

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**Regular Meeting
October 21, 2024 - 6:30 PM
Board Room
15125 Farmington Road
Livonia, Michigan 48154**

AGENDA

- I. ROLL CALL: Madeline Acosta, Tammy Bonifield, Karen Bradford, Colleen Burton, Crystal Frank, Liz Jarvis, Mark Johnson**
- II. PLEDGE OF ALLEGIANCE**
- III. COMMUNICATIONS**
 - A. Points of Pride: Hayes Elementary Green Ribbon Recognition**
 - 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. 3**
- V. DISPOSITION OF MINUTES**
 - A. * Minutes of the Regular Meeting of September 23, 2024 4**
- VI. BUSINESS MATTERS**
 - A. *Approval of Purchase of Bulk Salt 20**
 - B. Acceptance of Financial Statements 2023-2024 23**
- VII. INSTRUCTION MATTERS**
 - A. Approval of Purchase of Adult Education Laptops 116**
 - B. Approval of Purchase of Chromebooks 119**
 - C. Approval of Purchase of PAES Lab 128**
 - D. Approval of Purchase of Literacy Materials 130**
- VIII. PERSONNEL MATTERS**
 - A. Teachers for Approval 131**
 - B. Teacher for Tenure 133**
 - C. Resignation 134**
 - D. Retirements 135**
- IX. HEARING FROM BOARD MEMBERS**
 - A. First Reading Board Policy IKF - School Stores 138**
 - B. First Reading Board Policy IF - Instructional Resources 140**
 - C. Second Reading Board Policy IDDE - Post Secondary Credit Opportunities 142**
 - D. Second Reading Board Policy JGCD - Medications 144**
 - E. Hearing from Board Members 1**

X. ADJOURNMENT

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 21, 2024**

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 23, 2024
- VI.A. *Approval of Purchase of Bulk Salt

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/tg

**MINUTES
BOARD OF EDUCATION
Livonia Public Schools
Regular Meeting
September 23, 2024**

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

Members Present: Acosta, Bonifield, Bradford, Burton, Frank, Jarvis, Johnson

Members Absent: None

LPS Points of Pride Presentation Mrs. O'Brien, Chief Academic Officer shared highlights of summer camps and summer programming that were offered throughout the district over the summer of 2024.

Summer 2024 Bond Work Presentation Mrs. Jenkins, Administrator of Communications, shared highlights of summer bond renovations and upgrades throughout the district.

District Update from the Superintendent Mrs. Oquist, Superintendent, addressed the interruption in bus service, acknowledged its impact on the LPS community, and shared the actions the district is taking to remedy this issue within the district. Mrs. Oquist presented highlights from the school year opening activities, athletic highlights, LECC opening and community enrichment events.

Written Communications None

Response to Prior Audience Communications None

Consent Agenda It was moved by Mrs. Jarvis and supported by Mrs. Bonifield 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 August 19, 2024

Ayes: Acosta, Bonifield, Bradford, Burton, Frank, Jarvis, Johnson

Nays: None

Approval of Purchase of School Buses

It was moved by Mr. Johnson and supported by Mrs. Frank that the Board of Education of the Livonia Public Schools School District approve the purchase of Blue Bird school buses from Holland Bud Company, Holland Michigan for a cost of \$625,675.

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

Approval of Purchase of Tractors

It was moved by Mrs. Burton and supported by Mrs. Jarvis that the Board of Education of the Livonia Public Schools School District approve the purchase of eight John Deere tractors and eight front blades for plowing from Deere & Company, located in Cary, North Carolina, for a total cost of \$71,611.76.

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

Approval of Purchase of Japanese Curriculum

It was moved by Mrs. Frank and supported by Mrs. Acosta that the Board of Education of the Livonia Public Schools School District approve the purchase of Japanese curriculum materials from the Japanese Consulate for Niji-Iro Elementary School for \$29,362.39.

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

Approval of Teachers

It was moved by Mrs. Acosta and supported by Mr. Johnson that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Superintendent and offer employment for the 2024-2025 school year to the following Teachers:

| Name: | Assignment: | FTE: |
|------------------|--------------------|-------------|
| Janie Bauer | Student Services | 1.0 |
| Lisa Berryman | RCR | 1.0 |
| Kayla Blauet | Holmes | 1.0 |
| Roger Cebulski | Holmes, CHS | 1.0 |
| Jessica Faulkner | FHS | 1.0 |
| Shelby Franklin | Hoover | 1.0 |
| Sydney Grenier | Webster | 1.0 |

| | | |
|------------------|------------------|-----|
| Judith Hart | Frost | 1.0 |
| Kaitlyn Highland | Rosedale | 1.0 |
| Jessica Johnston | Johnson | 1.0 |
| Mandy Kaufman | Coolidge | 1.0 |
| Sean Koehler | Johnson | 1.0 |
| Heather Neal | CHS, Emerson | 1.0 |
| Elizabeth Parr | Student Services | 1.0 |
| Emily Winther | Cleveland | 1.0 |

Ayes: Acosta, Bonifield, Bradford, Burton, Frank, Jarvis, Johnson

Nays: None

Granting Tenure Status

It was moved by Mrs. Bonifield and supported by Mrs. Jarvis 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:

| Name: | Date: |
|----------------------|--------------------|
| Juliane Rorhoff | September 26, 2024 |
| Dawn Klein | September 26, 2024 |
| Chelsey Georvassilis | September 30, 2024 |

Ayes: Acosta, Bonifield, Bradford, Burton, Frank, Jarvis, Johnson

Nays: None

Resignations

The Board was informed of the following resignations:

| Name: | Date: |
|---------------------|--------------------|
| Brittany Cornellier | September 27, 2024 |
| Allison Dailey | August 22, 2024 |
| Danielle Flinchum | August 20, 2024 |
| Jennifer Mitchell | August 12, 2024 |
| Julianna Molnar | September 10, 2024 |
| Christine Munro | September 16, 2024 |
| Stephanie Roeser | September 27, 2024 |
| Rebecca Shaver | September 20, 2024 |

Voting Delegates for 2024 MASB Assembly

It was moved by Mrs. Jarvis and supported by Mrs. Frank that the Board of Education of the Livonia Public Schools School District approve Karen Bradford, Mark Johnson, Madeline Acosta and Liz Jarvis as voting delegates and Colleen Burton and Crystal Frank as alternates for the MASB Delegate Assembly in Lansing, Michigan on October 24, 2024.

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

Approval of the Amendment to the Superintendent’s Contract Regarding the Evaluation Process

It was moved by Mr. Johnson and supported by Mrs. Acosta that the Board of Education of the Livonia Public Schools School District approve the amendment to Superintendent Andrea L. Oquist’s employment contract regarding the Superintendent evaluation cycle for the remainder of the contract which currently expires June 30, 2029.

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

First Reading Board Policy IDDE – Post Secondary Credit Opportunities

The Policy Committee has reviewed the following changes:

BOARD POLICY IDDE DECEMBER 17, 2012
INSTRUCTIONAL PROGRAM Reviewed 5/2014
POSTSECONDARY CREDIT OPPORTUNITIES NOVEMBER 18, 2024

The Board of Education supports **and shall provide** opportunities for pupils **students** to receive postsecondary credit while attending high school. ~~The school district shall provide educational opportunities for pupils~~ **students** to earn post-secondary credit while attending high school. **The school district is required to pay the lesser of: a) the actual charge for tuition, mandatory course fees, materials fees and registration fees or b) the state portion of the students’ foundation allowance, adjusted to the proportion of the school year they attend the postsecondary institution. Students enrolled in a dual enrollment course but do not earn credit must repay the district.**

LEGAL REF.: Postsecondary Enrollment Options Act 160 of 1996, Imd. Eff. Apr. 8, 1996; Am. 2012, Act 134, Eff. July 1, 2012. Career and Technical Preparation Act 258 of 2000, Eff. Apr. 1, 2001; Am. 2012, Act 133, Eff. July 1, 2012.

First Reading Board Policy JGCD – Student Medications

The Policy Committee has reviewed the following changes:

**BOARD POLICY
STUDENTS
MEDICATIONS**

**JGCD
AUGUST 18, 2014
~~Reviewed 4/2018~~**

Except as otherwise provided by law or Board Policy, a school administrator, teacher, or other school employee designated by the school administration may administer medication to a student only in the presence of another adult, pursuant to written permission of the student's parents or guardian and only in compliance with the written instructions of a physician. ~~A Medication Authorization form must be provided to school administration before any dispensation of medication may occur. "Medication" includes prescription, non-prescription (commonly referred to as "over the counter"), and herbal medications/substances, including anything administered by mouth, inhaler, or injection; drops and sprays applied to the eyes or nose; and anything applied to the skin.~~

Epinephrine Auto Injectors

Students who are prescribed epinephrine to treat anaphylaxis shall be allowed to self-possess and self-administer the medication if they meet the conditions as stated in this policy and accompanying administrative procedures. ~~Commencing with the 2014-15 school year,~~ Each school in the District shall have at least two (2) epinephrine auto-injectors (Epi-Pens) available at the school site. It shall be the ~~annual~~ responsibility of the Principal to ~~be sure~~ verify that the supply of Epi-Pens is maintained at the appropriate level, ensure that all Epi-Pens have not expired, inform trained staff of the storage location for Epi-Pens in the school, and communicate with the Director of Student Services or his/her designee if new Epi-Pens are needed at any point during the school year due to use or expiration, ~~and they have not expired.~~ The ~~Administrator~~ Director of Student Services or his/her designee shall also be responsible for acquiring new supplies of Epi-Pens yearly, distributing them to schools, coordinating the training of District employees to administer Epi-Pen injections, and to maintaining the list of employees authorized to administer such injections.

Individuals Qualified to Administer Epinephrine Injections

Only a licensed, registered professional nurse employed or contracted by the District, or a school employee who has successfully passed the required training, shall be allowed to possess and administer Epi-Pen injections to students. ~~The persons authorized to use the District-maintained Epi-Pens will be maintained in each school by the Principal, and shall be available on an electronically-accessible site for employees' reference.~~

Each school shall have at least two (2) employees at that site who shall be appropriately trained in the use of an Epi-Pen. Training of employees on the appropriate use and administration of an Epi-Pen injection shall be done in accordance with any guidelines provided by the Michigan Department of Education; and shall be conducted under the supervision of a licensed, registered professional nurse. The training shall include an evaluation by the nurse of the employees' understanding of the protocols for administering an Epi-Pen injection.

Students to Whom Injections May Be Administered

A licensed, registered, professional nurse, or trained and authorized employees under this policy, may administer Epi-Pen injections to:

- ~~a~~Any student who has a prescription on file with the District, in accordance with the directives in such prescription; ~~and 2)~~
- Any individual on school grounds who is believed to be having an anaphylactic reaction.

Reporting of Injections

Any person who administers an Epi-Pen injection to a student shall promptly notify the Principal/~~Building~~ School Administrator who shall be responsible for promptly notifying the student's parent/guardian that an injection has been administered.

All Epi-Pen injections by District employees to students shall be reported in writing to the ~~Student Services Administrator~~ **Director of Student Services** or his/her designee. The report shall include whether the school's or student's Epi-Pen was used, and whether the student was previously known to be subject to severe allergic reaction (anaphylaxis). The ~~Student Services Administrator~~ **Director of Student Services** or his/her designee shall at least annually report to the Department of Education, in the form and manner determined by the Department, information on the number of injections provided to students, the number of injections with District Epi-Pens, and the number of incidents where students were not known to be subject to severe allergic reactions.

The District will maintain procedures for obtaining a prescription, purchase, reorder, storage, and maintenance of at least two epinephrine auto-injectors in each school building.

LEGAL REF: MCL 380.1178, 380.1179, 380.1179A
Michigan Department of Education, Model Policy and Guidelines for Administering Medications to Pupils at School

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**ADMINISTRATIVE PROCEDURE
STUDENTS
MEDICATIONS**

**JGCD
FEBRUARY 2003**

I. Introduction

~~It will be an ongoing objective to promote cooperation between the home and Livonia Public Schools concerning student medication. The following definition of "medication" is adopted for use in this district: medication includes prescription, non-prescription and herbal medications, and includes those taken by mouth, by inhaler, those that are injectable, and those applied as drops to eyes, nose, or medications applied to the skin. While medications may be necessary and may be prescribed at intervals during the day, whenever possible the administration of medication should be adjusted to avoid the necessity of administration during school hours.~~

I. Parental Responsibilities and Procedures to be Followed for Administration of Medication During School Hours

A. ~~An informational document A letter (Appendix A), which states outlining procedures to be followed, and an authorization form for administering medication during school hours by school personnel (Appendix B) will be provided.~~

B. ~~The authorization form (Appendix B) is to be completed by the student's physician and parent or guardian and returned to the appropriate school office before administration of medication by school personnel occurs.~~

C. ~~Parental or guardian permission and a physician's authorization/instructions for administration shall be renewed at the beginning of each school year.~~

D. ~~The time, location, and manner of administering medication to students will be defined in the Medical Authorization or Individualized Healthcare Plan. In secondary schools, students are encouraged to take responsibility for making contact with school personnel to acquire their medication. It will be the student's responsibility to make contact with the designated staff member for the administration of medication unless other arrangements have been agreed to by a school administrator.~~

E. "As needed" medication requires a physician's statement specifying dosage limits.

F. All medications to be administered at school must be in an original appropriately labeled container. (Must specify student name, medication name, frequency, and dosage to be given.) The medication should be provided in the exact dosage prescribed so that the individual administering medications is not responsible for dividing/splitting pills.

G. Both prescription and nonprescription medications require a completed physician and parental/guardian authorization form.

E. It may be necessary and appropriate for a parent or guardian to administer medication to his/her child. The parent or guardian is requested to contact the appropriate school office to make arrangements as necessary.

F. All medications which are brought to school must immediately be turned in to the school office by the parent or guardian, with the exception of medications addressed in section IV of these procedures.

G. Individual exceptions to these procedures must be approved by the building school administrator.

II. School Responsibilities and Procedures to be Followed for Administration of Medication During School Hours

A. An informational document Parental/guardian letter (Appendix A) and authorization form for administering medication during school hours by school personnel (Appendix B) will be available to parents and guardians.

B. The authorization form for administering medication during school hours by school personnel (Appendix B) will be returned to the school office and contains directions for its maintenance and storage.

C. An individual record of administration of medication during school hours by school personnel will be entered into the electronic student information system (MiStar). Student Medication Log (Appendix C), will be maintained. The electronic log should be initiated at the beginning of each school year or when the medication begins.

D. A school employee, designated by the school administrator, shall administer medication to a student in the presence of another adult, except when an emergency threatens the life or health of the student.

E. The building school principal will be responsible for determining a secure location for the storage of medication. Emergency medications may be stored in a readily accessible location.

F. All controlled-substance medications (defined as drugs regulated by the Federal Controlled Substances Acts, including opiates, depressants, stimulants, and hallucinogens) will be counted and recorded upon receipt with the parent/guardian.

G. When it is necessary for a student to have medication administered while on a school-sponsored field trip or off-site activity, the individual designated to administer medication must carry the medication in the original container and record the necessary information on the medication log upon return from the trip/activity.

H. Medication left over at the end of the school year, or after the student has left the district, shall be picked up by the parent/guardian. If this is not done, the individual who administers the medication will dispose of the medication and record this disposal on the medication log. This procedure shall be witnessed and initialed by a second adult.

I. When dealing with the issues that surround student medications not specified by a medical authorization or healthcare plan, administrative judgment will be utilized. Examples include student possession, self-administration, health plans, storage of medication, location of dispensation, staff assigned to administer medication, etc.

III. Student Administration and Possession of Medication

A. A student who requires the use of an inhaler for relief or prevention of asthma symptoms will be allowed to carry and use the inhaler if there is written approval (Appendix B) from the student's physician and parent/guardian on record at the school (as described in the Michigan Revised School Code, Section 380.1179). A student who is in possession of an inhaler under the above conditions shall have each of his/her teachers notified of this by the building school administrator.

B. A health plan will be developed for students who have other medical conditions, which require medication for a life-threatening situation. Such students may be allowed to carry and use the emergency medication if there is written approval (Appendix B) from the student's physician and parent/guardian on record at the school. A student who is in possession of this medication under the above conditions shall have each of his/her teachers notified of this by the building administrator.

C. ~~A building administrator must authorize or may discontinue a student's right to self-administer and self-possess medication. The process may be discontinued if there is misuse by the student, following parent contact. On a limited and age-appropriate basis, a student may possess and self-administer medication based upon medical authorization from a physician and review of school administration.~~ Following parent/guardian contact and with agreement of a physician, approval for possession and self-administration may be re-evaluated, altered, and/or discontinued if the student misuses or distributes their medication to others.

IV. School Staff Training

School employees designated to administer medication will receive in-service training on procedures related to this responsibility. Training will be facilitated through the Department of Student Services.

V. Safety Procedures and Liability Addressed in the School Code of 1976 as Amended

A.380.1178 Administration of Medication to Pupil; Liability

Sec. 1178: A school administrator, teacher, or other school employee designated by the school administrator, who in good faith administers medication to a pupil in the presence of another adult or in an emergency that threatens the life or health of the pupil, pursuant to the written permission of the pupil's parents or guardian and in compliance with the instructions of a physician is not liable in a criminal action or for civil damages as a result of the administration except for an act or omission amounting to gross negligence or willful and wanton misconduct.

EXHIBIT Appendix A _____ **JGCD**
STUDENTS _____ **APRIL 2018**
MEDICATIONS

A letter is provided to the parent/guardian of students, which describes parental/guardian responsibilities and procedures to be followed when the administration of medication to students during school hours by school personnel is necessary.

NOTE: A letter is to be provided to the parent/guardian with the medication authorization form. It may be copied on school letterhead.

SAMPLE LETTER

Dear Parent:

It is recognized that certain medications may be necessary and must be prescribed at certain times of the day. In many instances the administration of medication can be adjusted to avoid the necessity of administration during school hours. However, there may be instances when medication must be administered to your child during school hours.

When medication is necessary during school hours:

1. It may be necessary and appropriate for a parent or guardian to administer medication to his/her child. Please contact the school office to make appropriate arrangements.
2. If school personnel will be administering medication, the accompanying Medication Authorization form must be completed by the student's physician and parent or guardian and returned to the school office before administration of medication. This authorization is valid for the current school year only.
3. It will be the student's responsibility to make contact with the designated staff member for the administration of medication unless other arrangements have been agreed to by the building principal.
4. "As needed" medication requires a physician's statement specifying dosage limits.
5. All medications to be administered at school must be in an original appropriately labeled container. (Must specify student name, medication name, frequency, and dosage to be given.)
6. Both prescription and nonprescription medications require a completed physician and parental/guardian authorization form.
7. All medications that are to be administered by school personnel must be brought to school and immediately turned in the school office. Inhalers or medication for life threatening situations may be maintained by the student or in other locations as approved by the building administrator.
8. All controlled substance medications (defined as drugs regulated by the Federal Controlled Substances Acts, including opiates, depressants, stimulants, and hallucinogens) will be counted and recorded upon receipt with the parent/guardian.
9. Medication left over at the end of the school year, or after the student has left the district, shall be picked up by the parent/guardian. If this is not done, the individual who administers the medication will dispose of the medication and record this disposal on the medication log.
10. Individual exceptions to these procedures must be approved by the building principal.

Thank you for your cooperation. If you have any questions or concerns, please contact your building principal.

Sincerely,

Principal

**EXHIBIT Appendix B
STUDENTS
MEDICATIONS**

**JGCD
APRIL 2018**

The following Medication Authorization form is to be completed by physician and parent/guardian; and maintained in the school office with the Individual Student Medication Administration Log for each medication administered. The Medication Authorization form should be filed in the student's personal cumulative file at the end of the year and maintained for at least three years.

EXHIBIT - Appendix B **JGCD**

**SAMPLE
Medication Authorization**

| | |
|-------------------------|--------------|
| Student's Name _____ | Date _____ |
| Date of Birth _____ | School _____ |
| Teacher/Counselor _____ | Grade _____ |

Both prescription and nonprescription medications require a completed Medication Authorization form signed by a physician and parent/guardian. If medication is related to a life-threatening health condition, Livonia Public Schools staff will develop an Individualized Health Care Plan in conjunction with the student's physician.

| TO BE COMPLETED BY THE PHYSICIAN | |
|--|---|
| Name of Medication _____ | <input type="checkbox"/> Prescription <input type="checkbox"/> Non-Prescription |
| Reason for Medication _____ | |
| Form of Treatment <input type="checkbox"/> Tablet/Capsule <input type="checkbox"/> Inhaler <input type="checkbox"/> Liquid <input type="checkbox"/> Injection <input type="checkbox"/> Nebulizer | |
| Instructions _____ | |
| Dosage _____ | |
| Time of Day <input type="checkbox"/> Daily <input type="checkbox"/> As Needed <input type="checkbox"/> Emergency Only <input type="checkbox"/> Other _____ | |
| <small>If dosage is <u>as</u> needed @ or <u>emergency</u> only @ specify symptoms and limits:</small> | |
| Relevant Side Effects _____ | |
| Storage Requirements <input type="checkbox"/> None <input type="checkbox"/> Refrigerate <input type="checkbox"/> Other _____ | |
| Student is capable and responsible for self-possession and self-administering: <input type="checkbox"/> Inhaler <input type="checkbox"/> Emergency Meds | |
| Please indicate if you have provided additional information: <input type="checkbox"/> On the back of this form <input type="checkbox"/> As an attachment | |
| Physician's Name _____ | Phone _____ |
| Address _____ | Fax _____ |
| Physician's Signature _____ | Date _____ |

TO BE COMPLETED BY THE PARENT/GUARDIAN

I request that _____ receive the above medication at school according to district policy.
Students Name

be allowed to self-administer the above medication (inhaler or emergency medication) at school according to district policy.

I authorize school personnel to contact the above physician with questions or concerns relative to this authorization and medication.

Parent/Guardian's Signature _____ Date _____

- NOTES:
1. Medication includes prescription, non-prescription and herbal medications, and includes those taken by mouth, by inhaler, those that are injectable, and those applied as drops to eyes, nose, or medications applied to the skin.
 2. Medications must be in an appropriately labeled container.
 3. This authorization is valid for the current school year only.
 4. This authorization must be maintained with the Individual Student Medication Log.
 5. It will be the student's responsibility to ~~make contact with~~ school personnel for the administration of medication, unless other arrangements have been made by the administrator.

**EXHIBIT Appendix C
STUDENTS
MEDICATIONS**

**JGCD
APRIL 2018**

An individual record of administration of medication during school hours by school personnel will be entered into the electronic student information system (MiStar).

This form is to be placed in the student's personal cumulative file at the end of the school year and maintained for a period of three school years.

NOTE: One Medication Administration per Form

Directions: Record in date below; Time(s) administered; initials of person administering; and initials of witness.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | |
|-----------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|--|
| August | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| September | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| October | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| November | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| December | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Note: (see back of page for additional information i.e. adverse reactions, parent contacts, etc)

Student _____ BD _____ Grade _____ Sex _____ ID _____ HmRm _____ School _____ Health Care/504 Plan _____

Teacher/Counselor _____ Doctor's Name _____ Medication _____ Dosage _____ Time _____

Medical Information

Additional Information

Med Alert 1 _____
Med Alert 2 _____
Med Alert 3 _____
Med Comment 1 _____
Med Comment 2 _____

Codes:
(A) Absent (F) Field Trip (X) No School
(E) Early Dismissal (N) No Medication Available

Persons Administering and Witnessing Medication:

| | | | | |
|------------|----------|----------|------------|----------|
| Print Name | Initials | | Print Name | Initials |
| 1. _____ | _____ | 3. _____ | _____ | _____ |
| 2. _____ | _____ | 4. _____ | _____ | _____ |

NOTE: One Medication Administration per Form

Directions: Record in date below; Time(s) administered; initials of person administering; and initials of witness.

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | |
|----------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|--|
| January | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| February | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| March | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| April | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| June | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Note: (see back of page for additional information i.e. adverse reactions, parent contacts, etc)

Student _____ BD _____ Grade _____ Sex _____ ID _____ HmRm _____ School _____ Health Care/504 Plan _____

Teacher/Counselor _____ Doctor's Name _____ Medication _____ Dosage _____ Time _____

Medical Information

Additional Information

Med Alert 1 _____
Med Alert 2 _____
Med Alert 3 _____
Med Comment 1 _____
Med Comment 2 _____

Codes:
(A) Absent (F) Field Trip (X) No School
(E) Early Dismissal (N) No Medication Available

Persons Administering and Witnessing Medication:

| | | | | |
|------------|----------|----------|------------|----------|
| Print Name | Initials | | Print Name | Initials |
| 1. _____ | _____ | 3. _____ | _____ | _____ |
| 2. _____ | _____ | 4. _____ | _____ | _____ |

Second Reading and Adoption of Board Policy IDD – Family Engagement

It was moved by Mrs. Burton and supported by Mrs. Frank that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Policy Committee and adopt the following Board Policy language:

BOARD POLICY
INSTRUCTIONAL PROGRAM
FAMILY ENGAGEMENT

IDD
September 23, 2024

The Board strongly encourages and welcomes the engagement of families in all of the District's educational programs. It is recognized and appreciated that family members are the "first teachers" of their children, and that their interest and involvement in the education of their children should not diminish once their child enters the schools of the District. The administration shall design a program/plan that will encourage family engagement that may include, but not be limited to: the review of instructional materials; input on the ways that the District may better provide family members with information concerning current laws, regulations, and instructional programs; and District offerings of training programs to guide family members on how to become more involved in their child's educational programs. Pursuant to state law, the Superintendent, or his/her designee, shall provide a copy of the District's Family Engagement plan to all families.

Reference: Sec. 1112, 1118 ESEA, M.C.L. 380.1294

ADMINISTRATIVE PROCEDURES IDD
INSTRUCTIONAL PROGRAM
September 23, 2024
FAMILY ENGAGEMENT

Livonia Public Schools recognizes and agrees to implement the following statutory requirements in accordance with the Elementary and Secondary Education Act of 1965 (ESEA), and as amended by the Every Student Succeeds Act of 2015 (ESSA).

All schools will develop a Family Engagement Plan.

- The district will work with each school to develop a Family Engagement Plan jointly with parent and family members. The Plan will be updated periodically to meet the changing needs of parents and the school. (1116b1)
Additionally, the Family Engagement Plan for Title I schools will include the following components.
- An Annual Title I Parent Meeting at a time convenient to parents to inform parents of the Title I requirements and their right to be involved. (1116c1)
- Timely information about the Title I Program, including a description and explanation of the curriculum used at the school, the forms of academic assessment used to measure progress, and the achievement levels students are expected to meet. (1116c4a-b)
- A flexible number of meetings at times convenient to family members with transportation and/or childcare provided as needed, or home visits as it relates to family involvement. (1116c2)
- Organized, ongoing, and timely family involvement in planning, reviewing, and improving Title I programs, including the development, review, and improvement of the Parent and Family Engagement Plan and the Schoolwide Program Plan. (1116c3)
- Opportunities for family members of participating Title I students to engage in regular meetings to formulate suggestions and/or participate in decision-making as it relates to their child's education, and to respond to any suggestions as soon as possible. (1116c4c)
- Opportunities for family members to submit comments on the School Improvement Plan if the Plan is not satisfactory to parents of participating students. (1116c5) All schools will develop a School-Family Compact.
- The district will work with schools to jointly, with family members, develop a School-Parent Compact that outlines how the entire school staff, family members, and students will share the responsibility for improved student academic achievement. (1116d)
- The School-Family Compact will:
 - Clearly explain district and school goals for students to meet the challenging State academic standards.
 - Describe ways that teachers are responsible for supporting students' learning and providing high quality curriculum and instruction.

- Describe specific ways parents will be responsible for supporting their children's learning.
- Describe specific ways students will be responsible for their learning.
- Describe school activities to build partnerships with parents, including chances for parents to volunteer, take part in, and observe classroom activities, and communicate with teachers.
- Describe how family members are involved in developing and revising the compact.
- Ensure regular two-way meaningful communication between family members and school staff throughout the school year, so that parents are kept up to date on their students' progress and get regular tips on home learning.
- Communicate information using family friendly language and format. All schools will provide staff and family with learning to support family engagement.
- Provide assistance to family members of students served by the school in understanding the State's academic content standards, the State and Local assessments, and how to monitor their child's progress and work with educators to improve the achievement of their children. (1116e1)
- Provide materials and training to help family members work with their children to improve their children's achievement, such as literacy training and using technology, as appropriate, to foster parental involvement. (1116e2)
- Educate staff in the value and utility of family member contributions, in how to reach out to, and communicate with, and work with family members as equal partners, to coordinate and implement family engagement programs, and to build relationships between the family members and the school. (1116e3)
- Coordinate and integrate family engagement programs and activities with other Federal, State, and local programs, including public preschool programs, and conduct other activities, such as family resource centers, that encourage and support parents in more fully participating in the education of their children.
- Ensure information is shared with parents in a language and format they can understand. (1116e5) All schools will provide additional support for family engagement as needed.
- Provide other reasonable support for family engagement activities as parents may request.
- Provide full opportunities for participation of family members with limited English proficiency, parents with disabilities, and parents of migratory children.

**EXHIBIT
INSTRUCTIONAL PROGRAM
FAMILY ENGAGEMENT PLAN
September 23, 2024**

IDD

The Livonia Public Schools believes that the education of all students should be a partnership between the school and the parent community. Both the District and the parent community play an essential role in the success of all students.

The District, in collaboration with family members in the community, will develop a family engagement plan that reflects practices that enhance family and community engagement and reflect the specific needs of each school within the district.

1. Communication: Schools and the parent community will communicate regularly in person and/or virtually and clearly about academic opportunities, school performance, student progress and family activities.

Communication Activities:

- Parent Teacher Conferences
- District, School, and Classroom Newsletters
- District and School Annual Education Reports
- E-News (Electronic communications sent from school and district staff)
- School, District and Teacher Websites
- District's streaming platform
- Parent Connect
- Coffee with the Principal
- Teleparent (Telephone communication sent from school and district staff)

2. Parenting: Schools and the parent community will work together to support parenting skills and activities that prepare children for school and support ongoing achievement

Parenting Activities:

- Curriculum/Open House Nights
- PTSA Programs
- District Parent Workshops/Evenings
- School Parent Workshops/Evenings
- Parent Orientation Presentations
- Parent Transition Meetings
- Family Activity Nights

3. Student Learning: Schools will encourage family members to support the academic achievement of their children.

Student Learning Activities:

- Continuous communication on academic progress
- Parent Workshops
- Curriculum Nights
- Student orientation/transition experiences

4. Volunteerism: Schools will encourage family and community members to volunteer in schools to support school improvement and student success

Volunteer Activities:

- PTA and other parent support groups
- Room Parents
- Flexible Assistance for School and Classroom Programs/Events (beyond the school day)
- Mentoring/Tutoring Students
- Local business partners
- District and School Committees
- Chaperoning Activities
- Clubs/events/activities

5. School Decision Making: Schools will encourage family and community members to collaborate on education decisions that affect students and schools.

Decision Making Activities:

- School Improvement Process
- School Advisory Groups
- Parent Advisory Boards
- Parent feedback/input on current/new programs, initiatives, and practices
- District School Improvement Team

6. Community Collaboration: The District will encourage collaboration with local community organizations, local governments, businesses, members of the community, and other agencies to improve the academic achievement of all students.

Community Collaboration Activities:

- Facilitate Community members as volunteers in the schools.
- Collaborate with local business to co-sponsor events and programs.
- Promote governmental service activities and programs for students.
- Encourage business partnerships with schools.
- Co-sponsor academic support programs for students and their parents.
- Host Community Forums
- Facilitate District Communication Team
- Diversity, Equity, Inclusion, and Belonging
- Livonia Education Foundation
- Healthy Livonia

Ayes: Acosta, Bonifield, Bradford, Burton, Frank, Jarvis, Johnson

Nays: None

Second Reading and Adoption of Board Policy IDDF – Online Learning

It was moved by Mrs. Frank and supported by Mrs. Jarvis that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Policy Committee and adopt the following Board Policy language:

**BOARD POLICY
INSTRUCTIONAL PROGRAM
ONLINE LEARNING**

**IDDF
SEPTEMBER 23, 2024**

The Board of Education supports opportunities for students to experience online learning. The school district shall provide access to online instructional programs for students.

Ayes: Acosta, Bonifield, Bradford, Burton, Frank, Jarvis, Johnson

Nays: None

Hearing From Board Members

Mrs. Jarvis encouraged community members to sign up for the upcoming Cemetery Walk, sponsored by the LPS Foundation. Mrs. Acosta offered well wishes and shared a Happy National Hispanic Heritage month wishes with the community.

Adjournment

President Bradford adjourned the meeting at 8:23 p.m.

Off/Supt/tg

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 21, 2024**

TOPIC: ***Approval of Purchase of Bulk Salt**

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District approve the purchase of bulk road salt from the Detroit Salt Company, Detroit, Michigan, through the State of Michigan MiDEAL Extended Purchasing Program, for a total cost of \$60,350.

RATIONALE:

This purchase will provide necessary materials for parking lot and sidewalk winter maintenance.

BUDGETARY INFORMATION:

General Fund

RESOURCE PERSONNEL:

Phillip Francis, Assistant Superintendent of District Services

EXHIBITS:

None

PF/AS



MORTON SALT



DETROIT SALT COMPANY

SALES QUOTE

Sell To LIVONIA PUBLIC SCHOOLS
Patrice Bushart / Keith
15125 FARMINGTON RD
Livonia, MI 48154
UNITED STATES

Sales Quote No. SQ24-03081
Sales Quote Date 9/12/2024
Contract End Date 09/30/2025
Customer ID MILIV02
Payment Terms NET 30 Days



| Ship to | | Comments | | | |
|---|------|-------------|------|-----------------|--|
| LIVONIA PUBLIC SCHOOLS 15125 FARMINGTON RD Livonia, USA 48154 | | | | | |
| Product | Unit | Location | Qty | Price | |
| SALT | Tons | Detroit, MI | 1400 | \$60.35 | |
| | | | | \$60,350 | |

Please review 'Sell To' and 'Ship To' address information above and advise if any changes are required.

Do you wish to change the tonnage? YES NO New requested tonnage is \$1,000 short tons.
Reason for tonnage change: _____

To confirm and accept this quote, please sign this form and return via e-mail, mail or fax to SELLER within thirty (30) days of the date of this quote.
 CUSTOMER ACCEPTANCE: I accept this price quote for CUSTOMER for Season 2024/2025.
 CUSTOMER's Signature: Henry C Jan Date: 13 Sept 2024

This quote is valid for acceptance by CUSTOMER within thirty (30) days after the date of issuance. If this form is not signed and returned by CUSTOMER to SELLER within thirty (30) days, then the quote is null and void. This quote is not binding on Seller until CUSTOMER's signed acceptance form is accepted and confirmed in writing by Seller.



MORTON SALT



SALES QUOTE

Sell To LIVONIA PUBLIC SCHOOLS
Patrice Bushart / Keith
15125 FARMINGTON RD
Livonia, MI 48154
UNITED STATES

Sales Quote No. SQ24-03081
Sales Quote Date 9/12/2024
Contract End Date 09/30/2025
Customer ID MILIV02
Payment Terms NET 30 Days

- Delivered prices are based upon full truckload quantities from SELLER's location to specified delivery locations noted in ship-to section. Minimum order is 50 tons. Any applicable taxes are extra.
- Tonnage Commitment: SELLER agrees to supply up to 100% of the Quoted Tonnage, and CUSTOMER guarantees to purchase a minimum of 70% of the total Quoted Tonnage by contract end. Initial order must be placed by March 15, 2025. SELLER will invoice CUSTOMER for any shortfall below the minimum committed tonnage at the quoted price within thirty (30) days of the purchase deadline.

STANDARD TERMS FOR BULK DEICING SALT CUSTOMERS

"SELLER" means Detroit Salt, L.C. (for sales in Michigan) or Morton Salt, Inc

"CUSTOMER" means the customer signing the price quote; and "TONS" means short tons

- Orders based on the price quote are subject to the terms and conditions set forth herein, and no agreement or other understanding in any way modifying or supplementing these conditions shall be binding upon SELLER unless made in writing and signed by an authorized executive of SELLER.
- All orders are subject to product availability. SELLER reserves the right to decline any order, suspend a shipment, or terminate an existing order for any reason that affects SELLER's ability to deliver product, including, without limitation, conditions at production facilities or terminals of SELLER or SELLER's affiliates.
- Effort will be made to ship Product as soon as possible after an order is accepted by SELLER, however SELLER shall not be responsible for any delay or failure to deliver caused wholly or in part by any cause not resulting from SELLER'S negligence, including without limitation, fire, flood, accident, strike, labor trouble, civil commotion, acts of terrorism, war, demands, requests or requirements of governmental authority, failure in production equipment, product availability, inability to obtain fuel, power, raw materials or shipping capacity or acts of God, including snow, ice or other weather-related problems. Transportation surcharges may be applied in the event of significant cost increases in transportation beyond the reasonable control of SELLER.
- Please order at least 24 hours prior to the expected delivery date. Delivered pricing quotes are based on shipments made in dump trucks carrying a minimum quantity of 22-25 tons per shipment, except for the following: in Michigan, there is 50-ton minimum quantity (or single trailer 25-ton minimum); in Utah: a 40-ton minimum (or single trailer, 25 ton minimum or in-axle truck 18-ton minimum); In Ohio: piler delivery-200 ton minimum; a 10-ton minimum per truck pickup where offered and available. Normal delivery is 1 to 5 business days.
- Prices quoted are good for the product sourced from the stated shipping location. Any orders for product quantities exceeding Quoted Tonnage is subject to product availability and may be declined by SELLER with no liability to Customer, or may be sourced from an alternate shipping location within SELLER's network of affiliates, and are subject to price adjustment for incremental transportation costs incurred by SELLER to fulfill such orders. SELLER reserves the right: (i) to direct Customer pickups to an alternate shipping locations within a specific market (within fifty(50) miles of the original shipping location), depending on SELLER's inventory availability, and (ii) charge a fee for any in-transit load that is diverted from its original destination in order to fulfill CUSTOMER's order. For delivered pricing quotes, if fuel costs rise to a level requiring carriers to implement a fuel surcharge, SELLER reserves the right to invoice Customer for the fuel surcharge amount as an additional charge that will be shown as a separate line item on the invoice. If implemented, the fuel surcharge amount may vary weekly, and are based on the fuel cost averages published at www.eia.doe.gov.
- Orders placed for pickup may not be available for 24 hours from the time the order is placed.
- SELLER warrants the product sold hereunder is suitable for ice control only. SELLER's liability is limited to providing additional material, to the extent any material is shown to be otherwise than warranted, and SELLER shall be in no event liable otherwise or for indirect or consequential damages. THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- Any claims of quantity errors, quality issues, or damages must be made in writing to SELLER within five (5) days of delivery and must include satisfactory evidence. Customer, by acceptance of the Product, assumes all risk and responsibility incident to the handling and use of said product and for the results obtained through the use of said material, and shall indemnify and hold SELLER harmless of and from any and all claims with respect thereto.
- The price quote does not include any sales, use or other taxes, which will be added to the price, if applicable, as a separate line item at time of invoicing. All purchases are subject to the appropriate sales tax rate, and the Customer will be charged such tax unless Customer is exempt and has provided SELLER with the appropriate sales tax exemption certificate for Customer.
- Payment is due net thirty (30) days, subject to SELLER's Credit Department approval. SELLER reserves the right to charge a one and a half percent (1 1/2%) per month service charge on amounts outstanding more than thirty (30) days from the date of the invoice, effective as of the thirty-first day from the date of invoice. SELLER also reserves the right upon notice to CUSTOMER to condition any future shipments (including those previously ordered or in transit) upon SELLER'S receipt of cash, certified or cashier's check in the amount of the invoiced price for such shipments and inclusive of all freight.
- In the event of a product shortage, SELLER has the right to allocate available product among its customers, including itself.

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 21, 2024**

TOPIC: Acceptance of Financial Statements for 2023-2024

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the 2023-2024 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 2023-2024 school year.

RESOURCE PERSONNEL:

Alison Smith, Chief Financial Officer

EXHIBITS:

Attached.

Livonia Public Schools

**Report to the Board of Education
June 30, 2024**

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, 2024. In addition to our audit report, we are providing the following results of the audit and informational items that impact the School District:

| | <u>Page</u> |
|-----------------------------|-------------|
| Results of the Audit | 3-6 |
| Informational Items | 7-18 |

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.

Insert Report Date

Results of the Audit

Insert Opinion Date

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, 2024 and have issued our report thereon dated **Insert Opinion Date**. 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 1, 2024, 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 **Insert date of separate letter** 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 3, 2024.

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. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2024.

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 MPERS net liability for the pension and net asset for the 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, 2024 were \$350 million liability and \$6.2 million asset 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. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was as follows:

The disclosure of the School District's participation in the Michigan Public Schools Employees' Retirement System in Note 10 to the financial statements describes the various estimates that were involved in the recording of these retirement expenses.

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 this 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.

To the Board of Education
Livonia Public Schools

Date

We noted no instances in which there were significant issues that were disclosed or were the subject of correspondence with management prior to or during our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **Insert Opinion Date**.

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

Informational Items

Managing the Changing Financial Resources Landscape

As fiscal year 2024/2025 kicks off, the school funding landscape is changing. Since 2020, the School District has faced a continuously changing environment. The pandemic created significant uncertainty, followed by a significant infusion of federal resources, and ultimately a stable and growing fiscal platform for the state budget. As new resources were added, new challenges were created to effectively plan, develop, deliver, evaluate, and account for the programs and services. Beginning with the 2024/2025 school aid budget, we have observed a change in the budget strategy. Projections suggest a slowing growth pattern for the School Aid Fund. For the first time in several years, the governor and Legislature were faced with difficult choices regarding what initiatives to fund or cut and where to modify funding levels, including the evaluation of initiatives that were borne out of the pandemic. While overall the School Aid Fund is as large as it ever has been, the ability to spread the funding to all desired initiatives is no longer realistic and school districts will have to monitor how funding changes will impact educational initiatives.

We understand the unique challenges school districts face within the changing funding landscape. We continue to work closely with state and federal decision-makers to both understand the changes and provide insight into potential implications. As a strategic partner and advocate for public education, we continue to meet with 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. Our work continues 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. 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 understand that the last several years have required substantial extra effort 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 also understand that the work is not done, and we appreciate the opportunity to work side by side with your team during this next chapter.

School Funding - School Aid in Depth

The 2023/2024 fiscal year began the process of exiting the pandemic-related funding environment. Funding continued to include significant state-sourced increases, significant new education investments, and some significant one-time resources. While the 2023/2024 School Aid Fund suggested state fiscal sustainability, the 2024/2025 School Aid Fund estimates suggested the School Aid Fund is moving toward slower growth rates. As a result, while the 2023/2024 budget provided significant new resources for education, the development of the 2024/2025 school aid budget required more creativity. This comes at a time when federal pandemic-related funding ends at September 30, 2024 with the conclusion of the federal ESSER programs.

2023/2024 State Funding: The May 2023 Consensus Revenue Estimating Conference identified availability of significant new resources. This allowed the State to continue to make investments in education, shore up funding for long-standing programs, make investments where new needs were identified, and respond to the changing financial structure as federal pandemic-related funding begins to come to a close. Key highlights impacting the School District's funding for 2023/2024 included the following:

- **Foundation Allowance:** Increased the target foundation allowance by \$458 per pupil to \$9,608, a 5 percent increase. Hold harmless school districts also received the \$458 per pupil increase. Cyber schools did not receive an increase and continued at \$9,150.

- **Pupil Count:** Continued the traditional blended pupil count methodology, with 90 percent weighting for the October 2023 count and 10 percent weighting for the February 2023 count. However, for declining enrollment districts, a provision was added to use a two-year blended count to slow the impact of the decline on current year revenue. A district qualified if its 2023 final membership count was lower than the 2022 final membership count. In this case, a school district received additional funding through Section 29.
- **Special Education:** Special education funding is now fully treated as categorical and is not using foundation allowance amounts to supplement its required payments under the Headlee Amendment. In 2023/2024, special education funding provided by the State was provided from Section 51 of the State Aid Act. In the past, a portion of the funding was provided from Section 20, where the foundation allowance is determined.
- **MPSERS Cost for 2023/2024:** The basic structure continued, including cost support provided by the School Aid Fund. For 2024, the overall contribution rate increased to 48 percent of payroll from 45 percent, with the net cost to the School District increasing from 28 percent up to approximately 31 percent. For the first time in several years, the net cost to the School District increased in fiscal year 2023/2024.
- **GSRP:** Increased funding for the Great Start Readiness Program (GSRP) improved by funding reimbursement at the same level as the target foundation allowance and increasing the income limits, which increased the number of families eligible to participate. These steps align with the goal of ultimately making preschool available to all in Michigan.
- **At-Risk:** Increased funding for Section 31a/At-Risk programs and used an opportunity index to better weight funding based on need
- **School Meals:** Section 30d provided universal free breakfast and lunch for the 2023/2024 fiscal year with the intention of continuing the program. The 2024/2025 School Aid Fund amendments continued funding for the program. The program is state funded and did not replace the federal Child Nutrition Cluster.
- **Transportation:** Additional transportation funding provided using a formula based upon riders per square mile
- **Mental Health and School Safety:** Additional one-time funding infusion for student mental health and school safety services
- **Student Loan Repayment:** One-time allocation for a student loan repayment program for districts to repay loans of employees who work directly with students. Note, this funding was not put into the system until late in the school year, creating some challenges in revenue recognition at June 30, 2024.
- **Retirement:** Increased allocation for contributions to the retirement system to reduce its long-term cost.
- **ISD Operations:** Intermediate school district (ISD) operations allocation increased by 5 percent to mirror the increase in the foundation allowance.

2024/2025 State Funding: As the 2023/2024 school year was coming to a close, the May 2024 Consensus Revenue Estimating Conference predicted that there will be sufficient resources for current programs but suggested that the revenue growth in the school aid fund will continue at a slower pace than the previous two years. As a practical matter, the conference conclusions suggest the funding growth will mirror more closely the pre-pandemic growth levels. As schools entered the 2024/2025 fiscal year, the School Aid Bill was completed and signed into law. The bill provided for some funding increases and resources to fund new initiatives agreed to by the governor and Legislature. It also reduced the allocation for some one-time categoricals. It increased resources provided for retirement, and it did not provide a foundation allowance increase. Instead, the analysis of the bill indicates that the modifications, primarily with retirement funding, free up about \$400 per pupil for each district to spend on operations. Based on the mechanics of the School Aid Bill, not every district will realize a full \$400 benefit. Some key highlights of the School Aid Bill include the following:

- The target foundation allowance stays at \$9,608 per pupil for public schools. Public school academies received a 3.9 percent increase in their target foundation, estimated at \$9,983. The increase was due to the fact most academies do not participate in the MPSERS and are funded using a separate categorical.
- Funding continues for declining enrollment districts to smooth the impact of resulting revenue decline.
- For 2024/2025, the State's obligation under the Headlee Amendment will continue to be funded from the special education allocation within the school aid budget. Previously, a portion of that obligation was paid from the School District's foundation allowance allocation.
- Revisions to amounts provided in Section 147 (MPSERS categoricals) to increase funding for retirement. The increase in resources essentially replaces an increase in the foundation allowance. By reducing the net cost of the retirement contribution, the School District will have more resources to invest in ongoing operations. Notably, the revision to the funding strategy was crafted when the bill was in conference committee. Prior to the conference report, each version of the bill provided for an increase in the foundation allowance ranging from \$217 to \$302 per pupil.
- The MPSERS OPEB and pension funding has been the focus of School Aid Fund discussions for many budget cycles. For years, the OPEB plan was underfunded and had a very large net liability (referred to as the "UAAL"). The current issue focuses on OPEB, which is now considered fully funded, meaning that the plan now has sufficient assets to cover accrued health benefits for current and former employees' past services. State funding provides a contribution to districts to cover the UAAL costs, which is about \$669 million, statewide, for the historical OPEB UAAL. The 2024/2025 School Aid Bill redirects \$598 million of the savings back to the School District. This will be funded through a categorical, 147a4, and will represent approximately 5.75 percent of MPSERS-related payroll.
- GSRP receives an increase in funding and provides for more families to be eligible for free preschool. Now, families who are less than four times the federal poverty level will be eligible for free service.
- At-risk funding is now over \$1 billion. Revisions to the program include new flexibility provisions to reduce teacher-student ratio and support retention and recruitment efforts.
- Categoricals continuing without substantive change include, but are not limited to the following: Transportation, Future Educator Fellowship, Student Teacher Stipend, and ISD Operations support.
- Many smaller categoricals were eliminated or had reduced funding. However, the most significant funding reduction was for mental health and school safety. Since this program was considered a one-time program, it was not considered a cut however, districts that built programming around this funding will need to determine if other sources can be used to fund the programs.

- **Special Education Services:** In 2023/2024, use of the foundation allowance to contribute to the State's support of special education ceased, and the State's contribution to support special education is paid entirely from a categorical allocation. 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 varies by district and requires some analysis. This funding methodology continued for 2024/2025.

Many of these initiatives have their roots in the education issues encountered during the pandemic, along with the desire to continue to address the recommendations first identified in the Michigan School Finance Collaborative, which outlined priorities for responding to education needs. Careful planning to effectively leverage these funding sources, along with managing programs initiated during the pandemic, will be critical for school districts throughout the 2024/2025 school year.

Looking Forward to 2025 and Beyond

The May 2024 Consensus Revenue Estimating Conference provided a look into 2025, 2026, and 2027. Essentially, the conclusion from the conference indicates the expected funding levels are beginning to level off. The key implication is that it is unlikely that the School Aid Fund will be able to provide the same growth in resources available to public schools as we move into the future. Given that, in the last few years, several categoricals were added to the funding scheme, as well as significant increases to the foundation allowance, the revenue estimates suggest that funding modifications may be required. Since many of the added categoricals were labeled as one-time categoricals, it appears that these programs may be most at risk of adjustment in the future. For 2024/2025, we have already seen such an adjustment for mental health and school safety, where the funding levels were significantly reduced. We have also seen that there was no foundation allowance increase provided for 2024/2025. Instead, modifications were made to retirement funding, which essentially provided about \$400 per pupil of freed-up resources for districts to fund their operations. Key themes that continue to be areas of emphasis when evaluating future spending decisions include the following:

- **Federal Pandemic Resources:** The last major funding source is ARP ESSER III. It is funded as part of the Education Stabilization Fund and sunsets on September 30, 2024. Some of the funding may have been used by the School District to fund recurring costs of operations. This date, referred to as the funding cliff, will require each district to evaluate its budget strategy to determine if resources supported recurring operations, and what resources will be available to fund continuing operations once the funds are depleted. The School District will need to closely evaluate the impact of the sunset of the ESSER funds on future budgets.
- **Sustainability of initiatives from 2023/2024:** There were several initiatives included in the 2023/2024 amendments to the State Aid Act. Revenue projections continued to show significant growth, creating room to fund recent and new initiatives. 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, beginning to focus on educational infrastructure investment, meeting the special education funding requirements with categorical funds, and providing free meals to all students (new Section 30d). Many of these initiatives were carried forward and continued in the 2024/2025 amendments to the State Aid Act, but some were not due to resource constraints. The biggest example is the reduction in previously labeled one-time funding for mental health and school safety. Each initiative required assessment and planning by individual school districts. 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. The same challenges exist as districts assess the content of the 2024/2025 amendments to the State Aid Act.

- **Pupil Count Trends:** During the pandemic, most 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 students per year. However, during the pandemic, statewide enrollment decreased in excess of 50,000 students. 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. Current data suggests that some portion returned as the rate of decline slowed, 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 to operate in the post-pandemic period, continued focus on recruiting and retaining students and families will be essential to improving student enrollment.

The key lesson from the 2024/2025 budget cycle is that, since resources provided in the School Aid Fund are projected to return to a pace similar to pre-pandemic levels, the governor and Legislature will once again be forced to make difficult choices in deciding how to fund programs. In turn, school districts will be required to adjust to changes in funding priorities and ultimately how resources will be used for local district operations. Some of those challenges include the following:

- The impact of a recession on school funding, if it were to occur
- Fully utilizing the ESSER III allocation and how it will impact recurring operations once funding ends
- Staff retention and recruitment, including use of novel approaches, some of which are funded by state categoricals, for as long as they are in place
- Continued efforts at attracting and retaining students to the School District
- Pupil count trends and projections for school districts and school buildings to better plan staffing, infrastructure, and operational needs
- Evaluating programs addressing learning loss, including funding of programs once pandemic-related funding is concluded
- Planning for potentially expanded preschool services funded under an expanded GSRP, including identification and equipping of facilities
- Assessing food service operations as entering second year of the new state-funded free breakfast and lunch program
- Potential staffing cost increases
- Operating cost increases resulting from inflation
- Technology cost increases and access to technology learning tools
- Costs for school security and mental health services, especially with the reduction in funding in 2024/2025
- Identifying, recruiting, and retaining staff to provide mental health and school security 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 2025. As districts move into the 2024/2025 school year, they will need to carefully plan for how best to use current resources as well as begin to plan for potential adjustments going forward as state funding growth begins to slow.

Michigan School Meals

Beginning in the 2023/2024 school year and continuing for 2024/2025, a free breakfast and lunch is available to all students in Michigan schools. This program, initiated with the 2023/2024 amendments to the State Aid Act, provides state-funded meals to all students who do not qualify for a free meal under the National School Lunch and National School Breakfast programs. For 2023/2024, the School District received \$2,078,478 in state funding under Section 30d for this program. The revenue supports the Food Service Fund and replaces the revenue previously received from student-paid meals. As a result of the program, most schools saw an increase in meals served to students. Some key observations include the following:

- Participation is not automatic. Districts apply using the Coordinated Application in the State's NexSys system.
- For a district to be eligible to participate, it must do the following:
 - Be a public school, charter school, or intermediate school district
 - Participate in the National School Lunch Program
 - Serve breakfast and lunch
 - Serve all meals at no cost to pre-K through 12th grade students
 - Adopt Community Eligibility Provision (CEP) to maximize federal reimbursement. Note that not all schools qualify for this provision under the federal program. If a district qualifies, the meals will be funded using that federal program, and the state program is not needed.
 - Collect relevant family income information
 - Write off all outstanding student negative balances
- The program works alongside and supplements the current federal National School Lunch and National School Breakfast programs and does not replace them.
- Districts will need to track and claim meals served similar to what is done for the federal programs.
- As noted above, districts must eliminate negative student account balances. In doing so, the Food Service Fund is not allowed to absorb the write-off. That removal requires funding from sources outside the Food Service Fund. The MDE provides guidance for how this should be accomplished.
- Many school districts are experiencing an increase in fund balance in the Food Service Fund beyond the state limitations for this fund. School districts will need to monitor and ensure that there is a spenddown plan that strategizes utilizing the fund balance for allowable costs.

With this approach to access to school meals, the potential for continued high participation rates is likely. Many districts saw increased demand on food service operations, including staffing levels, timing of meals, cafeteria seating, menu planning, and food orders in 2023/2024. As districts move into 2024/2025, it is likely there is a clearer expectation of the level of student participation and its impact on food operations. Using that information, schools should be better equipped to plan for effective food service operations.

Prevailing Wage Requirements

When utilizing federal funding for projects that fall under the definition of construction in the Davis Bacon provisions, 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. Additionally, with the advent of the pandemic, programs such as ESSER, GEER, and CRF have infused significant new federal resources into the School District. These events have significantly increased the workload, burden, and grants management risk across the School District. As the pandemic programs wind down and reach the end of their individual grant periods, federal agencies, along with state-level pass-through agencies, have increased their oversight and scrutiny over the overall administration of the federal programs, including heightened focus on internal controls.

This provides a significant challenge for the School District to ensure that resources, processes, and controls are in place and operating as designed. As the School District moves into the 2025 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 and documented oversight reviews at the right levels.

Michigan Public School Employees' Retirement System (MPSERS) - Update on the Plans' Net Pension Liability and OPEB Asset

Similar to the State of Michigan, the MPSERS 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 MPSERS plan funded status in the government-wide financial statements.

At September 30, 2023, the pension portion of the MPSERS plan for the State of Michigan had a net pension liability of approximately \$32.4 billion. This is a decrease of approximately 15 percent from the reported amount of \$37.9 billion on September 30, 2022. One of the primary reasons for the decrease in the net liability was the net investment returns. The pension plan's annual investment rate of return was 8.3 percent for the year ended September 30, 2023, compared to an investment loss of 4.8 percent for the year ended September 30, 2022.

At September 30, 2023, the retiree health care portion (OPEB) of the MPSERS plan had a net OPEB asset of approximately \$566 million compared to the net OPEB liability of \$2.1 billion at September 30, 2022. This year marks a significant milestone for the OPEB portion of the plan, flipping from a net liability to a net asset. One of the primary reasons for the decrease in the net liability was the net investment returns. The pension plan's annual investment rate of return was 8.3 percent for the year ended September 30, 2023, compared to an investment loss of 4.8 percent for the year ended September 30, 2022.

Fund Balance

Fund balance, particularly in the General Fund, is critically important to ensuring the financial health and stability of the School District. Having adequate fund balance allows the School District to navigate through and respond to unexpected losses or revenue shortfalls, such as emergency repairs or decline in funding. It ensures the School District can continue its operations smoothly without disruptions, even in times of financial uncertainty. A healthy fund balance can also improve the School District's credit rating, making it easier and less expensive to borrow money when needed. Overall, having a healthy fund balance allows for better long-term financial planning and budget flexibility to ensure the School District's resources are being utilized in the most effective manner possible. Given the changing landscape in state and federal funding over the past few years, fund balance will continue to garner more attention among board members and key stakeholders.

During the 2023/2024 school year, the School District's General Fund revenue exceeded expenditures by approximately \$1.8 million. This resulted in increasing the General Fund fund balance to approximately \$33.3 million at June 30, 2024. Fund balance goals are often stated in terms of a percentage of total expenditures. As a point of reference, the statewide average for school districts at June 30, 2023 was approximately 21.86 percent of expenditures and outgoing transfers. Fund balance at the statewide average would approximately equal the School District's average operating costs for an 11-week period. The School District's fund balance percentage is 16 percent and equals approximately 8 weeks of operation.

Upcoming Accounting Pronouncements

There are several upcoming accounting pronouncements that will have an impact on future financial statements of the School District.

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 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 only 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, including the cumulative effects of the accounting change on net assets as of July 1, 2024. Adoption will require assessments of historical data, and management should ensure this data is readily available to formulate assumptions.

GASB Statement No. 102 - Certain Risk Disclosures

This standard establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. For those meeting the definition in the standard, the School District will disclose the concentration or constraint, related events that could have a substantial impact, and actions taken to mitigate the risk. The School District will need to carefully review the definition of concentrations and constraints to properly identify those that may require disclosure. This new standard is effective for the School District's June 30, 2025 year end.

GASB Statement No. 103 Financial Reporting Model Improvements

The objective of this standard is to make improvements to the financial reporting model, including Statement 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, and other reporting model-related pronouncements. A key change to this standard from the exposure draft is the removal related to the recognition in and the presentation of governmental funds. The standard's scope includes management's discussion and analysis (MD&A); proprietary fund financial statement presentation, particularly the operating/nonoperating classification; budgetary comparisons; major component unit information; and the presentation of unusual or infrequent items. This statement requires that the MD&A be limited to the five topics noted in the standard and provides further guidance on how the MD&A should be written. For proprietary fund financial reporting, the statement defines operating and nonoperating revenue and expense. It also requires a new subtotal for operating income (loss) and noncapital subsidies. The statement prescribes that the budgetary comparison be reported only in the required supplementary information section of the statements and dictates what variance information to be included. Next, the statement requires that major component unit information be presented separately in the statements of net position and activities, with a caveat for readability. Lastly, the statement describes unusual and infrequent transactions and outlines how they should be presented separately. This new standard will be effective for the School District's June 30, 2026 year end.

Sinking Fund Legislation

The new legislation, which is effective August 6, 2023, amends previous sinking fund legislation to allow a school district to use its Sinking Fund to support certain transportation costs. Specifically, a sinking fund millage approved by voters after May 7, 2023 is now allowed to be used by school districts for the acquisition of student transportation vehicles and parts, supplies, and equipment used for the maintenance of student transportation vehicles. Funds may also be used for the acquisition of trucks and vans registered under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, and used to carry parts, equipment, and personnel for or in the maintenance of school buildings or for the acquisition of parts, supplies, and equipment used to maintain those trucks and vans.

Sinking funds authorized (1) prior to March 29, 2017; (2) between March 29, 2017 and May 7, 2023; and (3) after May 7, 2023 should be accounted for separately in the audited financial statements. Each separate fund should have its own balance sheet and statement of revenue, expenditures, and changes in fund balance for the fiscal year. The previous sinking fund language regarding the use of funds for purchase of real estate, buildings, building improvements, and technology was not amended, as those are still allowable uses of sinking funds approved prior to this amendment. A school district that levies a Sinking Fund must have an independent audit of its Sinking Fund conducted annually, including a review of the uses of the Sinking Fund.

Michigan Department of Treasury - Numbered Letter 2023-1: Bonded Construction Fund and Sinking Fund Reporting Changes

Historically, school districts were required to comply with the Michigan Department of Treasury's (Treasury) Bulletin 7 and Numbered Letter 2004-4 as related to the audit and reporting requirements of a bond-funded construction fund and sinking funds. During 2023, Treasury released Numbered Letter 2023-1, which supersedes Bulletin 7 and Numbered Letter 2004-4. Plante & Moran, PLLC participated in reviewing and providing feedback on the new guidance throughout the process of drafting it. The new guidance goes into effect for sinking fund and bond compliance audits that are required to be reported for the June 30, 2024 reporting period. It is important for school districts to review these changes to ensure compliance with the new audit and reporting requirements. Some of the primary changes include the following:

- School districts will no longer submit financial information upon bond closeout to Treasury. Rather, Treasury will gather the data it needs from the annual audited financial statements that are already being submitted to the Department of Education. School districts will, however, need to submit an annual transmittal letter to Treasury that includes notification on status of the bond-funded Capital Projects Fund.
- The determination of the completion date has been simplified. The completion date will always be the June 30 immediately following the later of (1) the certificate of substantial completion or (2) 95 percent of the bond proceeds being spent. It will then be expected that the auditor completes its work in conjunction with the submission of the School District's audited financial statements.
- For bonds with multiple series, if the series being audited are for projects that were all approved by the electors at the same time, the activity for all series may be accounted for within one fund.
- The activity associated with any sinking fund levies renewed after May 7, 2023 should be accounted for in a capital projects fund that is separate from any remaining fund balance associated with levies authorized prior to May 7, 2023. This could potentially result in a situation where the School District may need to create a separate capital projects fund to account for activity associated with levies authorized after May 7, 2023 if the School District has not yet spent all of the fund balance associated with levies authorized prior to May 7, 2023.

We have been working with administration to ensure they are familiar with the new requirements.

Bond Investment Earnings - Arbitrage Considerations

Arbitrage is not a new topic; however, in the current environment of raising interest rates, it is a topic that has recently received more attention. So, what is arbitrage? To summarize, arbitrage is the difference between the interest expense paid by the bond debt issuer (school district) and the earnings on the invested bond proceeds. School districts are tax-exempt organizations and, therefore, subject to federal arbitrage compliance rules. As a result, the School District may be limited to the amount of investment earnings that it is allowed to retain. The arbitrage calculations are quite complex, and generally the School District needs to work with its bond advisor to ensure this computation is completed on a recurring basis. Generally, at the five-year anniversary of the original bond sale, a computation is also completed and used to report to the federal government any investment earnings in excess of what is allowed to be retained and is generally due back to the federal government (Internal Revenue Service). The annual arbitrage calculations are also utilized to determine if the School District should report an arbitrage liability at June 30 in the full accrual set of financial statements. No amounts are recognized in the capital projects funds until the year of the final calculation. At June 30, the School District has unspent bond proceeds that are accruing investment earnings. The School District completed their analysis, and it was determined that there is an arbitrage liability in the amount of \$1.38 million, and the School District has reported this as a liability in the government-wide statement of net position at June 30, 2024.

Inflation Reduction Act (IRA)

The Inflation Reduction Act was signed into law on August 16, 2022. Among other items, the IRA allocated \$369 billion over the next 10 years to fund energy and climate projects in an attempt to reduce emissions by approximately 40 percent by 2030. One of the components of the IRA is the availability of a direct-payment option, in lieu of a nonrefundable tax credit, to tax-exempt entities, including governmental entities like the School District, to reimburse the entity for a portion of the cost of qualifying capital improvements. The IRA provides a new opportunity to tax-exempt entities to reduce the cost of eligible projects while also enhancing an organization's sustainability efforts and reducing carbon footprint. For school districts, capital expenditures that may qualify include the purchase of certain electric vehicles and the installation of equipment that generates renewable energy (such as solar panels). Many of the credits and incentives are available through 2032, offering a long-term runway for potential benefits. We will continue to keep the School District informed regarding future developments.

OMB Revisions to the Uniform Guidance

In April 2024, the Office of Management and Budget (OMB) released revisions to the Uniform Guidance (UG) for federal grants and agreements. The guidance clarifies the applicability of requirements and terminology and includes some relaxation and clarification of certain requirements that required prior approval from federal regulators. Changes to certain administrative requirements are effective for grants received on or after October 1, 2024. One key change to audit requirements relates to the increase of the single audit threshold from \$750,000 to \$1 million. The Type A threshold for federal programs also increases from \$750,000 to \$1 million. This change is effective for fiscal year ends starting on or after October 1, 2024 and, therefore, would be applicable for the School District's fiscal year ending June 30, 2026.

Capitalization Thresholds under Uniform Grants Guidance

The April 2024 Uniform Grants Guidance Revision that is described above resulted in the equipment capitalization threshold increasing from \$5,000 to \$10,000. This threshold applies to the value of equipment that at the end of the grant period may be retained, sold, or otherwise disposed of with no further responsibility to the federal agency. In addition to considering this UG threshold related to federal grants compliance, it may be a good time for the School District to re-evaluate the capitalization thresholds, understanding that there are various factors to consider. Ultimately, a school district will be required to track equipment purchases below \$10,000 for grant compliance purposes if the School District's policy is set below this new federal floor.

Livonia Public Schools

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

| | |
|---|-----------------------------------|
| 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 | 22-42 |
| Required Supplementary Information | 43 |
| Budgetary Comparison Schedule - General Fund | 44 |
| Budgetary Comparison Schedule - General Fund - Funded Projects | 45 |
| Budgetary Comparison Schedule - Major Special Revenue Funds | 46 |
| Schedule of Proportionate Share of the Net Pension Liability | 47 |
| Schedule of Pension Contributions | 48 |
| Schedule of Proportionate Share of the Net OPEB Liability (Asset) | 49 |
| Schedule of OPEB Contributions | 50 |
| Notes to Required Supplementary Information | 51-52 |
| Other Supplementary Information | 53 |
| Nonmajor Governmental Funds: | |
| Combining Balance Sheet | 53 |
| Combining Statement of Revenue, Expenditures, and Changes in Fund Balances | 54 |
| General Fund: | |
| Combining Balance Sheet | 55 |
| Combining Statement of Revenue, Expenditures, and Changes in Fund Balances | 56 |
| Schedule of Bonded Indebtedness | 58 |
| Federal Awards Supplementary 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, 2024 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Board of Education
Livonia Public Schools

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Education
Livonia Public Schools

Other Reporting Required by *Government Auditing Standards*

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

Draft

This section of Livonia Public Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2024. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using This Annual Report

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Livonia Public Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds, the General Fund, the Special Education Fund, and the 2021 Bond Series II Fund, with all other funds presented in one column as nonmajor funds. One of the remaining statements, the statement of fiduciary net position, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. The other remaining statements related to the School District's Health and Welfare Fund.

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

Budgetary Comparison Schedule - General Fund - Funded Projects

Budgetary Comparison Schedule - Major Special Revenue Funds

Schedule of Proportionate Share of the Net Pension Liability

Schedule of Pension Contributions

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

Schedule of OPEB Contributions

Other Supplementary Information

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

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the School District's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the statement of net position - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Reporting the School District's Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

Proprietary fund reporting focuses on the economic resources measurement and an accounting method called full accrual accounting. The proprietary fund statements present a long-term view of operations and the services it provides to other funds. The School District established a proprietary fund, specifically the Health and Welfare Fund, to finance specific services provided to other funds of the School District on a cost-reimbursement basis. The specific services represent employee benefits, such as health insurance benefits and workers' compensation benefits.

Custodial Funds and Trust Funds

The School District has certain fiduciary responsibility for its custodial funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. The following table provides a summary of the School District's net position as of June 30, 2024 and 2023:

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

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was \$(165.1) million at June 30, 2024. Net investment in capital assets totaling \$120.8 million compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position \$(299.5) million) was unrestricted.

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

Management's Discussion and Analysis (Continued)

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

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

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

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

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

The School District's Funds

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

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

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

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

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

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

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted in June 2024. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information of these financial statements.

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

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

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

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

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2024, the School District had \$382.4 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of approximately \$(50.5) million, or 15.2 percent, from last year.

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

This year's overall additions of \$65.6 million include building additions such as replacement boilers and replacement roofs, site improvements such as concrete work and a replacement radio tower, and replacement equipment (most notably computers for students) offset by accumulated depreciation. We present more detailed information about our capital assets in the notes to the financial statements.

Debt

At the end of this year, the School District had \$268.4 million in bonds outstanding versus \$280.2 million in the previous year - a change of (4.2) percent. Those bonds consisted of the following:

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

The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues qualified debt (i.e., debt backed by the State of Michigan), such obligations are not subject to this debt limit. The School District's outstanding unqualified general obligation debt is below the statutorily imposed limit.

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

Economic Factors and Next Year's Budgets and Rates

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

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

Contacting the School District's Management

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

June 30, 2024

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

Year Ended June 30, 2024

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

June 30, 2024

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

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2024

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

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

Year Ended June 30, 2024

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

Governmental Funds

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

Year Ended June 30, 2024

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

**Proprietary Funds
Statement of Net Position**

June 30, 2024

**Internal Service
Fund - Health
and Welfare
Fund**

Assets

Current assets:

Due from other funds (Note 8)

Prepaid expenses and other assets

Total assets

Liabilities - Claims payable (Note 11)

Net Position - Unrestricted

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

Draft

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

Year Ended June 30, 2024

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

**Proprietary Funds
Statement of Cash Flows**

Year Ended June 30, 2024

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

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2024

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

Draft

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

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

Draft

Note 1 - Nature of Business

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

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The School District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

Report Presentation

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

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

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

Basis of Accounting

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

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

Note 2 - Significant Accounting Policies (Continued)

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

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

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

Fund Accounting

Governmental Funds

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Special Education Fund is a special revenue fund used to account for the proceeds of revenue sources that support special education center program expenditures. Revenue sources for the Special Education Fund include state aid and interdistrict revenues based on the number of the School District's special education students and the costs to operate the center program. Any operating deficit generated by these activities is the responsibility of the General Fund.
- The 2021 Bond Series II Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring equipment and technology and for remodeling and equipping school facilities. The fund operates until the purpose for which it was created is accomplished.

Additionally, the School District reports the following nonmajor governmental fund types:

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

Note 2 - Significant Accounting Policies (Continued)

- The 2021 Sinking Fund is used to record the 2021 Sinking Fund property tax levy and other revenue and the disbursement of invoices specifically designated for acquiring new school sites and construction or repair of school buildings and sites.
- Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.
- The Capital Projects Fund are used to account for remaining bond proceeds and proceeds derived from the sale of real estate and transfers in from other funds. These proceeds will be held in a special capital project fund identified separately from any other capital project funds, which shall be used for purchasing other real estate for the School District and/or for renovating, replacing, or developing real estate, facilities, or capital equipment, as authorized by the Board of Education.

Proprietary Fund

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

Fiduciary Funds

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

Interfund Activity

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

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

Specific Balances and Transactions

Cash and Investments

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

Note 2 - Significant Accounting Policies (Continued)

Inventories and Prepaid Items

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

Restricted Assets

The following amounts are reported as restricted assets:

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

Capital Assets

Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The School District does not have infrastructure-type assets.

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

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

Long-term Obligations

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

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

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

Deferred Outflows/Inflows of Resources

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

Note 2 - Significant Accounting Policies (Continued)

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

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

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

Net Position

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

Note 2 - Significant Accounting Policies (Continued)

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

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

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

Property Tax Revenue

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

Grants and Contributions

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

Pension and Other Postemployment Benefit (OPEB) Plans

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

Note 2 - Significant Accounting Policies (Continued)

Employee-related Liabilities

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

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

Use of Estimates

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

Accounting Changes

Changes to or within the Financial Reporting Entity

Change in Major Funds

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

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

Upcoming Accounting Pronouncements

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

Note 2 - Significant Accounting Policies (Continued)

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

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

Subsequent Events

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

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund, special revenue funds, debt service funds, capital project funds, and the internal service fund, except that capital outlay expenditures are budgeted in other expenditure categories and local source revenues include interdistrict revenues. All annual appropriations lapse at fiscal year end.

The General Fund budget is presented consistent with the original and amended budgets adopted. The budget for funded projects was adopted separately, and a separate budget for these activities has been presented accordingly.

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services are rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds

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

| | Budget | Actual |
|--|------------|------------|
| 72 | | |
| General Fund - Funded Projects Fund - Community Services | \$ 161,004 | \$ 501,926 |

Note 4 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

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

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

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At year end, the School District had bank deposits of \$24,556,857 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The School District believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Custodial Credit Risk of Investments

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

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities, other than commercial paper, which can only be purchased with a 270-day maturity. The School District's policy minimizes interest rate risk by requiring the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the School District's cash requirements.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District's investment policy does not further limit its investment choices. As of year end, the credit quality ratings of investment pools are as follows:

| Investment | 73 | Carrying Value | Rating | Rating Organization |
|--|----|----------------|--------|---------------------|
| Michigan Liquid Asset Fund - MAX Class | | \$ 86,729,260 | AAAm | S&P |

June 30, 2024

Note 4 - Deposits and Investments (Continued)

Concentration of Credit Risk

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

Foreign Currency Risk

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

Note 5 - Restricted Assets

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

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

Note 6 - Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned.

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

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

Note 7 - Capital Assets

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

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

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

Construction Commitments

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

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

June 30, 2024

Note 8 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

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

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

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

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

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

Note 9 - Long-term Debt

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

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

June 30, 2024

Note 9 - Long-term Debt (Continued)

General Obligation Bonds and Contracts

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

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

Debt Service Requirements to Maturity

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

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

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

Note 10 - Michigan Public School Employees' Retirement System

Plan Description

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

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>.

Benefits Provided

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

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

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

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

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

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

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

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

Contributions

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

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

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

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

The ranges of rates are as follows:

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

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

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

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

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

Net Pension Liability

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

Net OPEB Liability (Asset)

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

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

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

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

June 30, 2024

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

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

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

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

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

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

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

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

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

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

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

Actuarial Assumptions

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

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

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

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

Discount Rate

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Pension Plan and OPEB Plan Fiduciary Net Position

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

Payable to the Pension Plan and OPEB Plan

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

Note 11 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The School District has purchased commercial insurance for health claims. The School District also participates in the Metropolitan Association for Improved School Legislation (M.A.I.S.L.) risk pool for claims relating to property loss, torts, and errors and omissions; the School District is self-insured for workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

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

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

Note 12 - Tax Abatements

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

Note 12 - Tax Abatements (Continued)

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

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

Draft

Required Supplementary Information

Draft

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

Year Ended June 30, 2024

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

Required Supplementary Information
Budgetary Comparison Schedules
General Fund - Funded Projects

Year Ended June 30, 2024

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

Livonia Public Schools

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

Year Ended June 30, 2024

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

Livonia Public Schools

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

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

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

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

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

Livonia Public Schools

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

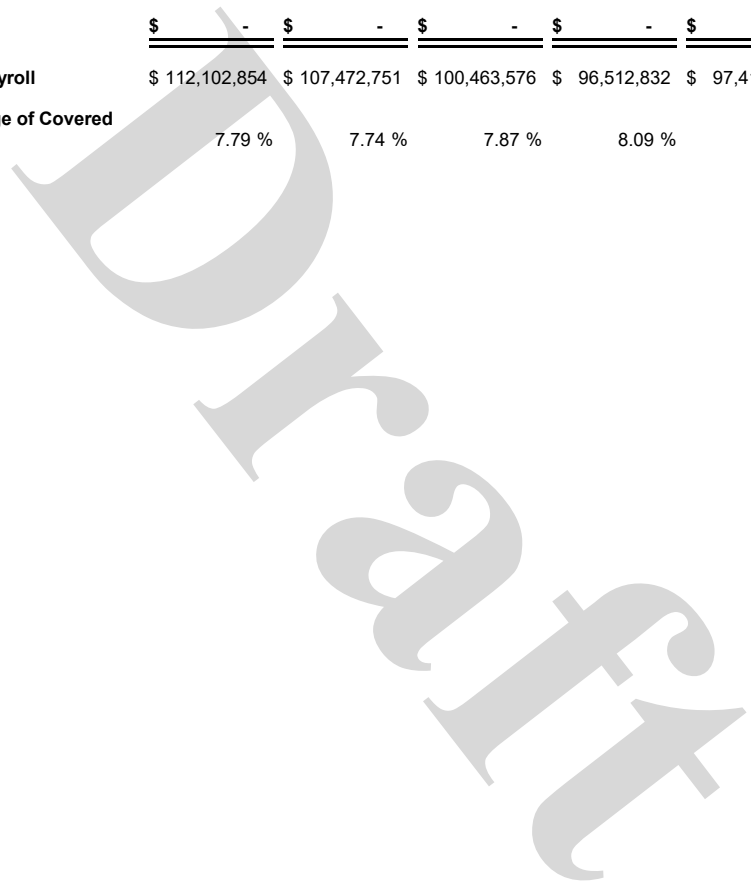
Last Seven Plan Years
Plan Years Ended September 30

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

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

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

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



Pension Information

Benefit Changes

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

Changes in Assumptions

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

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

OPEB Information

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

Benefit Changes

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

Changes in Assumptions

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

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

June 30, 2024

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

Other Supplementary Information

Preprint

Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2024

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

Livonia Public Schools

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

Year Ended June 30, 2024

| | Special Revenue Funds | | | Capital Project Funds | | | Total |
|--|-----------------------|--------------------|---------------|-----------------------|-------------------------|--------------|---------------|
| | Food Service | Student Activities | Debt Service | Capital Projects | 2021 Bond Series I Fund | 2021 Sinking | |
| Revenue | | | | | | | |
| Local sources | \$ 364,669 | \$ 2,977,227 | \$ 22,376,204 | \$ - | \$ - | \$ 8,511,970 | \$ 34,230,070 |
| State sources | 2,615,984 | - | 960,622 | - | - | 262,414 | 3,839,020 |
| Federal sources | 3,425,534 | - | - | - | - | - | 3,425,534 |
| Net realized/unrealized investment earnings | - | - | 344,991 | - | 385,079 | 416,336 | 1,146,406 |
| Total revenue | 6,406,187 | 2,977,227 | 23,681,817 | - | 385,079 | 9,190,720 | 42,641,030 |
| Expenditures | | | | | | | 98 |
| Current: | | | | | | | |
| Support services | - | 2,962,720 | - | - | 339,639 | - | 3,302,359 |
| Food services | 5,515,724 | - | - | - | - | - | 5,515,724 |
| Debt service: | | | | | | | |
| Principal | - | - | 11,805,000 | - | - | - | 11,805,000 |
| Interest | - | - | 10,866,081 | - | - | - | 10,866,081 |
| Other debt costs | - | - | 3,877 | - | - | - | 3,877 |
| Capital outlay | 45,954 | - | - | 1,395,162 | 10,939,794 | 6,050,831 | 18,431,741 |
| Total expenditures | 5,561,678 | 2,962,720 | 22,674,958 | 1,395,162 | 11,279,433 | 6,050,831 | 49,924,782 |
| Excess of Revenue (Under) Over Expenditures | 844,509 | 14,507 | 1,006,859 | (1,395,162) | (10,894,354) | 3,139,889 | (7,283,752) |
| Other Financing Sources (Uses) | | | | | | | |
| Proceeds from sale of capital assets | - | - | - | 652,334 | - | - | 652,334 |
| Transfers in | - | - | - | 1,640,336 | - | - | 1,640,336 |
| Transfers out | (300,000) | - | - | - | - | - | (300,000) |
| Total other financing (uses) sources | (300,000) | - | - | 2,292,670 | - | - | 1,992,670 |
| Net Change in Fund Balances | 544,509 | 14,507 | 1,006,859 | 897,508 | (10,894,354) | 3,139,889 | (5,291,082) |
| Fund Balances - Beginning of year, as previously reported | 996,783 | 1,766,882 | 3,138,250 | 4,050,920 | - | 5,048,784 | 15,001,619 |
| Change within Financial Reporting Entity | - | - | - | - | 10,894,354 | - | 10,894,354 |
| Fund Balances - Beginning of year, as adjusted | 996,783 | 1,766,882 | 3,138,250 | 4,050,920 | 10,894,354 | 5,048,784 | 25,895,973 |
| Fund Balances - End of year | \$ 1,541,292 | \$ 1,781,389 | \$ 4,145,109 | \$ 4,948,428 | \$ - | \$ 8,188,673 | \$ 20,604,891 |

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

June 30, 2024

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

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

Year Ended June 30, 2024

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

Other Supplementary Information
Schedule of Bonded Indebtedness

June 30, 2024

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

Livonia Public Schools

Federal Awards Supplemental Information
June 30, 2024

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* 2-3

Report on Compliance for Each Major Federal Program and Report on Internal Control Over
Compliance Required by the Uniform Guidance 4-6

Schedule of Expenditures of Federal Awards 7-8

**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, 2024 and have issued our report thereon dated October 14, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to October 14, 2024

The accompanying schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis as required by the Uniform Guidance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

October 14, 2024

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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools (the "School District") as of June 30, 2024 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 September 18, 2024.

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 have not been 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*.

To Management and the Board of Education
Livonia Public Schools

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.

October 14, 2024

Draft

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 U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2024. The School District's major federal program is 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 the major federal program for the year ended June 30, 2024.

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* (the "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 Livonia Public Schools 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 Livonia Public Schools' 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 Livonia Public Schools' 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 Livonia Public Schools' 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 Livonia Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Livonia Public Schools' 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 Livonia Public Schools' 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.

To the Board of Education
Livonia Public Schools

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

October 14, 2024

Draft

Livonia Public Schools

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Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2024

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Livonia Public Schools

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

Year Ended June 30, 2024

| | |
|---|-----------------------------|
| Revenue from federal sources - As reported on financial statements (includes all funds) | \$ 16,453,050 |
| Deferred revenue not reported for year ended June 30, 2023 | <u>(14,433)</u> |
| Federal expenditures per the schedule of expenditures of federal awards | <u>\$ 16,438,617</u> |

Draft

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

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, 2024. 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. 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 to which the payments relate.

Note 4 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance and is reported on the schedule of expenditures of federal awards.

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

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:

| CFDA Number | Name of Federal Program or Cluster | Opinion |
|----------------|------------------------------------|------------|
| 84.027, 84.173 | IDEA - Special Education Cluster | 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 | |



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Hardware Software Services IT Solutions Brands Research Hub

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TIM KLAN,

Thank you for considering CDW•G for your technology needs. The details of your quote are below. **If you are an eProcurement or single sign on customer, please log into your system to access the CDW site.** You can search for your quote to retrieve and transfer back into your system for processing.

For all other customers, click below to convert your quote to an order.

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Thank you!

Wes
877.874.9063

| QUOTE # | QUOTE DATE | QUOTE REFERENCE | CUSTOMER # | GRAND TOTAL |
|---------|------------|-----------------|------------|--------------------|
| PBNM170 | 8/20/2024 | HP - 60 | 1271134 | \$57,473.40 |

QUOTE DETAILS

| ITEM | QTY | CDW# | UNIT PRICE | EXT. PRICE |
|---|-----|---------|------------|-------------|
| HP ProBook 440 G10 14" Notebook - Full HD - Intel Core i5 13th Gen i5-1334U | 60 | 7668487 | \$957.89 | \$57,473.40 |
| Mfg. Part#: 9C4K8UT#ABA Contract: REMC Computers 2024 (REMC COMP 2024) | | | | |

| | |
|--------------------|--------------------|
| SUBTOTAL | \$57,473.40 |
| SHIPPING | \$0.00 |
| SALES TAX | \$0.00 |
| GRAND TOTAL | \$57,473.40 |

| PURCHASER BILLING INFO | DELIVER TO |
|--|---|
| Billing Address: LIVONIA PUBLIC SCHOOLS ACCTS PAYABLE 15125 FARMINGTON RD LIVONIA, MI 48154-5474 Phone: (734) 523-9164 Payment Terms: NET 30-VERBAL | Shipping Address: LIVONIA PUBLIC SCHOOLS TIM KLAN 15125 FARMINGTON RD LIVONIA, MI 48154-5474 Phone: (555) 555-5555 Shipping Method: FEDEX Ground |
| 117 Please remit payments to: | |



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**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 21, 2024**

TOPIC: **Approval of Purchase of Chromebooks**

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District authorize the purchase of new Chromebooks from People Driven Technology, located in Byron Center, Michigan, for a cost of \$1,400,364, and deployment services from All Covered, a division of Konica Minolta, located in New Hudson, Michigan, for a cost of \$45,000.

RATIONALE:

The purchase of these Chromebooks is to replace the secondary buildings Surface Pros, and to increase the number of devices in secondary school classrooms. Chromebooks will also be placed in Resource Room in our district to utilize.

BUDGETARY INFORMATION:

The source of funds for this purchase will be the 2021 Bond Fund.

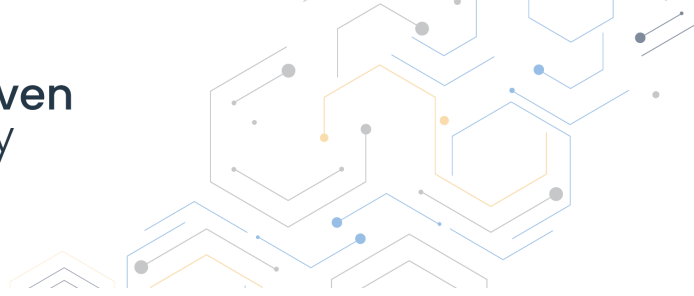
RESOURCE PERSONNEL:

Phillip Francis, Assistant Superintendent of District Services

EXHIBITS:

Attached

PF/AS



Dell Chromebook 3120 2n1 8/64

Prepared by:

East Michigan

Jeff Seelenbinder
616-264-6725
seelenbinderj@peopledriven.com
Dawn Batson
batsond@peopledriven.com

Prepared for:

Livonia Public Schools

Tim Klan
tklan@livoniapublicschools.org

Quote Information:

Quote #: 013439

Version: 2
Delivery Date: 10/10/2024
Expiration Date: 11/09/2024

Hardware

| Line | Qty | Part Number | Description | Price | Extended Price |
|---|------|---------------------|---|----------|----------------|
| 1 | 3600 | PDT-CB3120-2n1-8/64 | Dell Chromebook 3120 2n1: N100 Processor, 8GB RAM, 64GB eMMC, Intel Wi-Fi 6 AX203, 11.6" HD (1366 x 768) Touch 2n1 Display/w Dragontrail Glass, 42Whr Battery, WFC, Dell 1 Year Mail-In Warranty, AUP June 2033 | \$359.00 | \$1,292,400.00 |
| 2 | 3600 | PDT-Google | Chrome Management License EDU | \$29.99 | \$107,964.00 |
| Midwestern Higher Education Compact (MHEC) Contract Code C000000978628 | | | | | |

Subtotal: \$1,400,364.00



Dell Chromebook 3120 2n1 8/64

Ship To:

Livonia Public Schools
15125 Farmington Rd
Attn: Accounts Payable
ap@livoniapublicschools.org
Livonia, MI 48154
Tim Klan

tklan@livoniapublicschools.org

Bill To:

Livonia Public Schools
15125 Farmington Rd
Attn: Accounts Payable
ap@livoniapublicschools.org
Livonia, MI 48154
Tim Klan

tklan@livoniapublicschools.org

Quote Information:

Quote #: 013439
Version: 2
Delivery Date: 10/10/2024
Expiration Date: 11/09/2024

Quote Summary

| Description | Amount |
|-------------|----------------|
| Hardware | \$1,400,364.00 |

Total: \$1,400,364.00

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

People Driven Technology

Signature: _____
Name: Jeff Seelenbinder
Title: Account Executive
Date: 10/10/2024

Livonia Public Schools

Signature: _____
Name: Tim Klan
Date: _____

ACCEPTANCE OF THE PRICE QUOTE IS MADE ONLY UPON THESE TERMS AND CONDITIONS

- 1. PRICING:** Prices for any Products or Services are valid for 30 days therefrom unless otherwise stated. Customer is responsible for (i) all applicable federal, state or local sales, use or other taxes (except taxes on People Driven Technology, Inc's net income), (ii) shipping or packing charges, (iii) insurance and (iv) any other expenses associated with the sale and transportation, or storage of the Products or tariffs and any similar charges imposed upon or in connection with the Products. The parties agree that all charges included in the price of the Products and Services set forth in the Price Quote are based upon detailed specifications supplied by Customer and any deviation requested by the Customer from such specifications may result in additional charges.
- 2. PAYMENT:** Unless otherwise specified in the Price Quote, payment for Products and Services is due net 30 days from the date of invoice. Any requests to satisfy the invoiced payment via a credit card or a prepaid card vendor program will be limited to \$5,000 per invoice.
- 3. DELIVERY:** Unless otherwise agreed in writing, the Products shall be shipped and delivered F.O.B. Customer's ship to location set forth in the Price Quote. Unless Customer instructs People Driven Technology, Inc to use a particular carrier on customer's order letter, the Products shall be shipped via a common carrier chosen by People Driven Technology, Inc.
- 4. SHORTAGE: CLAIMS AND INSPECTION:** Customer shall have the right to inspect the Products within 48 hours of receipt. Any shortages or other claims in connection with an order must be made in writing and delivered to People Driven Technology, Inc within such 48-hour period or shall be waived.
- 5. RETURNS:** Customer acknowledges that People Driven Technology, Inc shall have no obligation to accept returns of any Products ordered by and sold to Customer. People Driven Technology, Inc, at its sole discretion, may authorize the return of unused Products. Such returns cannot be made without a return authorization in writing issued by People Driven Technology, Inc.
- 6. TITLE AND RISK OF LOSS:** Unless otherwise specified in the Price Quote, title and risk of loss shall pass to Customer at the time the Products are tendered by each carrier at Customer's facilities, and any loss or damage thereafter shall not relieve Customer from any obligation hereunder. People Driven Technology, Inc reserves, and Customer hereby grants to People Driven Technology, Inc, a purchase money security interest in the Products, and all proceeds from the sale thereof, until full payment is received for all amounts due and payable by Customer.
- 7. WARRANTIES AND REMEDIES:** All Products, and the components and materials utilized in any assembled or customized Products, are covered by, and subject to, the terms, conditions, and limitations of the manufacturer's standard warranty, which warranty is expressly in lieu of any other warranty, express or implied, of or by People Driven Technology, Inc or the applicable Product manufacturer. People Driven Technology, Inc represents, warrants and covenants that (i) People Driven Technology, Inc shall perform all Services, if any, in accordance with the material specifications set forth in the Price Quote and (ii) the functions and features of the Services and related deliverables shall operate in the manner described in the applicable Price Quote for ninety (90) days from the completion thereof.
- 8. EXPORT RESTRICTIONS:** Products may be subject to export or resale restriction or regulation, and Customer acknowledges that it will comply with such restrictions and regulations. Any statement as to product country of origin, Export Control Classification Number, or compliance with applicable law (including, without limitation, that products are lead-free or RoHS compliant) is as provided to People Driven Technology, Inc by its suppliers, and People Driven Technology, Inc does not warrant its accuracy and will not be liable for any error with regard to same.
- 9. ORDER CANCELLATION:** Product cancellation and/or return is subject to manufacturer restrictions. People Driven Technology, Inc will abide by its suppliers current restrictions for all cancellation and return requests up to and including a No Cancellation or Return policy.
- 10. SPECIAL NOTICE:** Please note that VMware pricing, part numbers, and quote expiration dates may be subject to change at any time as a result of the Broadcom acquisition.



**All Covered
Statement of Work (“SOW”)**

Client Livonia Public Schools
Proposal Ref SF00023373

All Covered will deliver the Services described below.

| | |
|---------------------------|--|
| Services | Chromebook Deployment Services Project |
| Total Labor Price | \$45,000.00 |
| Estimated Start Date | TBD |
| Estimated Completion Date | TBD |

Payment Details
All prices are exclusive of any applicable sales or use taxes, and shipping costs.

All Projects with labor fees exceeding \$10,000: These require a 50% deposit for the labor portion. Project work will not commence until the deposit is received. A progress billing of 25% of the labor amount will be due when the project moves into the testing phase. The remaining 25% of the labor amount will be billed on project completion. Any Procurement items will be billed on shipment.

Assumptions

- Access to the physical space, server and services will be made available during normal business hours.
- Client understands that service interruptions may occur during delivery of the Services (“Project”). All Covered will endeavor to minimize and forewarn Client personnel of such interruptions.
 - Access to all employees and their equipment affected by the Project will be made available during normal business hours.
 - Work performed outside standard business hours will be done both on-site and via remote access depending upon the advantage and/or necessity of being on-site versus remote. The specifics of which item(s) should be done on-site versus remotely will be finalized prior to the Project kickoff.
- The Project deliverables will include, but not be limited to the following:
 - Definition of costs;
 - Prerequisites, should they apply;
 - Implementation;
 - Management/documentation; and
 - Procurement of required materials.
- All Covered will not be responsible for the following:
 - Removing boxes or shipping materials; and
 - Disposing of or transporting IT equipment.

- Any items not specifically addressed by this SOW will be addressed by a mutually agreed change order.
- During the procurement process, All Covered can assist by expediting the delivery of equipment and standardizing billing for all costs associated with the Project. All procurement pricing included in this Project is estimated. Once the SOW is signed a final quote will be generated with 'to the day' procurement pricing.

Project Scope

The product will be shipped to the All Covered configuration center located at 30119 Research Drive, New Hudson, MI 48165.

Provider team will perform the following services:

- Assign a Provider project manager to coordinate with the customer.
- Set up the project management website, inviting key contacts.
- Receive and record all products as follows and report to the project website.
 - (3,600) Chromebooks
 - (90) Carts
- Chromebook Services:
 - Perform a hardware functionality test (boot, connect to Wi-Fi, operate keyboard).
 - Enroll devices in Customer Google Apps / G-Suite domain, via the Chrome Admin Console (CAC).
 - Update Chrome OS using the Google Recovery Drive method (if necessary).
Please note: This method typically results in the most recent stable release of ChromeOS. At times, a more recent update may be available only via the cloud. Google typically releases updates on a weekly basis—some are major, and some are minor—if an update is released mid-project, devices produced across the release date threshold may have OS version variations.
 - Download the customer's pre-configured wireless access settings.
 - Supply and affix asset tags. Record asset tag information for asset insertion to the Chrome Admin Console.
 - (3,150) Chromebooks will be placed into the (90) carts. (450) Chromebooks will be in retail packaging.
 - Assign the Dell Chromebooks to the appropriate carts and build the OU's in the Chrome Admin Console.
 - Produce an inventory report to include model, serial, asset tag, and location information.
- Cart Services:
 - All Covered will pick up the (90) carts in batches to perform all services offsite at the All Covered facility.

- Remove existing Surface Go 2's from the carts. The removed devices will be held in the All Covered warehouse for ITAD pick up. (ITAD services through All Covered can be quoted as a separate project)
- Rewire the carts with the updated USB-C power supply and cables. (Assumption is majority of carts are pre-wired)
- Install (3,150) Chromebooks into the (90) carts. 35 Chromebooks per cart.
- Deliver the (3,600) Chromebooks and (90) carts to up to 22 customer-supplied locations within the school district.

Customer Responsibilities

- A. Configure the CAC such that desired profiles and configurations are in place and have been tested. NOTE: The CAC and Chrome OS do not provide a means to verify payload download visually or programmatically without putting devices in Developer Mode.
- B. Provide administrative and API access to the CAC. API access allows for automatic asset association with your devices.
- C. If desired, provide a template for inventory collection that can be imported into your asset management system. Alternatively, the Provider will supply the data in a standard format.
- D. Avoid any changes to the CAC during the provisioning time frame.
- E. Provide ship-to location and receiving for approval unit.
- F. Provide pick up and ship-to locations for the remainder of systems.
- G. If desired, provide a template for inventory collection that can be imported into your asset management system. Alternatively, the Provider will supply the data in a standard format.
- H. Providing services meets expectations, acknowledging acceptance of services with signature.

Terms and Conditions of Service

By executing this SOW, Client agrees to purchase the Services designated above and further agrees that the Services shall be subject to the following Terms and Conditions of Service.

1. **Fees and Payment:** Client agrees to pay all fees specified in this SOW. Invoices are payable net 30 days from invoice date. Client shall be responsible for all applicable taxes arising from the services. All Covered may suspend service if Client has failed to pay any undisputed invoice within fifteen (15) days of the due date. Unpaid invoices will be subject to a monthly service charge which is the lesser of one and one-half percent (1½%) per month or the highest rate allowed by law.

Product Surcharge: All Covered reserves the right to charge Client for the time utilized in the development of quotes for hardware or software not ultimately purchased through All Covered at the then current hourly rate for contracted clients.

2. **Limited Warranty:** (a) All Covered warrants for a period of thirty (30) days following delivery (the "Warranty Period") that all Services shall be performed in a professional manner in accordance with generally applicable industry standards. All Covered's sole liability (and Client's exclusive remedy) for any breach of this warranty shall be for All Covered to re-perform any deficient Services, or, if All Covered is unable to remedy such deficiency within thirty (30) days, to void the invoice for the deficient Services. All Covered shall have no obligation with respect to a warranty

claim: (i) if notified of such claim after the Warranty Period or (ii) if the claim is the result of third-party hardware or software failures, or the actions of Client or a third party. (b) THIS SECTION 2 IS A LIMITED WARRANTY, AND SETS FORTH THE ONLY WARRANTIES MADE BY ALL COVERED. ALL COVERED MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NONINFRINGEMENT. ALL SOFTWARE AND HARDWARE PROVIDED OR INSTALLED BY ALL COVERED HEREUNDER ARE SUBJECT EXCLUSIVELY TO THE RESPECTIVE MANUFACTURER'S WARRANTY.

3. COMPENSATION FOR HIRING OTHER PARTY'S EMPLOYEES: During the term of this SOW, and for twelve (12) months thereafter, if either party hires (whether as an employee, independent contractor or otherwise) any employee of the other party (or ex-employee within six (6) months of such employee's termination of employment) who was directly involved in the provision of Services hereunder, the hiring party shall pay to the other party as reasonable compensation for the loss of the employee the sum of Fifty Thousand Dollars (\$50,000).

4. LIMITATION OF LIABILITY: (A) NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR INTERRUPTION OF SERVICES, LOSS OF BUSINESS, LOSS OF PROFITS, LOSS OF REVENUE, LOSS OF DATA, OR LOSS OR INCREASED EXPENSE OF USE), WHETHER IN AN ACTION IN CONTRACT, WARRANTY, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE), OR STRICT LIABILITY, EVEN IF THE PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LIABILITIES. ALL COVERED SHALL NOT BE RESPONSIBLE FOR PROBLEMS THAT OCCUR AS A RESULT OF THE USE OF ANY THIRD-PARTY SOFTWARE OR HARDWARE. (B) EXCEPT FOR GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, ALL COVERED'S TOTAL AGGREGATE LIABILITY TO CLIENT ARISING OUT OF SERVICES PERFORMED UNDER THIS SOW, REGARDLESS OF THE LEGAL THEORY UPON WHICH SUCH LIABILITY MAY BE BASED, SHALL NOT EXCEED THE TOTAL PAYMENTS MADE BY CLIENT TO ALL COVERED HEREUNDER.

5. Confidential and Proprietary Information: (a) Each party agrees that all know-how, business, technical and financial information it obtains (as a "Receiving Party") from the disclosing party (as a "Disclosing Party") constitute the confidential property of the Disclosing Party ("Confidential Information"), provided that it is identified as confidential at the time of disclosure or should be reasonably known by the Receiving Party to be Confidential Information due to the nature of the information disclosed and the circumstances surrounding the disclosure. Except as may be necessary to perform its obligations under this SOW, the Receiving Party will hold in confidence and not use or disclose any of the Disclosing Party's Confidential Information. The Receiving Party's nondisclosure obligation shall not apply to information that: (i) was known to it prior to receipt of the Confidential Information; (ii) is publicly available; (iii) is rightfully obtained by the Receiving Party from a third party; (iv) is independently developed by employees of the Receiving Party; or (v) is required to be disclosed pursuant to a regulation, law or court order. (b) Any templates, schematics, processes or technical documentation provided by All Covered shall be deemed Confidential Information and proprietary information of All Covered without any marking or further designation. Client may use such information solely for its own internal business purposes. All Covered shall retain all rights to the aforementioned, which shall be returned to All Covered upon termination of the SOW. (c) All Covered shall maintain the confidentiality of protected health information in its possession or under its control in accordance with the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act.

6. Independent Contractor: All Covered and Client shall at all times be independent contractors. There is no relationship of partnership, joint venture, employment, franchise or agency created hereby between the parties. Neither party shall have the power to bind the other or incur obligations on the other party's behalf without the other party's prior written consent.

7. Assignment: This SOW may not be assigned by either party without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed provided, however, that All Covered may retain qualified third-party subcontractors to provide some of the services set forth in this SOW without Client's prior consent. No consent shall be required where an assignment is made (i) pursuant to a merger or change of control or (ii) to an assignee of all or substantially all of the party's assets. Any purported assignment in violation of this section shall be void.

8. Disputes; Governing Law; Arbitration; Attorney's Fees: New Jersey law, without regard to its conflict of laws principles, shall govern and enforce this SOW. Any legal action between the parties arising out of or related to this SOW shall be adjudicated by binding arbitration by JAMS, Inc. in Bergen County, New Jersey in accordance with its Expedited Arbitration Procedures. The prevailing party in any such action shall be entitled to an award of reasonable attorney's fees and costs in addition to any other award or recovery to which such party may be entitled. No legal action, regardless of form, may be brought by either party against the other more than one (1) year after the cause of action has arisen.

9. Complete Understanding; Modification: This SOW, as well as any applicable terms of service posted at www.allcovered.com/terms, shall constitute the full and complete understanding and agreement between Client and All Covered and supersedes all prior or contemporaneous negotiations, discussions or agreements, whether written or oral, between the parties regarding the subject matter contained herein. Any waiver, modification or amendment of any provision of this SOW shall be effective only if in writing and signed by both parties.

10. Waiver and Severability: Waiver or failure by either party to exercise in any respect any right or obligation provided for in this SOW shall not be deemed a waiver of any further right or obligation hereunder. If any provision of this SOW is found by a court of competent jurisdiction to be unenforceable for any reason, the remainder of this SOW shall continue in full force and effect.

11. Force Majeure: Neither party shall be liable to the other for any delay or failure to perform any obligation under this SOW, except for a failure to pay fees, if the delay or failure is due to unforeseen events which are beyond the reasonable control of such party, such as strikes, blockade, war, terrorism, riots, natural disasters, power outages, and/or refusal of license by the government, insofar as such an event prevents or delays the affected party from fulfilling its obligations and such party is not able to prevent or remove the force majeure at reasonable cost.

12. Notices: Any notice or communication required or permitted to be given under this SOW shall be in writing and addressed to All Covered, Attn. Legal Counsel, 1051 E. Hillsdale Blvd., Suite 510, Foster City, CA 94404 and shall be deemed given: (i) upon receipt if by personal delivery; (ii) upon receipt if sent by certified U.S. mail (return receipt requested); or (iii) one day after it is sent if by next day delivery by a major commercial delivery service.

13. Counterparts. This SOW may be executed in any number of counterparts and each fully executed counterpart shall be deemed an original. The parties agree (a) that facsimile or electronic signature shall be accepted as original signatures; and (b) that the SOW, or any document created pursuant to the SOW, may be maintained in an electronic document storage and retrieval system, a copy of which shall be considered an original. In any legal proceeding relating to the SOW, the parties waive their right to raise any defense based on the execution of the SOW in counterparts or the delivery of such executed counterparts by copy, facsimile, or electronic delivery.

Client

**All Covered, a division of Konica Minolta
Business Solutions U.S.A., Inc.**

Signature:

Signature:

Name:

Name:

Title:

Title:

Date:

Date:

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 21, 2024**

TOPIC: Approval of Practical Assessment Explorations Systems (PAES) Lab

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District approve the Act 18 discretionary funds purchase for the PAES Lab in the amount of \$44,875 from Practical Assessment Exploration System, located in Thousand Oaks, CA.

RATIONALE:

The Student Services Department is requesting to purchase a PAES Lab. The total cost for the Lab through Practical Assessment Explorations System will be:

| | |
|--|--------------|
| The Practical Assessment Exploration System 2024 Edition | \$39,875 |
| (5) Pre-Paid App Renewal Years (\$1,000 each) | \$ 5,000 |
| Total Investment | \$44,875 |

The PAES Lab will be used by Special Education students at Churchill High School.

BUDGETARY INFORMATION:

This purchase will utilize Special Education Act18 discretionary funds.

RESOURCE PERSONNEL:

Maegan Sprow, Director of Student Services

EXHIBITS:

Attached

PAES

PRACTICAL ASSESSMENT EXPLORATION SYSTEM

QUOTE

October 1, 2024

Caitlin VerMeer, MA, BCBA
Coordinator of Student Services
Livonia Public Schools

Phone: (734) 367-3925

Email: cvermeer@livoniapublicschools.org

Quote # Q-1173

Quote Expires: April 1, 2025

From: Jamie Coker
Submit Purchase Orders to:
orders@paesauthor.com
Include Quote # on PO

| Qty. | Product Description | Price |
|-------------------------|---|--------------------|
| 1 | Practical Assessment Exploration System 2024 Edition Curriculum Component with PAES Business/Marketing Component Computer Technology Component Consumer/Service Component Processing/Production Component Construction/Industrial Component 7 Shelving Units 1 Heavy Duty Workbench Lab Unpack & One-Day On-Site Training Shipping *First Year Software License | \$39,875.00 |
| 5 | Pre-Paid App Renewal Years (\$1,000 each) | \$5,000.00 |
| Total Investment | | \$44,875.00 |

*** PAES Scan App Notes:**

Each Renewal License is \$1,500.00 for the first year and subsequent years thereafter.
OR Pre-Purchase up to 5 years at \$1,000 each.

Software is compatible with the following Devices (Not included with purchase of app license):

- iPad IOS 11 or above and Android Tablets v 5.1 or above
- Requires a 10" Screen or larger

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 21, 2024**

TOPIC: **Approval to Purchase Literacy Materials**

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District approve the purchase of literacy materials including: decodable readers for kindergarten and second grade classrooms from Pioneer Valley Books, Northampton, Massachusetts for \$139,311, books for classroom libraries and for students to take home for Preschool through sixth grade classrooms from Barnes and Noble, Amazon and Scholastic for \$674,000, for a total purchase of \$813,311.00.

RATIONALE:

This purchase for literacy materials is a part of the approved items from the 35j Grant. Last year we applied for and were awarded \$1.8 million dollars in grants to support literacy at the PreK through 5th grades. Previously we have utilized these funds to provide students with books to take home over the summer, OG and Morphology training for teachers along with training support materials, fifth grade student consumable books from HMH and decodable texts for elementary interventionists to use with students who are reading below grade level. This purchase also includes materials for classrooms not covered by the grant and general funds will be utilized for those purchases.

BUDGETARY INFORMATION:

The funds for this purchase are the 35j grant and general funds.

RESOURCE PERSONNEL:

Theresa O'Brien, Chief Academic Officer

EXHIBITS:

Attachment

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 21, 2024**

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 2024-25 school year to the teachers listed on the attached document.

RATIONALE:

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

BUDGETARY INFORMATION:

These positions listed are within the 2024-25 budget.

RESOURCE PERSONNEL:

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

EXHIBIT:

Attached

ljn

**2024-2025 School Year
New Teachers for Board of Education Approval
October 21, 2024**

| NAME | DEGREE/SCHOOL | FTE | ASSIGNMENT | MOST RECENT EXPERIENCE | TOTAL YEARS OF EXPERIENCE | STEP |
|--------------------------|--|-----|---|--|---------------------------|-----------------------------------|
| Angelosanto, Rory | Master of Arts in Teaching Marygrove College Bachelor of Science in Elementary Education Eastern Michigan University | .45 | Teacher-Computer Technology Shared Time October 3, 2024 | Teacher-Third/Fourth Grade Lincoln Consolidated Schools | 25 | MA 2 years probation |
| Eby, Kelly | Master of Occupational Therapy in Combine OT Eastern Michigan University Bachelor of Science in Combined OT Eastern Michigan University | 1.0 | Occupational Therapist Student Services October 28, 2024 | Occupational Therapist Michigan Medicine | 7 | Step 7 MA 4 years probation |
| Pensari, Eric | Bachelor of Arts in Special Education Grand Valley State University | 1.0 | Teacher-ASD Johnson Upper Elementary School October 9, 2024 | Teacher New Story Schools | 0 | Step 0 BA 4 years probation |
| Wollam, Holly | Bachelor of Arts in Anthropology Ohio State University | 1.0 | Teacher-ECP Livonia Early Childcare Center September 25, 2024 | Substitute Teacher Edustaff | 0 | Step 0 BA 4 years probation |

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 21, 2024**

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> |
|---------------------|--------------------|
| Corinne (Bella) Alt | October 9, 2024 |
| Brian DeMaggio | September 30, 2024 |
| Emily Gage | October 10, 2024 |
| Amy Hoffman | October 21, 2024 |
| Natalie Nelson | October 14, 2024 |

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 21, 2024**

TOPIC: Resignations

RECOMMENDATION:

As authorized in the Board of Education motion of June 17, 2024, the following resignations have been accepted by the superintendent:

| <u>Name</u> | <u>Date Effective</u> |
|-------------------|-----------------------|
| Mary (Beth) Anton | June 6, 2025 |
| Erin Grzech | November 30, 2024 |
| David Hebestreit | October 16, 2024 |

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 21, 2024**

TOPIC: Resolutions of Appreciation for Employees Who are Retiring

RECOMMENDATION:

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

**Linda Devlin
Cindy Monk
Diane Smith
Carl Wertanen**

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

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

EXHIBIT:

Attached resolution

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 21, 2024**

RESOLUTIONS

Linda Devlin

WHEREAS, It has been brought to the attention of the Board of Education of the Livonia Public Schools School District that Linda Devlin will retire from the district on December 31, 2024; and,

WHEREAS, Linda Devlin has devoted 19.5 years of dedicated, loyal, and outstanding service to the Livonia Public Schools as a paraprofessional at Coolidge Elementary and secretary at Churchill High School, Holmes Middle School, Stevenson High School and Livonia Career Technical Center; 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 Linda Devlin for her countless contributions to our school system and extends best wishes for an enjoyable and rewarding retirement.

Cindy Monk

WHEREAS, It has been brought to the attention of the Board of Education of the Livonia Public Schools School District that Cindy Monk will retire from the district on December 31, 2024; and,

WHEREAS, Cindy Monk has devoted 29.5 years of dedicated, loyal, and outstanding service to the Livonia Public Schools as a secretary at Bentley High School, Churchill High School and in the Data Management Department, and as a student information system specialist in the Information Technology Department; 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 Cindy Monk for her countless contributions to our school system and extends best wishes for an enjoyable and rewarding retirement.

Diane Smith

WHEREAS, It has been brought to the attention of the Board of Education of the Livonia Public Schools School District that Diane Smith will retire from the district on October 31, 2024; and,

WHEREAS, Diane Smith has devoted 35.5 years of dedicated, loyal, and outstanding service to the Livonia Public Schools as a paraprofessional at Holmes Middle School and as a secretary in the Curriculum Department, at Rosedale Elementary, Niji-Iro Japanese Immersion Elementary School, Hayes Elementary, in the Adult Education Department and at the Western Wayne Skill Center; 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 Diane Smith for her countless contributions to our school system and extends best wishes for an enjoyable and rewarding retirement.

Carl Wertanen

WHEREAS, It has been brought to the attention of the Board of Education of the Livonia Public Schools School District that Carl Wertanen will retire from the district on November 30, 2024; and,

WHEREAS, Carl Wertanen has devoted 28.5 years of dedicated, loyal, and outstanding service to the Livonia Public Schools as a custodian at Webster Elementary, Tyler Elementary, Lowell Middle School, Cass Elementary, Franklin High School and Churchill High School; and,

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

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

BOARD POLICY

IKF

INSTRUCTIONAL PROGRAM SCHOOL STORES

JUNE 20, 1988
~~Reviewed 5/2014~~
NOVEMBER 18, 2024

The superintendent or designee shall be authorized to establish school stores for the purpose of the sale of books and related instructional equipment **school supplies, school and/or district spirit wear and merchandise, and food and beverage.** Items for sale by the school store must be in compliance with district policy and state and federal law and approved by the Director of **Secondary Programs and District Services or designee.** ~~These stores shall be maintained primarily in secondary schools, and the accounting procedures shall conform with good auditing procedures and account controls as recommended by the law. It shall be the intent of these stores to operate on a nonprofit basis, and their revolving funds shall be reported periodically to the Board by the treasurer of the school district.~~ **Accounting procedures for the school stores will align with best practices as outlined by the Governmental Accounting Standards Board (GASB) and as approved by the Chief Financial Officer. Sales reports will be provided monthly to the Chief Financial Officer or designee.**

LEGAL REF.: Healthy, Hunger-Free Kids Act of 2010

BOARD POLICY

IF

INSTRUCTIONAL PROGRAM INSTRUCTIONAL RESOURCES

~~DECEMBER 15, 2014~~

The Livonia Public Schools School District shall provide materials, equipment, and other physical resources, a technology network and related resources, consultative assistance, and auxiliary supportive personnel to teachers and administrators within budget limitations where appropriate.

The Board recognizes that the United States Code makes it illegal for anyone to duplicate copyrighted materials without permission.

LEG REF: Title 17 of the United States Code

CROSS REF.: IFA - District Technology Network and Related Resources
IFC - Instructional Materials and Equipment Selection

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 21, 2024**

TOPIC: **Second Reading & Adoption of Board Policy**

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Policy Committee and adopt Board Policy language per the attached document for Board Policy IDDE – Post Secondary Credit Opportunities.

RATIONALE:

The Board Policy Committee has met with staff to review proposed language for the above policy and is recommending approval by the entire Board. This language was submitted for first reading at the Board meeting of September 23, 2024.

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Kevin Etue, Director of Secondary Programs and District Services

EXHIBITS:

Attached Policies

Off/Supt/tg

BOARD POLICY

IDDE

INSTRUCTIONAL PROGRAM POSTSECONDARY CREDIT OPPORTUNITIES

OCTOBER 21, 2024

The Board of Education supports and shall provide opportunities for students to receive postsecondary credit while attending high school. The school district is required to pay the lesser of: a) the actual charge for tuition, mandatory course fees, materials fees and registration fees or b) the state portion of the students' foundation allowance, adjusted to the proportion of the school year they attend the postsecondary institution. Students enrolled in a dual enrollment course but do not earn credit must repay the district.

LEGAL REF.: Postsecondary Enrollment Options Act 160 of 1996, Imd. Eff. Apr. 8, 1996; Am. 2012, Act 134, Eff. July 1, 2012. Career and Technical Preparation Act 258 of 2000, Eff. Apr. 1, 2001; Am. 2012, Act 133, Eff. July 1, 2012.

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 21, 2024**

TOPIC: **Second Reading & Adoption of Board Policy**

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Policy Committee and adopt Board Policy language per the attached document for Board Policy JGCD – Medications.

RATIONALE:

The Board Policy Committee has met with staff to review proposed language for the above policy and is recommending approval by the entire Board. This language was submitted for first reading at the Board meeting of September 23, 2024.

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Anthony Abbate, Director of Human Resources
Maegan Sprow, Director of Student Services

EXHIBITS:

Attached Policies

Off/Supt/tg

BOARD POLICY

JGCD

STUDENTS MEDICATIONS

OCTOBER 21, 2024

Except as otherwise provided by law or Board Policy, a school administrator, teacher, or other school employee designated by the school administration may administer medication to a student only in the presence of another adult, pursuant to written permission of the student's parents or guardian and only in compliance with the written instructions of a physician. A Medication Authorization form must be provided to school administration before any dispensation of medication may occur. "Medication" includes prescription, non-prescription (commonly referred to as "over the counter"), and herbal medications/substances, including anything administered by mouth, inhaler, or injection; drops and sprays applied to the eyes or nose; and anything applied to the skin.

Epinephrine Auto Injectors

Students who are prescribed epinephrine to treat anaphylaxis shall be allowed to self-possess and self-administer the medication if they meet the conditions as stated in this policy and accompanying administrative procedures. Each school in the District shall have at least two (2) epinephrine auto-injectors (Epi-Pens) available at the school site. It shall be the annual responsibility of the Principal to verify that the supply of Epi-Pens is maintained at the appropriate level, ensure that all Epi-Pens have not expired, inform trained staff of the storage location for Epi-Pens in the school, and communicate with the Director of Student Services or his/her designee if new Epi-Pens are needed at any point during the school year due to use or expiration. The Director of Student Services or his/her designee shall also be responsible for acquiring new supplies of Epi-Pens yearly, distributing them to schools, coordinating the training of District employees to administer Epi-Pen injections, and maintaining the list of employees authorized to administer such injections.

Individuals Qualified to Administer Epinephrine Injections

Only a licensed, registered professional nurse employed or contracted by the District, or a school employee who has successfully passed the required training, shall be allowed to possess and administer Epi-Pen injections to students.

Each school shall have at least two (2) employees at that site who shall be appropriately trained in the use of an Epi-Pen. Training of employees on the appropriate use and administration of an Epi-Pen injection shall be done in accordance with any guidelines provided by the Michigan Department of Education shall be conducted under the supervision of a licensed, registered professional nurse. The training shall include an evaluation by the nurse of the employees' understanding of the protocols for administering an Epi-Pen injection.

Students to Whom Injections May Be Administered

A licensed, registered, professional nurse, or trained and authorized employees under this policy, may administer Epi-Pen injections to:

- Any student who has a prescription on file with the District, in accordance with the directives in such prescription.
- Any individual on school grounds who is believed to be having an anaphylactic reaction.

Reporting of Injections

Any person who administers an Epi-Pen injection to a student shall promptly notify the Principal /School Administrator who shall be responsible for promptly notifying the student's parent/guardian that an injection has been administered.

All Epi-Pen injections by District employees to students shall be reported in writing to the Director of Student Services or his/her designee. The report shall include whether the school's or student's Epi-Pen was used, and whether the student was previously known to be subject to severe allergic reaction (anaphylaxis). The Director of Student Services or his/her designee shall at least annually report to the Department of Education, in the form and manner determined by the Department, information on the number of injections provided to students, the number of injections with District Epi-Pens, and the number of incidents where students were not known to be subject to severe allergic reactions.

The District will maintain procedures for obtaining a prescription, purchase, reorder, storage, and maintenance of at least two epinephrine auto-injectors in each school building.

LEGAL REF: MCL 380.1178, 380.1179, 380.1179A
Michigan Department of Education, Model Policy and Guidelines for Administering Medications to Pupils at School