In response to this request, RTA provided the attached proposals dated September 28, 2022, to extend their services. Their proposed fee remains competitive and consistent with the percentage used to award their original contract.

The Sinking Fund Team has reviewed their proposals and budgets and recommends the Board of Education retain RTA for the above referenced Work in the lump sum amount of **\$117,900.00**. The cost for this Work will be detailed in a Purchase Order(s) issued by the District and in a contract amendment to their current contract, pending final review and approval of terms by district legal counsel.

The Sinking Fund Team is available at the Board's convenience to answer any questions regarding this process and/or the recommendation. Please direct all questions through me via email at brian.weber@plantemorancres.com.

Sincerely,



Brian Weber
Plante Moran Cresa

- ENCLOSURES:**
- Roofing Technology Associates, LTD Proposals dated September 28, 2022
 - Roof Condition Map of Kennedy Elementary School (2017)
 - Roof Condition Map of Webster Elementary School (2017)
 - Roof Condition Map of Coolidge Elementary School (2017)



ROOFING TECHNOLOGY ASSOCIATES, LTD.

38031 SCHOOLCRAFT
LIVONIA, MICHIGAN 48150-1065
(734) 591-4444 • FAX (734) 591-1660 • E-MAIL: rta@rtald.com
Web site www.rtald.com

September 28, 2022

Mr. Brian Weber
Plance Moran CRESA
26300 Northwestern Highway, Suite 120
Southfield MI 48076
Brian.weber@plantemoran.com

RE: ROOF REMEDIATION SPECIFICATIONS, BIDDING ASSISTANCE AND QUALITY CONTROL MONITORING SERVICES
Livonia Public Schools
• Kennedy Elementary School
Livonia, Michigan

Dear Mr. Weber:

In accordance with your request, we are pleased to submit this proposal to provide **additional** roof consulting services for the above-referenced school. We have prepared this proposal based upon our conversations with you, our past involvement with these facilities and our past experience on similar projects. The purpose of this correspondence is to outline our proposed scope of services and provide you with a fee for our services. We trust that you will find this proposal acceptable and will retain our firm to perform the required roof consulting services.

As requested, we will provide roof consulting services in accordance with the scope of work outlined herein for the above referenced school. The building has approximately 49,480 square feet of roofing.

The subject building is a school facility which is one story in height. The existing roofs are generally low-sloped and are covered with a PVC roofing system.

PHASE I – PLANS AND TECHNICAL SPECIFICATIONS / BID ASSISTANCE

Remedial roofing specifications will be prepared based upon pertinent information gathered during site visits to determine specific existing conditions. The technical documents will include plans, specifications and details necessary to clearly define the scope of the remedial roof work. The items of work will include:

- Review of any available construction plans and details and compiling any other available information regarding the details or existing construction.

Professional Roof Consulting Services



- Visit the project sites to examine and evaluate the roof areas designated for remedial roof work. Perform test cuts on the existing roof systems at walls and curbs to determine the existing details of construction. Repair test cut samples immediately after our visual examination.
- Development of the most feasible and economical solutions to the current conditions based upon the project parameters.
- Preparation of technical specifications, including roof plans and details for the required remedial work. The technical specifications will establish the types and quality of the materials to be used and the manner in which the materials are to be applied. Included is the design of new fascia panels.
- Incorporation of the technical specifications with other standard requirements and bidding documents to provide a complete bid package. Such additional information will include insurance requirements, general conditions of construction and bid proposal forms. It is understood that RTA will prepare and provide such additional information and will assemble the complete bid packages. Assist with the advertising of the project as necessary.
- Assistance will be provided in the invitation of qualified roofing contractors to bid the required work as may be required.
- Attendance at a pre-bid meeting at the project sites with the contractors bidding the project to answer questions they may have regarding the project specifications. Issue Addendums as may be required.
- Respond to requests for information from the bidding roofing contractors during the bidding period.
- Evaluation of the submitted bids will be provided to assist in the selection of the roofing contractor(s) to perform the work. A recommendation relative to our evaluation of the bids will be submitted.

PHASE II – ROOFING QUALITY CONTROL MONITORING SERVICES

Construction quality control monitoring services are provided to ensure that the requirements of the contract documents are being met. The ongoing determination of contract compliance is based upon daily construction monitoring, which includes verification that the specified materials are used, proper quantities of materials are provided, and that the order and method of installation of such materials is in accordance with acceptable standard industry installation procedures. The goal of construction monitoring is to ensure that a quality roofing system is attained.



During the roof renovation work, we propose to provide an experienced roofing field representative to provide quality control monitoring and any required testing services in order to develop opinions as to whether the work essentially complies with project requirements and sound roofing practices.

In general, a variety of construction quality control monitoring services will be provided on your project. Specifically, our services will include the following items of work:

- Attendance at a pre-construction conference by our representatives. Specific items relating to materials storage, application procedures, work schedule and quality control requirements will be reviewed. The roof areas will be reviewed with parties involved in the project to clarify project performance requirements.
- Part-time on-site observation of in-progress roofing operations will be provided as needed. Contact will be made with your representative to review job progress.
- Preparation of Field Reports which will provide a summary of each day's activities, areas worked, test locations and results, notes regarding materials and processes that are found to not be in compliance with the contract documents and project requirements, and any other pertinent information.
- Preparation of punch lists and follow-up on any incomplete or incorrectly installed materials after substantial completion of the reroofing work on each area. A final inspection report will be issued when all roofing and related sheet metal work is complete.
- Review Roofing Contractor's submittals and shop drawings.

GENERAL

One of our Registered Roof Consultants (RRCs) will serve as Project Manager on this project. Other staff members will be assigned to the project once the project schedule is formalized.

We will commence our services after receiving your written authorization to proceed. The technical specifications will be available for bidding by the selected roofing contractors by October 28, 2022 for Kennedy, providing weather conditions allow for the timely completion of our field work.

PROFESSIONAL FEES

Professional fees for the work and personnel required to complete the above outlined roof consulting services will be established and billed on a lump sum basis.



The fees for the services of the project roof areas as outlined herein will be:

PHASE I AND PHASE II: Kennedy Elementary School	\$41,500
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The fixed fee is approximately 2.8% of the preliminary budget of \$1,484,400 for roofing. If the actual bid costs are 10% over or under the preliminary budget, the fee will be reevaluated accordingly.

Any necessary additional charges for services and personnel required to complete the project, such as specially requested meetings or other assistance, will be in accordance with our Fee and Rate Schedule (attached). If it appears that additional work is necessary for this project, we will contact you or your office with reference to any needed modifications. No additional work will be performed unless authorized by you.

We appreciate this opportunity to submit our proposal for your consideration and look forward to working with you on this project. Following your review of this proposal, please do not hesitate to call us should you have any questions regarding this submittal.

Please indicate your acceptance of this proposal by having the appropriate person submit to us written authorization to perform the above outlined roof consulting services. Thank you for the opportunity to submit this proposal.

Sincerely,

ROOFING TECHNOLOGY ASSOCIATES, LTD.

Michael C. Bode, RRC
President

MCB/lab



ROOFING TECHNOLOGY ASSOCIATES, LTD.

38031 SCHOOLCRAFT
LIVONIA, MICHIGAN 48150-1065
(734) 591-4444 • FAX (734) 591-1660 • E-MAIL: rta@rtaltd.com
Web site www.rtaltd.com

FEE AND RATE SCHEDULE PROFESSIONAL SERVICES

PERSONNEL

Fees for our services will be based upon the time worked on the project by professional, technical and clerical personnel according to the following schedule:

	PER HOUR
Senior Project Manager	\$156.00
Project Manager	\$146.00
Senior Roof Consultant	\$133.00
Project Roof Consultant	\$114.00
Staff Roof Consultant*	\$104.00
Senior Roof Technician*	\$98.00
Roof Technician*	\$86.00
CADD Operator*	\$86.00
Secretarial Services*	\$57.00

*For these personnel, overtime work will be charged at a rate equal to 1.3 times the Standard Rate. A premium of 50 percent will be added to hourly rates for depositions and expert witness testimony.

EXPENSES

The following expenses, when incurred in connection with the project, will be charged at the rates shown:

Transportation, Lodging and Subsistence for Out of Town Travel	Cost+15%
Printing, Reproduction, Photographs, Long distance Telephone and Facsimile Charges, Shipping Charges, and Material Purchases	Cost+15%
Vehicle Travel for Project	\$0.85/Mile
Rental of Specialized Field, Laboratory or Monitoring Equipment	Cost+15%

SUBCONTRACTORS/SUBCONSULTANTS

On projects requiring subcontractors or subconsultants, we will obtain the services of reputable contractors or consultants to perform such work. The fees of these contractors or consultants will be added to our invoices plus a 15% service charge.

INVOICES

Progress invoices will be submitted to the client monthly and a final bill will be submitted upon completion of our services. Invoices will show charges for different personnel and expenses. Each invoice is due on presentation and is past due thirty (30) days from invoice date. Client agrees to pay a finance charge of one and one-half percent (1½%) per month on past due accounts. We reserve the right to suspend or terminate work under our agreement upon failure of the client to pay invoices when due.



ROOFING TECHNOLOGY ASSOCIATES, LTD.

38031 SCHOOLCRAFT
LIVONIA, MICHIGAN 48150-1065
(734) 591-4444 • FAX (734) 591-1660 • E-MAIL: rta@rtaltd.com
Web site www.rtaltd.com

September 28, 2022

Mr. Brian Weber
Plance Moran CRESA
26300 Northwestern Highway, Suite 120
Southfield MI 48076
Brian.weber@plantemoran.com

RE: ROOF REMEDIATION SPECIFICATIONS
Livonia Public Schools
• Webster Elementary School
• Coolidge Elementary School
Livonia, Michigan

Dear Mr. Weber:

In accordance with your request, we are pleased to submit this proposal to provide **additional** roof consulting services for the above-referenced schools. We have prepared this proposal based upon our conversations with you, our past involvement with these facilities and our past experience on similar projects. The purpose of this correspondence is to outline our proposed scope of services and provide you with a fee for our services. We trust that you will find this proposal acceptable and will retain our firm to perform the required roof consulting services.

As requested, we will provide roof consulting services in accordance with the scope of work outlined herein for the above referenced two schools. The buildings have approximately 132,000 square feet of roofing.

The subject buildings are school facilities which are one story in height. The existing roofs are generally low-sloped and are covered with a PVC roofing system.

PHASE I – PLANS AND TECHNICAL SPECIFICATIONS

Remedial roofing specifications will be prepared based upon pertinent information gathered during site visits to determine specific existing conditions. The technical documents will include plans, specifications and details necessary to clearly define the scope of the remedial roof work. The items of work will include:



- Review of any available construction plans and details and compiling any other available information regarding the details or existing construction.
- Visit the project sites to examine and evaluate the roof areas designated for remedial roof work. Perform test cuts on the existing roof systems at walls and curbs to determine the existing details of construction. Repair test cut samples immediately after our visual examination.
- Development of the most feasible and economical solutions to the current conditions based upon the project parameters.
- Preparation of technical specifications, including roof plans and details for the required remedial work. The technical specifications will establish the types and quality of the materials to be used and the manner in which the materials are to be applied. Included is the design of new fascia panels.
- Incorporation of the technical specifications with other standard requirements and bidding documents to provide a complete bid package. Such additional information will include insurance requirements, general conditions of construction and bid proposal forms. It is understood that RTA will prepare and provide such additional information and will assemble the complete bid packages. Assist with the advertising of the project as necessary.

GENERAL

A bidding assistance and quality control monitoring proposal will be provided at a later date.

One of our Registered Roof Consultants (RRCs) will serve as Project Manager on this project. Other staff members will be assigned to the project once the project schedule is formalized.

PROFESSIONAL FEES

Professional fees for the work and personnel required to complete the above outlined roof consulting services will be established and billed on a lump sum basis.

The fees for the services of the project roof areas as outlined herein will be:

PHASE I

Webster Elementary School	\$37,300
Coolidge Elementary School	<u>\$39,100</u>
TOTAL	\$76,400



The fixed fee is approximately 1.9% of the preliminary budget of \$3,965,400 for roofing. If the actual bid costs are 10% over or under the preliminary budget, the fee will be reevaluated accordingly.

Any necessary additional charges for services and personnel required to complete the project, such as specially requested meetings or other assistance, will be in accordance with our Fee and Rate Schedule (attached). If it appears that additional work is necessary for this project, we will contact you or your office with reference to any needed modifications. No additional work will be performed unless authorized by you.

We appreciate this opportunity to submit our proposal for your consideration and look forward to working with you on this project. Following your review of this proposal, please do not hesitate to call us should you have any questions regarding this submittal.

Please indicate your acceptance of this proposal by having the appropriate person submit to us written authorization to perform the above outlined roof consulting services. Thank you for the opportunity to submit this proposal.

Sincerely,

ROOFING TECHNOLOGY ASSOCIATES, LTD.

Michael C. Bode, RRC
President

MCB/lab



ROOFING TECHNOLOGY ASSOCIATES, LTD.

38031 SCHOOLCRAFT
LIVONIA, MICHIGAN 48150-1065
(734) 591-4444 • FAX (734) 591-1660 • E-MAIL: rta@rtaltd.com
Web site www.rtaltd.com

FEE AND RATE SCHEDULE PROFESSIONAL SERVICES

PERSONNEL

Fees for our services will be based upon the time worked on the project by professional, technical and clerical personnel according to the following schedule:

	PER HOUR
Senior Project Manager	\$156.00
Project Manager	\$146.00
Senior Roof Consultant	\$133.00
Project Roof Consultant	\$114.00
Staff Roof Consultant*	\$104.00
Senior Roof Technician*	\$98.00
Roof Technician*	\$86.00
CADD Operator*	\$86.00
Secretarial Services*	\$57.00

*For these personnel, overtime work will be charged at a rate equal to 1.3 times the Standard Rate. A premium of 50 percent will be added to hourly rates for depositions and expert witness testimony.

EXPENSES

The following expenses, when incurred in connection with the project, will be charged at the rates shown:

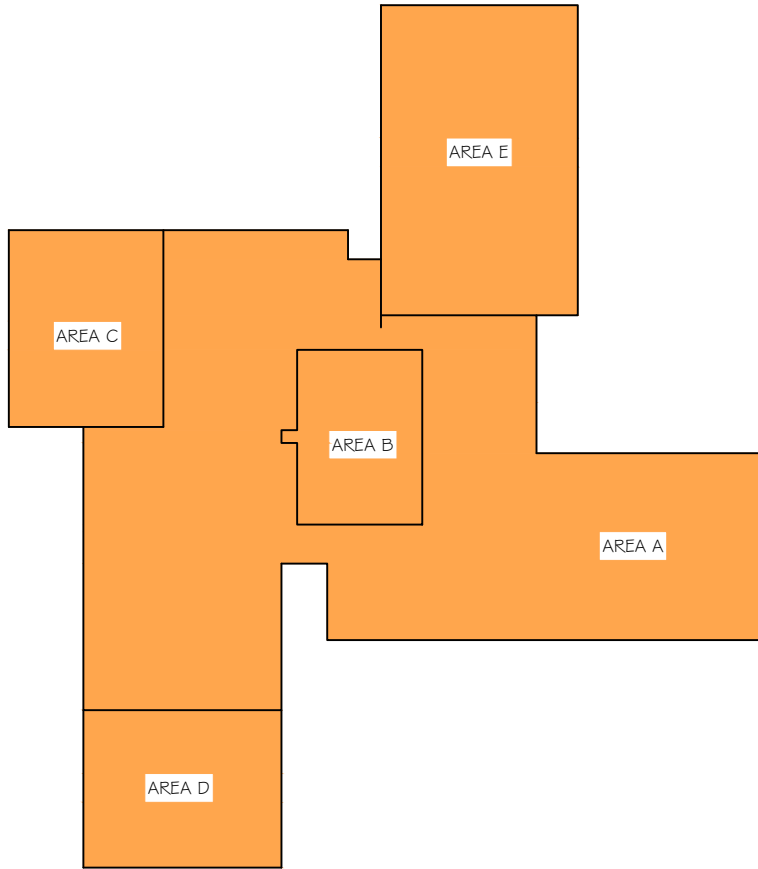
Transportation, Lodging and Subsistence for Out of Town Travel	Cost+15%
Printing, Reproduction, Photographs, Long distance Telephone and Facsimile Charges, Shipping Charges, and Material Purchases	Cost+15%
Vehicle Travel for Project	\$0.85/Mile
Rental of Specialized Field, Laboratory or Monitoring Equipment	Cost+15%

SUBCONTRACTORS/SUBCONSULTANTS

On projects requiring subcontractors or subconsultants, we will obtain the services of reputable contractors or consultants to perform such work. The fees of these contractors or consultants will be added to our invoices plus a 15% service charge.

INVOICES

Progress invoices will be submitted to the client monthly and a final bill will be submitted upon completion of our services. Invoices will show charges for different personnel and expenses. Each invoice is due on presentation and is past due thirty (30) days from invoice date. Client agrees to pay a finance charge of one and one-half percent (1½%) per month on past due accounts. We reserve the right to suspend or terminate work under our agreement upon failure of the client to pay invoices when due.



GENERAL NOTES:

1. All areas and dimensions shown are approximate and based upon rough field measurements taken by representatives of Roofing Technology Associates, Ltd.
2. This drawing should not be used for bidding or estimating purposes. Contractors are responsible for their own field measurements, quantities and verification of conditions shown.

CONDITION		SERVICEABLE LIFE	RCI
failed		0 - 1 years	0 - 30
very poor		1 - 3 years	31 - 45
poor		3 - 6 years	46 - 55
fair		6 - 10 years	56 - 65
fair to good		10 - 15 years	66 - 75
good		15+ years	76 - 100

ROOF AREA PLAN

not to scale

NOTE: components shown are new unless noted as existing

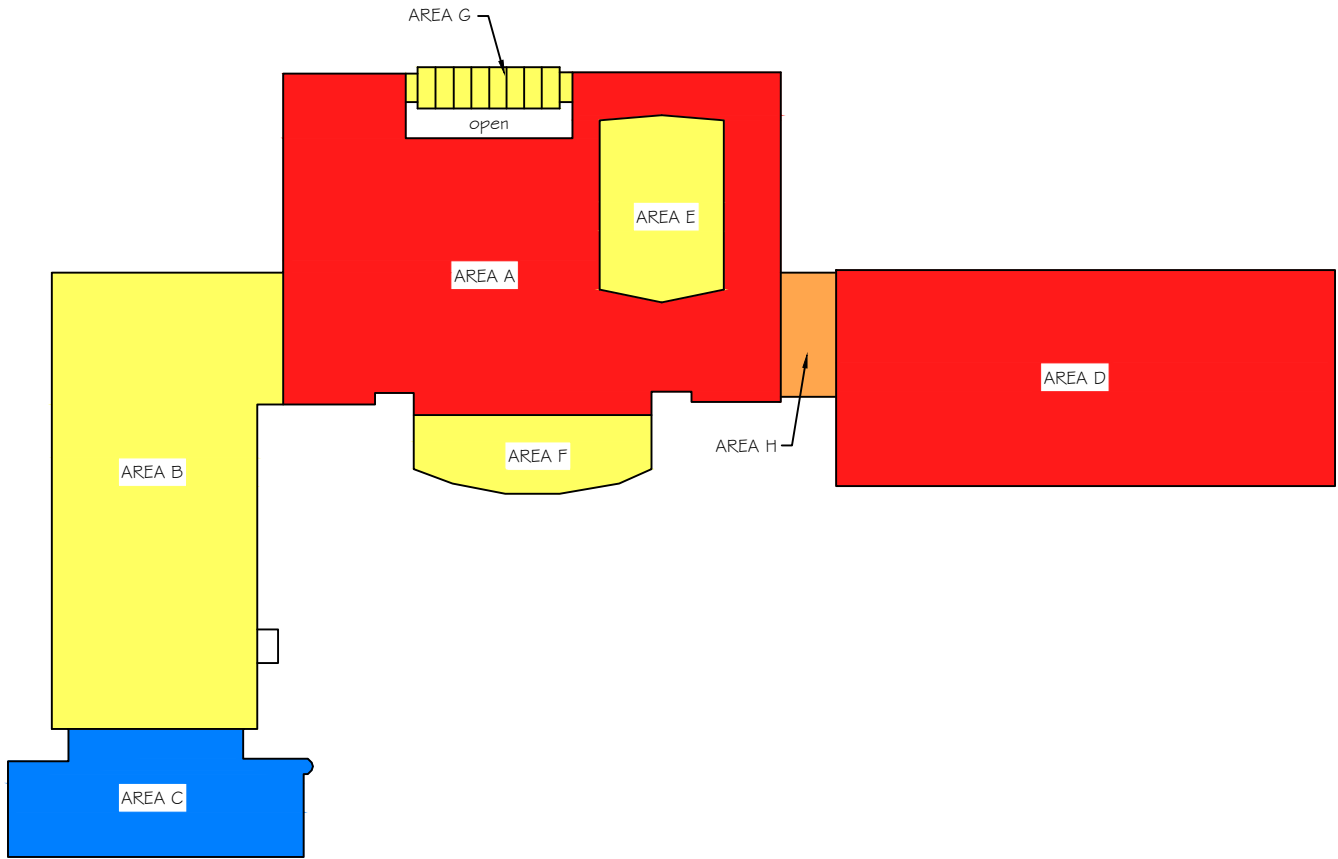


ROOFING TECHNOLOGY ASSOCIATES, LTD.

38031 SCHOOLCRAFT ROAD
LIVONIA, MICHIGAN 48150-1065
(734) 591-4444

LIVONIA PUBLIC SCHOOLS
KENNEDY ELEMENTARY SCHOOL
14201 HUBBARD ST
LIVONIA, MICHIGAN

Project No: 17-043	Drawn By: JDS	Detail No: 9
Date: JUNE, 2017	Checked By: MCB	



GENERAL NOTES:

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2. This drawing should not be used for bidding or estimating purposes. Contractors are responsible for their own field measurements, quantities and verification of conditions shown.

CONDITION		SERVICEABLE LIFE	RCI
failed		0 - 1 years	0 - 30
very poor		1 - 3 years	31 - 45
poor		3 - 6 years	46 - 55
fair		6 - 10 years	56 - 65
fair to good		10 - 15 years	66 - 75
good		15+ years	76 - 100

ROOF AREA PLAN

not to scale

NOTE: components shown are new unless noted as existing



ROOFING TECHNOLOGY ASSOCIATES, LTD.

38031 SCHOOLCRAFT ROAD
LIVONIA, MICHIGAN 48150-1065
(734) 591-4444

LIVONIA PUBLIC SCHOOLS
WEBSTER ELEMENTARY SCHOOL
32401 PEMBROKE ST
LIVONIA, MICHIGAN

Project No: 17-043

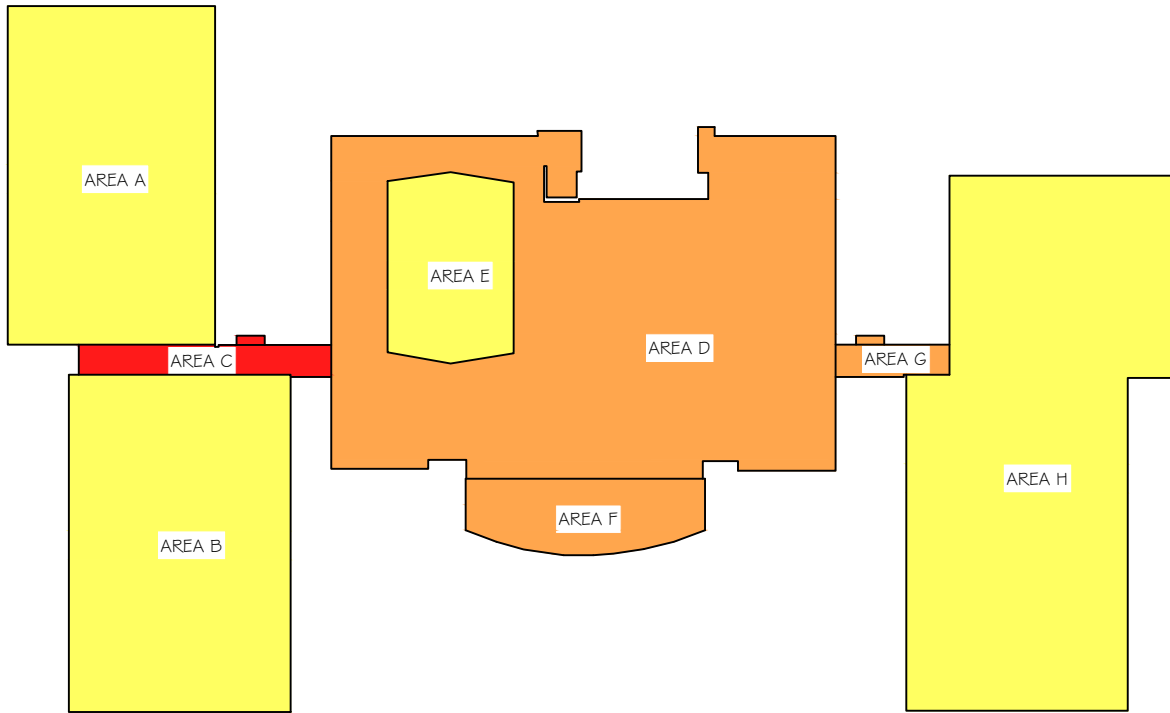
Drawn By: JDS

Detail No:

Date: JUNE, 2017

Checked By: MCB

13



GENERAL NOTES:

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2. This drawing should not be used for bidding or estimating purposes. Contractors are responsible for their own field measurements, quantities and verification of conditions shown.

CONDITION		SERVICEABLE LIFE	RCI
failed		0 - 1 years	0 - 30
very poor		1 - 3 years	31 - 45
poor		3 - 6 years	46 - 55
fair		6 - 10 years	56 - 65
fair to good		10 - 15 years	66 - 75
good		15+ years	76 - 100

ROOF AREA PLAN

not to scale

NOTE: components shown are new unless noted as existing



ROOFING TECHNOLOGY ASSOCIATES, LTD.

38031 SCHOOLCRAFT ROAD
LIVONIA, MICHIGAN 48150-1065
(734) 591-4444

LIVONIA PUBLIC SCHOOLS
COOLIDGE ELEMENTARY SCHOOL
30500 CURTIS RD
LIVONIA, MICHIGAN

Project No: 17-043	Drawn By: JDS	Detail No: 4
Date: JUNE, 2017	Checked By: MCB	

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2022**

TOPIC: Approval to Purchase LMC Bookshelves – 2021 Bond

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District approve the recommendation from the Owner’s Representative, Plante Moran Cresa, to approve the purchase of bookshelves for Library Media Centers at Cleveland Elementary, Rosedale Elementary, Riley Upper Elementary, Frost Middle School, and Franklin High School from NBS Commercial Interiors, Troy, Michigan in an amount not to exceed \$306,800.00, which includes contingency.

RATIONALE:

The LMC’s at these locations are being renovated in the summer of 2023 via the 2021 Bond Initiative. The bookshelves are being ordered early due to anticipated lead time. Pricing is from the National Cooperative Purchasing Alliance (NCPA), which fulfills the Board’s bid requirement.

BUDGETARY INFORMATION:

2021 Bond Fund

RESOURCE PERSONNEL:

Phillip Francis, Assistant Superintendent of District Services

EXHIBITS:

Attached

PF/ko

October 5, 2022

Mr. Phillip Francis
Assistant Superintendent of District Services
Livonia Public Schools
15125 Farmington Road
Livonia, MI 48154

RE: 2021 Bond Program
LMC Bookcase Purchase Recommendation
Cleveland ES / Rosedale ES / Riley UES / Frost MS / Franklin HS

Dear Mr. Francis:

This letter transmits an update from Plante Moran Cresa (PMC) as it relates to the assignment to assist and advise Livonia Public Schools (LPS) in its purchase of furniture for the Project listed above. This update represents the mutual efforts of PMC, French Associates, and LPS administration and staff (the Team).

Coinciding with ongoing design efforts to renovate and reimagine LMC spaces as part of the 2021 Bond Program, the Team has conducted multiple meetings and site visits over the course of the past few months focused on the selection of furniture to best serve each space. While decisions around the balance of 2023 LMC sites remain ongoing, the Team is driven to expedite the purchase of bookcases for each site specifically due to current material procurement timelines and efforts to streamline installation of the bookcases upon completion of renovation activities.

The Team recommends awarding **NBS Commercial Interiors** to supply and install LMC bookcases in an amount not-to-exceed **\$306,800.00** as further detailed below and within French’s recommendation documents.

Cleveland Elementary School:	\$29,613.64
Rosedale Elementary School:	\$24,646.76
Riley Upper Elementary School:	\$71,575.08
Frost Middle School:	\$66,756.56
Franklin High School:	\$99,589.36
<hr/>	
NBS Quotation:	\$292,181.40
Contingency (5%):	\$14,618.60
<hr/>	
Award Recommendation (NTE):	\$306,800.00

For the Vendor, the pricing for this work will be detailed in a Purchase Order Agreement, pending final review and approval of terms by district legal counsel.

The Team is available at the Board's convenience to answer any questions regarding this recommendation. Please direct all questions through me via email at brian.weber@plantemoran.com.

Sincerely,

PLANTE MORAN CRESA



Brian Weber
Vice President

Enclosures: French Associates Recommendation Letter
 Product Information & Layout
 Vendor Proposals



architects planners interiors

236 Mill Street
Rochester, MI
48307

October 5th, 2022

Phillip Francis
Asst. Superintendent of District Services
Livonia Public Schools

**Subject: 2021 Bond Program – 2023 Renovations
Media Center Bookcases**

Dear Mr. Francis,

French Associates has been consulting with NBS Commercial Interiors in the development and programming of furniture for the 2021 Bond Program projects. Throughout the design process, NBS has aided in product selections, availability, and lead times.

On October 1st, 2022, French Associates received furniture quotes from NBS Commercial Interiors for the Media Center bookcases for Cleveland Elementary, Rosedale Elementary, Frost Middle School, Riley Upper Elementary and Franklin High School. The bookcases are to be ordered early to ensure on time manufacturing and stored at Media Technologies free of charge until summer of 2023 installation.

Enclosed are the furniture quotes that utilize the NCPA consortium group pricing. The totals for these projects are as follows:

Cleveland Elementary: \$29,613.64
Rosedale Elementary: \$24,646.76
Riley Upper Elementary: \$71,575.08
Frost Middle School: \$66,756.56
Franklin High School: \$99,589.36

French Associates is recommending award to NBS Commercial Interiors for the procurement and installation of furniture bookcases in the Media Centers at all the schools listed above.

Please contact me if you have any questions.

Sincerely,

Jessica Walter
Interior Designer

NCIDQ SEAL:

32

GENERAL NOTES:
NOT FOR CONSTRUCTION
ALL STRUCTURAL, MECHANICAL & ELECTRICAL ENGINEERING IS THE RESPONSIBILITY OF OTHERS.
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IF NBS DID NOT DESIGN THIS PROJECT, NBS DOES NOT ASSUME RESPONSIBILITY FOR THE DESIGN, SPECIFICATION OF PARTS OR APPLICATION OF PRODUCTS INCLUDED IN THIS BID. NBS HAS ONLY RESPONDED TO THE PRICING REQUEST FOR THE

APPROVED BY: DATE:

APPROVED APPROVED AS NOTED

07/29/22	PROGRESS
08/09/22	BUDGET LABOR
09/28/22	AUDIT/LABOR

OWNER:

LIVONIA PUBLIC SCHOOLS

PROJECT:
CLEVELAND EL - MEDIA CENTER RENOVATION

28030 CATHEDRAL ST
LIVONIA, MI

PROJECT FOLDER: 221130

HEDBERG ORDER #: TBD

ACCOUNT MANAGER: M.DUGAN

DESIGNER: S.MAZZARA

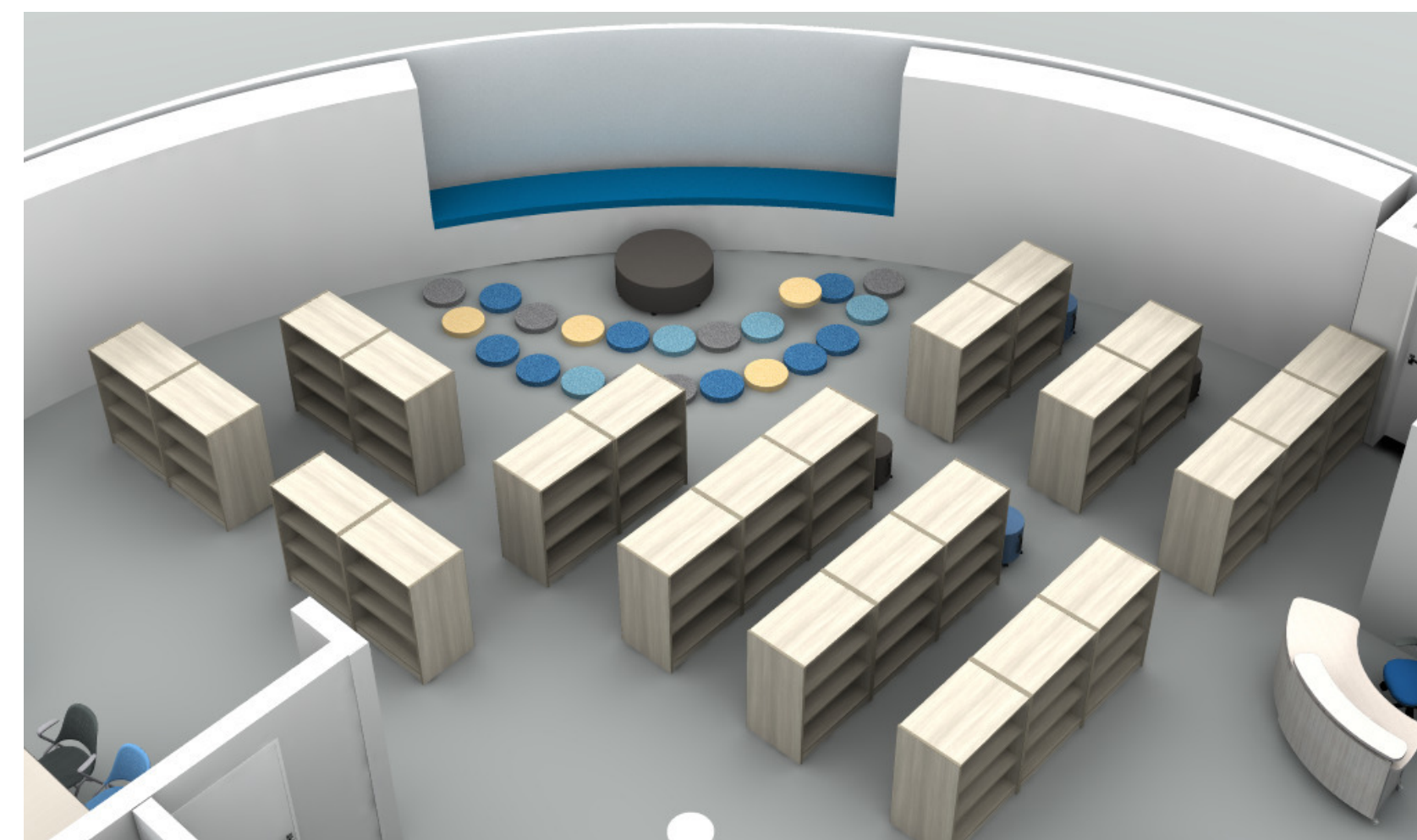
PROJECT MANAGER: M.GREEN

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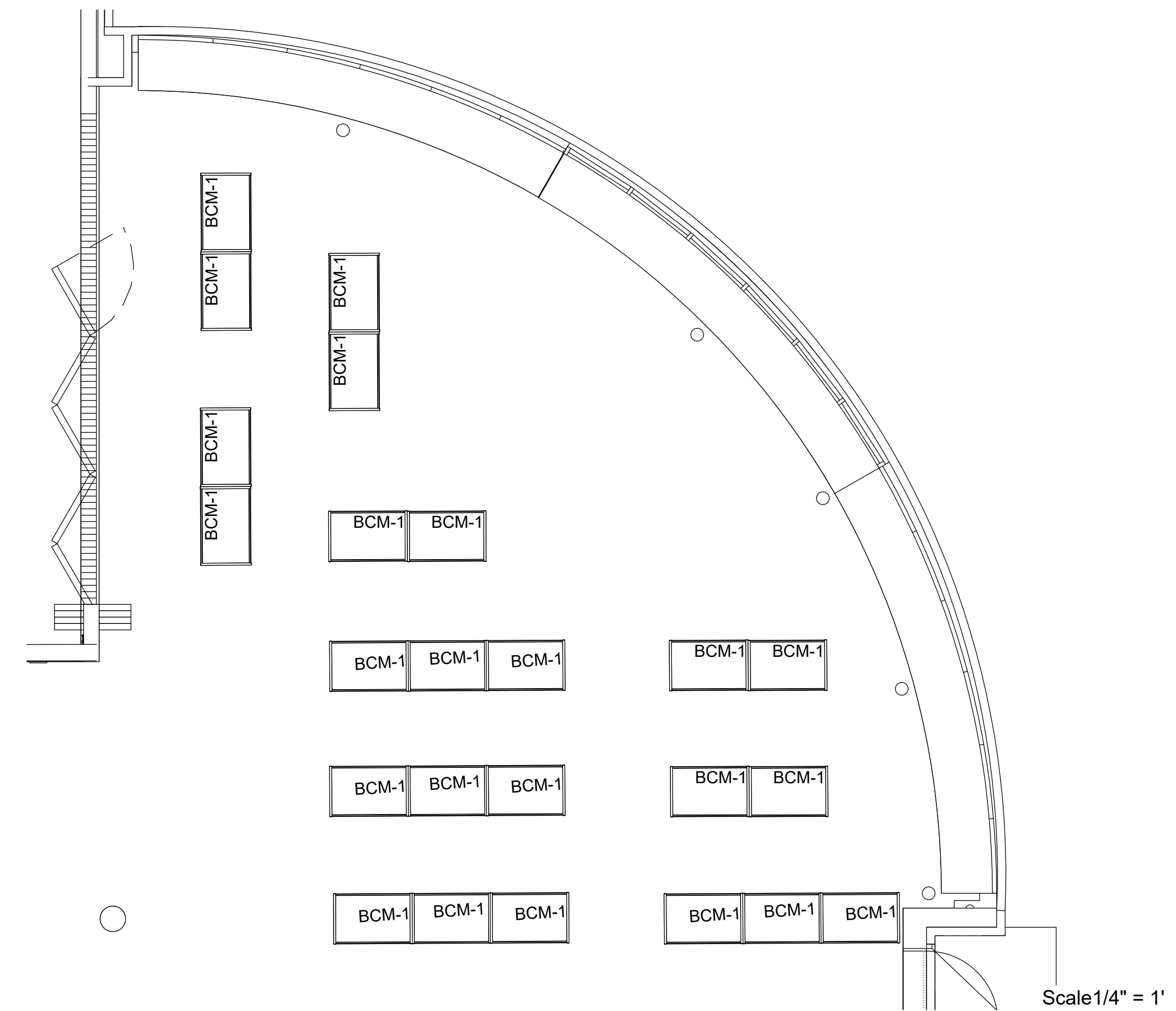
COMPONENT PLAN

DRAWING NUMBER:

ID-3.1



OVERALL RENDERING: BOOK STACKS



COMPONENT PLAN - BOOK STACKS



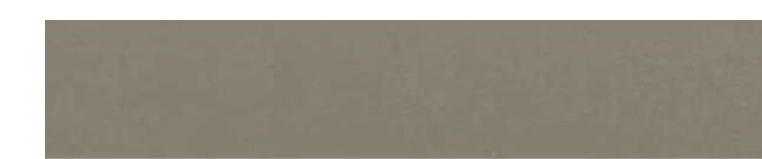
MEDIA TECHNOLOGIES - BENCHMARK 11 SERIES MOBILE DOUBLE-FACED 36"W X 24"D X 48"H BOOKSHELF



MEDIA TECHNOLOGIES - BENCHMARK 11 SERIES SINGLE-FACED 36"W X 12"D X 72"H BOOKSHELF

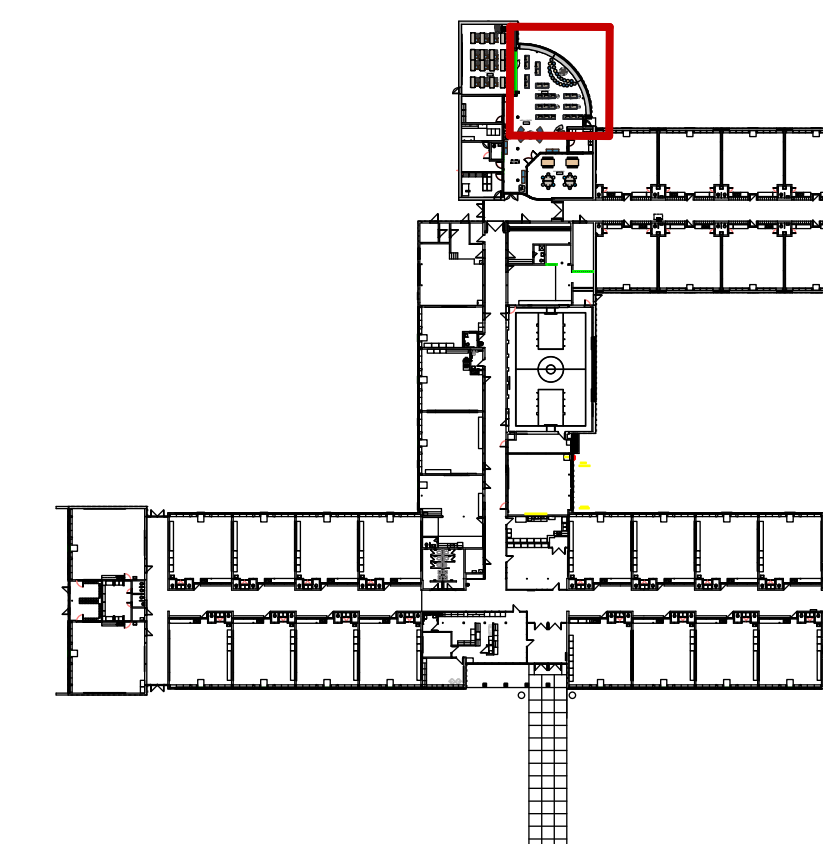


PREMIUM HPL: GREYED OAK 5791



PVC EDGE: SILVER GRAY C600244

FINISHES

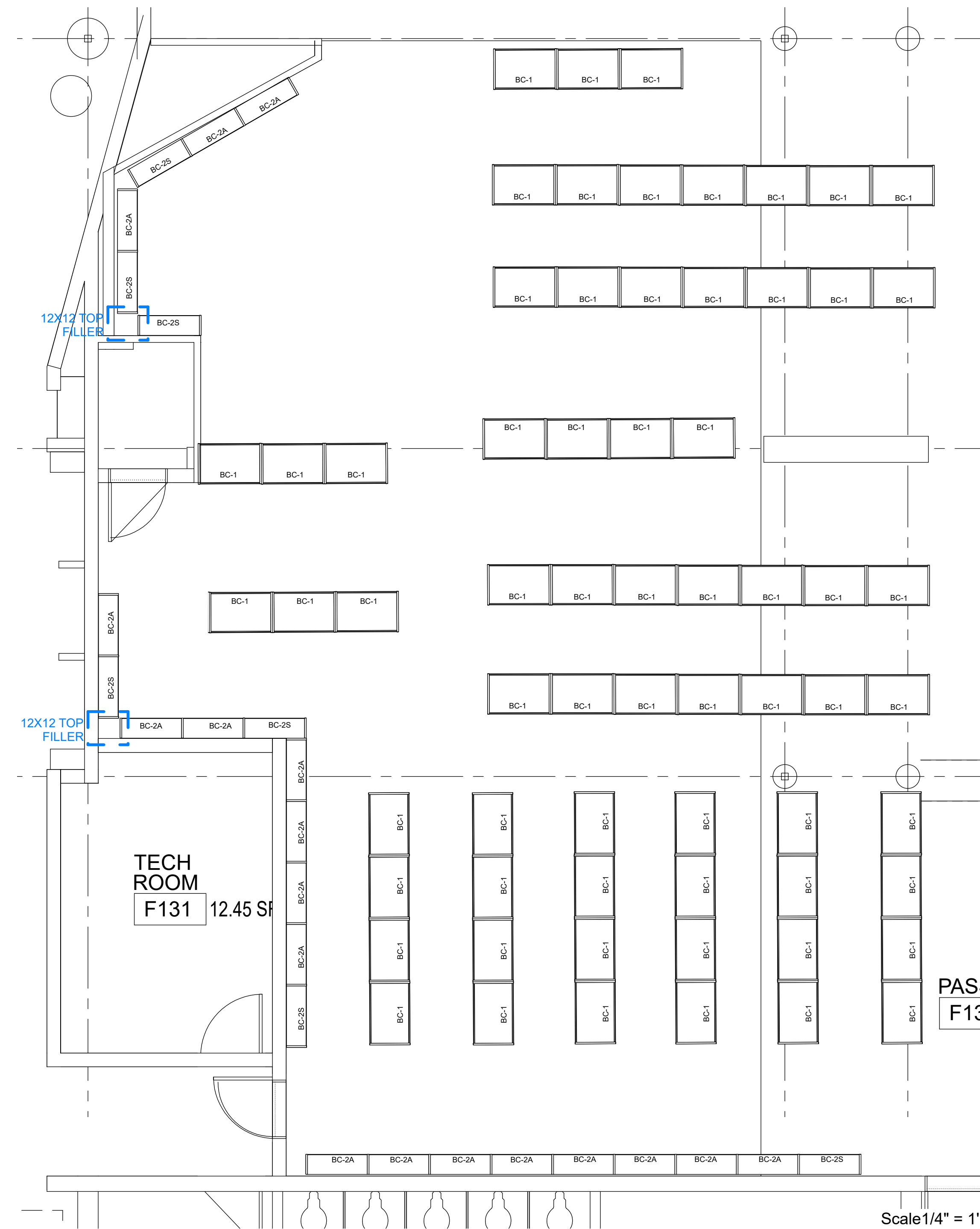


KEY PLAN

**MEDIA CENTER - BOOK STACKS
GROUND FLOOR
AUDIT Q#354464**



OVERALL RENDERING: BOOK STACKS



COMPONENT PLAN - BOOK STACKS



MEDIA TECHNOLOGIES -
BENCHMARK 11 SERIES
MOBILE DOUBLE-FACED 36"W
X 24"D X 48"H BOOKSHELF



MEDIA TECHNOLOGIES -
BENCHMARK 11 SERIES
SINGLE-FACED 36"W X 12"D X 72"H
BOOKSHELF

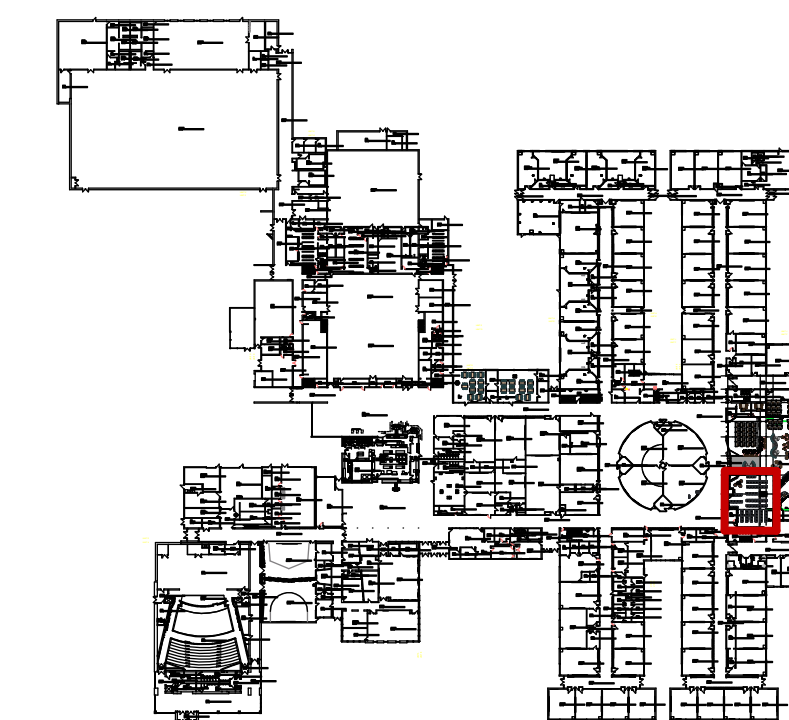


PREMIUM HPL:
GREYED OAK 5791



PVC EDGE: SILVER
GRAY C600244

FINISHES



KEY PLAN

**MEDIA CENTER - BOOK STACKS
GROUND FLOOR
AUDIT Q#354471**

NCIDQ SEAL:

33

GENERAL NOTES:
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APPROVED BY: DATE:

APPROVED APPROVED AS NOTED

08/08/22	BUDGET QUOTE
09/28/22	AUDIT/LABOR

OWNER:
LIVONIA PUBLIC SCHOOLS

PROJECT:
FRANKLIN HS - MEDIA CENTER RENOVATION

31000 JOY RD.
LIVONIA, MI

PROJECT FOLDER: 221078

HEDBERG ORDER #: TBD

ACCOUNT MANAGER: M.DUGAN

DESIGNER: S.MAZZARA

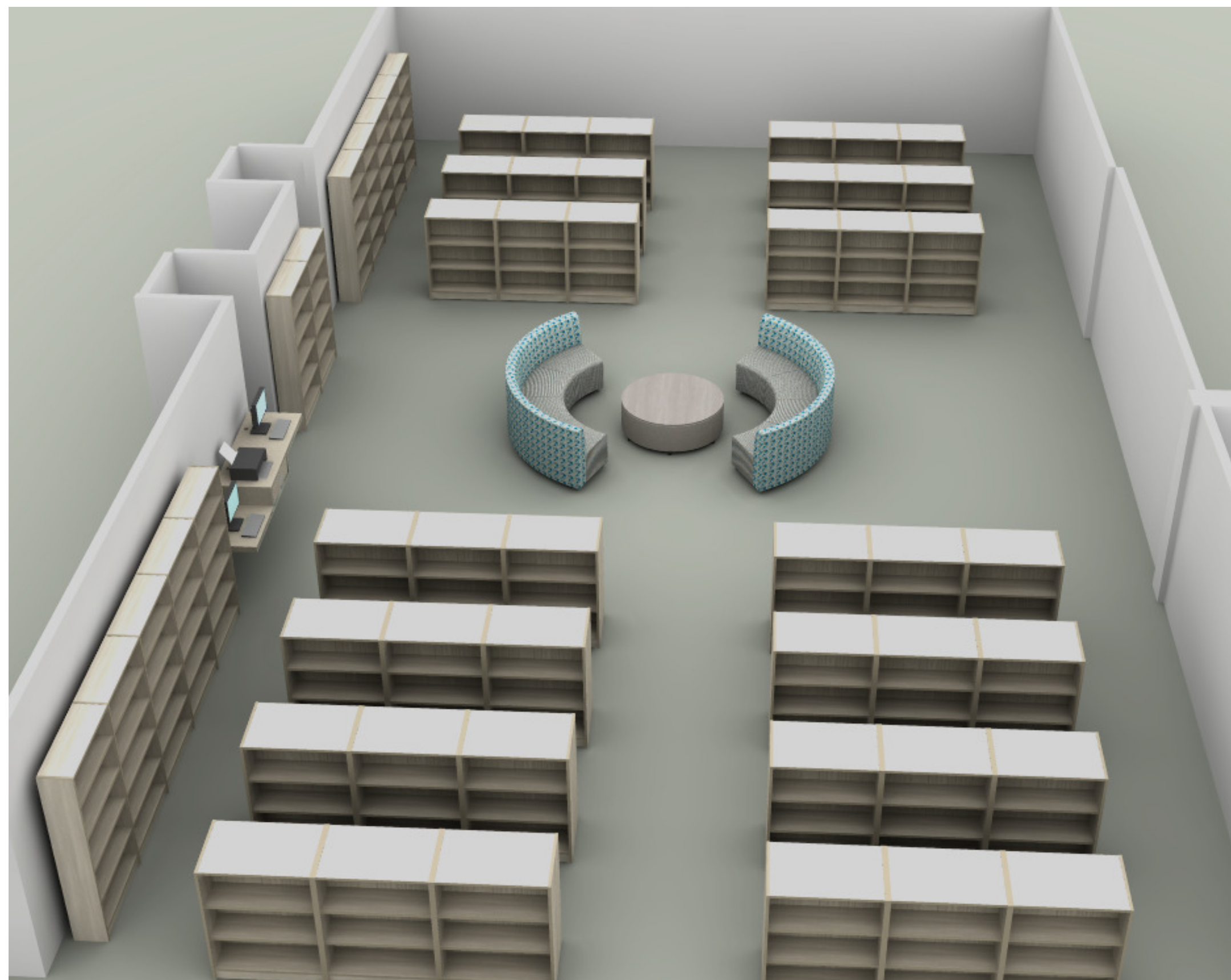
PROJECT MANAGER: M.GREEN

DRAWING:

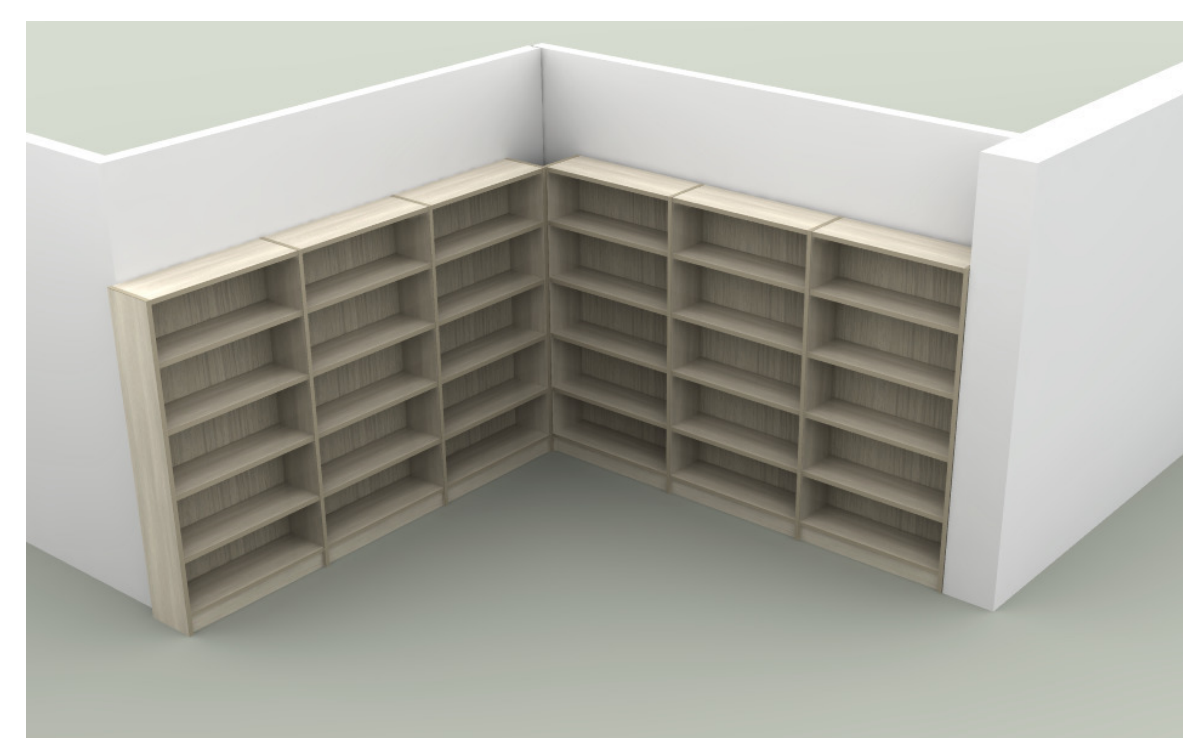
COMPONENT PLAN

DRAWING NUMBER:

ID-3.1



RENDERING A: BOOK STACKS



RENDERING B: BOOK STACKS



MEDIA TECHNOLOGIES -
BENCHMARK 11 SERIES
MOBILE DOUBLE-FACED 36"W
X 24"D X 48"H BOOKSHELF



MEDIA TECHNOLOGIES -
BENCHMARK 11 SERIES
SINGLE-FACED 36"W X 12"D X 72"H
BOOKSHELF

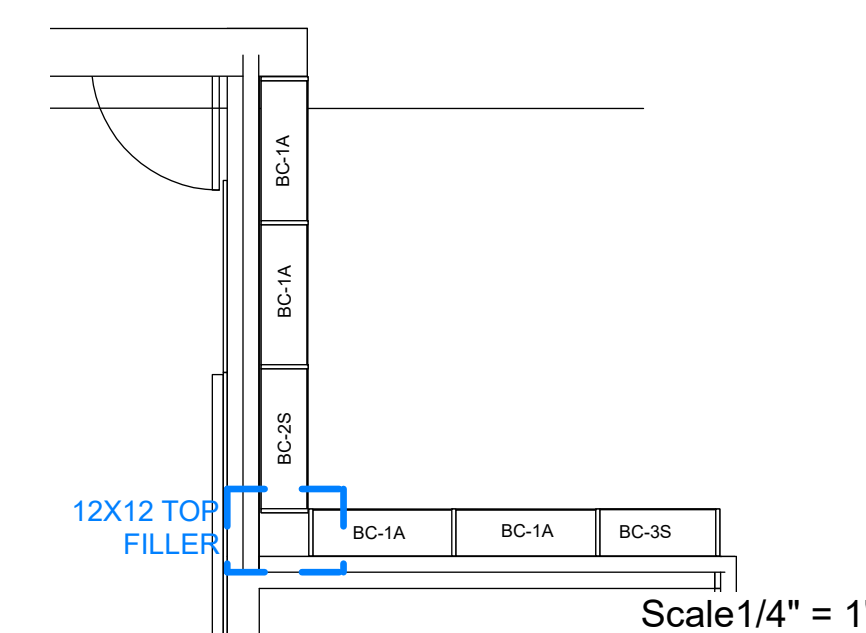
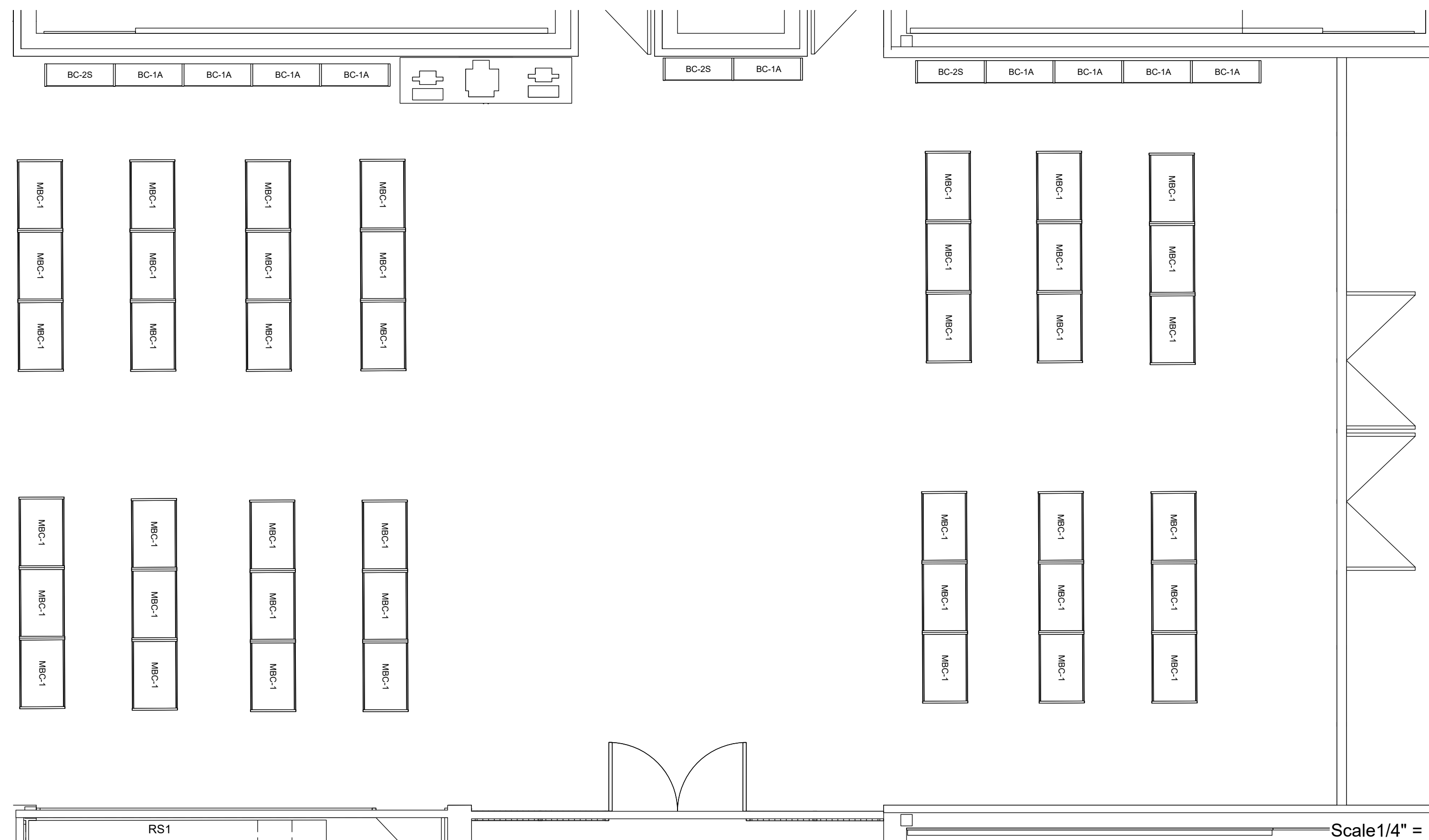


PREMIUM HPL:
GREYED OAK 5791



PVC EDGE: SILVER
GRAY C600244

FINISHES



COMPONENT PLAN - BOOK STACKS



KEY PLAN

**MEDIA CENTER - BOOK STACKS
GROUND FLOOR
AUDIT Q#354476**

NCIDQ SEAL:

GENERAL NOTES:
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ALL STRUCTURAL, MECHANICAL & ELECTRICAL ENGINEERING IS THE RESPONSIBILITY OF OTHERS.
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APPROVED BY: _____ DATE: _____

APPROVED APPROVED AS NOTED

08/09/22	AUDIT
09/28/22	AUDIT/LABOR BOOK STACKS
10/04/22	REVISION

OWNER:

LIVONIA PUBLIC SCHOOLS

**PROJECT:
FROST MS - MEDIA CENTER RENOVATION**

14041 STARK RD.
LIVONIA, MI

PROJECT FOLDER: 221131

HEDBERG ORDER #: TBD

ACCOUNT MANAGER: M.DUGAN

DESIGNER: S.MAZZARA

PROJECT MANAGER: M.GREEN

DRAWING:

COMPONENT PLAN

DRAWING NUMBER:

ID-3.1

GENERAL NOTES:
NOT FOR CONSTRUCTION
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APPROVED BY: _____ DATE: _____

APPROVED APPROVED AS NOTED

07/29/22	PROGRESS
08/09/22	BUDGET LABOR
09/28/22	AUDIT BOOK STACKS
10/04/22	REVISION

OWNER:
LIVONIA PUBLIC SCHOOLS

PROJECT:
RILEY UPPER EL - MEDIA CENTER RENOVATION

15555 HENRY RUFF RD.
LIVONIA, MI

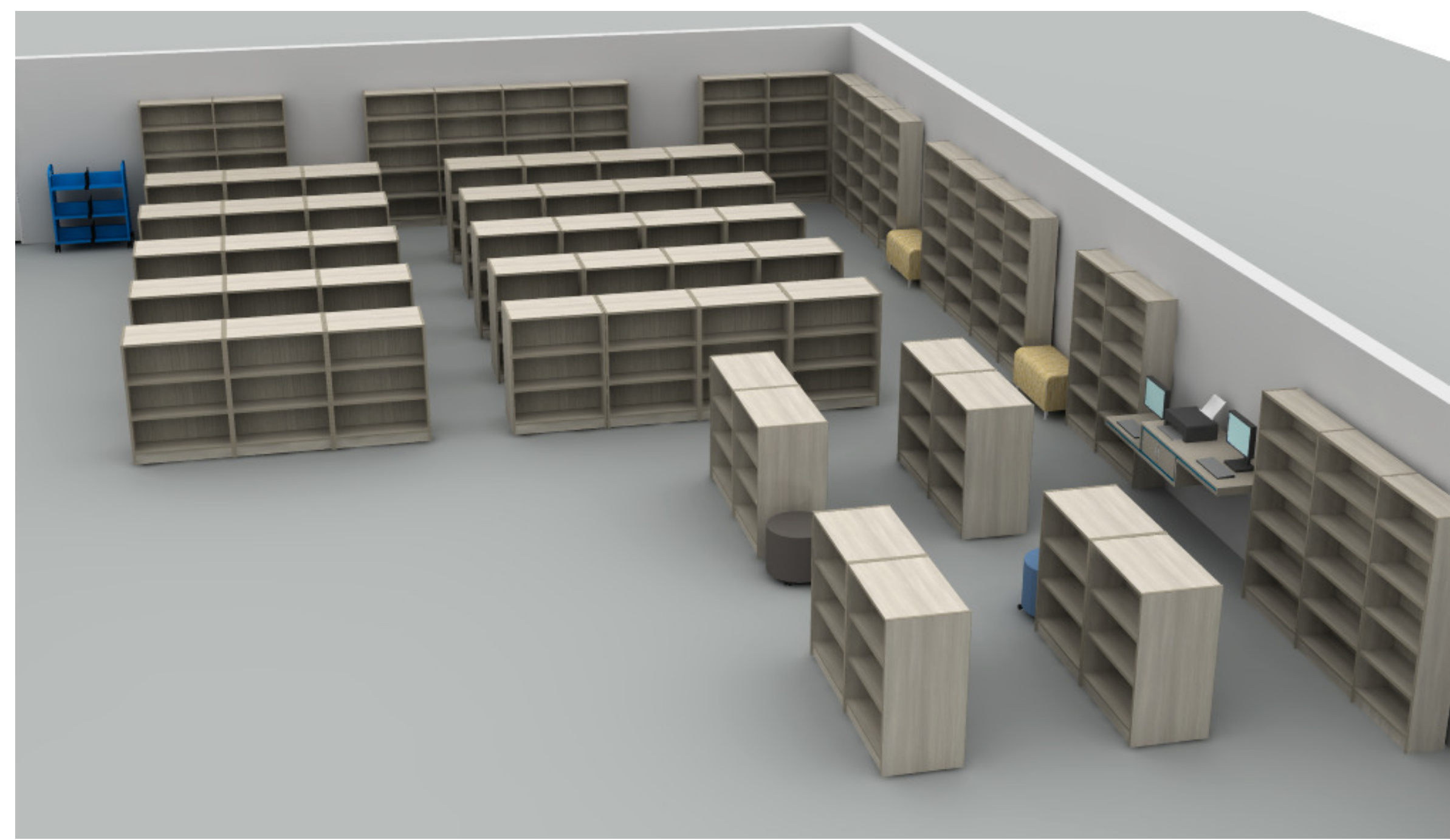
PROJECT FOLDER:	221128
HEDBERG ORDER #:	TBD
ACCOUNT MANAGER:	M.DUGAN
DESIGNER:	S.MAZZARA
PROJECT MANAGER:	M.GREEN

DRAWING:

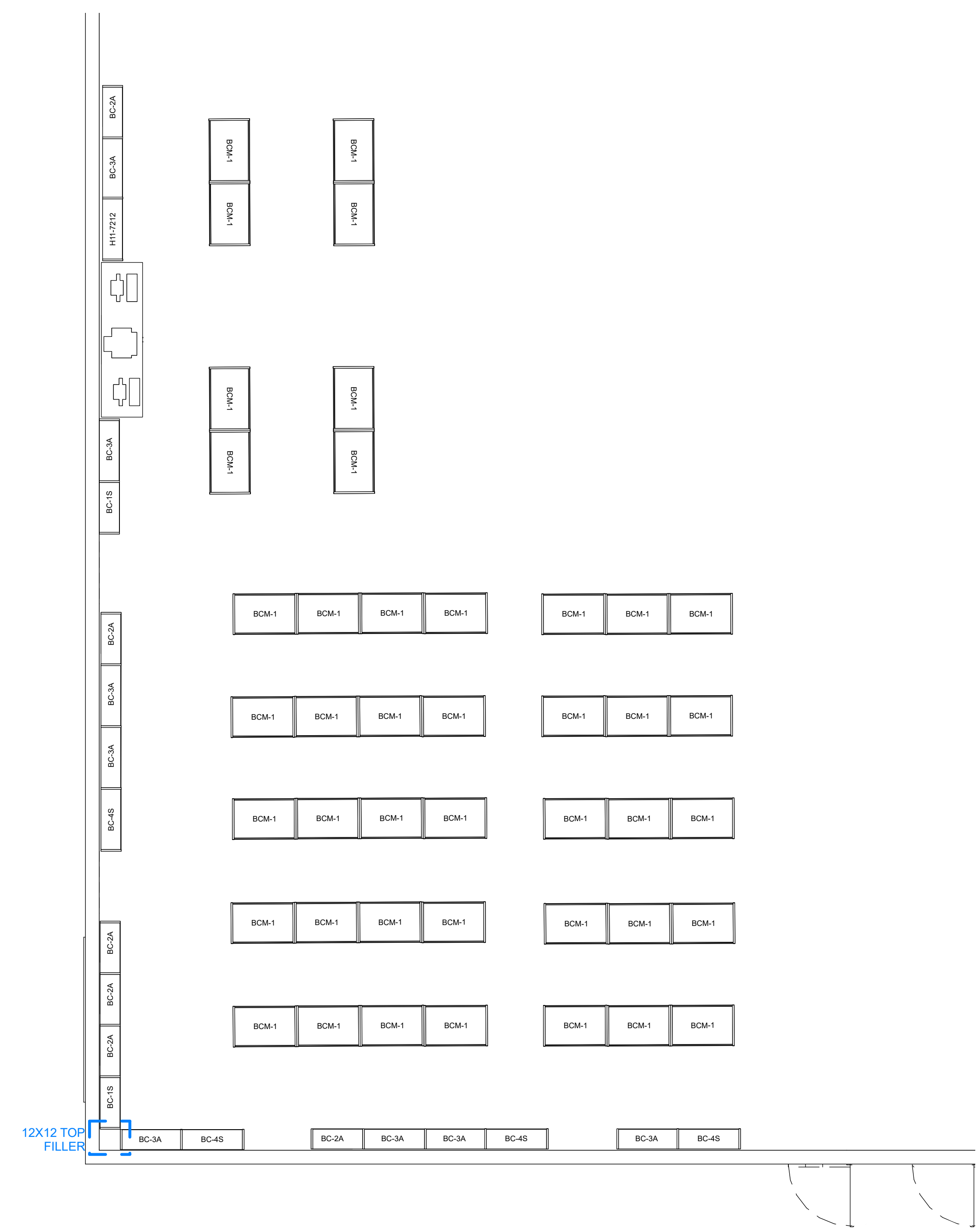
COMPONENT PLAN

DRAWING NUMBER:

ID-3.1

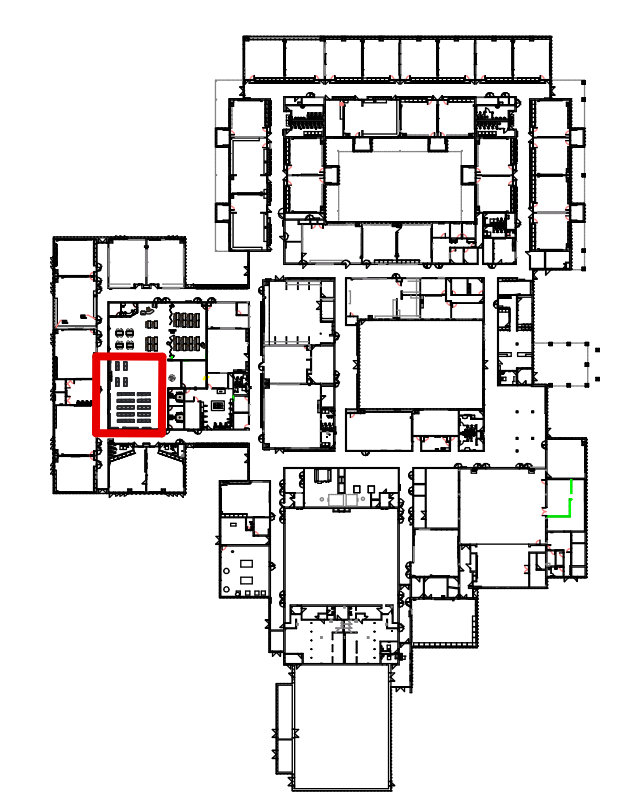


OVERALL RENDERING: BOOK STACKS



COMPONENT PLAN - BOOK STACKS

Scale 1/4" = 1'



KEY PLAN



MEDIA TECHNOLOGIES - BENCHMARK 11 SERIES MOBILE DOUBLE-FACED 36"W X 24"D X 48"H BOOKSHELF



MEDIA TECHNOLOGIES - BENCHMARK 11 SERIES SINGLE-FACED 36"W X 12"D X 72"H BOOKSHELF



PREMIUM HPL: GREYED OAK 5791



PVC EDGE: SILVER GRAY C600244

FINISHES

**MEDIA CENTER - BOOK STACKS
GROUND FLOOR
AUDIT Q#354474**

NCIDQ SEAL:

36

GENERAL NOTES:
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APPROVED BY: DATE:

APPROVED APPROVED AS NOTED

07/29/22	PROGRESS
08.09.22	BUDGET LABOR
09.28.22	AUDIT BOOK STACKS

OWNER:
Livonia Public Schools

PROJECT:
ROSEDALE EL - MEDIA CENTER RENOVATION

36651 ANN ARBOR TRAIL
LIVONIA, MI

PROJECT FOLDER: 221129

HEDBERG ORDER #: TBD

ACCOUNT MANAGER: M.DUGAN

DESIGNER: S.MAZZARA

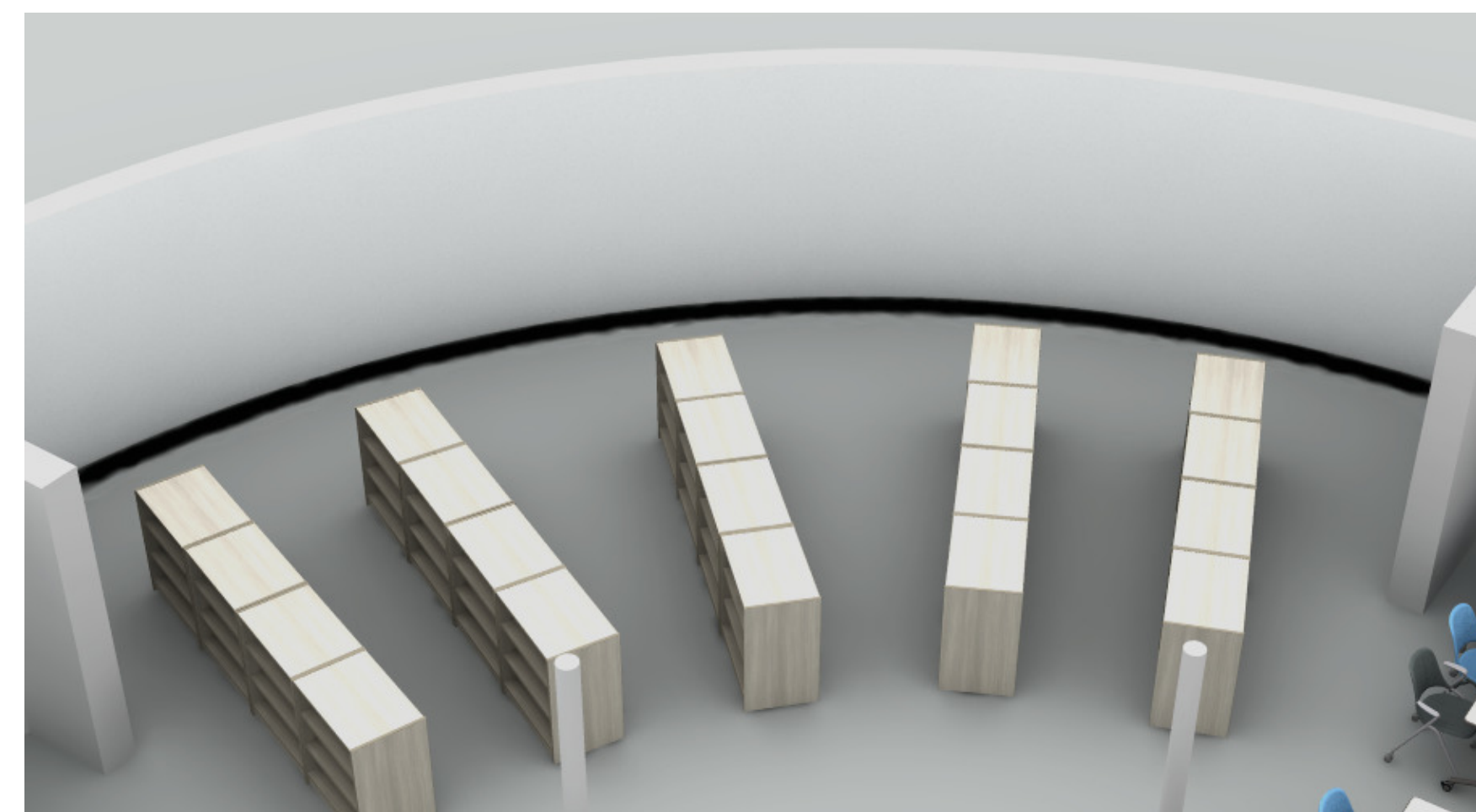
PROJECT MANAGER: M.GREEN

DRAWING:

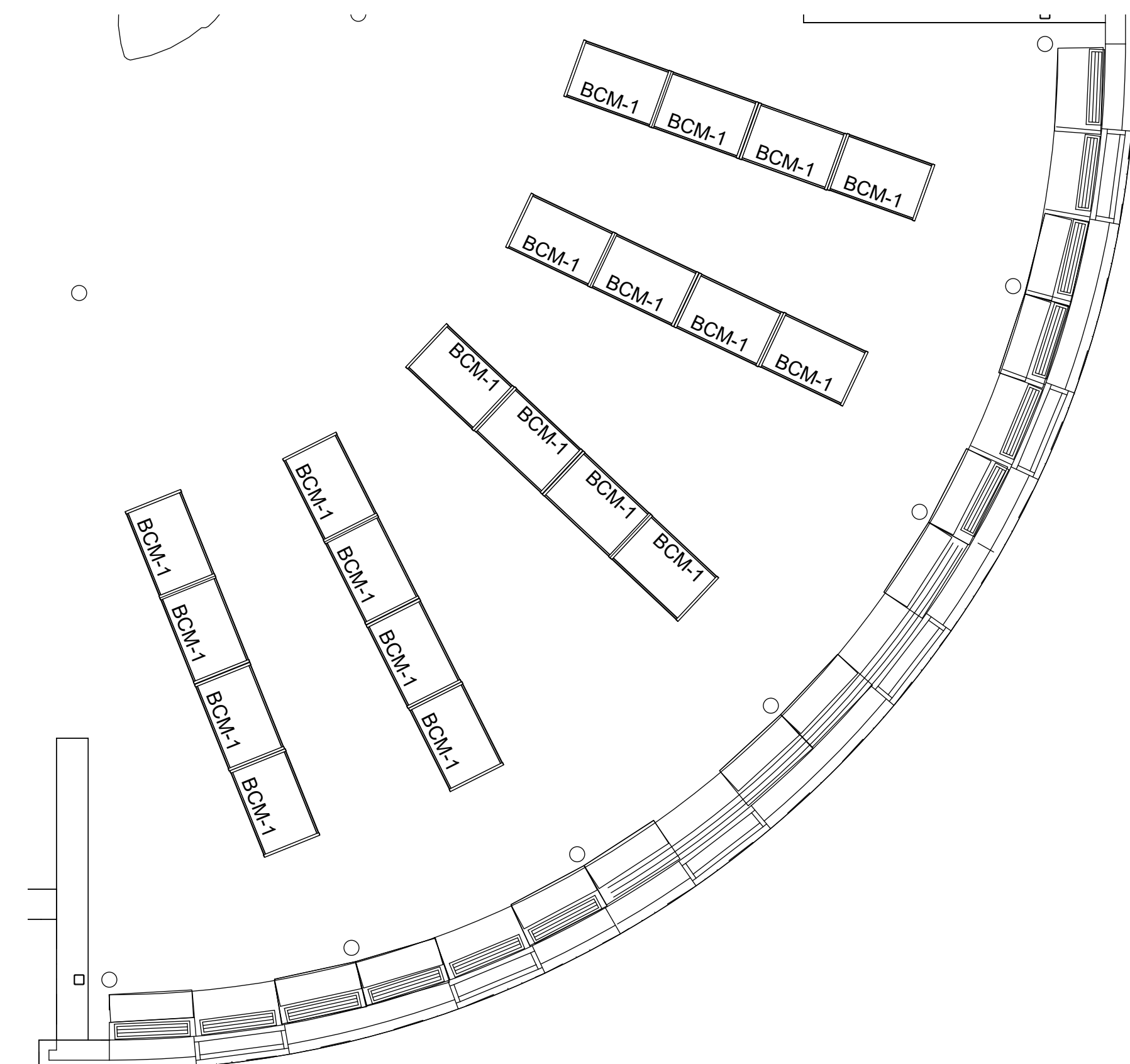
COMPONENT PLAN

DRAWING NUMBER:

ID-3.1



OVERALL RENDERING: BOOK STACKS



COMPONENT PLAN - BOOK STACKS

Scale 1/4" = 1'



MEDIA TECHNOLOGIES - BENCHMARK 11 SERIES MOBILE DOUBLE-FACED 36"W X 24"D X 48"H BOOKSHELF



MEDIA TECHNOLOGIES - BENCHMARK 11 SERIES SINGLE-FACED 36"W X 12"D X 72"H BOOKSHELF

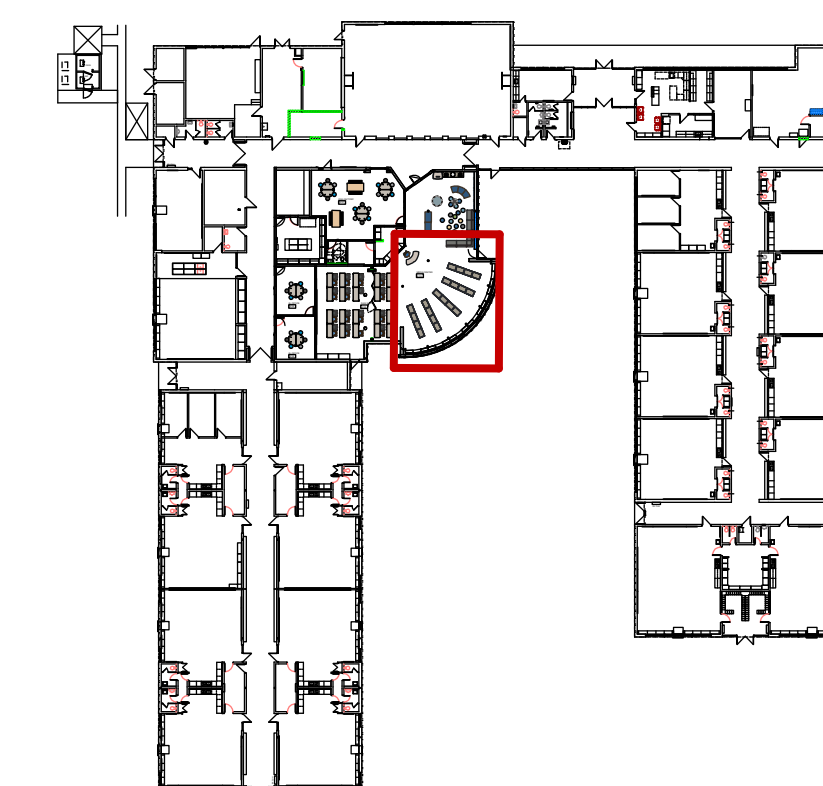


PREMIUM HPL: GREYED OAK 5791



PVC EDGE: SILVER GRAY C600244

FINISHES



KEY PLAN

**MEDIA CENTER - BOOK STACKS
GROUND FLOOR
AUDIT Q#354472**



2595 Bellingham • Troy, MI 48083 • 248.823.5400 • 248.823.5401 Fax
 2211 Old Earhart Rd. Ste.190 • Ann Arbor, MI 48105 • 248.823.5400 • 248.823.5401 Fax
 3201 Pine Tree Rd. Ste. A • Lansing, MI 48911 • 517.886.0072 • 248.823.5401 Fax
 5160 Alliance Dr. • Bay City, MI 48706 • 989.895.8574 • 989.895.8545 Fax
 4 North St. Clair St. • Toledo, OH 43604 • 419.662.2040 • 248.823.5401 Fax

Quotation 354464

Quote Date 10/03/22

Customer Order

Project 221130

Customer L00002

Terms NET 10 DAYS

Expiration Date

Account Representative MONIQUE DUGAN

yourNBS.com

Remit Payments to: NBS, 6973 Reliable Parkway, Chicago, IL 60686

Quote To

Livonia Public Schools
 15125 FARMINGTON RD
 LIVONIA, MI, 48154-5413

Ship To

PHILLIP FRANCIS
 Cleveland Elementary School
 28030 CATHEDRAL ST
 Media Center
 LIVONIA, MI, 48150-4107

Phone +1 (734) 744-2554

pfrancis@livoniapublicschools.org

Sales Location Troy

MEDIA TECH PRODUCT ONLY

BALANCE OF PRODUCT CAN BE FOUND ON QUOTE 353115

THE FOLLOWING CONTRACT HAS BEEN USED FOR PRICING ON THIS QUOTE:

NCPA

PRICING VALID FOR 30 DAYS

PRICING DOES NOT INCLUDE THE REMOVAL OF EXISTING PRODUCT

STORAGE OF PRODUCT AT OUR WAREHOUSE IS COVERED FOR 30-DAYS. AFTER 30-DAYS MONTHLY FEES WOULD APPLY.

LEAD TIME: 12-14 WEEKS FROM RECEIPT OF PO

ALL PRODUCT TO INSTALL AT ONE TIME

Description	Quantity	Unit Price	Extended Price
1 H11-4824-MOB - Benchmark shelving, dbl faced starter, mobile, TFL back, HPL panel, PVC construction, HPL shelves, 37"W x 24"D x 48"H PVC: Silver Grey C600244 TFL Back: Greyed Oak 5791 HPL: Formica Greyed Oak 5791-PG MEDIA TECH Tag For BOOK STACKS E127 BCM-1 <u>Qty Description</u> 24 BOOK STACKS E127	24	869.00	20,856.00
5 LOT - MEDIA TECH NON-STANDARD TFL UPCHARGE MEDIA TECH	1	644.16	644.16
6 LOT - MEDIA TECH PREMIUM LAMINATE	1	546.48	546.48

TITLE OF PRODUCT TRANSFERS UPON RECEIPT BY CUSTOMER.



2595 Bellingham • Troy, MI 48083 • 248.823.5400 • 248.823.5401 Fax
 2211 Old Earhart Rd. Ste.190 • Ann Arbor, MI 48105 • 248.823.5400 • 248.823.5401 Fax
 3201 Pine Tree Rd. Ste. A • Lansing, MI 48911 • 517.886.0072 • 248.823.5401 Fax
 5160 Alliance Dr. • Bay City, MI 48706 • 989.895.8574 • 989.895.8545 Fax
 4 North St. Clair St. • Toledo, OH 43604 • 419.662.2040 • 248.823.5401 Fax

Quotation 354464
 Page 2 / 2 (cont'd)

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Remit Payments to: NBS, 6973 Reliable Parkway, Chicago, IL 60686

Description	Quantity	Unit Price	Extended Price
6 UPCHARGE MEDIA TECH			
7 LOT - NON UNION STRAIGHT TIME LABOR TO RECEIVE AND DELIVER NEW MEDIA TECH PRODUCT ONLY TO THE JOB SITE. ROSE MOVIN	1	1,008.00	1,008.00
8 LOT - NON UNION STRAIGHT TIME LABOR TO INSTALL NEW MEDIA TECH PRODUCT ONLY PER PRINT.	1	3,673.00	3,673.00
PRICING DOES NOT INCLUDE THE REMOVAL OF EXISTNG PRODUCT.			
ALL WORK TO BE DONE AT ONE TIME. ROSE MOVIN			

Quotation Totals	
Sub Total	26,727.64
MEDIA TECH FREIGHT	1,125.00
MEDIA TECH Surcharge	1,761.00
Grand Total	29,613.64

End of Quotation

TITLE OF PRODUCT TRANSFERS UPON RECEIPT BY CUSTOMER.

38

ACCEPTED BY _____ TITLE _____ DATE _____



2595 Bellingham • Troy, MI 48083 • 248.823.5400 • 248.823.5401 Fax
 2211 Old Earhart Rd. Ste.190 • Ann Arbor, MI 48105 • 248.823.5400 • 248.823.5401 Fax
 3201 Pine Tree Rd. Ste. A • Lansing, MI 48911 • 517.886.0072 • 248.823.5401 Fax
 5160 Alliance Dr. • Bay City, MI 48706 • 989.895.8574 • 989.895.8545 Fax
 4 North St. Clair St. • Toledo, OH 43604 • 419.662.2040 • 248.823.5401 Fax

Quotation 354471

Quote Date 10/04/22

Project 221078

Customer L00002

Terms NET 10 DAYS

Account Representative MONIQUE DUGAN

yourNBS.com

Remit Payments to: NBS, 6973 Reliable Parkway, Chicago, IL 60686

Quote To

Livonia Public Schools
 15125 FARMINGTON RD
 LIVONIA, MI, 48154-5413

Ship To

PHILLIP FRANCIS
 Franklin High School
 31000 JOY RD
 Media Center
 LIVONIA, MI, 48150-3916

Phone +1 (734) 744-2554

pfrancis@livoniapublicschools.org

Sales Location Troy

MEDIA TECH PRODUCT ONLY

BALANCE OF PRODUCT CAN BE FOUND ON QUOTE 353050

THE FOLLOWING CONTRACT HAS BEEN USED FOR PRICING ON THIS QUOTE:

NCPA

PRICING VALID FOR 30 DAYS

PRICING DOES NOT INCLUDE THE REMOVAL OF EXISTING PRODUCT

STORAGE OF PRODUCT AT OUR WAREHOUSE IS COVERED FOR 30-DAYS. AFTER 30-DAYS MONTHLY FEES WOULD APPLY.

LEAD TIME: 12-14 WEEKS FROM RECEIPT OF PO

ALL PRODUCT TO INSTALL AT ONE TIME

Description	Quantity	Unit Price	Extended Price
1 H11-4824-MOB - BENCHMARK SHELVING, DBL FACE STARTER, MOBILE, TFL BACK, HPL PANEL & SHELVES 37"W X 24"D X 48"H HPL: FORMICA GREYED OAK 5791-PG PVC: SILVER GRAY C600244 TFL BACK: GREYED OAK 5791 MEDIA TECH Tag For BOOK STACKS BC-1 <u>Qty Description</u> 65 BOOK STACKS	65	869.00	56,485.00
2 H11-7212A - BENCHMARK SHELVING, SGL FACE ADDER, UNFINISHED BACK FACE, TFL BACK, HPL PANEL & SHELVING 36"W X 12"D X 72"H HPL: FORMICA GREYED OAK 5791-PG PVC: SILVER GRAY C600244 <small>TITLE OF PRODUCT TRANSFERS UPON RECEIPT BY CUSTOMER.</small>	18	628.76	11,317.68

yourNBS.com

Remit Payments to: NBS, 6973 Reliable Parkway, Chicago, IL 60686

Description	Quantity	Unit Price	Extended Price				
2 TFL BACK: GREYED OAK 5791 MEDIA TECH Tag For BOOK STACKS BC-2A <table border="0"> <tr> <td style="text-align: right;">Qty</td> <td>Description</td> </tr> <tr> <td style="border-top: 1px solid black; text-align: right;">18</td> <td style="border-top: 1px solid black;">BOOK STACKS</td> </tr> </table>	Qty	Description	18	BOOK STACKS			
Qty	Description						
18	BOOK STACKS						
3 H11-7212 - BENCHMARK SHELVING, SGL FACE STARTER, UNFINISHED BACK FACE, TFL BACK, HPL PANEL 37"W X 12"D X 72"H HPL: FORMICA GREYED OAK 5791-PG PVC: SILVER GRAY C600244 TFL BACK: GREYED OAK 5791 MEDIA TECH Tag For Qty Description <table border="0"> <tr> <td style="border-top: 1px solid black; text-align: right;">7</td> <td style="border-top: 1px solid black;">BOOK STACKS</td> </tr> </table>	7	BOOK STACKS	7	707.96	4,955.72		
7	BOOK STACKS						
4 TOPFILL1212T - TOP FILLER FOR BOOKCASEA 12" X 12" WITH MOUNTING HARDWARE HPL: FORMICA GREYED OAK 5791-PG PVC: SILVER GRAY C600244 MEDIA TECH Tag For FILLER	2	39.16	78.32				
5 31-LK - LEVELING KIT FOR USE ON 11/21/31 SERIES SHELVING MEDIA TECH Tag For Qty Description <table border="0"> <tr> <td style="border-top: 1px solid black; text-align: right;">32</td> <td style="border-top: 1px solid black;">BOOK STACKS</td> </tr> </table>	32	BOOK STACKS	32	6.16	197.12		
32	BOOK STACKS						
6 LOT - MEDIA TECH NON-STANDARD TFL UPCHARGE MEDIA TECH	1	2,496.12	2,496.12				
7 LOT - MEDIA TECH PREMIUM LAMINATE UPCHARGE MEDIA TECH	1	1,610.40	1,610.40				
8 LOT - NON UNION STRAIGHT TIME LABOR TO RECEIVE AND DELIVER NEW MEDIA TECH PRODUCT ONLY TO THE JOB SITE. ROSE MOVIN	1	2,740.00	2,740.00				
9 LOT - NON UNION STRAIGHT TIME LABOR TO INSTALL NEW MEDIA TECH PRODUCT ONLY PER PRINT. PRICING DOES NOT INCLUDE THE REMOVAL OF EXISTNG PRODUCT. ALL WORK TO BE DONE AT ONE TIME. ROSE MOVIN	1	12,495.00	12,495.00				

TITLE OF PRODUCT TRANSFERS UPON RECEIPT BY CUSTOMER.



2595 Bellingham • Troy, MI 48083 • 248.823.5400 • 248.823.5401 Fax
 2211 Old Earhart Rd. Ste.190 • Ann Arbor, MI 48105 • 248.823.5400 • 248.823.5401 Fax
 3201 Pine Tree Rd. Ste. A • Lansing, MI 48911 • 517.886.0072 • 248.823.5401 Fax
 5160 Alliance Dr. • Bay City, MI 48706 • 989.895.8574 • 989.895.8545 Fax
 4 North St. Clair St. • Toledo, OH 43604 • 419.662.2040 • 248.823.5401 Fax

Quotation 354471
Page 3 / 3 (cont'd)

yourNBS.com **Remit Payments to:** NBS, 6973 Reliable Parkway, Chicago, IL 60686

Quotation Totals	
Sub Total	92,375.36
MEDIA TECH FREIGHT	2,000.00
MEDIA TECH Surcharge	5,214.00
Grand Total	99,589.36

End of Quotation

TITLE OF PRODUCT TRANSFERS UPON RECEIPT BY CUSTOMER.

41

ACCEPTED BY _____ TITLE _____ DATE _____



2595 Bellingham • Troy, MI 48083 • 248.823.5400 • 248.823.5401 Fax
 2211 Old Earhart Rd. Ste.190 • Ann Arbor, MI 48105 • 248.823.5400 • 248.823.5401 Fax
 3201 Pine Tree Rd. Ste. A • Lansing, MI 48911 • 517.886.0072 • 248.823.5401 Fax
 5160 Alliance Dr. • Bay City, MI 48706 • 989.895.8574 • 989.895.8545 Fax
 4 North St. Clair St. • Toledo, OH 43604 • 419.662.2040 • 248.823.5401 Fax

Quotation 354476

Quote Date 10/04/22

Project 221131

Customer L00002

Terms NET 10 DAYS

Account Representative MONIQUE DUGAN

yourNBS.com

Remit Payments to: NBS, 6973 Reliable Parkway, Chicago, IL 60686

Quote To

Livonia Public Schools
 15125 FARMINGTON RD
 LIVONIA, MI, 48154-5413

Ship To

PHILLIP FRANCIS
 Frost Middle School
 14041 STARK RD
 Media Center
 LIVONIA, MI, 48154-5409

Phone +1 (734) 744-2554

pfrancis@livoniapublicschools.org

Sales Location Troy

MEDIA TECH PRODUCT ONLY

THE BALANCE OF PRODUCT CAN BE FOUND ON QUOTE 354476

THE FOLLOWING CONTRACTS HAVE BEEN USED FOR PRICING ON THIS QUOTE:

NCPA

PRICING VALID FOR 30 DAYS

PRICING DOES NOT INCLUDE THE REMOVAL OF EXISTING PRODUCT

STORAGE OF PRODUCT AT OUR WAREHOUSE IS COVERED FOR 30-DAYS. AFTER 30-DAYS MONTHLY FEES WOULD APPLY.

LEAD TIME: 12-14 WEEKS FROM RECEIPT OF PO

ALL PRODUCT TO INSTALL AT ONE TIME

Description	Quantity	Unit Price	Extended Price
1 H11-4824-MOB - Benchmark shelving, dbl faced starter, mobile, TFL back, HPL panel, PVC construction, HPL shelves, 37"W x 24"D x 48"H HPL: Formica Grayed Oak 5791-PG PVC: Silver Gray C600244 TFL Back: Greyed Oak 5791 MEDIA TECH Tag For BOOK STACKS MBC-1 <u>Qty Description</u> 42 BOOK STACKS	42	869.00	36,498.00
2 H11-7212A - Benchmark shelving, sgl face adder, unfinished back face, TFL back, HPL panel, PVC construction, HPL shelves, 36"W x 12"D x 72"H HPL: Formica Grayed Oak 5791-PG PVC: Silver Gray C600244 TITLE OF PRODUCT TRANSFERS UPON RECEIPT BY CUSTOMER.	13	628.76	8,173.88

42

ACCEPTED BY _____ TITLE _____ DATE _____

yourNBS.com

Remit Payments to: NBS, 6973 Reliable Parkway, Chicago, IL 60686

Description	Quantity	Unit Price	Extended Price				
2 TFL Back: Greyed Oak 5791 MEDIA TECH Tag For BOOK STACKS BC-1A <table border="0"> <tr> <td style="text-align: right;">Qty</td> <td>Description</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">13</td> <td style="border-top: 1px solid black;">BOOK STACKS</td> </tr> </table>	Qty	Description	13	BOOK STACKS			
Qty	Description						
13	BOOK STACKS						
3 H11-7212 - Benchmark shelving, sgl face starter, unfinished back face, TFL back, HPL panel, PVC construction, HPL shelves, 37"W x 12"D x 72"H HPL: Formica Grayed Oak 5791-PG PVC: Silver Gray C600244 TFL Back: Greyed Oak 5791 MEDIA TECH Tag For BOOK STACKS BC-2S <table border="0"> <tr> <td style="text-align: right;">Qty</td> <td>Description</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">4</td> <td style="border-top: 1px solid black;">BOOK STACKS</td> </tr> </table>	Qty	Description	4	BOOK STACKS	4	707.96	2,831.84
Qty	Description						
4	BOOK STACKS						
4 H11-7212-31 - Benchmark shelving, starter, unfinished back face, TFL back, HPL panel construction, matching PVC edge, 31"W x 12"D x 72"H HPL: Formica Grayed Oak 5791-PG PVC: Silver Gray C600244 TFL Back: Greyed Oak 5791 MEDIA TECH Tag For BOOK STACKS BC-3S <table border="0"> <tr> <td style="text-align: right;">Qty</td> <td>Description</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">1</td> <td style="border-top: 1px solid black;">BOOK STACKS</td> </tr> </table>	Qty	Description	1	BOOK STACKS	1	816.64	816.64
Qty	Description						
1	BOOK STACKS						
5 TOPFILL1212T - TOP FILLER FOR BOOKCASE 12" X 12" HPL: Formica Grayed Oak 5791-PG PVC: Silver Gray C600244 MEDIA TECH Tag For FILLER	1	39.16	39.16				
6 31-LK - LEVELING KIT FOR USE ON 11/21/31 SERIES SHELIVING MEDIA TECH Tag For <table border="0"> <tr> <td style="text-align: right;">Qty</td> <td>Description</td> </tr> <tr> <td style="text-align: right; border-top: 1px solid black;">22</td> <td style="border-top: 1px solid black;">BOOK STACKS</td> </tr> </table>	Qty	Description	22	BOOK STACKS	22	6.16	135.52
Qty	Description						
22	BOOK STACKS						
7 LOT - MEDIA TECH NON-STANDARD TFL UPCHARGE MEDIA TECH	1	1,610.40	1,610.40				
8 LOT - MEDIA TECH PREMIUM LAMINATE UPCHARGE	1	1,044.12	1,044.12				

TITLE OF PRODUCT TRANSFERS UPON RECEIPT BY CUSTOMER.



2595 Bellingham • Troy, MI 48083 • 248.823.5400 • 248.823.5401 Fax
 2211 Old Earhart Rd. Ste.190 • Ann Arbor, MI 48105 • 248.823.5400 • 248.823.5401 Fax
 3201 Pine Tree Rd. Ste. A • Lansing, MI 48911 • 517.886.0072 • 248.823.5401 Fax
 5160 Alliance Dr. • Bay City, MI 48706 • 989.895.8574 • 989.895.8545 Fax
 4 North St. Clair St. • Toledo, OH 43604 • 419.662.2040 • 248.823.5401 Fax

Quotation 354476
 Page 3 / 3 (cont'd)

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Remit Payments to: NBS, 6973 Reliable Parkway, Chicago, IL 60686

Description	Quantity	Unit Price	Extended Price
8 MEDIA TECH			
9 LOT - NON UNION STRAIGHT TIME LABOR TO RECEIVE AND DELIVER NEW MEDIA TECH PRODUCT ONLY TO THE JOB SITE. ROSE MOVIN	1	1,726.00	1,726.00
10 LOT - NON UNION STRAIGHT TIME LABOR TO INSTALL NEW MEDIA TECH PRODUCT ONLY PER PRINT.	1	8,996.00	8,996.00
PRICING DOES NOT INCLUDE THE REMOVAL OF EXISTNG PRODUCT.			
ALL WORK TO BE DONE AT ONE TIME. ROSE MOVIN			

Quotation Totals	
Sub Total	61,871.56
MEDIA TECH FREIGHT	1,500.00
MEDIA TECH Surcharge	3,385.00
Grand Total	66,756.56

End of Quotation

TITLE OF PRODUCT TRANSFERS UPON RECEIPT BY CUSTOMER.

44

ACCEPTED BY _____ TITLE _____ DATE _____



2595 Bellingham • Troy, MI 48083 • 248.823.5400 • 248.823.5401 Fax
 2211 Old Earhart Rd. Ste.190 • Ann Arbor, MI 48105 • 248.823.5400 • 248.823.5401 Fax
 3201 Pine Tree Rd. Ste. A • Lansing, MI 48911 • 517.886.0072 • 248.823.5401 Fax
 5160 Alliance Dr. • Bay City, MI 48706 • 989.895.8574 • 989.895.8545 Fax
 4 North St. Clair St. • Toledo, OH 43604 • 419.662.2040 • 248.823.5401 Fax

Quotation 354474

Quote Date 10/04/22

Project 221128

Customer L00002

Terms NET 10 DAYS

Account Representative MONIQUE DUGAN

yourNBS.com

Remit Payments to: NBS, 6973 Reliable Parkway, Chicago, IL 60686

Quote To

Livonia Public Schools
 15125 FARMINGTON RD
 LIVONIA, MI, 48154-5413

Ship To

PHILLIP FRANCIS
 Riley Upper Elementary School
 15555 HENRY RUFF ST
 Media Center
 LIVONIA, MI, 48154-3240

Phone +1 (734) 744-2554

pfrancis@livoniapublicschools.org

Sales Location Troy

MEDIA TECH PRODUCT ONLY

BALANCE OF PRODUCT CAN BE FOUND ON QUOTE 353094

THE FOLLOWING CONTRACTS HAVE BEEN USED FOR PRICING ON THIS QUOTE:

NCPA

PRICING VALID FOR 30 DAYS

PRICING DOES NOT INCLUDE THE REMOVAL OF EXISTING PRODUCT

STORAGE OF PRODUCT AT OUR WAREHOUSE IS COVERED FOR 30-DAYS. AFTER 30-DAYS MONTHLY FEES WOULD APPLY.

LEAD TIME: 12-14 WEEKS FROM RECEIPT OF PO

ALL PRODUCT TO INSTALL AT ONE TIME

Description	Quantity	Unit Price	Extended Price
1 H11-4824-MOB - Benchmark shelving, dbl faced starter, mobile, TFL back, HPL panel, PVC construction, HPL shelves, 37"W x 24"D x 48"H HPL: Formica Grayed Oak 5791-PG PVC: Silver Gray C600244 TFL Back: Greyed Oak 5791 MEDIA TECH Tag For BOOK STACKS BCM-1 <u>Qty Description</u> 43 BOOK STACKS	43	869.00	37,367.00
2 H11-7212-31 - Benchmark shelving, starter, unfinished back face, TFL back, HPL panel construction, matching PVC edge, 31"W x 12"D x 72"H HPL: Formica Grayed Oak 5791-PG PVC: Silver Gray C600244 TITLE OF PRODUCT TRANSFERS UPON RECEIPT BY CUSTOMER.	3	816.64	2,449.92

45

ACCEPTED BY _____ TITLE _____ DATE _____

yourNBS.com

Remit Payments to: NBS, 6973 Reliable Parkway, Chicago, IL 60686

Description	Quantity	Unit Price	Extended Price
<p>2 TFL Back: Greyed Oak 5791 MEDIA TECH Tag For BOOK STACKS BC-1S Qty Description 3 BOOK STACKS</p>			
<p>3 H11-7212A-30 - Benchmark shelving, adder, unfinished back face, TFL back, HPL panel construction, matching PVC edge, 30"W x 12"D x 72"H HPL: Formica Grayed Oak 5791-PG PVC: Silver Gray C600244 TFL Back: Greyed Oak 5791 MEDIA TECH Tag For BOOK STACKS BC-2A Qty Description 6 BOOK STACKS</p>	6	693.88	4,163.28
<p>4 H11-7212A - Benchmark shelving, sgl face adder, unfinished back face, TFL back, HPL panel, PVC construction, HPL shelves, 36"W x 12"D x 72"H HPL: Formica Grayed Oak 5791-PG PVC: Silver Gray C600244 TFL Back: Greyed Oak 5791 MEDIA TECH Tag For BOOK STACKS BC-3A Qty Description 8 BOOK STACKS</p>	8	628.76	5,030.08
<p>5 H11-7212 - Benchmark shelving, sgl face starter, unfinished back face, TFL back, HPL panel, PVC construction, HPL shelves, 37"W x 12"D x 72"H HPL: Formica Grayed Oak 5791-PG PVC: Silver Gray C600244 TFL Back: Greyed Oak 5791 MEDIA TECH Tag For BOOK STACKS BC-4S Qty Description 5 BOOK STACKS</p>	5	707.96	3,539.80
<p>6 TOPFILL1212 - TOP FILLER FOR BOOKCASE 12-1/2" X 12-1/4" HPL: Formica Grayed Oak 5791-PG PVC: Silver Gray C600244 MEDIA TECH Tag For FILLER</p>	1	41.36	41.36

TITLE OF PRODUCT TRANSFERS UPON RECEIPT BY CUSTOMER.

yourNBS.com

Remit Payments to: NBS, 6973 Reliable Parkway, Chicago, IL 60686

Description	Quantity	Unit Price	Extended Price
7 31-LK - LEVELING KIT FOR USE ON 11/21/31 SERIES SHELIVING MEDIA TECH	29	6.16	178.64
8 LOT - MEDIA TECH NON-STANDARD TFL UPCHARGE MEDIA TECH	1	1,744.60	1,744.60
9 LOT - MEDIA TECH PREMIUM LAMINATE UPCHARGE MEDIA TECH	1	1,159.40	1,159.40
10 LOT - NON UNION STRAIGHT TIME LABOR TO RECEIVE AND DELIVER NEW MEDIA TECH PRODUCT ONLY TO THE JOB SITE. ROSE MOVIN	1	1,632.00	1,632.00
11 LOT - NON UNION STRAIGHT TIME LABOR TO INSTALL NEW MEDIA TEACH PRODUCT ONLY PER PRINT. PRICING DOES NOT INCLUDE THE REMOVAL OF EXISTNG PRODUCT. ALL WORK TO BE DONE AT ONE TIME. ROSE MOVIN	1	8,936.00	8,936.00

Quotation Totals	
Sub Total	66,242.08
MEDIA TECH FREIGHT	1,500.00
MEDIA TECH Surcharge	3,833.00
Grand Total	71,575.08

End of Quotation



2595 Bellingham • Troy, MI 48083 • 248.823.5400 • 248.823.5401 Fax
 2211 Old Earhart Rd. Ste.190 • Ann Arbor, MI 48105 • 248.823.5400 • 248.823.5401 Fax
 3201 Pine Tree Rd. Ste. A • Lansing, MI 48911 • 517.886.0072 • 248.823.5401 Fax
 5160 Alliance Dr. • Bay City, MI 48706 • 989.895.8574 • 989.895.8545 Fax
 4 North St. Clair St. • Toledo, OH 43604 • 419.662.2040 • 248.823.5401 Fax

Quotation 354472

Quote Date 10/03/22

Customer Order

Project 221129

Customer L00002

Terms NET 10 DAYS

Expiration Date

Account Representative MONIQUE DUGAN

yourNBS.com

Remit Payments to: NBS, 6973 Reliable Parkway, Chicago, IL 60686

Quote To

Livonia Public Schools
 15125 FARMINGTON RD
 LIVONIA, MI, 48154-5413

Ship To

PHILLIP FRANCIS
 Rosedale Elementary School
 36651 ANN ARBOR TRL
 Media Center
 LIVONIA, MI, 48150-3421

Phone +1 (734) 744-2554

pfrancis@livoniapublicschools.org

Sales Location Troy

MEDIA TECH PRODUCT ONLY

THE BALANCE OF THE PRODUCT CAN BE FOUND ON QUOTE 353109

THE FOLLOWING CONTRACTS HAVE BEEN USED FOR PRICING ON THIS QUOTE:

NCPA

PRICING VALID FOR 30 DAYS

PRICING DOES NOT INCLUDE THE REMOVAL OF EXISTING PRODUCT

STORAGE OF PRODUCT AT OUR WAREHOUSE IS COVERED FOR 30-DAYS. AFTER 30-DAYS MONTHLY FEES WOULD APPLY.

LEAD TIME: 12-14 WEEKS FROM RECEIPT OF PO

ALL PRODUCT TO INSTALL AT ONE TIME

Description	Quantity	Unit Price	Extended Price
1 H11-4824-MOB - Benchmark shelving, dbl faced starter, mobile, TFL back, HPL panel, PVC construction, HPL shelves, 37"W x 24"D x 48"H HPL: Formica Grayed Oak 5791-PG PVC: Silver Gray C600244 TFL Back: Greyed Oak 5791 MEDIA TECH Tag For BOOK STACKS BCM-1 Qty Description 20 BOOK STACKS	20	869.00	17,380.00
2 LOT - MEDIA TECH NON-STANDARD TFL UPCHARGE MEDIA TECH	1	536.80	536.80
3 LOT - MEDIA TECH PREMIUM LAMINATE	1	476.96	476.96

TITLE OF PRODUCT TRANSFERS UPON RECEIPT BY CUSTOMER.

48

ACCEPTED BY _____ TITLE _____ DATE _____



2595 Bellingham • Troy, MI 48083 • 248.823.5400 • 248.823.5401 Fax
 2211 Old Earhart Rd. Ste.190 • Ann Arbor, MI 48105 • 248.823.5400 • 248.823.5401 Fax
 3201 Pine Tree Rd. Ste. A • Lansing, MI 48911 • 517.886.0072 • 248.823.5401 Fax
 5160 Alliance Dr. • Bay City, MI 48706 • 989.895.8574 • 989.895.8545 Fax
 4 North St. Clair St. • Toledo, OH 43604 • 419.662.2040 • 248.823.5401 Fax

Quotation 354472
 Page 2 / 2 (cont'd)

yourNBS.com

Remit Payments to: NBS, 6973 Reliable Parkway, Chicago, IL 60686

Description	Quantity	Unit Price	Extended Price
3 UPCHARGE MEDIA TECH			
4 LOT - NON UNION STRAIGHT TIME LABOR TO RECEIVE AND DELIVER NEW PRODUCT TO THE JOB SITE. ROSE MOVIN	1	815.00	815.00
5 LOT - NON UNION STRAIGHT TIME LABOR TO INSTALL NEW PRODUCT PER PRINT.	1	3,026.00	3,026.00
PRICING DOES NOT INCLUDE THE REMOVAL OF EXISTNG PRODUCT.			
ALL WORK TO BE DONE AT ONE TIME. ROSE MOVIN			

Quotation Totals	
Sub Total	22,234.76
MEDIA TECH FREIGHT	875.00
MEDIA TECH Surcharge	1,537.00
Grand Total	24,646.76

End of Quotation

TITLE OF PRODUCT TRANSFERS UPON RECEIPT BY CUSTOMER.

49

ACCEPTED BY _____ TITLE _____ DATE _____

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2022**

TOPIC: Acceptance of Financial Statements for 2021-2022

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the 2021-2022 audit report as presented by the audit firm of Plante Moran.

RATIONALE:

The state law requires that an outside independent audit of the school district's finances be conducted annually.

BUDGETARY INFORMATION:

This is the final report of the school district finances for the 2021-2022 school year.

RESOURCE PERSONNEL:

Alison Smith, Chief Financial Officer

EXHIBITS:

Attached

kv



plante moran | Audit. Tax. Consulting.
Wealth Management.

Livonia Public Schools

Board Presentation
June 30, 2022



Livonia Public Schools
Governmental Funds – Balance Sheet
June 30, 2022

	Major Funds			Non Major Governmental Funds
	General Fund	Special Education Fund	2021 Bond Series I Fund	
Assets	<u>\$ 72,656,252</u>	<u>\$ 5,847,900</u>	<u>\$ 73,611,244</u>	<u>\$ 15,553,692</u>
Liabilities	38,963,625	4,739,302	8,395,972	2,681,876
Fund Equity:				
Nonspendable	94,457	-	-	36,124
Committed	-	-	-	1,609,322
Restricted	-	-	65,215,272	8,104,999
Assigned	3,114,448	2,798,354	-	3,654,690
Unassigned	<u>29,606,322</u>	<u>(1,689,756)</u>	<u>-</u>	<u>(533,319)</u>
Total Fund Equity	<u>32,815,227</u>	<u>1,108,598</u>	<u>65,215,272</u>	<u>12,871,816</u>
Total liabilities and fund equity	<u>\$ 72,656,252</u>	<u>\$ 5,847,900</u>	<u>\$ 73,611,244</u>	<u>\$ 15,553,692</u>



Livonia Public Schools
General Fund Statement of Revenue, Expenditures and Changes
in Fund Balance – Budget and Actual
Year Ended June 30, 2022

	Final Budget	Actual	Favorable (Unfavorable) Variance	Budget Variance %
Revenue and other sources	\$ 157,550,169	\$ 158,083,888	\$ 533,719	0.34%
Expenditures and other financing uses	\$ 159,055,352	\$ 157,490,551	\$ 1,564,801	0.98%
Excess of revenue and other financing sources over expenditures and other financing uses	\$ (1,505,183)	\$ 593,337	\$ 2,098,520	
Fund balance July 1, 2021	\$ 33,751,185	\$ 33,751,185	\$ -	
Fund balance June 30, 2022	\$ 32,246,002	\$ 34,344,522	\$ 2,098,520	

Note: Data Excludes Funded Projects Fund Activity

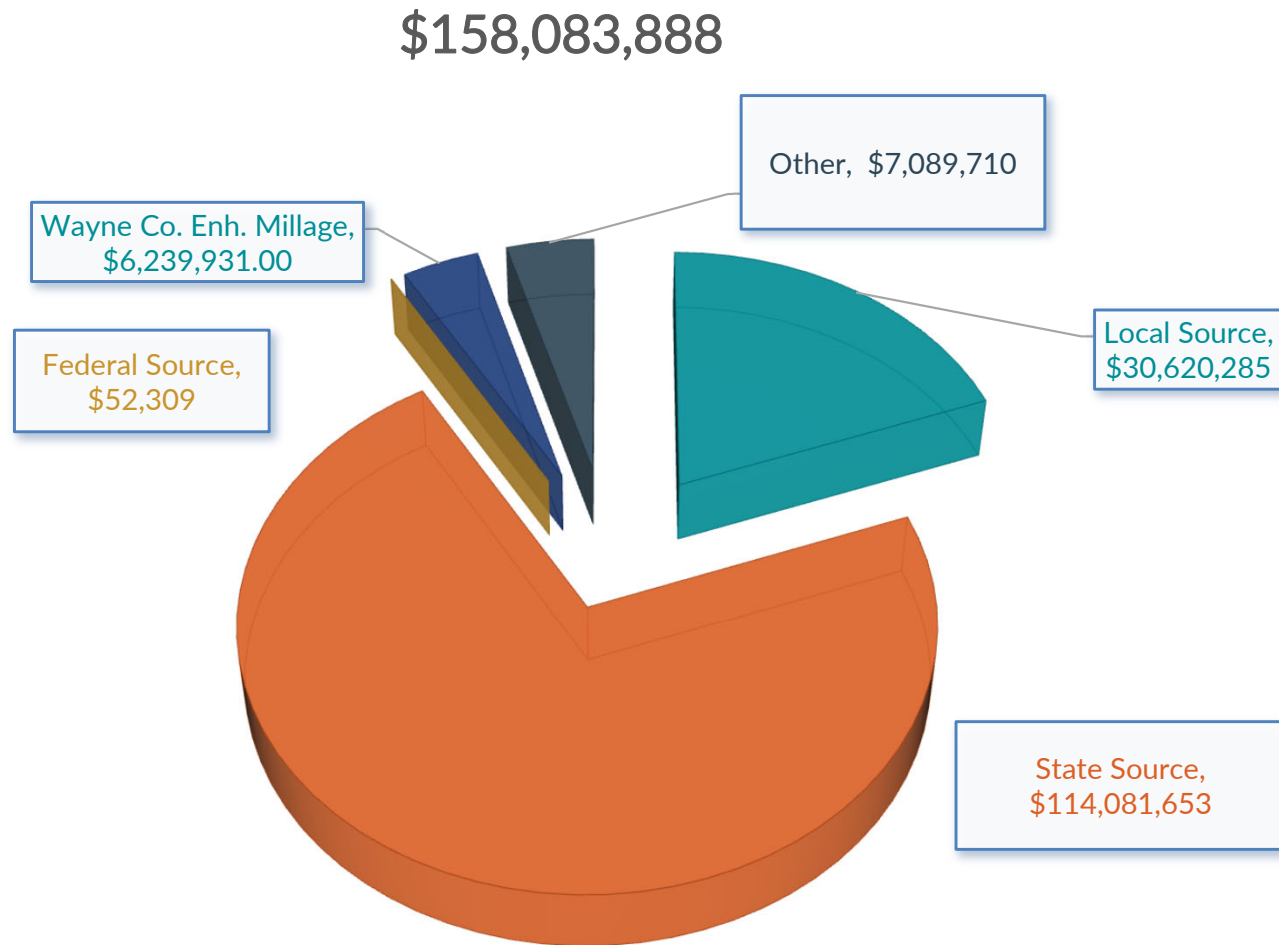


Livonia Public Schools
General Fund Statement of Revenue, Expenditures and Changes
in Fund Balance
Year Ended June 30, 2022

	General Fund - excl. Funded Projects	Funded Projects Fund	Total General Fund
Revenue and other sources	\$ 158,083,888	\$ 22,131,467	\$ 180,215,355
Expenditures and other financing uses	\$ 157,490,551	\$ 23,008,867	\$ 180,499,418
Excess of revenue and other financing sources over expenditures and other financing uses	\$ 593,337	\$ (877,400)	\$ (284,063)
Fund balance July 1, 2021	\$ 33,099,290	\$ -	\$ 33,099,290
Fund balance June 30, 2022	\$ 33,692,627	\$ (877,400)	\$ 32,815,227



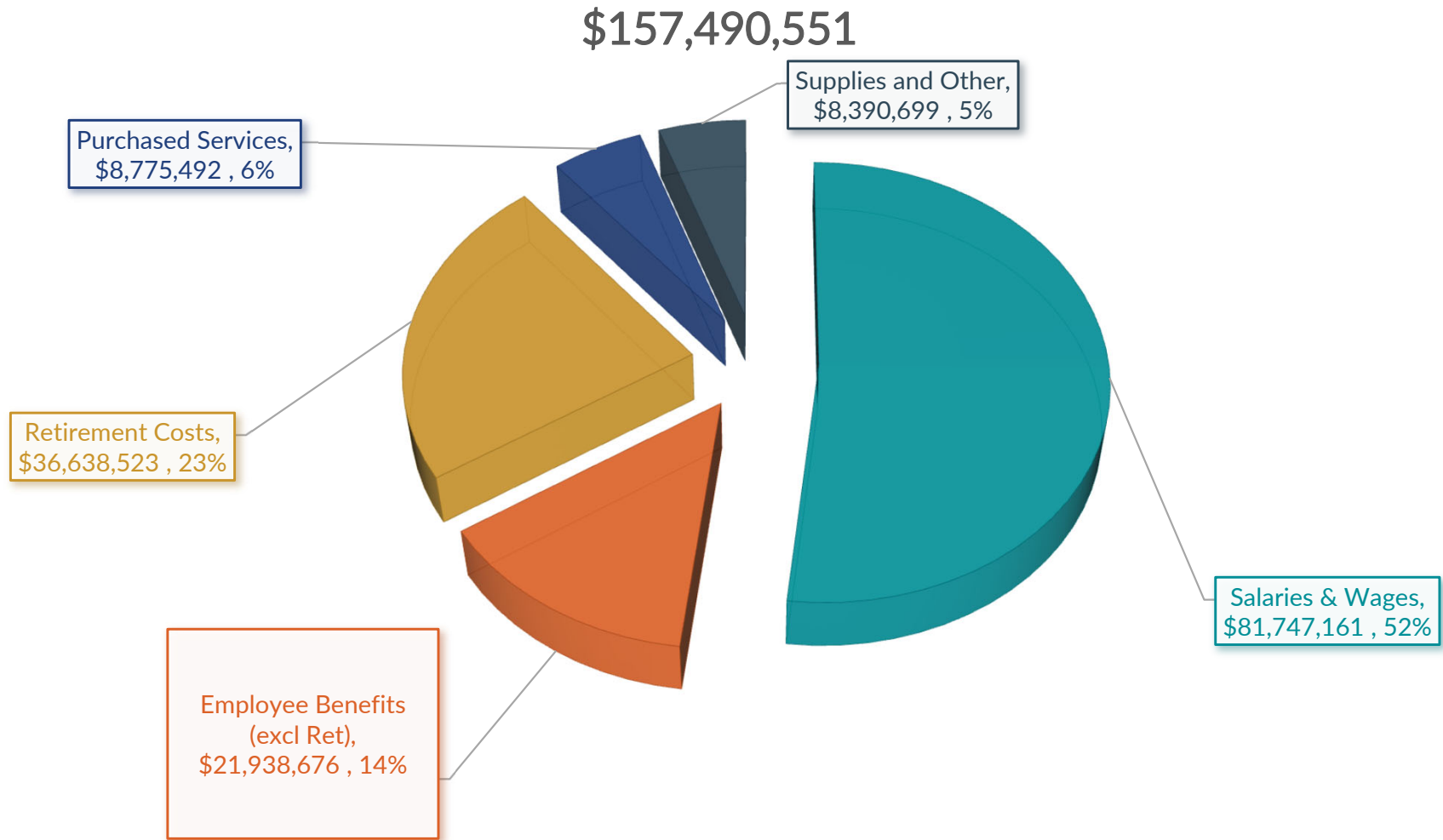
Livonia Public Schools General Fund Revenue Year Ended June 30, 2022



Note: Data Excludes Funded Projects Fund Activity



Livonia Public Schools General Fund Expenditures Year Ended June 30, 2022



Note: Data Excludes Funded Projects Fund Activity



Livonia Public Schools GASB 68/75 Commentary

- GASB 68/75 requires Michigan school districts to report their share of the unfunded pension and OPEB liability in their financial report
- Estimate based on future uncertainties (e.g. life expectancies, investment returns, healthcare costs trends)
- Does not change decision making focus or approach for the Board of Education
- Does not currently change the District's required contributions into the pension and OPEB plan
- Does not generally affect District bond rating
- Nearly all Michigan districts will show a “deficit” net position on their government wide statements
- GASB 68/75 is required reporting, even though the district does not have decision making authority over the pension system

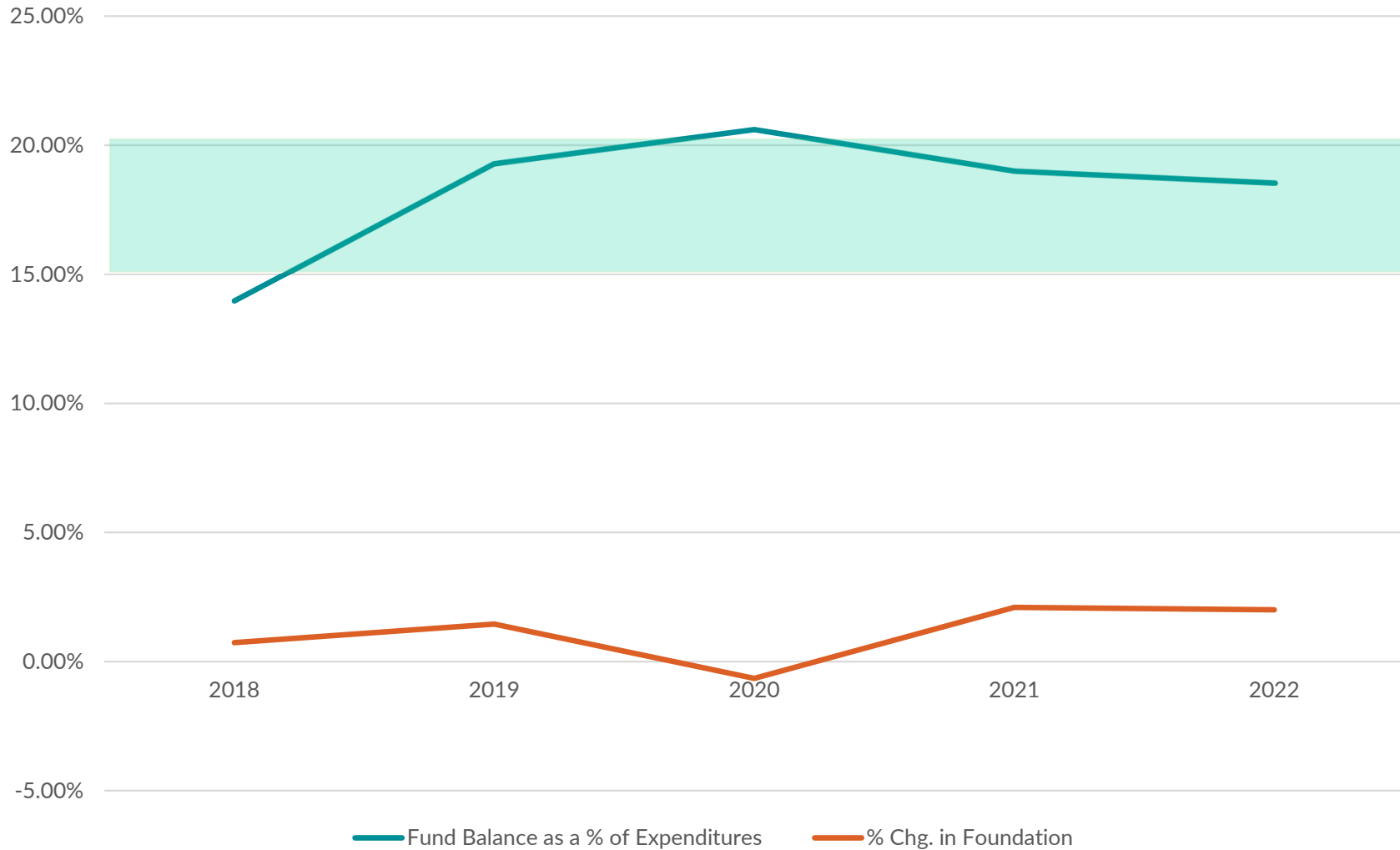


Livonia Public Schools
Government-wide and Fund Level Statements
June 30, 2021

	<u>Government Wide</u>	<u>Fund Level</u>
Total Assets and Deferred Outflows of Resources – all funds (except GASB 68/75)	\$432,715,574	\$ 167,669,088
Total Liabilities and Deferred Inflows of Resources – all funds (except GASB 68/75)	(297,093,434)	(55,658,175)
GASB 68/75 Impact	(372,207,182)	
Net Position/ Fund Balance	(236,585,042)	\$ 112,010,913

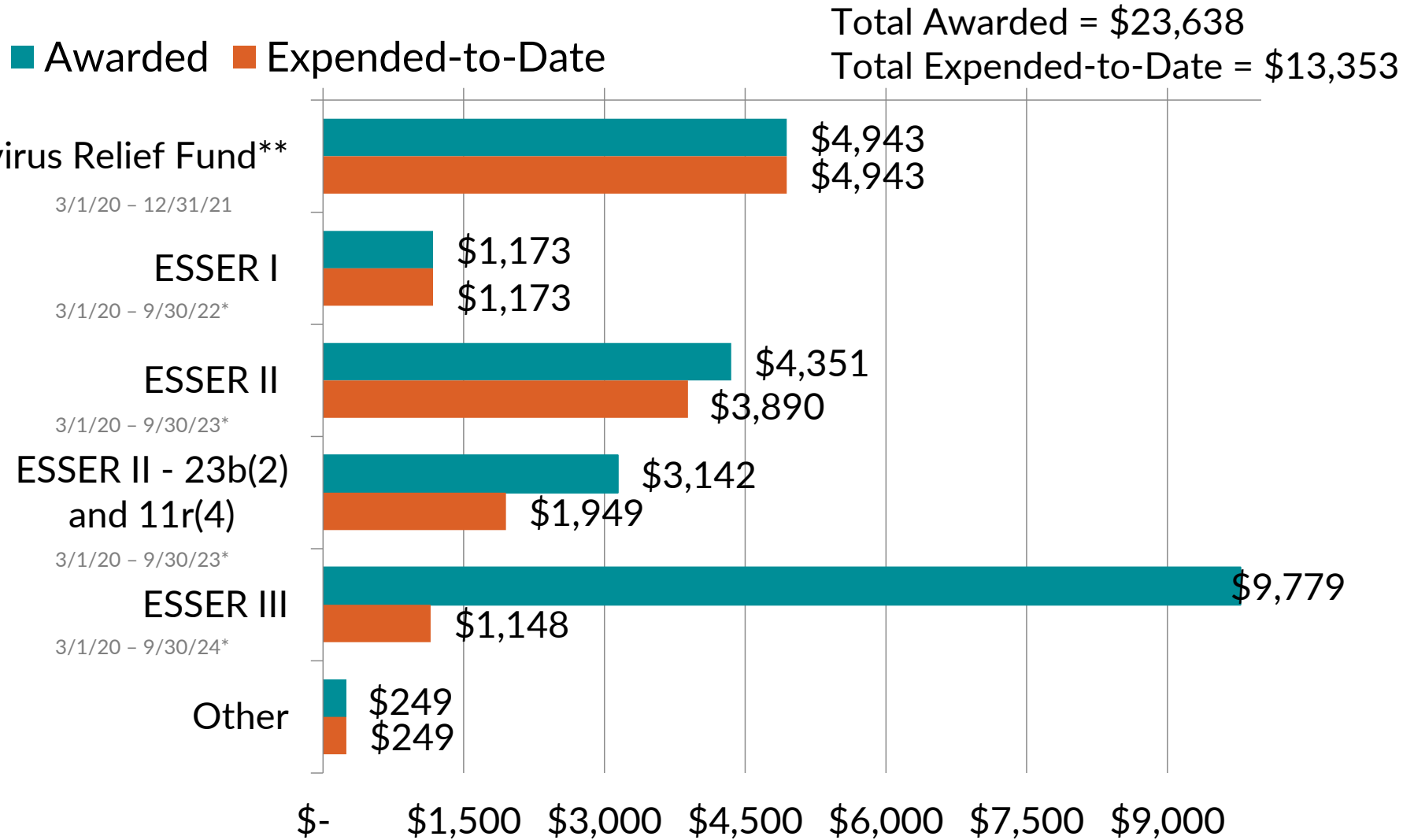


Livonia Public Schools General Fund Balance as a Percentage of Expenditures Years Ended June 30





Non-recurring COVID-19 Relief Funding Awards & Expenditures as of June 30, 2022 (in thousands)



* End date assumes a 12-month Tydings period; however, actual end date will be communicated by MDE and will likely be prior to the dates noted here

** Included here is an award from MAISA for connectivity related expenditures which was required to be spent by 12/31/20 (\$59K)



Thank you.

Lisa Vargo
Partner
(248) 375-7462

Thomas Marchese
Senior Manager
(248) 375-7442

Livonia Public Schools

Federal Awards Supplemental Information
June 30, 2022

Independent Auditor's Reports

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance 1

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with *Government
Auditing Standards* 2

Report on Compliance for Each Major Federal Program and Report on Internal Control Over
Compliance Required by the Uniform Guidance 3-5

Schedule of Expenditures of Federal Awards 6-8

**Reconciliation of Basic Financial Statements Federal Revenue with Schedule of
Expenditures of Federal Awards** 9

Notes to Schedule of Expenditures of Federal Awards 10

Schedule of Findings and Questioned Costs 11-12

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
Livonia Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 14, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 10, 2022.

The accompanying schedule of expenditures of federal awards and the reconciliation of financial statements federal revenue with schedule of expenditures of federal awards are presented for purposes of additional analysis as required by the Uniform Guidance and are 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 schedule of expenditures of federal awards and the reconciliation of financial statements federal revenue with the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

October 10, 2022

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

Independent Auditor's Report

To Management and the Board of Education
Livonia Public Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated October 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance
Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Education
Livonia Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Livonia Public Schools' (the "School District") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2022. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's Federal programs.

To the Board of Education
Livonia Public Schools

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Federal Agency Name/Pass-through Agency/Federal Program Title	Grant/Project Number	Assistance Listing Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2021	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Federal Expenditures	Accrued/Deferred Revenue at June 30, 2022	Current Year Cash Transferred to Subrecipients
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture:										
Passed through the Michigan Department of Education										
Noncash assistance (commodities) - National School Lunch Program -										
Entitlement commodities 2021-22	N/A	10.555	\$ 292,181	\$ -	\$ -	\$ -	\$ 292,181	\$ 292,181	\$ -	\$ -
Bonus commodities 2021-22	N/A	10.555	9,333	-	-	-	9,333	9,333	-	-
Noncash assistance (commodities) subtotal			301,514	-	-	-	301,514	301,514	-	-
Cash assistance:										
Seamless Summer Option (SSO) - Breakfast	211971	10.553	82,509	-	-	-	82,509	82,509	-	-
Seamless Summer Option (SSO) - Breakfast	221971	10.553	1,079,823	-	-	-	1,079,823	1,079,823	-	-
SSO- Breakfast subtotal		10.553	1,162,332	-	-	-	1,162,332	1,162,332	-	-
Seamless Summer Option (SSO) - Lunch	211961	10.555	407,179	-	-	-	407,179	407,179	-	-
Seamless Summer Option (SSO) - Lunch	221961	10.555	4,015,530	-	-	-	4,015,530	4,015,530	-	-
Supply Chain Assistance	220910	10.555	232,446	-	-	-	232,446	81,615	(150,831)	-
SSO- Lunch subtotal		10.555	4,655,155	-	-	-	4,655,155	4,504,324	(150,831)	-
Summer Food Service Program Operating (SFSP)	210904	10.559	27,407	-	-	-	27,407	27,407	-	-
Total Child Nutrition Cluster			6,146,408	-	-	-	6,146,408	5,995,577	(150,831)	-
Special Education Cluster - U.S. Department of Education -										
Passed through Wayne County RESA:										
IDEA, Part B:										
IDEA Flowthrough - Regular 2122	220450	84.027A	3,997,264	-	-	-	3,997,264	3,997,264	-	-
IDEA Flowthrough CPE - Regular 2122	220450	84.027A	730,275	-	-	-	730,275	730,275	-	-
IDEA Preschool:										
IDEA Preschool 2122	220460	84.173A	235,326	-	-	-	235,326	235,326	-	-
COVID-19 American Rescue Plan - IDEA Preschool	221285	84.173X	141,196	-	-	-	139,696	139,696	-	-
Total IDEA Preschool		84.173A	376,522	-	-	-	375,022	375,022	-	-
Total Special Education Cluster			5,104,061	-	-	-	5,102,561	5,102,561	-	-

Federal Agency Name/Pass-through Agency/Federal Program Title	Grant/Project Number	Assistance Listing Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2021	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Federal Expenditures	Accrued/Deferred Revenue at June 30, 2022	Current Year Cash Transferred to Subrecipients
Clusters (continued):										
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through Wayne County RESA - Medicaid Outreach 2122		93.778	51,730	-	-	-	51,730	51,730	-	-
Total of cluster programs			11,302,199	-	-	-	11,300,699	11,149,868	(150,831)	-
Other federal programs:										
U.S. Department of Education - Passed through Michigan										
Michigan Department of Education:										
Title I, Part A:										
Title I, Part A 2021	211530	84.010	1,283,346	1,133,242	138,038	-	138,038	-	-	-
Title I, Part A 2122	221530	84.010	1,394,465	-	-	-	1,154,901	1,353,500	198,599	-
Total Title I, Part A		84.010	2,677,811	1,133,242	138,038	-	1,292,939	1,353,500	198,599	-
Title II, Part A:										
Title II, Part A Supporting Effective Instruction 2021	210520	84.367	661,687	384,501	98,550	-	98,550	-	-	-
Title II, Part A Supporting Effective Instruction 2122	220520	84.367	577,940	-	-	-	423,476	493,194	69,718	-
Total Title II, Part A		84.367	1,239,627	384,501	98,550	-	522,026	493,194	69,718	-
Title III, English Language Acquisition State Grants:										
Title III, Immigrant Students 2020-2021	210570	84.365A	43,763	33,014	15,526	-	15,526	-	-	-
Title III, Immigrant Students 2021-2022	220570	84.365A	29,073	-	-	-	21,656	28,007	6,351	-
Title III, Limited English Proficient Students 2020-2021	210580	84.365A	71,722	67,277	8,772	-	8,772	-	-	-
Title III, Limited English Proficient Students 2021-2022	220580	84.365A	71,740	-	-	-	42,788	52,321	9,533	-
Total Title III, English Language Acquisition State Grants		84.365A	216,298	100,291	24,298	-	88,742	80,328	15,884	-
Title IV, Part A SSAE -										
Title IV, Part A Student Support and Academic Enrichment 2020-2021	210750	84.424A	99,448	87,317	10,759	-	10,759	-	-	-
Title IV, Part A Student Support and Academic Enrichment 2021-2022	220750	84.424A	103,693	-	-	-	93,718	93,718	-	-
Total Title IV, Part A SSAE			203,141	87,317	10,759	-	104,477	93,718	-	-
Adult Education - Basic Grants to States:										
Federal General Instruction 2020-2021	211130	84.002A	175,000	105,490	15,713	-	15,713	-	-	-
Federal General Instruction 2021-2022	221130	84.002A	177,454	-	-	-	111,361	121,323	9,962	-
Total Adult Education - Basic Grants to States		84.002A	352,454	105,490	15,713	-	127,074	121,323	9,962	-

Federal Agency Name/Pass-through Agency/Federal Program Title	Grant/Project Number	Assistance Listing Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2021	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Federal Expenditures	Accrued/Deferred Revenue at June 30, 2022	Current Year Cash Transferred to Subrecipients
Education Stabilization Fund- U.S. Department of Education										
Passed through Michigan Department of Education										
Covid-19 Elementary and Secondary School Emergency Relief (ESSER I)	203710	84.425D	1,011,387	1,011,387	721	-	721	-	-	-
Covid-19 Education Equity- Elementary and Secondary School Emergency Relief	203720	84.425D	161,821	161,763	6,117	-	6,117	-	-	-
Covid-19 Sec. 23b(2)(a) ESSER II - Summer Programming K-8	213722	84.425D	677,050	-	-	-	-	39,454	39,454	-
Covid-19 Sec. 23b(2)(b) ESSER II - Credit Recovery 9-12	213742	84.425D	485,100	-	-	-	-	163,826	163,826	-
Covid-19 Sec. 23b(2)(c) ESSER II - Before and After School Programs K-12	213752	84.425D	24,765	-	-	-	12,330	15,323	2,993	-
Covid-19 ESSER II Discretionary - Benchmark Assessments	213762	84.425D	109,800	-	-	-	109,800	109,800	-	-
Covid-19 Sec. 23c GEER II - Teacher & Support Staff Payments	211202	84.425C	139,500	-	-	-	-	139,500	139,500	-
Covid-19 American Rescue Plan/ESSER III	213713	84.425U	9,779,121	-	-	-	495,704	1,147,633	651,929	-
Covid-19 Elementary and Secondary School Emergency Relief (ESSER II)	213712	84.425D	4,351,197	-	-	-	2,535,715	3,890,245	1,354,530	-
Total Elementary and Secondary School Emergency Relief			16,739,741	1,173,150	6,838	-	3,160,387	5,505,781	2,352,232	-
Coronavirus Relief Fund- U.S Department of Treasury										
Passed through Michigan Department of Education										
Coronavirus Relief Funds (Section 11p - \$350 per-pupil)	20-21	21.019	4,943,302	2,659,951	(2,283,351)	-	-	2,283,351	-	-
U.S. Department of Education - Passed through Wayne County RESA -										
Carl D. Perkins Career and Technical Education Program:										
Carl D. Perkins Grant 2020-2021	213520	84.048A	274,713	274,713	32,511	-	32,511	-	-	-
Carl D. Perkins Grant 2021-2022	223520	84.048A	288,472	-	-	-	288,472	288,472	-	-
Total Perkins Career and Technical Education Program		84.048A	563,185	274,713	32,511	-	320,983	288,472	-	-
Early on Federal 2021-2022	221340	84.181A	117,500	-	-	-	13,439	88,333	74,894	-
Federal Communications Commission (FCC)										
Passed through Universal Service Administrative Co.										
Covid-19 Emergency Connectivity Fund Program		32.009	3,229,920	-	-	-	-	28,218	28,218	-
U.S. Department of Agriculture - Passed through Michigan Department of Education										
Child and Adult Care Food Program Meals	211920/211925	10.558	5,140	3,595	366	-	1,910	1,544	-	-
National School Lunch Program Equipment Assistance Grant	201991	10.579	31,500	-	-	-	31,500	31,500	-	-
COVID-19 Pandemic EBT Local Level Costs	210980	10.649	3,063	-	-	-	3,063	3,063	-	-
Total U.S. Department of Agriculture Noncluster Programs			39,703	3,595	366	-	36,473	36,107	-	-
Total of noncluster programs			30,322,682	5,922,250	(1,956,278)	-	5,666,540	10,372,325	2,749,507	-
Total federal awards			\$ 41,624,881	\$ 5,922,250	\$ (1,956,278)	\$ -	\$ 16,967,239	\$ 21,522,193	\$ 2,598,676	\$ -

Livonia Public Schools

**Reconciliation of Basic Financial Statements Federal Revenue
with Schedule of Expenditures of Federal Awards**

	Year Ended June 30, 2022
Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 22,016,137
Federal revenue for which the School District is considered a vendor or beneficiary rather than a subrecipient	(1,371,344)
Unavailable revenue not reported for year ended June 30, 2022	<u>877,400</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 21,522,193</u></u>

Draft

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Livonia Public Schools (the "School District") under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement as outlined in the compliance supplement, except for expenditures related to CFDA 21.019, Coronavirus Relief Fund (CRF).. CRF does not apply the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards but rather applies the U.S. Department of Treasury's guidance and/or U.S. Department of Health and Human Services' guidance. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The pass-through entity identifying numbers are presented where available.

The School District has elected not to use the 10 percent de minimis indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Note 3 - Grant Auditor Report

Management has utilized the Michigan Department of Education NexSys Grant Auditor Report (GAR) in preparing the schedule of expenditures of federal awards. Differences, if any, between the GAR and the schedule of expenditures of federal awards relate to the timing of payments and the fiscal year in which the payments relate to.

Note 4 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance.

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

ALN	Name of Federal Program or Cluster	Opinion
84.425C, 84.425D, , 84.425U 84.010	Education Stabilization Fund Title I, Part A	Unmodified Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	74

Livonia Public Schools

**Financial Report
with Supplemental Information
June 30, 2022**

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-10
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	13
Reconciliation of the Balance Sheet to the Statement of Net Position	14
Statement of Revenue, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	16
Proprietary Funds:	
Statement of Net Position	17
Statement of Revenue, Expenses, and Changes in Net Position	18
Statement of Cash Flows	19
Fiduciary Funds:	
Statement of Fiduciary Net Position	20
Statement of Changes in Fiduciary Net Position	21
Notes to Financial Statements	22-41
Required Supplemental Information	42
Budgetary Comparison Schedules - General Fund	43
Budgetary Comparison Schedule - Major Special Revenue Funds	45
Budgetary Comparison Schedules - General Fund - Funded Projects	44
Schedule of Proportionate Share of the Net Pension Liability	46
Schedule of Pension Contributions	47
Schedule of Proportionate Share of the Net OPEB Liability	48
Schedule of OPEB Contributions	49
Notes to Required Supplemental Information	50
Other Supplemental Information	51
Nonmajor Governmental Funds:	
Combining Balance Sheet	56
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	57
General Fund:	
Combining Balance Sheet	52-53
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	54-55
Schedule of Bonded Indebtedness	58-59
Federal Awards Supplemental Information	Issued Under Separate Cover

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, 2022 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, 2022 and the respective changes in its financial position and, where applicable, 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*,¹ 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 twelve 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.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

To the Board of Education
Livonia Public Schools

- 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 Supplemental Information

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

Supplemental 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 supplemental information, as identified in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. 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 supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2022 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.

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, 2022. 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 I 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 Supplemental Information)**

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplemental Information

Budgetary Comparison Schedules - General Fund

Budgetary Comparison Schedules - General Fund - Funded Projects

Budgetary Comparison Schedules - 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

Schedule of OPEB Contributions

Other Supplemental 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, 2022 and 2021:

	Governmental Activities	
	2022	2021
	(in millions)	
Assets		
Current and other assets	\$ 153.0	\$ 160.4
Capital assets	278.5	263.2
Total assets	431.5	423.6
Deferred Outflows of Resources	74.7	109.6
Liabilities		
Current liabilities	40.7	31.8
Noncurrent liabilities	255.5	271.6
Net pension liability	258.3	381.5
Net OPEB liability	16.4	59.6
Total liabilities	570.9	744.5
Deferred Inflows of Resources	171.9	63.1
Net Position (Deficit)		
Net investment in capital assets	93.5	77.7
Restricted	2.4	4.2
Unrestricted	(332.5)	(356.3)
Total net position (deficit)	<u>\$ (236.6)</u>	<u>\$ (274.4)</u>

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 \$(236.6) million at June 30, 2022. Net investment in capital assets totaling \$93.5 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 (\$(332.5) million) was unrestricted.

The \$(332.5) 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 \$38.1 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.

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, 2022 and 2021:

Livonia Public Schools

Management's Discussion and Analysis (Continued)

	Governmental Activities	
	2022	2021
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 3.7	\$ 2.9
Operating grants	84.3	71.1
General revenue:		
Taxes	53.6	52.6
State aid not restricted to specific purposes	87.3	90.4
Other	2.2	3.9
Total revenue	<u>231.1</u>	<u>220.9</u>
Expenses		
Instruction	100.2	121.1
Support services	65.2	80.7
Athletics	2.2	2.2
Food services	4.0	3.1
Community services	2.5	2.9
Debt service	7.8	10.0
Depreciation expense (unallocated)	11.4	10.6
Total expenses	<u>193.3</u>	<u>230.6</u>
Change in Net Position	37.8	(9.7)
Net Position (Deficit) - Beginning of year	<u>(274.4)</u>	<u>(264.7)</u>
Net Position (Deficit) - End of year	<u><u>\$ (236.6)</u></u>	<u><u>\$ (274.4)</u></u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$193.3 million. Certain activities were partially funded from those who benefited from the programs (\$3.7 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$84.3 million). We paid for the remaining public benefit portion of our governmental activities with \$53.6 million in taxes, \$87.3 million in state foundation allowance, and \$2.2 million of other revenue (i.e., interest and general entitlements).

The School District experienced an increase in net position of \$37.8 million. On a year-over-year basis, total revenue increased by \$10.2 million and total expenses decreased by \$37.3 million. Key reasons for the change in net position were an increase in revenue from operating grants and a decrease in expenses for instruction and support services.

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 \$112.0 million, which is a decrease of \$16.5 million from last year. This decrease is primarily the result of expending the last of the proceeds from the second series of the 2013 Bond as well as proceeds from the first series of the 2021 Bond and proceeds from the Sinking Fund millage to complete the work identified in the School District's 10-Year Facility Plan.

The School District reports that in the General Fund, our principal operating fund, the fund balance increased from \$33.1 million to \$33.7 million excluding Funded Projects Fund activity. This was a planned use of the fund balance. The presence of a fund balance allows the School District to better manage the impact of myriad 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 from \$4.3 million last year to \$4.6 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 an increase in the Food Service Fund and Student Activities Fund offset by a decrease in the Special Education Fund. The Food Service Fund saw a significant increase in fund balance due to the district's participation in Michigan Department of Education's "No Kid Hungry" program which allowed the district to feed all enrolled students for free, regardless of socioeconomic status, with a reimbursement for the meal coming from the USDA through the State of Michigan. The district saw a significant increase in participation from students through this program.

The fund balance of our Debt Service Fund decreased \$1.5 million primarily as a result of using cash on hand to make debt service payments due during the 2021-2022 school year. The fund balance in the debt service fund is reserved and is required to remain in the debt service funds to be used for future debt service payments.

Combined, the fund balance of our capital project funds decreased \$15.0 million, from \$87.3 million to \$72.3 million. During the 2021-2022 school year, the district maintained four capital project funds: the 2013 Series II Bond Fund, the 2021 Series I Bond Fund, the Sinking Fund, and a general Capital Projects Fund funded by sale of properties and transfers from other funds. This was a planned use of the fund balances as these funds are earmarked for capital improvements as described in the ballot language approved by the community in the case of the bonds and sinking funds and as identified in our 10-Year Facility Plan.

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 2022. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental 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. This means adopting a budget using projected student counts and estimated staffing needed to meet our students' needs. For this reason, the School District amends the budget as additional information becomes available.

The initial General Fund budget was approved by the Board of Education on June 14, 2021, prior to the finalization of the School Aid Bill establishing state funding for the 2021-2022 school year. The initial budget reflected estimated revenues and other financing sources to be \$152.4 million and estimated expenditures to be \$159.1 million. The final budget approved by the Board of Education on June 13, 2022, reflected estimated revenues and other financing sources to be \$157.6 million and estimated expenditures to be \$159.1 million.

The \$5.7 million increase in revenue from the initial budget was combination of adjustments to various revenue line-items. The largest adjustment was to Section 147c state revenue. In 2020-2021, the district received \$13.2 million in Section 147c revenue in the General Fund. The district assumed it would receive a similar allocation in 2021-2022 but instead the General Fund's portion of Section 147c revenue was \$15.5 million, a \$2.3 million increase. Another unforeseen revenue source was a reimbursement from the intermediate school district of \$1.8 million to cover unreimbursed General Fund special education related costs. There were various other revenue line-item adjustments, but those two items were the most significant adjustments.

Expenditures remained consistent between the initial and approved budgets. Decreases related to pupil transportation costs and instruction - added needs which were offset by increases in Section 147c related retirement costs.

The District maintains a separate fund to track grants called the Funded Projects Fund. In the final budget amendment, the District included the total amount of grants awarded to the District despite having a multi-year spending plan for some of the grants, most notably the ESSER III grant. Including the total amount of grants awarded in the budget amendment gave the district the most flexibility on the timing of the use of the grants funds. There is a budget variance of \$20 million in the Funded Projects Fund because of the multi-year spending plan. Funds that were approved but not spent in 2021-2022 will be spent in coming years.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2022, the School District had \$278.5 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 \$15.2 million, or 5.8 percent, from last year.

	Governmental Activities	
	2022	2021
Land	\$ 6,220,906	\$ 6,220,906
Construction in progress	13,160,386	1,725,739
Buildings and improvements	238,627,553	238,639,657
Furniture and equipment	14,494,034	9,904,641
Buses and other vehicles	5,958,517	6,741,113
Total capital assets - Net of accumulated depreciation	\$ 278,461,396	\$ 263,232,056

This year's overall additions of \$26.6 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 \$231.5 million in bonds outstanding versus \$245.5 million in the previous year - a change of 5.7 percent. Those bonds consisted of the following:

	2022	2021
General obligation bonds	\$ 231,460,000	\$ 245,490,000

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 of \$231.5 million is significantly below the statutorily imposed limit.

Other obligations include accrued vacation pay and sick leave. 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 2022-2023 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. For fiscal year 2022, the blended pupil count for funding will be 90 percent of the October 2021 membership and 10 percent of the February 2021 membership. The 2022-2023 budget was adopted in June 2021 based on an estimate of students enrolled in September 2022. The District budgeted for a small decline in enrollment, one hundred students, consistent with the decline the district saw prior to the pandemic as a result of the number of incoming kindergarteners 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 2022-2023 fiscal year, the District will continue to benefit from having two voter approved revenue sources outside the General Fund to help complete the work outlined in the 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 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 supports 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, 2022

	<u>Governmental Activities</u>
Assets	
Cash and investments (Note 4)	\$ 44,807,702
Receivables:	
Property taxes receivable	269,481
Other receivables	153,456
Due from other governments	26,127,106
Inventory	161,174
Prepaid expenses and other assets	137,888
Restricted assets - Cash and cash equivalents (Note 4)	81,338,860
Capital assets - Net (Note 6)	<u>278,461,396</u>
Total assets	431,457,063
Deferred Outflows of Resources	
Deferred charges on bond refunding (Note 8)	1,258,511
Deferred pension costs (Note 9)	52,790,893
Deferred OPEB costs (Note 9)	<u>20,647,886</u>
Total deferred outflows of resources	74,697,290
Liabilities	
Accounts payable	10,527,685
Due to other governmental units	7,944,874
Accrued liabilities and other	19,759,097
Unearned revenue (Note 5)	2,401,589
Noncurrent liabilities:	
Due within one year: (Note 8)	
Compensated absences	587,867
Current portion of bonds and contracts payable	14,916,255
Due in more than one year (Note 8)	240,058,149
Net pension liability (Note 9)	258,269,636
Net OPEB liability (Note 9)	<u>16,386,164</u>
Total liabilities	570,851,316
Deferred Inflows of Resources	
Deferred benefit on bond refunding (Note 8)	897,918
Revenue in support of pension contributions made subsequent to the measurement date (Note 9)	16,867,994
Deferred pension cost reductions (Note 9)	89,942,439
Deferred OPEB cost reductions (Note 9)	<u>64,179,728</u>
Total deferred inflows of resources	<u>171,888,079</u>
Net Position (Deficit)	
Net investment in capital assets	93,545,334
Restricted:	
Debt service	1,147,807
Capital projects	1,285,253
Unrestricted	<u>(332,563,436)</u>
Total net position (deficit)	<u>\$ (236,585,042)</u>

Year Ended June 30, 2022

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	\$ 100,199,578	\$ 950	\$ 46,788,547	\$ (53,410,081)
Support services	65,182,469	35,607	31,586,612	(33,560,250)
Athletics	2,206,455	514,202	-	(1,692,253)
Food services	4,006,240	250,604	5,968,189	2,212,553
Community services	2,482,852	2,904,397	-	421,545
Interest	7,818,089	-	-	(7,818,089)
Other debt costs	2,301	-	-	(2,301)
Depreciation expense (unallocated) (Note 6)	11,385,881	-	-	(11,385,881)
Total primary government	\$ 193,283,865	\$ 3,705,760	\$ 84,343,348	(105,234,757)
General revenue:				
Taxes:				
Property taxes levied for general purposes				25,909,105
Property taxes levied for debt service				19,974,439
Property taxes levied for capital projects				7,696,609
State aid not restricted to specific purposes				87,323,192
Interest and investment earnings (loss)				(350,866)
Penalties, interest, and other taxes				17,240
Gain on sale of capital assets				49,060
Other:				
Student activities				2,183,934
Other				270,485
Total general revenue				143,073,198
Change in Net Position				37,838,441
Net Position (Deficit) - Beginning of year				(274,423,483)
Net Position (Deficit) - End of year				<u>\$(236,585,042)</u>

June 30, 2022

	General Fund	Special Education Fund	2021 Bond Series I Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and cash equivalents (Note 4)	\$ 44,771,016	\$ -	\$ -	\$ 36,686	\$ 44,807,702
Receivables:					
Property taxes receivable	261,195	-	-	8,286	269,481
Other receivables	141,449	-	-	12,007	153,456
Due from other governments	26,127,106	-	-	-	26,127,106
Due from other funds (Note 7)	1,135,979	5,847,900	-	7,732,973	14,716,852
Inventory	125,050	-	-	36,124	161,174
Prepaid expenses and other assets	94,457	-	-	-	94,457
Restricted assets (Note 4)	-	-	73,611,244	7,727,616	81,338,860
Total assets	\$ 72,656,252	\$ 5,847,900	\$ 73,611,244	\$ 15,553,692	\$ 167,669,088
Liabilities					
Accounts payable	\$ 813,141	\$ 37,261	\$ 8,251,275	\$ 1,410,016	\$ 10,511,693
Due to other governmental units	4,602,330	3,341,697	-	847	7,944,874
Due to other funds (Note 7)	14,347,935	-	144,697	991,282	15,483,914
Accrued liabilities and other	17,063,284	1,360,344	-	15,077	18,438,705
Unearned revenue (Note 5)	2,136,935	-	-	264,654	2,401,589
Total liabilities	38,963,625	4,739,302	8,395,972	2,681,876	54,780,775
Deferred Inflows of Resources -					
Unavailable revenue (Note 5)	877,400	-	-	-	877,400
Total liabilities and deferred inflows of resources	39,841,025	4,739,302	8,395,972	2,681,876	55,658,175
Fund Balances					
Nonspendable - Inventory and prepaid expense	94,457	-	-	36,124	130,581
Restricted:					
Debt service	-	-	-	2,267,497	2,267,497
Capital projects	-	-	65,215,272	4,000,837	69,216,109
Food service	-	-	-	1,836,665	1,836,665
Committed - Student activities	-	-	-	1,609,322	1,609,322
Assigned:					
Subsequent year's budget	3,114,448	-	-	-	3,114,448
Capital projects	-	-	-	3,121,371	3,121,371
Center programs	-	1,108,598	-	-	1,108,598
Unassigned	29,606,322	-	-	-	29,606,322
Total fund balances	32,815,227	1,108,598	65,215,272	12,871,816	112,010,913
Total liabilities, deferred inflows of resources, and fund balances	\$ 72,656,252	\$ 5,847,900	\$ 73,611,244	\$ 15,553,692	\$ 167,669,088

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2022

Fund Balances Reported in Governmental Funds	\$ 112,010,913
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	461,208,242
Accumulated depreciation	<u>(182,746,846)</u>
Net capital assets used in governmental activities	278,461,396
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.	877,400
Deferred inflows and outflows related to bond refundings are not reported in the funds	360,593
Bonds payable are not due and payable in the current period and are not reported in the funds	(253,207,511)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,119,690)
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	(2,354,760)
Net pension liability and related deferred inflows and outflows	(295,421,182)
Net OPEB liability and related deferred inflows and outflows	(59,918,006)
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	(16,867,994)
Internal service funds are included as part of governmental activities	<u>593,799</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (236,585,042)</u></u>

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

Year Ended June 30, 2022

	General Fund	Special Education Fund	2021 Bond Series I Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Local sources	\$ 30,675,653	\$ -	\$ -	\$ 30,019,363	\$ 60,695,016
State sources	120,527,941	6,852,962	-	1,228,779	128,609,682
Federal sources	16,017,497	-	-	5,998,640	22,016,137
Interdistrict sources	11,649,504	10,061,177	-	-	21,710,681
Net realized/unrealized investment earnings (loss)	196	-	(384,277)	33,215	(350,866)
Total revenue	178,870,791	16,914,139	(384,277)	37,279,997	232,680,650
Expenditures					
Current:					
Instruction	107,435,063	9,065,988	-	-	116,501,051
Support services	64,141,149	5,823,465	189,637	2,024,279	72,178,530
Athletics	2,410,828	-	-	-	2,410,828
Food services	-	-	-	4,273,652	4,273,652
Community services	2,904,230	-	-	-	2,904,230
Debt service:					
Principal	-	-	-	14,030,000	14,030,000
Interest	-	-	-	8,605,345	8,605,345
Other debt costs	-	-	-	2,301	2,301
Capital outlay	3,608,148	214,442	11,758,303	12,778,776	28,359,669
Total expenditures	180,499,418	15,103,895	11,947,940	41,714,353	249,265,606
Excess of Revenue (Under) Over Expenditures	(1,628,627)	1,810,244	(12,332,217)	(4,434,356)	(16,584,956)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	-	-	-	49,060	49,060
Transfers in (Note 7)	1,344,564	-	-	2,395,436	3,740,000
Transfers out (Note 7)	-	(3,500,000)	-	(240,000)	(3,740,000)
Total other financing sources (uses)	1,344,564	(3,500,000)	-	2,204,496	49,060
Net Change in Fund Balances	(284,063)	(1,689,756)	(12,332,217)	(2,229,860)	(16,535,896)
Fund Balances - Beginning of year	33,099,290	2,798,354	77,547,489	15,101,676	128,546,809
Fund Balances - End of year	<u>\$ 32,815,227</u>	<u>\$ 1,108,598</u>	<u>\$ 65,215,272</u>	<u>\$ 12,871,816</u>	<u>\$ 112,010,913</u>

Governmental Funds

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

Year Ended June 30, 2022

Net Change in Fund Balance Reported in Governmental Funds	\$ (16,535,896)
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	26,615,221
Depreciation expense	(11,385,881)
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	877,400
Revenue in support of pension contributions made subsequent to the measurement date	(2,484,804)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds	14,675,823
Interest expense is recognized in the government-wide statements as it accrues	141,433
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	26,592,604
Internal service funds are included as part of governmental activities	<u>(657,459)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 37,838,441</u></u>

**Proprietary Funds
Statement of Net Position**

June 30, 2022

Internal Service
Fund - Health
and Welfare
Fund

Assets

Current assets:

Due from other funds (Note 7)

Prepaid expenses and other assets

Total assets

Liabilities - Claims payable (Note 10)

Net Position - Unrestricted

\$	757,792
	<u>43,431</u>
	801,223
	<u>207,424</u>
\$	<u><u>593,799</u></u>

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

Year Ended June 30, 2022

	Internal Service Fund - Health and Welfare Fund
Operating Revenue	
Employee contributions	\$ 2,169,758
Employee contributions - Purchased insurance	627,216
Charges for services	18,084,782
Total operating revenue	20,881,756
Operating Expenses	
Cost of insurance claims (Note 10)	288,799
Other operating and maintenance costs	296,592
Billing and administrative costs	20,953,824
Total operating expenses	21,539,215
Change in Net Position	(657,459)
Net Position - Beginning of year	1,251,258
Net Position - End of year	\$ 593,799

**Proprietary Funds
Statement of Cash Flows**

Year Ended June 30, 2022

	Internal Service Fund - Health and Welfare Fund
Cash Flows from Operating Activities	
Receipts from interfund services and reimbursements	\$ 21,416,767
Claims, premium, and administrative fees paid	<u>(21,416,767)</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	\$ (657,459)
Adjustments to reconcile change in net position to net cash from operating activities:	
Changes in assets and liabilities:	
Due to and from other funds	535,011
Prepaid expenses and other assets	53,927
Claims payable	<u>68,521</u>
Net cash provided by operating activities	<u><u>\$ -</u></u>

**Fiduciary Funds
Statement of Fiduciary Net Position**

June 30, 2022

	<u>Scholarship</u>
Assets	
Cash and investments	\$ 35,088
Due from other funds (Note 7)	<u>9,270</u>
Total assets	44,358
Liabilities - Due to other funds (Note 7)	<u>-</u>
Net Position - Restricted for endowments	<u><u>\$ 44,358</u></u>

Draft

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2022

	<u>Scholarship</u>
Additions - Local sources	\$ 18,080
Deductions - Scholarships awarded	<u>10,955</u>
Change in Net Position	7,125
Net Position - Beginning of year	<u>37,233</u>
Net Position - End of year	<u>\$ 44,358</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 are restricted for special education center program expenditures. Any operating deficit generated by these activities is the responsibility of the General Fund.
- The 2021 Bond Series I 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)

- Capital project funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, and equipment; technology upgrades; and remodeling and repairs. The funds operate until the purpose for which they were created is accomplished.
- The Sinking Fund is used to record the Sinking Fund property tax levy and other revenue and the disbursement of invoices specifically designated for acquiring new school sites and construction or repair of school buildings and sites.
- 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 is used to account for the 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 private purpose trust 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 supplemental information combining balance sheet presenting the General Fund and Funded Projects Fund combined includes \$444,534 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 \$335,377 for the year ended June 30, 2022.

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.

Note 2 - Significant Accounting Policies (Continued)

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 commercial paper, U.S. Treasury bonds, and federal agency bonds are valued at amortized cost. Investment income is recorded in the fund for which the investment account was established.

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 lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures.

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

Note 2 - Significant Accounting Policies (Continued)

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.

The School District reports deferred outflows related to deferred bond charges on refunding and 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 types of deferred inflows of resources reported only in the statement of net position relate to deferred bond benefits on refundings and 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.

Note 2 - Significant Accounting Policies (Continued)

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).

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 only exist 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, 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.

Upcoming Accounting Pronouncement

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The School District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2023.

In June 2022, the Governmental Accounting Standards Board issued GASB 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.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 14, 2022, 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. 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.

Note 3 - Stewardship, Compliance, and Accountability (Continued)

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

The School District did not have significant expenditure budget variances.

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 three banks for the deposit of its funds.

At year end, the School District had approximately \$41.5 million in investment pools in the Michigan Liquid Asset Fund, which is recorded at amortized cost. There are no limitations or restrictions on participant withdrawals, except that there is a 1-day minimum investment period for approximately \$39.4 million of investments. Additionally, approximately \$2.1 million 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 \$45,253,901 of bank deposits (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. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Note 4 - Deposits and Investments (Continued)

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by 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, 2022, 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 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 debt securities are as follows:

Investment	Carrying Value	Rating	Rating Organization
U.S. Treasury Securities	\$ 24,549,621	AA+	S&P
Commercial paper*	15,258,024	A-1/A-1+	S&P
Michigan Liquid Asset Fund - MAX Class*	26,189,235	AAA _m	S&P
Michigan Liquid Asset Fund - Cash Management*	2,081,980	AAA _m	S&P
Michigan Liquid Asset Fund - TERM*	13,260,000	AAA _f	Fitch
Total	<u>\$ 81,338,860</u>		

*Investment fair value reported at amortized cost

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 - 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.

June 30, 2022

Note 5 - Unavailable/Unearned Revenue (Continued)

At June 30, 2022, the various components of unearned revenue were as follows:

	Governmental Funds	
	Deferred Inflow - Unavailable	Liability - Unearned
Unavailable grant revenue	\$ 877,400	\$ -
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	2,248,772
Other	-	152,817
Total	\$ 877,400	\$ 2,401,589

Note 6 - Capital Assets

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

	Balance July 1, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 6,220,906	\$ -	\$ -	\$ -	\$ 6,220,906
Construction in progress	1,725,739	(1,081,279)	12,515,926	-	13,160,386
Subtotal	7,946,645	(1,081,279)	12,515,926	-	19,381,292
Capital assets being depreciated:					
Buildings and improvements	388,779,231	1,081,279	8,345,922	-	398,206,432
Furniture and equipment	28,053,460	-	5,753,373	-	33,806,833
Buses and other vehicles	9,813,685	-	-	-	9,813,685
Subtotal	426,646,376	1,081,279	14,099,295	-	441,826,950
Accumulated depreciation:					
Buildings and improvements	150,139,574	-	9,439,305	-	159,578,879
Furniture and equipment	18,148,819	-	1,163,980	-	19,312,799
Buses and other vehicles	3,072,572	-	782,596	-	3,855,168
Subtotal	171,360,965	-	11,385,881	-	182,746,846
Net capital assets being depreciated	255,285,411	1,081,279	2,713,414	-	259,080,104
Net governmental activities capital assets	\$ 263,232,056	\$ -	\$ 15,229,340	\$ -	\$ 278,461,396

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

June 30, 2022

Note 6 - Capital Assets (Continued)

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
General Fund	\$ 196,367	\$ 175,959
Capital Projects Fund	1,258,416	385,652
2021 Sinking Fund	2,133,329	2,698,302
2021 Bond Series I Fund	10,441,054	29,203,141
Total	<u>\$ 14,029,166</u>	<u>\$ 32,463,054</u>

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From			
	General Fund	2021 Bond Fund	Nonmajor Funds	Total
General Fund	\$ -	\$ 144,697	\$ 991,282	\$ 1,135,979
Special Education Fund	5,847,900	-	-	5,847,900
Nonmajor funds	7,732,973	-	-	7,732,973
Private Purpose Trust Fund	9,270	-	-	9,270
Internal service fund - Health and Welfare Fund	757,792	-	-	757,792
Total	<u>\$ 14,347,935</u>	<u>\$ 144,697</u>	<u>\$ 991,282</u>	<u>\$ 15,483,914</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	\$ 1,104,564
	Nonmajor governmental funds	2,395,436
Nonmajor governmental funds	General Fund	<u>240,000</u>
	Total	<u>\$ 3,740,000</u>

June 30, 2022

Note 7 - Interfund Receivables, Payables, and Transfers (Continued)

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 Special Education Fund to the nonmajor Capital Projects Fund include amounts to subsidize future special education capital improvements.

Note 8 - Long-term Debt

Long-term debt activity for the year ended June 30, 2022 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Other debt - General obligations	\$ 245,490,000	\$ -	\$ (14,030,000)	\$ 231,460,000	\$ 13,250,000
Unamortized bond premiums	23,413,766	-	(1,666,255)	21,747,511	1,666,255
Total bonds payable	268,903,766	-	(15,696,255)	253,207,511	14,916,255
Compensated absences	2,655,751	-	(300,991)	2,354,760	587,867
Total governmental activities long-term debt	<u>\$ 271,559,517</u>	<u>\$ -</u>	<u>\$ (15,997,246)</u>	<u>\$ 255,562,271</u>	<u>\$ 15,504,122</u>

The School District had deferred outflows of \$1,258,511 related to deferred charges on bond refundings at June 30, 2022.

The School District had deferred inflows of \$897,918 related to deferred benefit on bond refundings at June 30, 2022.

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, 2022 are as follows:

Purpose	Remaining Annual Installments	Interest Rates	Maturing May 1	Outstanding
\$65,025,000 qualified refunding bonds	\$4,125,000-\$4,185,000	4.00%-5.00%	2024	\$ 8,310,000
\$103,330,000 qualified school building and site bonds	\$1,175,000-\$1,325,000	5.00%	2024	2,500,000
\$76,180,000 qualified school building and site bonds	\$1,850,000-\$4,175,000	5.00%	2045	68,825,000
\$90,770,000 unqualified refunding bonds	\$1,245,000-\$6,920,000	0.53%-3.02%	2043	89,770,000
\$65,925,000 qualified school building and site bonds	\$2,400,000-\$4,795,000	3.00%-5.00%	2041	62,055,000
Total governmental activities				<u>\$ 231,460,000</u>

Note 8 - Long-term Debt (Continued)

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		Total
	Principal	Interest	
2023	\$ 13,250,000	\$ 8,397,994	\$ 21,647,994
2024	11,080,000	7,791,170	18,871,170
2025	11,420,000	7,331,872	18,751,872
2026	9,220,000	7,070,849	16,290,849
2027	9,460,000	6,774,264	16,234,264
2028-2032	50,880,000	28,773,656	79,653,656
2033-2037	54,560,000	19,457,535	74,017,535
2038-2042	54,680,000	9,556,557	64,236,557
2043-2045	16,910,000	1,373,304	18,283,304
Total	\$ 231,460,000	\$ 96,527,201	\$ 327,987,201

In previous years, the School District defeased certain bonds by completing an advance refunding. As of June 30, 2022, there is still \$83,255,000 of bonds outstanding that are considered defeased and continue to be serviced with the related refunding proceeds that are held in trust.

Note 9 - 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 supplemental 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 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.

June 30, 2022

Note 9 - Michigan Public School Employees' Retirement System (Continued)

Depending on the member's date of hire, MPSERS 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 supplemental payment in those years when investment earnings exceed actuarial assumptions.

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS, 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.

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 a participant 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.

Note 9 - Michigan Public School Employees' Retirement System (Continued)

The ranges of rates are as follows:

	Pension	OPEB
October 1, 2020 - September 30, 2021	13.39% - 19.78%	7.57% - 8.43%
October 1, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%

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, 2022 were \$36,900,987, which includes the School District's contributions required for those members with a defined contribution benefit. The School District's required and actual pension contributions include an allocation of \$16,867,994 in revenue received from the State of Michigan and remitted to the System to fund the MPERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2022.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2022 were \$8,388,643, which includes the School District's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2022, the School District reported a liability of \$258,269,636 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2020, which used update procedures to roll forward the estimated liability to September 30, 2021. 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, 2021 and 2020, the School District's proportion was 1.09 and 1.11 percent, respectively, representing a change of 0.02 percent.

Net OPEB Liability

At June 30, 2022, the School District reported a liability of \$16,386,164 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2022 was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2020, which used update procedures to roll forward the estimated liability to September 30, 2021. The School District's proportion of the net OPEB liability 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, 2021 and 2020, the School District's proportion was 1.07 and 1.11 percent, respectively, representing a change of (3.58) percent.

June 30, 2022

Note 9 - Michigan Public School Employees' Retirement System (Continued)

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

For 2022, the School District recognized pension expense of \$27,251,672, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2022, 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	\$ 4,000,707	\$ (1,520,901)
Changes in assumptions	16,280,394	-
Net difference between projected and actual earnings on pension plan investments	-	(83,032,858)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	1,069,484	(5,388,680)
The School District's contributions to the plan subsequent to the measurement date	31,440,308	-
	<u>\$ 52,790,893</u>	<u>\$ (89,942,439)</u>
Total		

The \$16,867,994 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, 2023. 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
2023	\$ (8,588,738)
2024	(15,682,222)
2025	(21,294,518)
2026	(23,026,376)
2027	-
Thereafter	-
Total	<u>\$ (68,591,854)</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, 2022, the School District recognized OPEB recovery of \$9,541,234.

June 30, 2022

Note 9 - Michigan Public School Employees' Retirement System (Continued)

At June 30, 2022, 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	\$ -	\$ (46,773,136)
Changes in assumptions	13,698,019	(2,049,735)
Net difference between projected and actual earnings on OPEB plan investments	-	(12,350,546)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	1,089,000	(3,006,311)
Employer contributions to the plan subsequent to the measurement date	5,860,867	-
Total	<u>\$ 20,647,886</u>	<u>\$ (64,179,728)</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 and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2023	\$ (12,731,334)
2024	(11,703,626)
2025	(10,734,696)
2026	(9,902,105)
2027	(3,819,794)
Thereafter	(501,154)
Total	<u>\$ (49,392,709)</u>

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2021 are based on the results of an actuarial valuation as of September 30, 2020 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00% - 6.8%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.95%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75% for 2019 and 3.50% for 2018
Health care cost trend rate - OPEB	5.25% - 7.75%	Year 1, graded to 3.5% in year 15, 3.0% in year 120
Mortality basis		RP2014 Male and Female Employee Annuitant Mortality tables, scaled 100% (retirees: 82% for males and 78% for females) and adjusted for mortality improvements using projection scale MP2017 from 2006
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 2012 to 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2018 valuation.

Note 9 - Michigan Public School Employees' Retirement System (Continued)

Significant assumption changes since the prior measurement date, September 30, 2020, for the OPEB plan include a increase in the health care cost trend rate of 0.75 percentage points for members under 65 and a reduction from 7.0 percent to 5.25 percent for members over 65. There were no significant changes in assumptions for the pension actuarial valuation. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2020.

Significant assumption changes since the measurement date, September 30, 2021, for the pension and OPEB plan include a reduction of both plans' discount rates to 6.0 percent. The change increases the total plan's net pension liability by approximately \$8.1 billion and the total plan's net OPEB liability by approximately \$1.1 billion.

Discount Rate

The discount rate used to measure the total pension liability was 6.00 to 6.80 percent as of September 30, 2021 depending on the plan option. The discount rate used to measure the total OPEB liability was 6.95 percent as of September 30, 2021. 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.

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 %	5.40 %
Private equity pools	16.00	9.10
International equity pools	15.00	7.50
Fixed-income pools	10.50	(0.70)
Real estate and infrastructure pools	10.00	5.40
Absolute return pools	9.00	2.60
Short-term investment pools	2.00	(1.30)
Real return/opportunistic pools	12.50	6.10
Total	100.00 %	

June 30, 2022

Note 9 - Michigan Public School Employees' Retirement System (Continued)

Long-term rates of return are net of administrative expense and inflation of 2.0 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 - 5.80%)	Current Discount Rate (6.00 - 6.80%)	1 Percentage Point Increase (7.00 - 7.80%)
Net pension liability of the School District	\$ 369,255,537	\$ 258,269,636	\$ 166,255,045

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

The following presents the net OPEB liability of the School District, calculated using the current discount rate. It also reflects what the School District's net OPEB 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 (5.95%)	Current Discount Rate (6.95%)	1 Percentage Point Increase (7.95%)
Net OPEB liability of the School District	\$ 30,448,449	\$ 16,386,164	\$ 4,452,305

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

The following presents the net OPEB liability of the School District, calculated using the current health care cost trend rate. It also reflects what the School District's net OPEB liability 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:

	1 Percentage Point Decrease (6.0%)	Current Rate (7.0%)	1 Percentage Point Increase (8.0%)
Net OPEB liability of the School District	\$ 3,988,262	\$ 16,386,164	\$ 30,335,295

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, 2022, the School District reported a payable of \$7,013,496 and \$969,751 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2022.

Note 10 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). 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:

	2022	2021
Estimated liability - Beginning of year	\$ 138,903	\$ 352,406
Estimated claims expense (recovered), including changes in estimates	288,799	(140,901)
Claim payments	(220,278)	(72,602)
Estimated liability - End of year	<u>\$ 207,424</u>	<u>\$ 138,903</u>

Note 11 - 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.

For the fiscal year ended June 30, 2022, the School District's property tax revenue was reduced by approximately \$1,443,000 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 \$1,141,000 in reimbursements from the State of Michigan. The School District is not reimbursed for lost revenue from the Sinking Fund or debt service millages. There are no abatements made by the School District.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedules
General Fund

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 29,161,841	\$ 30,407,833	\$ 30,620,285	\$ 212,452
State sources	111,454,563	114,021,108	114,081,653	60,545
Federal sources	33,596	43,169	52,309	9,140
Interdistrict sources	9,570,000	11,398,059	11,649,504	251,445
Net realized/unrealized investment earnings (loss)	-	59	196	137
Total revenue	150,220,000	155,870,228	156,403,947	533,719
Expenditures				
Current:				
Instruction:				
Basic programs	77,093,694	79,100,400	79,076,749	(23,651)
Added needs	16,320,486	14,956,800	14,552,632	(404,168)
Support services:				
Pupil	8,889,161	9,125,253	9,125,228	(25)
Instructional staff	7,928,031	7,928,250	7,645,004	(283,246)
General administration	843,313	907,458	833,948	(73,510)
School administration	10,237,175	10,636,756	10,602,544	(34,212)
Business	2,142,406	2,037,646	1,942,333	(95,313)
Operations and maintenance	17,198,331	17,781,879	17,779,448	(2,431)
Pupil transportation services	8,790,003	7,794,503	7,381,868	(412,635)
Central	4,980,029	4,812,480	4,749,746	(62,734)
Athletics	2,180,078	2,428,888	2,410,828	(18,060)
Community services	2,540,564	1,545,039	1,390,223	(154,816)
Total expenditures	159,143,271	159,055,352	157,490,551	(1,564,801)
Excess of Expenditures Over Revenue	(8,923,271)	(3,185,124)	(1,086,604)	2,098,520
Other Financing Sources - Transfers in	2,183,841	1,679,941	1,679,941	-
Net Change in Fund Balances	(6,739,430)	(1,505,183)	593,337	2,098,520
Fund Balance - Beginning of year	33,099,290	33,099,290	33,099,290	-
Fund Balance - End of year	<u>\$ 26,359,860</u>	<u>\$ 31,594,107</u>	<u>\$ 33,692,627</u>	<u>\$ 2,098,520</u>

Livonia Public Schools

Required Supplemental Information
Budgetary Comparison Schedules
General Fund - Funded Projects

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 171,967	\$ 183,683	\$ 55,368	\$ (128,315)
State sources	10,604,372	7,042,374	6,446,288	(596,086)
Federal sources	21,912,606	36,036,790	15,965,188	(20,071,602)
Total revenue	32,688,945	43,262,847	22,466,844	(20,796,003)
Expenditures				
Current:				
Instruction	27,815,344	27,672,220	14,058,179	(13,614,041)
Support services	4,591,859	13,669,151	7,436,681	(6,232,470)
Community services	174,425	1,572,072	1,514,007	(58,065)
Total expenditures	32,581,628	42,913,443	23,008,867	(19,904,576)
Excess of Revenue (Under) Over Expenditures	107,317	349,404	(542,023)	(891,427)
Other Financing Sources (Uses)				
Transfers in	15,915	-	-	-
Transfers out	(123,232)	(349,404)	(335,377)	14,027
Total	(107,317)	(349,404)	(335,377)	14,027
Net Change in Fund Balances	-	-	(877,400)	(877,400)
Fund Balance - Beginning of year	-	-	-	-
Fund Balances (Deficit) - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (877,400)</u>	<u>\$ (877,400)</u>

Livonia Public Schools

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

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Interdistrict sources	\$ 12,215,667	\$ 9,840,274	\$ 10,061,177	\$ 220,903
State sources	7,487,022	7,141,992	6,852,962	(289,030)
Total revenue	19,702,689	16,982,266	16,914,139	(68,127)
Expenditures				
Current:				
Instruction	11,523,048	9,126,454	9,280,430	(153,976)
Support services	6,179,641	6,255,812	5,823,465	432,347
Total expenditures	17,702,689	15,382,266	15,103,895	278,371
Excess of Revenue Over Expenditures	2,000,000	1,600,000	1,810,244	210,244
Other Financing Uses - Transfers out	(2,000,000)	(3,500,000)	(3,500,000)	-
Net Change in Fund Balances	-	(1,900,000)	(1,689,756)	210,244
Fund Balances - Beginning of year	2,798,354	2,798,354	2,798,354	-
Fund Balances - End of year	<u>\$ 2,798,354</u>	<u>\$ 898,354</u>	<u>\$ 1,108,598</u>	<u>\$ 210,244</u>

Livonia Public Schools

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

	Last Eight Plan Years							
	Plan Years Ended September 30							
	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	1.09088 %	1.11055 %	1.10382 %	1.10960 %	1.10839 %	1.11646 %	1.14578 %	1.15492 %
School District's proportionate share of the net pension liability	\$ 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	\$ 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	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	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %	66.15 %

Livonia Public Schools

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

	Last Eight Fiscal Years Years Ended June 30							
	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 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	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	\$ 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	36.06 %	33.91 %	30.93 %	30.58 %	30.14 %	27.69 %	28.16 %	21.89 %

Livonia Public Schools

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

	Last Five Plan Years				
	Plan Years Ended September 30				
	2021	2020	2019	2018	2017
School District's proportion of the net OPEB liability	1.07353 %	1.11338 %	1.09716 %	1.07600 %	1.10567 %
School District's proportionate share of the net OPEB liability	\$ 16,386,164	\$ 59,646,548	\$ 78,751,350	\$ 88,042,409	\$ 97,912,644
School District's covered payroll	\$ 96,640,061	\$ 98,377,074	\$ 95,654,243	\$ 94,116,658	\$ 92,678,036
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.96 %	60.63 %	82.33 %	93.55 %	105.65 %
Plan fiduciary net position as a percentage of total OPEB liability	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

Livonia Public Schools

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

**Last Five Fiscal Years
Years Ended June 30**

	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 7,903,024	\$ 7,807,388	\$ 7,703,526	\$ 7,413,228	\$ 6,728,930
Contributions in relation to the statutorily required contribution	7,903,024	7,807,388	7,703,526	7,413,228	6,728,930
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 100,463,576	\$ 96,512,832	\$ 97,419,463	\$ 95,355,911	\$ 93,813,172
Contributions as a Percentage of Covered Payroll	7.87 %	8.09 %	7.91 %	7.77 %	7.17 %

Pension Information

Ultimately, 10 years of data will be presented in both of the pension-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:

- 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:

- 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.
- 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 Supplemental Information

Livonia Public Schools

	Special Revenue Funds		Debt Service Fund
	Food Service	Student Activities	Debt Service
Assets			
Cash and cash equivalents	\$ 3,116	\$ -	\$ -
Receivables:			
Property taxes receivable	-	-	6,005
Other receivables	12,007	-	-
Due from other funds	2,102,525	1,609,322	290,282
Inventory	36,124	-	-
Restricted assets	-	-	1,971,710
Total assets	\$ 2,153,772	\$ 1,609,322	\$ 2,267,997
Liabilities			
Accounts payable	\$ 405	\$ -	\$ 500
Due to other governmental units	847	-	-
Due to other funds	-	-	-
Accrued liabilities and other	15,077	-	-
Unearned revenue	264,654	-	-
Total liabilities	280,983	-	500
Fund Balances			
Nonspendable - Inventory and prepaid expenses	36,124	-	-
Restricted:			
Debt service	-	-	2,267,497
Capital projects	-	-	-
Food service	1,836,665	-	-
Committed - Student activities	-	1,609,322	-
Assigned - Capital projects	-	-	-
Total fund balances	1,872,789	1,609,322	2,267,497
Total liabilities and fund balances	\$ 2,153,772	\$ 1,609,322	\$ 2,267,997

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2022

Capital Project Funds			
Capital Projects	2013 Bond Series II Fund	2021 Sinking Fund	Total
\$ -	\$ 33,570	\$ -	\$ 36,686
-	-	2,281	8,286
-	-	-	12,007
3,288,361	-	442,483	7,732,973
-	-	-	36,124
-	957,712	4,798,194	7,727,616
\$ 3,288,361	\$ 991,282	\$ 5,242,958	\$ 15,553,692
\$ 166,990	\$ -	\$ 1,242,121	\$ 1,410,016
-	-	-	847
-	991,282	-	991,282
-	-	-	15,077
-	-	-	264,654
166,990	991,282	1,242,121	2,681,876
-	-	-	36,124
-	-	-	2,267,497
-	-	4,000,837	4,000,837
-	-	-	1,836,665
-	-	-	1,609,322
3,121,371	-	-	3,121,371
3,121,371	-	4,000,837	12,871,816
\$ 3,288,361	\$ 991,282	\$ 5,242,958	\$ 15,553,692

Livonia Public Schools

	Special Revenue Funds		Debt Service Funds
	Food Service	Student Activities	Debt Service
Revenue			
Local sources	\$ 250,604	\$ 2,080,471	\$ 19,987,785
State sources	133,716	-	1,095,063
Federal sources	5,998,640	-	-
Net realized/unrealized investment earnings (loss)	-	-	27,672
Total revenue	6,382,960	2,080,471	21,110,520
Expenditures			
Current:			
Support services	-	1,950,871	-
Food services	4,273,652	-	-
Debt service:			
Principal	-	-	14,030,000
Interest	-	-	8,605,345
Other debt costs	-	-	2,301
Capital outlay	36,349	-	-
Total expenditures	4,310,001	1,950,871	22,637,646
Excess of Revenue (Under) Over Expenditures	2,072,959	129,600	(1,527,126)
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	-	-
Transfers in	-	-	-
Transfers out	(240,000)	-	-
Total other financing sources	(240,000)	-	-
Net Change in Fund Balances	1,832,959	129,600	(1,527,126)
Fund Balances - Beginning of year	39,830	1,479,722	3,794,623
Fund Balances - End of year	\$ 1,872,789	\$ 1,609,322	\$ 2,267,497

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

Year Ended June 30, 2022

Capital Project Funds			
Capital Projects	2013 Bond Series II Fund	2021 Sinking Fund	Total
\$ -	\$ -	\$ 7,700,503	\$ 30,019,363
-	-	-	1,228,779
-	-	-	5,998,640
-	-	5,543	33,215
-	-	7,706,046	37,279,997
58,408	-	15,000	2,024,279
-	-	-	4,273,652
-	-	-	14,030,000
-	-	-	8,605,345
-	-	-	2,301
2,919,407	1,696,799	8,126,221	12,778,776
2,977,815	1,696,799	8,141,221	41,714,353
(2,977,815)	(1,696,799)	(435,175)	(4,434,356)
49,060	-	-	49,060
2,395,436	-	-	2,395,436
-	-	-	(240,000)
2,444,496	-	-	2,204,496
(533,319)	(1,696,799)	(435,175)	(2,229,860)
3,654,690	1,696,799	4,436,012	15,101,676
\$ 3,121,371	\$ -	\$ 4,000,837	\$ 12,871,816

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

June 30, 2022

	<u>General Fund</u>	<u>Funded Projects</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 44,771,016	\$ -	\$ 44,771,016
Receivables:			
Property taxes receivable	261,195	-	261,195
Other receivables	141,449	-	141,449
Due from other governments	22,319,319	3,807,787	26,127,106
Due from other funds	1,135,979	-	1,135,979
Inventory	125,050	-	125,050
Prepaid expenses	93,655	802	94,457
	<u>\$ 68,847,663</u>	<u>\$ 3,808,589</u>	<u>\$ 72,656,252</u>
Total assets			
Liabilities			
Accounts payable	\$ 645,148	\$ 167,993	\$ 813,141
Due to other governmental units	4,602,330	-	4,602,330
Due to other funds	13,903,401	444,534	14,347,935
Accrued liabilities and other	15,965,163	1,098,121	17,063,284
Unearned revenue	38,994	2,097,941	2,136,935
	<u>35,155,036</u>	<u>3,808,589</u>	<u>38,963,625</u>
Total liabilities			
Deferred Inflows of Resources - Unavailable revenue	<u>-</u>	<u>877,400</u>	<u>877,400</u>
Total liabilities and deferred inflows of resources	<u>35,155,036</u>	<u>4,685,989</u>	<u>39,841,025</u>
Fund Balances			
Nonspendable - Inventory and prepaid expenses	94,457	-	94,457
Assigned - Subsequent year's budget	3,114,448	-	3,114,448
Unassigned	30,483,722	(877,400)	29,606,322
	<u>33,692,627</u>	<u>(877,400)</u>	<u>32,815,227</u>
Total fund balances			
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 68,847,663</u>	<u>\$ 3,808,589</u>	<u>\$ 72,656,252</u>

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

Year Ended June 30, 2022

	General Fund	Funded Projects	Total
Revenue			
Local sources	\$ 30,620,285	\$ 55,368	\$ 30,675,653
State sources	114,081,653	6,446,288	120,527,941
Federal sources	52,309	15,965,188	16,017,497
Interdistrict sources	11,649,504	-	11,649,504
Net realized/unrealized investment earnings (loss)	196	-	196
Total revenue	156,403,947	22,466,844	178,870,791
Expenditures			
Current:			
Instruction:			
Basic programs	79,076,749	4,473,737	83,550,486
Added needs	14,552,632	9,059,571	23,612,203
Adult/Continuing education	-	272,374	272,374
Support services:			
Pupil	9,125,228	2,665,154	11,790,382
Instructional staff	7,632,371	1,544,478	9,176,849
General administration	833,948	-	833,948
School administration	10,602,544	40,750	10,643,294
Business	1,922,677	-	1,922,677
Operations and maintenance	17,697,244	28,839	17,726,083
Pupil transportation services	7,321,168	36,601	7,357,769
Central	4,602,630	51,271	4,653,901
Other	-	36,246	36,246
Athletics	2,410,828	-	2,410,828
Community services	1,390,223	1,514,007	2,904,230
Capital outlay	322,309	3,285,839	3,608,148
Total expenditures	157,490,551	23,008,867	180,499,418
Excess of Revenue (Under) Over Expenditures	(1,086,604)	(542,023)	(1,628,627)
Other Financing Sources (Uses)			
Transfers in	1,679,941	-	1,679,941
Transfers out	-	(335,377)	(335,377)
Total other financing sources (uses)	1,679,941	(335,377)	1,344,564
Net Change in Fund Balances	593,337	(877,400)	(284,063)
Fund Balances - Beginning of year	33,099,290	-	33,099,290
Fund Balances - End of year	<u>\$ 33,692,627</u>	<u>\$ (877,400)</u>	<u>\$ 32,815,227</u>

**Other Supplemental Information
Schedule of Bonded Indebtedness**

June 30, 2022

Years Ending June 30	2013 Bond Series		2013 Bond Series	
	I Fund	2014 Refunding	II Fund	2020 Refunding
	Principal	Principal	Principal	Principal
2023	\$ 1,175,000	\$ 4,185,000	\$ 1,850,000	\$ 1,245,000
2024	1,325,000	4,125,000	1,975,000	1,255,000
2025	-	-	2,075,000	6,920,000
2026	-	-	2,175,000	4,285,000
2027	-	-	2,275,000	4,300,000
2028	-	-	2,375,000	4,315,000
2029	-	-	2,475,000	4,335,000
2030	-	-	2,575,000	4,355,000
2031	-	-	2,675,000	4,370,000
2032	-	-	2,775,000	4,385,000
2033	-	-	2,875,000	4,405,000
2034	-	-	2,975,000	4,420,000
2035	-	-	3,075,000	4,435,000
2036	-	-	3,175,000	4,470,000
2037	-	-	3,275,000	4,510,000
2038	-	-	3,375,000	4,545,000
2039	-	-	3,475,000	4,580,000
2040	-	-	3,600,000	4,615,000
2041	-	-	3,725,000	4,645,000
2042	-	-	3,850,000	4,670,000
2043	-	-	3,950,000	4,710,000
2044	-	-	4,075,000	-
2045	-	-	4,175,000	-
Total remaining payments	\$ 2,500,000	\$ 8,310,000	\$ 68,825,000	\$ 89,770,000
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 %	4.00 - 5.00 %	5.00 %	0.53 - 3.02%
Original issue	\$ 103,330,000	\$ 65,025,000	\$ 76,180,000	\$ 90,770,000

Other Supplemental Information
Schedule of Bonded Indebtedness (Continued)

June 30, 2022

Years Ending June 30	2021 Bonds Series I Fund Principal	Total
2023	\$ 4,795,000	\$ 13,250,000
2024	2,400,000	11,080,000
2025	2,425,000	11,420,000
2026	2,760,000	9,220,000
2027	2,885,000	9,460,000
2028	3,055,000	9,745,000
2029	3,165,000	9,975,000
2030	3,275,000	10,205,000
2031	3,375,000	10,420,000
2032	3,375,000	10,535,000
2033	3,375,000	10,655,000
2034	3,375,000	10,770,000
2035	3,395,000	10,905,000
2036	3,400,000	11,045,000
2037	3,400,000	11,185,000
2038	3,400,000	11,320,000
2039	3,400,000	11,455,000
2040	3,400,000	11,615,000
2041	3,400,000	11,770,000
2042	-	8,520,000
2043	-	8,660,000
2044	-	4,075,000
2045	-	4,175,000
Total remaining payments	\$ 62,055,000	\$ 231,460,000
Principal payments due	May	
Interest payments due	May and November	
Interest rate	3.00 - 5.00%	
Original issue	\$ 65,925,000	

Livonia Public Schools

Report to the Board of Education

June 30, 2022

DRAFT

To the Board of Education
Livonia Public Schools

We have recently completed our audit of the basic financial statements of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2022. In addition to our audit report, we are providing the following results of the audit, summary of unrecorded possible adjustments, other recommendations and observations, and informational items that impact the School District:

	Page
Results of the Audit	1-4
Other Recommendations and Observations	5-6
Informational Items	7-19

We are grateful for the opportunity to be of service to Livonia Public Schools. We would also like to extend our thanks to Alison Smith and the entire business office for their assistance and preparedness during the audit. We recognize that preparing for the audit is carried out in addition to your staff's normal daily activities. Should you have any questions regarding the comments in this report, please do not hesitate to call.

October 10, 2022

Results of the Audit

DRAFT

To the Board of Education
Livonia Public Schools

We have audited the financial statements of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2022 and have issued our report thereon dated October 10, 2022. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 2, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

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

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

Our audit of the School District's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the School District, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated October 10, 2022 regarding our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 22, 2022.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the School District are described in Note 2 to the financial statements.

The School District adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*. Accordingly, the accounting change has been adopted as of July 1, 2021, as required by the standard.

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

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

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

The most sensitive estimates affecting the financial statements were the School District's share of the MPSERS net liabilities for the pension and other postemployment benefit (OPEB) plans recorded on the government-wide statements related to GASB Statement Nos. 68 and 75, respectively. The School District's estimates as of June 30, 2022 were \$258.3 million and \$16.4 million for the pension and OPEB plans, respectively, based on data received from the Office of Retirement Services. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

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

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the School District, and business plans and strategies that may

affect the risks of material misstatement, with management each year prior to our retention as the School District's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

As required by 2 CFR Part 200, we have also completed an audit of the federal programs administered by the School District. The results of that audit are provided to the Board of Education in our report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with 2 CFR Part 200 dated October 10, 2022.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 10, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

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

Very truly yours,

Plante & Moran, PLLC

Lisa M. Vargo, CPA

Other Recommendations

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GASB Implementation Guide Update 2021-1

The GASB recently issued an implementation guide that clarifies certain points in the accounting standards. The guide includes an update to existing guidance from a past implementation guide related to accounting for fixed assets. It clarifies that items purchased in a group that are individually below a school district's capitalization threshold but exceed the capitalization threshold in the aggregate should be reported in the school district's fixed asset records. The clarified guidance goes into effect commencing in the year ending June 30, 2024. The School District should review its current practices and written policies to ensure that they align with this clarified guidance.

Food Service Fund - Fund Balance

We noted that the fund balance of the Food Service Fund exceeds the U.S. Department of Agriculture's maximum allowance of three months' worth of operating expenditures. If not yet completed, the School District will be required to develop a spend down plan for reducing the balance to an acceptable level. This plan will be required to be submitted to the Michigan Department of Education.

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Informational Items

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School Funding - From Projected Hardships to the Largest Level of Funding Since the Start of Proposal A

When we entered the pandemic in 2020, the initial predictions were for budget cuts, prorations, and financial hardships. While operational hardships were substantial and challenges continue, the financial hardships did not materialize. In fact, with a substantial amount of federal assistance, along with a quick economic recovery following the short-lived recession during the early period of the pandemic, funds available for education from the state and federal government have increased. These events have provided significant new resources for education. While some are nonrecurring funds with a specified end date, others are designed to provide continuing investment in education. Key highlights of school funding include the following:

- In 2021/2022, the funding levels between the base foundation and the target foundation were eliminated, ending the equity gap and putting most districts at the same per pupil funding level for the first time.
- In 2022/2023, schools are seeing the largest increase in per pupil funding since the start of Proposal A (1994/1995).
- Increased state contributions, above the constitutionally required minimums, toward covering the cost of special education
- Increased contributions to reduce the long-term cost of the retirement system
- State and federal resources to fund additional learning support services
- Primarily federal investments to help address learning loss resulting from the pandemic
- Federal contributions to assist in paying for additional staffing costs resulting from the pandemic
- Resources to make one-time investments in education resources and technology

Most of these investments were initiated in the 2021/2022 school year, and many carry forward or are expanded into the 2022/2023 fiscal year. While state revenue estimates suggest that resources will continue to be available into 2024, the recent economic changes could potentially restrain some of those projected outcomes. Careful monitoring of legislative decisions and economic trends will continue to be important as the School District plans for its financial future.

Managing the Significant Influx of Financial Resources

Since 2020, the School District has faced a continuously changing environment during the pandemic. Since last year, school districts have seen an influx of new federal grants and targeted state funding. These financial resources have had more specific compliance requirements and targeted usage requirements. In addition, as operations continue to normalize, school districts have been able to think more creatively about how to leverage the resources provided. While the infusion of resources provides great educational opportunity, the combination of events continues to strain school district resources to plan, implement, and manage these educational investments. In addition to the operational challenges, these resources have placed new accounting, compliance, and record-keeping requirements on the School District. Planning will continue to be critical to put the School District in the best position to take advantage of these nonrecurring resources.

We understand the unique challenges school districts have faced during the pandemic and have worked closely with state and federal decision-makers throughout the pandemic. As a strategic partner to school districts, our goal continues to be advocacy for public education by meeting with these decision-makers before actions are finalized so that these groups can be well-informed of the implications their actions will have on the students, your business office, and your financial statements. We continue to work with federal and state agencies as new or revised accounting and compliance guidance is developed so we can help school districts be better equipped to manage the new rules and requirements. To that end, as guidance is updated and opportunities are identified, we will continue to provide updates to aid the School District in managing changes and navigating complexities. We appreciate the extra efforts by the Board of Education, administration, teachers, and support staff to bring the School District through one of the most extraordinary times in education. We thank you for the opportunity to work side by side with your team during these unprecedented times.

State Aid Funding

Since the start of the pandemic, state funding levels were difficult to predict. Beginning in the 2021/2022 budget year, the State's Consensus Revenue Estimating Conference was finally able to conclude that the State's ability to generate revenue was sustainable and that funding growth was reasonably predictable. The 2021/2022 amendments to the State Aid Act provided funding increases, made investments in some key educational priorities, and focused more specifically on leveraging the allocation of federal funds provided by the American Rescue Plan.

- **2021/2022 State Funding:** Stability within the School Aid Fund improved, and the fund had a surplus for the fiscal year ended 2021. The Consensus Revenue Estimating Conference predicted there would be sustainable revenue for the next few years. This view also continued with the estimates developed in 2022. All schools were moved to the target foundation allowance of \$8,700 per pupil, which means the equity gap between the base foundation and the target foundation has finally been eliminated. In addition, all schools, including hold harmless districts, received an increase of at least a \$171 per pupil. As an added benefit, funding progress was made related to recommendations resulting from the School Finance Research Collaborative, which includes increased funding levels for special education; At-Risk; wraparound services, such as nurses and counselors; and Great Start Readiness Program (GSRP).
- **2022/2023 State Funding:** While 2021/2022 showed progress in financial stability, 2022/2023 showed an ability to make significant new investments in education. Key highlights include the following:
 - Increasing the target foundation allowance by \$450 per pupil to \$9,150, a 5.2 percent increase. Hold harmless school districts also receive the \$450 per pupil increase
 - Continuing the traditional blended pupil count methodology, with 90 percent weighting for the October 2022 count and 10 percent weighting for the February 2022 count
 - Continuing to increase the level of special education cost reimbursement. While individual school district allocations to support special education are substantial, 2022 and 2023 mark the first time since the start of Proposal A that special education allocations have exceeded the state constitutional minimum levels
 - Increasing funding for the GSRP, creating 1,300 new openings for students
 - Section 31a/At-Risk programs becoming fully funded. Previously, a proration was applied to school district payments since the appropriation did not fully fund the program
 - Increasing funding for career and technical education programs (vocational ed.)
 - Increasing funding for student mental health services

- Increasing teacher recruitment resources, including \$10,000 in tuition support for future teachers, \$9,600 stipends per semester for student teachers, and creation of “Grow Your Own” programs to help support staff pursue career advancement toward becoming a teacher
- Funding for expansion of before- and after-school programs with a focus on at-risk and economically disadvantaged students
- Dedicating school safety funding for hiring of school resource officers, creating intervention systems, and establishing a school safety commission
- Increasing allocation for contributions to the retirement system to reduce its long-term cost
- Allocating \$475 million of state aid funds for a school consolidation and infrastructure fund. This is significant, as it is the first time the State has made such an allocation. This type of infrastructure investment is common in many other states
- Intermediate school district (ISD) operations allocation increasing to 5.2 percent to mirror the increase in the foundation allowance
- **Federal Resources:** Since March 2020, the federal government has been providing financial assistance that directly benefited school districts. The funding is being provided in several waves, which began in 2020, with most funding ending in 2024. While the COVID-19 relief funds did provide more flexibility in spending than traditional federal grants, funding under the most recent programs (ARP ESSER III and Section 11t) has included more restrictions. As a result, use of those funds through 2024 will require more careful planning and execution by the School District. Some of the funding may have been used by the School District to fund recurring cost of operations; therefore, it will be important for the School District to consider the budget impact this will have once these resources are no longer available.
- **Looking Forward:** The most recent Consensus Revenue Estimating Conference estimates that the School Aid Fund will remain healthy when projecting out the financial picture over the next few years. These predictions were finalized in May 2022. As we look forward, more economic uncertainty has begun to take shape. In addition, this fall brings an important election cycle. If the economic or political landscape were to change significantly, so could the nature, type, and level of resources available to public education. Careful monitoring of these factors will be necessary in order to make reasonable budget assumptions moving into 2023 and beyond.

2022 Funding Implications for the School District

The School Aid Fund will complete the State's 2022 fiscal year with a significant fund balance and is expected to continue to generate funding growth from nonfederal sources for the next few years. As a result, amendments to the State Aid Act for the 2022 fiscal year included several additions to the school funding picture. These included the following:

- **2021-2022 Foundation Allowance:** All districts received at least a minimum level of funding, which was established as the target foundation allowance. Any school district that was not at the target level in 2021 was increased to the new target foundation of \$8,700 per pupil. Districts already at the target received a \$171 per pupil increase from the former target level of \$8,529. The few school districts in the state above the target also received the \$171 per pupil increase. Based on these changes, the School District's foundation allowance per pupil was \$8,700, representing an increase of \$171 from the 2021 funding level.
- **Elementary and Secondary School Emergency Relief (ESSER) Programs:** Over the course of the pandemic, school districts have received ESSER payments under ESSER I, II, and III. ESSER III was made available during the 2021/2022 fiscal year and is made up of two components, ESSER III formula and ESSER III equalization (also known as 11t, as authorized by Section 11t of PA 48 of 2021). It is federally funded under the American Rescue Plan and, in general, includes more restrictions than ESSER I and II. As a result, use of ESSER III funds requires additional planning by the School District and community input. The ESSER III funding period is scheduled to end during 2024. This is the last iteration of pandemic funding expected to be received by the School District.
- **Pupil Membership Blend for 2021-2022:** In 2021/2022, the "super blend" formula from 2020/2021 was not used, and pupil count determinations used the historic blend of 90 percent of the fall and 10 percent of the spring counts. The blended pupil count will be used to determine the total foundation allowance paid to the School District.
- **Summer School and Learning Assistance:** As part of the process to return to in-person learning in the fall of 2021, significant emphasis was placed on summer school. As a result, significant resources were made available to school districts for the summer of 2021 to assist in this effort. Resources included federal funding for summer programming, credit recovery, and before- and after-school programming as part of the ESSER II Fund. In addition, state aid funding was appropriated for innovative summer programming or credit recovery programs. School districts were required to establish a plan to use these funds for supplemental programming. Because of the timing of these programs, some costs and revenue were recognized in the 2021 fiscal year and some were recognized in the 2022 fiscal year.
- **Michigan Public School Employees' Retirement System (MPERS) Cost for 2021-2022:** The basic structure, including MPERS cost support provided by the School Aid Fund, will continue. For 2022, the overall contribution rate is increased to 43 percent from 42 percent, with the net cost to the School District approximating 28 percent. While the net cost to the School District changes marginally, the overall contribution rate continues to increase. The School Aid Fund implication is that more resources are redirected from the funding of operations to the support of the retirement system funding requirement. With improved health of the School Aid Fund, the governor and Legislature continue to provide additional resources to reduce the net cost of school district contributions to the retirement system. The State's funding support is provided in three separate sections of the State Aid Act: Sections 147a, 147c, and 147e. The School District received a total of \$1,286,902 in 147a1, \$2,334,782 in 147a2, \$16,867,994 in 147c1, and \$385,558 of 147e funding.

New Federal Funding Considerations - 2022

As a result of the pandemic, school districts began to experience a significant influx of new federal grant funding, essentially coming in three waves. The initial wave occurred shortly after the start of the pandemic in 2020, with resources becoming available in late spring 2020. The second wave began in late 2020 and into 2021. The third wave began in August 2021 when the grant application window opened for the most recent round of grant funding. As is the case with most federal funding, these federal grants have compliance strings attached and require additional time and attention by school districts to evaluate and ensure proper use. In addition, for many school districts, the amount of funding available is substantial, creating a unique challenge regarding how best to deploy the funds in accordance with the rules. The key awards impacting education over the next several years are as follows:

- **Elementary and Secondary School Emergency Relief Fund:** ESSER has four release periods. ESSER I was made available in the spring 2020. However, guidance was limited, and few school districts elected to spend ESSER I funding until the start of the 2020/2021 school year. Due to political issues within the state government, ESSER II was released in two phases. The first phase was made available to districts in summer 2021, and the second phase followed in fiscal year 2022. ESSER III, which is about four times the size of the total ESSER II funding, was made available beginning in August 2021. ESSER III 11t (ESSER III Stabilization) applications were due by June 15, 2022. Several compliance requirements are applicable for all the ESSER awards, and ESSER III and ESSER III 11t are more narrowly targeted at addressing learning loss in students. Determining how best to use each set of the funds awarded requires strategic analysis of the organization and careful planning in the budget process for each school district.

In addition to ESSER funding, the School District may have also received or may be eligible to apply for the following grants designed to assist with responding to impacts of the pandemic:

- Child Care and Development Block Grant - CARES Act Supplemental Payments
- Head Start - CARES Act Supplemental Payments
- Federal Emergency Management Agency (FEMA) Grants
- Coronavirus Food Assistance Program (CFAP) Commodities
- Personal Protective Equipment (PPE) funded with federal grants received from outside organizations
- Federal assistance from the intermediate school district, a municipality or county, or other organizations
- Emergency Connectivity Fund (ECF)

In order to optimize available funding, address learning and operational needs, plan for the future, and ensure compliance with federal rules and regulations, the School District should consider the following:

- Obtain a clear understanding of program requirements, including allowable uses and the time period in which eligible expenses must be incurred, some of which are modified once the American Rescue Plan funding (generally ESSER III) becomes available.
- Update and maintain procedures and internal controls to adhere to Uniform Guidance rules related to procurement, cash management, allowable costs, subrecipient monitoring, and reporting, as applicable.
- Incorporate MDE guidance regarding accounting for state and federal pandemic-related funding activity.
- Document all decisions made to determine allowability of pandemic-related costs.
- Refer regularly to accounting guidance, which is updated frequently and issued by the Michigan Department of Education, to ensure that federal grant revenue is recorded correctly and expenditures are tracked using the proper grant codes.

2023 Funding Implications for the School District

With improved financial health and more predictable revenue streams, the governor and Legislature were able to come to an agreement on the school aid package, the largest ever, before the beginning of the 2022/2023 School District's fiscal year. This means that going into the fiscal year, the School District is able to estimate the financial inflows more accurately for 2022/2023 before the school year starts. However, since the state budget was passed after the period when school districts needed to have their original budget in place for 2022/2023, it is likely that the School District will need to consider a budget amendment. This is especially true given the number of new initiatives included in the 2022/2023 amendments to the State Aid Act, which may provide access to additional resources that the School District may not have anticipated. As is always the case, careful planning is critical to ensure any new funding is carefully utilized. A few key elements include the following:

- **2022/2023 Foundation Allowance:** All school districts are at the target foundation allowance of \$9,150, except for the few hold harmless districts.
- **Pupil Membership Blend for 2022/2023:** Pupil count determinations use the 90 percent of the fall 2022 count and 10 percent of the spring 2022 count. The computed pupil count will be used to determine the total foundation allowance paid to the School District.
- **MPSERS Cost for 2022/2023:** The basic structure, including cost support provided by the School Aid Fund, will continue. For 2023, the overall contribution rate is increased to 45 percent from 43 percent, with the net cost to the School District continuing at up to approximately 28 percent. While the net cost to the School District is essentially the same as in 2022, the overall contribution rate continues to increase. By way of comparison when Proposal A was adopted, the total contribution rate was 11 percent. The implication is that more resources are redirected from the funding of operations to the support of the retirement system funding requirement. With the 2022/2023 amendments to the State Aid Act, the State has further increased its investment in the retirement system with the goal of reducing the overall cost of the program over time.
- **Special Education Services:** Beginning in the 2021/2022 fiscal year, the State increased the funding of its share of special education costs by 3 percent of those costs. In 2022/2023, that support continues, plus it reduces the amount of foundation allowance that is credited as payment against the State's required support. These changes in the funding formula will have the effect of providing more state support to cover the cost of special education operations. The implication to the School District will be that more funds will be freed up to support other general education activities. The actual amount of the shift will vary by district and require some analysis. Once determined, school districts will be better able to budget and plan for use of those funds.
- **New Initiatives:** As outlined in the key highlights above there are several new initiatives included in the 2022/2023 amendments to the State Aid Act. Through the budget development process, there were priorities from the governor and Legislature. Normally when this occurs, there is significant negotiation and there are "winners" and "losers." However, since the revenue projections were well above expectations, there was room for funding most of the priorities from both branches of government. Many of the initiatives result from common themes, including the pandemic, mental health concerns of students and staff, addressing the teacher shortage, school security, continuing investment in preschool, vocational/career training, and beginning to focus on educational infrastructure investment. How these initiatives impact individual school districts will take some assessment and planning. With new resources comes new responsibility to determine the most effective way to leverage these funds for the benefit of the students, staff, and the School District.

- **Pupil Count Trends:** During the pandemic, in general, public schools across Michigan experienced a decline in enrollment. Statewide enrollment has historically been slightly under 1.5 million students. Prior to the pandemic, annual enrollment figures were declining annually at about 10,000 per year. However, during the pandemic statewide enrollment decreased in excess of 50,000. As part of the Consensus Revenue Estimating Conference process, total enrollment is tracked and estimated. A key consideration in the projections continues to be to what extent the 50,000 student reduction will recover. Currently, it is estimated that some portion will return, but enrollment will not recover to pre-pandemic levels. While this data is important statewide, it is very important at the local district level. Since the foundation allowance is computed on a per pupil basis, a stable and predictable enrollment will have a substantial impact on the financial picture. As a practical example, on average, it takes about 10 students to fully fund a teacher position. As districts continue the return to in-person instruction and offer new learning options, focusing on recruiting students and families will be essential to improving student enrollment.

Looking Forward to 2024 and Beyond

The May 2022 Consensus Revenue Estimating Conference provided a look into 2023, 2024, and 2025. There is a surplus in 2022 to carry over to 2023, and surpluses are expected for 2024 and 2025. With the significant unexpected revenue influx in 2022 and projected revenue levels for 2023, these surpluses provide an unusual opportunity for school funding in Michigan. In addition to the budgets passed for 2023, the Governor and Legislature have left room in the short term for supplemental funding measures or some form of tax cut. As we head into a fall election, it is likely there will be some movement in one or both of these areas before the election. While optimism is high for the state budget, there are two key matters that could negatively impact the financial picture. They are inflation and the potential for recession. Clearly, the 5.2 percent increase in the foundation is a rate higher than ever seen under Proposal A. However, if inflation remains at these historically high levels for a sustained period, much of that increase may be consumed by the higher cost of operations. Similarly, if a recession does occur, it will likely negatively impact future revenue projections limiting the potential to fund future school district operations. Balancing such factors when planning future budgets will be essential for sound financial management.

The strong funding position of the School Aid Fund comes as the infusion of new federal pandemic funding is winding down. While there is still substantial funding that has been allocated but not yet spent, the window for use of the majority of those funds will close by September 30, 2024. These funding factors place a high degree of need for school districts to carefully plan budgets and spending priorities. Choosing how best to manage needs and priorities will be a continuing challenge over the next two years. Factors to monitor as we look into the future include the following:

- The extent of a continuing economic “bounce back” currently experienced by the State
- The impact as federal stimulus will wane during the next two years and to what extent state funding will assist in replacing those federal resources
- The success of returning to in-class instruction and attracting students to the School District
- Pupil count trends as schools continue to monitor the extent to which students who left public schools during the pandemic will return
- Continuing commitment to address learning loss resulting from the pandemic
- Short-term and longer-term student enrollment changes resulting from the pandemic
- Personnel shortages and the impact on providing services
- Potential staffing cost increases
- Operating cost increases resulting from unexpected inflation

- Supply and materials shortages
- Technology cost increases and access to technology learning tools
- Costs for school security and mental health services
- Cost trends for the retirement system and the extent to which state support is used from the School Aid Fund

The next Consensus Revenue Estimating Conference will occur in January 2023. As districts move into the 2022/2023 school year, they will need to carefully plan for how best to use the significant resources that have been provided during this unusual time in our school funding history.

ESSER Prevailing Wage Requirements

Many school districts have determined to utilize ESSER funds on construction or repairs. When utilizing federal funding for construction or repairs, there are specific guidelines that may apply, such as the prevailing wage requirement. Prevailing wage requirements will apply when a school district utilizes federal funding for remodeling, renovation, repair, or construction contracts over \$2,000. The School District must ensure the contract terms include the requirement to comply with prevailing wages, as well as ensure that certified payrolls were completed and subsequently reviewed by the School District.

Grants Management

Grants have always been a substantive area in school operations. Typical federal programs seen in most districts include Title I, Special Education, and Child Nutrition. These and other programs continue to be important and require significant skill, attention, and time to account for and adequately deploy those resources. With the advent of the pandemic, programs such as ESSER, GEER, and CRF have infused significant new federal resources into the School District. In addition, primarily through supplemental appropriations, the State has provided additional funding focused on pandemic relief. These events have significantly increased the workload, burden, and grants management risk across the School District. Some examples include the following:

- Superintendents and leadership team - Understanding what resources are available, what is required, how it will be measured, and how it will be staffed or equipped
- Board members - Setting policy in response to the pandemic and approving educational initiatives to respond to learning and operational needs
- Business office - Identifying, tracking, communicating, recording, and reporting on grant-related activities, when, in many cases, the rules and processes are unclear at the onset of the programmatic activity
- Staff - Delivering services in a pandemic-related environment
- Procurement - Identifying, initiating, acquiring, and delivering needed materials and equipment
- Information technology - Establishing and maintaining a safe, secure, and functional system so learning is delivered and operations are maintained
- Support services - Transitioning from in-person connection to remote to identify and provide needed support services to students and staff
- Facilities - Installing upgrades, managing building access, cleaning, and PPE

Each of these areas has been significantly impacted by the new grants and the expanded grants management process. Clearly, the reach and implications of pandemic-related funding are extensive. With that reach comes a significant challenge for the School District to ensure that resources, processes, and controls are in place. As the School District moves into the 2023 fiscal year, we suggest performing a risk assessment of its key processes and controls. This assessment and related action items can help ensure the School District has the pieces in place for an effective and efficient response to the grants management challenges.

Budgeting Considerations

The pandemic will have a substantive impact on district budgeting considerations for years to come. This includes both state and federal funding sources. As the additional federal funding is expected to decrease in the coming years, it is imperative that the School District ensure it has sufficient operation funds to move forward.

As we have seen, funding from the School Aid Fund has varied widely over the last two years. Fortunately, School Aid Fund projections suggest funding stability through 2024. However, that stability presumes a continually improving financial picture for the State of Michigan. If assumptions do not hold, there is a risk for continued variability in school funding. Any variability would have a direct impact on funds made available for school operations.

Michigan Public School Employees' Retirement System (MPERS) - Update on the Plans' Net Pension/OPEB Liabilities

Similar to the State of Michigan, the MPERS plan has a September 30 year end. With the adoption of GASB Statement Nos. 68 and 75 several years ago, school districts have been reporting their share of the MPERS plan funded status in the government-wide financial statements of the School District.

At September 30, 2021, the pension portion of the MPERS plan had a net pension liability of approximately \$24.2 billion. This is a decrease of approximately 30 percent from the reported amount of \$35 billion on September 30, 2020. One of the primary reasons for the decrease in the net liability was net investment gains. However, keep in mind that these gains are in relation to the year ended September 30, 2021, and markets have significantly declined since that valuation date. As a result, it is expected that the net liability will significantly increase next year. The pension plan's annual investment rate of return was 27.2 percent for the year ended September 30, 2021 compared to only 5.0 percent for the year ended September 30, 2020.

At September 30, 2021, the retiree health care portion (OPEB) of the MPERS plan had a net OPEB liability of approximately \$1.5 billion. This is a decrease from the reported amount of \$5.4 billion at September 30, 2020, a decrease of approximately 72 percent. The primary reason for the decrease was a 27.2 percent annual investment return for the plan year ended September 30, 2021 as compared to an annual return of only 4.9 percent for the year ended September 30, 2020. As a result, it is expected that the net liability will significantly increase next year.

Fund Balance

The first year of the pandemic, more than ever, highlighted the importance of having adequate fund balance due to the uncertainty of the state budget and the impact on the foundation allowance with prorations that went into effect. Having sufficient fund balance will help to ensure the School District can continue to provide an adequate level of programming during periods of economic uncertainty.

The 2022/2023 school year will face many challenges that will have a direct effect on the School District's fund balance. The Consumer Price Index (CPI) continues to grow, which will put inflationary pressures on nearly all school districts. Couple that with the budgeting pressures faced with how to spend the COVID-19 relief funds, and business offices will have a lot to consider and plan for when projecting out fund balance for the upcoming school year.

During the 2021/2022 school year, the School District's General Fund expenditures exceeded revenue by approximately \$0.3 million. This resulted in reducing the General Fund fund balance to approximately \$32.8 million at June 30, 2022. Fund balance goals are often stated in terms of a percentage of total expenditures. As a point of reference, the statewide fund balance average for school districts at June 30, 2021 was approximately 19.30 percent of expenditures and outgoing transfers. Fund balance at the statewide average would approximately equal the School District's average operating costs for a 10-week period. The School District's fund balance percentage is 18.1 percent and equals approximately 9 weeks of operation.

Significant Changes in the Future to the GASB Financial Reporting Model

Under the current Governmental Accounting Standards Board (GASB) standards, school districts have been reporting using the current framework for approximately two decades. While the current financial statement presentation has worked, the GASB is looking to improve its effectiveness for all governments.

This project kicked off in August 2013. An exposure draft was issued in June 2020 titled "Financial Reporting Model Improvements." The exposure draft comment period ended during February 2021, and, as a firm, Plante & Moran, PLLC provided comments to the GASB on our thoughts of the proposed standards. The GASB's goal is to have final standards issued by December 2023.

Once adopted by the GASB, these new standards will have a significant impact on the accounting and financial reporting for school districts. Currently, school districts account for activity in the funds using the modified accrual basis of accounting. The exposure drafts argue that, under the current model, there is no sufficient framework that ensures that governmental entities are consistently reporting similar types of transactions in their financial statements. They also argue that the time period looked at for certain transactions in fund accounting is too short and that the current method has too many piecemeal guidance points rather than a conceptual framework against which transactions can be applied in order to determine the correct accounting. Some of the proposed changes in the exposure drafts (which are significantly different compared to the current model) include the following:

- Requiring additional information in the management's discussion and analysis (MD&A)
- In the budget-to-actual statements, requiring a column that would show the variances between the original and amended budget
- In the fund-based statements:
 - Significant terminology changes - "Revenue" would be referred to as "inflows of resources" and "expenditures" as "outflows of resources." In addition, many of the statements will be renamed, and some of the fund-type definitions will be changed.
 - "Modified accrual" accounting would change to "short-term financial resources measurement focus." Generally, transactions would be accounted for in the governmental funds if they are expected to be converted to cash or paid in cash within 12 months of the school district's year end. A typical example would be revenue recognition. Under today's rules, if a receivable is not collected within 60 days of the school district's year end, then the related revenue, generally, must be deferred until the following year. Under the proposed changes, the revenue can be recognized in the current period as long as it will be collected within one year of the current period end. In this example, revenue in the funds may be recognized sooner in the proposed new model as compared to the current model. This change will impact the timing of when revenue and expenditures are recorded in the governmental funds; in addition, the actual financial statements themselves will look quite different from a presentation perspective. This is a significant change.

The exposure draft allows for a phased adoption. Districts with total annual revenue (across all funds) over \$75 million would adopt in the year ending June 30, 2025. Those under \$75 million would adopt in the year ending June 30, 2026. We will continue to monitor progression very closely. When the new standards are ultimately issued, we will work with your business office to ensure smooth and efficient adoption.

A separate but somewhat related project is also ongoing. In June 2020, the GASB released its preliminary views titled "Revenue and Expense Recognition." The objective of this project is to develop a comprehensive, principles-based model that would establish categorization, recognition, and measurement guidance applicable to a wide range of revenue and expense transactions. When the new standard is issued and adopted, it could result in revenue and expense transactions being reported either earlier or later than they currently are in school district financial statements. The GASB's current work plan anticipates that this new standard could be issued during 2027.

GASB Statement No. 96 - Subscription-based Information Technology (IT) Arrangements

This statement is effective for the School District's June 30, 2023 financial statements, and the requirements are very similar to GASB 87, *Leases*, which was adopted by the School District during 2022. While GASB 87 impacted the accounting for tangible property that was included in a leasing arrangement, GASB 96 accounting requirements will mirror the requirements of GASB 87, the difference being that GASB 96 applies only to subscription-based IT arrangements (i.e., software subscription agreements). Under current accounting rules, the monthly payments due under these arrangements are generally recognized as expenditures as they are incurred, and there are no full-accrual level reporting differences. GASB 96 requires recognition of a right-to-use subscription asset and a subscription liability (in the full accrual set of financial statements) for subscription-based IT arrangements that generally exceed one year in length. These amounts will be calculated based on the net present value of the extended payment terms of each contract. There will also be a change in the fund level accounting, as the expenditures reported monthly will be classified as debt service payments rather than being included in the functional categories as they are today. The new standard also requires additional disclosure in the notes to the financial statements. The statement was issued to improve accounting and financial reporting for subscription-based IT arrangements by governments.

To adopt the standard, the School District will have to identify and analyze all significant subscription-based IT contracts in place to determine the right-to-use subscription asset and subscription liability that will be required to be recognized upon implementation of the standard. Other departments outside of the business office may need to be involved in order to properly identify and locate all agreements subject to the new standard. It is important to begin the process of inventorying agreements early on to then determine the financial impact upon adoption. It is suspected that, in general, GASB 96 will have a more significant impact on school districts as compared to GASB 87, *Leases*, as it is expected that school districts have significantly more subscription-based IT arrangements as compared to leases for other tangible property.

GASB Statement No. 101 - Compensated Absences

School districts have historically been required to account for certain types of accumulated employee leave time in their financial statements; however, the existing standards were written many years ago, and significant changes have occurred since then related to the various types of compensated absences that exist today. The GASB recently adopted a new pronouncement that addresses the accounting for compensated absences, which include vacation, sick, and other paid leave time. Under GASB 101, the School District will record a compensated absence liability in the full accrual financial statements for leave time that (1) is attributable to services already rendered, (2) accumulates, and (3) is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability is to be recorded each reporting period, in the full accrual statements only, using each employee's pay rate as of the date of the financial statements. The new standard also removes the historic requirement related to disclosing the gross additions and reductions to the compensated absence liability in the financial statements, and, instead, a school district can disclose just the net change during the year. The new standard also removes the previous requirement to disclose which funds are responsible for liquidating compensated absence liabilities as they are paid.

This statement is effective for the School District's year ending June 30, 2025. The School District should begin to review the requirements of this new pronouncement, as it may have an impact on how the School District accounts for its compensated absence liability.

Understanding and Managing Potential Threats to Your Data

Education continues to be one of the top targets for ransomware attacks. Legislation called the "K-12 Cybersecurity Act of 2021" was signed into law in October 2021 in recognition of the significant risk to school districts.

Working remotely during the pandemic has led to a global rise in cyberattacks. School districts quickly shifted to remote learning; in so doing, security controls may have been relaxed. In today's age of continual reports of cyberattacks, school districts need to be aware of where potential risks lie and how they are addressed and communicated to employees and the public.

When it comes to cybersecurity, the human element is still the weakest link and most targeted, as passwords like "August2022" can be easily guessed, and emails continue to trick people into clicking links and opening attachments. Information security is a district-wide issue, not just an IT department responsibility, requiring a combination of people, processes, and technology to effectively secure student, employee, and financial data. Now is the time to take a step back and assess exactly where your data is and the controls surrounding it. Key questions to ask include the following:

- Are our teachers and staff appropriately aware of phishing and other cyberattacks?
- Do you know where all of the various data resides in the school district? Are employees storing district data with personally identifiable information (PII) or data that is subject to FERPA on file-sharing sites or flash drives? Is the data being emailed to personal accounts?
- How secure is your data with at least a portion of your students and teachers working remotely?

Having an external party do an assessment on vulnerabilities may provide additional support to the IT team for initiatives it is implementing, providing peace of mind for the board that vulnerabilities have been assessed and addressed and allowing for confident communication to the public that its student and employee data is secure. If you are interested in discussing this further, we would be happy to continue the conversation.

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2022**

TOPIC: **Approval of Teachers**

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the recommendation of the superintendent and offer employment for the 2022-23 school year to the teachers listed on the attached document.

RATIONALE:

These teachers have been interviewed, along with many other applicants, for the vacancies that existed in our instructional program. We believe these teachers are the most qualified for the positions and recommend they be approved for employment.

BUDGETARY INFORMATION:

The positions listed are within the 2022-23 budget.

RESOURCE PERSONNEL:

Anthony Abbate, Director of Human Resources
Jennifer Keatts, Director of Human Resources

EXHIBIT:

Attached

ljn

**2022-2023 School Year
New Teachers for Board of Education Approval
10/12/2022**

NAME	DEGREE/SCHOOL	FTE	ASSIGNMENT	MOST RECENT EXPERIENCE	TOTAL YEARS OF EXPERIENCE	STEP
Elliott, Kaitlyn	Master of Arts in School and Community Psychology Wayne State University Bachelor of Arts in Psychology Albion College	(1.0)	School Psychologist Student Services October 31, 2022	Grosse Ile Twp Schools School Psychologist	16 years	Step 13.5 (MA) 5 years probation
Flinchum, Danielle	Bachelor of Arts in Elementary Education Madonna University	(1.0)	GSRP Lead Teacher Garfield Community School September 19, 2022	Southgate Community Schools GSRP Lead Teacher	2 years	Step 0 (BA) 5 years probation 157
Hinman, Allison	Master of Science in Nursing Chamberlain University Bachelor of Science in Nursing Capital University	(1.0)	Health Sciences Teacher Livonia Career Technical Center October 24, 2022	Beaumont Health System Registered Nurse	7 years	Step 7 (MS) 5 years probation
Klein, Dawn	Bachelor of Science in Early Childhood Studies Walden University	(1.0)	Early on Service Support Staff Jackson Early Childhood Center September 26, 2022	Wayne Westland Early on Early on Educator	16.5 years	Step 0 (BS) 2 years probation

**2022-2023 School Year
New Teachers for Board of Education Approval
10/12/2022**

NAME	DEGREE/SCHOOL	FTE	ASSIGNMENT	MOST RECENT EXPERIENCE	TOTAL YEARS OF EXPERIENCE	STEP
Latour Docking, Ashlee	Bachelor of Science in Teaching Special Education Eastern Michigan University	(0.5)	Teacher of the Visually Impaired Student Services November 1, 2022	Northville Public Schools Special Education Teacher	8 years	Step 8 (BS) 2 years probation
Rohrhoff, Juliane	Master of Arts in Teaching Wayne State University Bachelor of Arts in English Michigan State University	(1.0)	Teacher of the Visually Impaired Student Services September 26, 2022	Northville Public Schools Special Education Teacher	16 years	Step 13 (MA) 2 years probation
Scroggins, Stephanie	Bachelor of Arts in Elementary Education Eastern Michigan University	(1.0)	ACAT Classroom Teacher Webster Elementary School September 28, 2022	Edustaff Substitute Teacher	2 years	Step 15 (BA) 5 years Probation
Smalley, April	Bachelor of Arts in Math and Social Studies University of Michigan-Dearborn	(1.0)	ACAT Classroom Teacher Webster Elementary School September 26, 2022	Edustaff Substitute Teacher Walled Lake Schools Middle School Math Teacher Bradford Academy Eighth Grade Math Teacher	9 years	Step 5 (BA) 5 years probation

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2022**

TOPIC: Recall of a Teacher

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the recommendation of the superintendent and recall to District employment as a teacher for the 2022-23 school year the person listed on the attached document dated October 12, 2022.

RATIONALE:

Following Board authorization on June 13, 2022, to begin the recall procedure, the process was initiated. The attached document contains the name of one person who has been recalled. There are five teachers remaining on layoff.

BUDGETARY INFORMATION:

This position is within the 2022-23 budget guidelines.

RESOURCE PERSONNEL:

Anthony Abbate, Director of Human Resources
Jennifer Keatts, Director of Human Resources

EXHIBIT:

Attached

ljn

Livonia Public Schools

LEA STAFF RECALLS

2022-2023

10/12/2022

LAST NAME	FIRST NAME	SENIORITY DATE	FTE	POSITION	GRADE LEVEL	LOCATION	STATUS
<i>Secondary</i>							
Salisbury	Ariana	02/07/2022	(1.0)	Teacher	7 & 8	Emerson Middle School	Accepted

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2022**

TOPIC: Granting of Tenure Status to Specified Teachers

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the recommendation of the superintendent and acknowledge that tenure status has been granted to the following teachers, effective on the respective date:

<u>Name</u>	<u>Date</u>
Alena Pascoe	October 11, 2022
Maria Pilaftsidis-Tracy	October 17, 2022
Samantha Slack	September 5, 2022
Grace Suchan	September 27, 2022
Robert Voss	October 5, 2022
Paige Young	October 21, 2022

RATIONALE :

These teachers have successfully completed the District's requirements for probationary teachers including years of service, evaluations, and overall performance, as well as student growth. We have carefully reviewed all the supporting documents and based upon our review, as well as the recommendations of building principals, these individuals have achieved tenure status with the Livonia Public Schools.

RESOURCE PERSONNEL:

Jennifer Keatts, Director of Human Resources
Anthony Abbate, Director of Human Resources

EXHIBIT:

None

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2022**

TOPIC: Resignations

RECOMMENDATION:

As authorized in the Board of Education motion of June 13, 2022, the following resignations have been accepted by the superintendent:

<u>Name</u>	<u>Date Effective</u>
Aimee Casper	September 1, 2022
Caitlyn Jeremy	October 10, 2022
Kirk Suchowesky	September 23, 2022

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Jennifer Keatts, Director of Human Resources
Anthony Abbate, Director of Human Resources

EXHIBIT:

None

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2022**

TOPIC: Resolution of Appreciation for an Employee Who is Retiring

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District adopt the attached resolution of appreciation for services rendered by:

Lana McCall

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Jennifer Keatts, Director of Human Resources
Anthony Abbate, Director of Human Resources

EXHIBIT:

Attached resolutions

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2022**

RESOLUTION

Lana McCall

WHEREAS, It has been brought to the attention of the Board of Education of the Livonia Public Schools School District that Lana McCall will retire from the district on November 15, 2022; and,

WHEREAS, Lana McCall has devoted 24.5 years of dedicated, loyal, and outstanding service to the Livonia Public Schools as a secretary at Hayes Elementary, Grant Elementary, Nankin Mills Elementary, Buchanan Elementary, Tyler Elementary, Stevenson High School, Riley Upper Elementary, the Human Resources Department and Franklin High School; and,

WHEREAS, She has given conscientious, careful, and loyal service to the students, staff, and community during her tenure with the Livonia Public Schools;

NOW, THEREFORE, BE IT RESOLVED That the Board of Education does hereby express its deep appreciation to Lana McCall for her countless contributions to our school system and extends best wishes for an enjoyable and rewarding retirement.