

REGULAR MEETING
September 11, 2025 at 6:30 PM - District Main Conference Room
800 Devillen
Royal Oak, Michigan 48073

AGENDA

1. OPENING / CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. STANDING APPROVAL ITEMS

3.1. Acceptance of Agenda

3.2. Approval of Minutes

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**BOARD OF EDUCATION
REGULAR MEETING
August 14, 2025, at 6:30 PM - District Main Conference Room**

MINUTES

PRESENT: President Tim Ciechorski; Vice President Erika Alexander; Secretary Deb Anderson; Trustee Lauren Jasinski; Trustee Maryanne VanHaitsma; Trustee Matt Wickey; and Student Representatives Leilani Hamilton and Grace Hatton

ALSO PRESENT: Superintendent John Tafelski; Executive Director of Finance & Operations Kathy Abela; Executive Director of Curriculum & Instruction Joe Youanes; Executive Director of Staff & Students Services Patrick Wolynski; and Executive Assistant to the Superintendent & Board Jennifer Perkins

ABSENT: Treasurer Michelle Cook

1. **OPENING / CALL TO ORDER** Mr. Ciechorski called the meeting to order at 6:30 p.m.

2. **PLEDGE OF ALLEGIANCE** The pledge was recited.

3. **STANDING APPROVAL ITEMS**

3.1. **Acceptance of Agenda**

President Ciechorski called for any additions or deletions. Seeing no objections to the additions, the agenda was approved by consensus.

3.2. **Approval of Minutes**

Moved by: Mr. Wickey

Seconded by: Mrs. Alexander

Resolved that the Royal Oak Schools Board of Education approves the following minutes:

July 10, 2025, Special Meeting Minutes (F&F)

July 10, 2025, Regular Meeting Minutes

6 in favor/0 opposed/ 0 abstentions.

The motion passed.

3.3. **Donations**

There were no donations.

4. **PROCLAMATIONS**

There were no proclamations.

5. PUBLIC COMMENT

There were none.

6. RECOGNITIONS / PRESENTATIONS / REPORTS

Ashley Phillips requested that she be moved to item 6.2.

6.1. Student Representatives to the Board

Leilani Hamilton spoke about the following:

- School schedules
- Family Welcome Back Night
- Yearbook sales
- School clubs

Grace Hatton spoke about the following:

- Raven Rally

6.2. Diversity, Equity, and Inclusion

Ashley Phillips provided a June DEI update, which included the following:

- Trails updates
- Juneteenth Celebration
- Interfaith Leadership Council
- Annual Impact Meeting
- New Teacher Orientation
- Family Welcome Back Night
- ROPAC (Royal Oak Parent Advocacy Committee)
- Professional Learning (OC JEDI Council)

6.3. Royal Oak Education Center Redesign

John Tafelski gave a presentation about proposed changes to the Royal Oak Education Center. The Board asked questions, and discussion was held regarding the changes.

Matt Wickey requested a motion be made to proceed with the plan.

Moved by: Mr. Wickey

Seconded by: Ms. Jaskinski

Resolved that the Royal Oak Schools Board of Education proceeds with the plan presented by John Tafelski.

6 in favor/0 opposed/ 0 abstentions. The motion passed.

7. COMMUNICATIONS

Deb Anderson, BOE Secretary, reported the following communications:

- Alison Vandenkieboom
- Zuleima
- Mario Pengili
- Kimberly Peel

8. *CONSENT AGENDA (*Personnel / Instruction / Business*)

Consent Agenda items approved at this time.

8.1. *Payment of Expenses

Resolved that the Royal Oak Schools Board of Education hereby approves expenditures as processed in the amount of \$7,547,456.91, for the period of July 1, 2025, through July 31, 2025.

9. MATTERS FOR DISCUSSION / ACTION

9.1. Superintendent John Tafelski

9.1.1. First Reading of Revised/Replaced and/or Recommended Policies & Guidelines

Moved by: Mrs. VanHaitsma

Seconded by: Mr. Wickey

Resolved, that the Royal Oak Schools Board of Education approves a first reading of the policies and administrative guidelines being revised, replaced, and/or recommended as presented.

6 in favor/0 opposed/0 abstentions.

The motion passed.

9.1.2. MASB Voting Delegate

Moved by: Mr. Ciechorski

Seconded by: Mrs. Alexander

Resolved, that Royal Oak Schools Board of Education names Michelle Cook as Royal Oak Schools' voting delegate at the MASB 2025 Delegate Assembly.

9.2. Curriculum & Instruction

Joe Youanes gave updates about the following:

- New teacher and staff orientation
- Welcome Back Day plans and schedules.
- Professional Development on August 21
- Curriculum nights

Erika Alexander asked how new teachers who begin later in the year will be trained, and Mr. Younes spoke about the Mentor-Mentee Program.

9.3. Finance/Facilities and Bond

Kathy Abela gave updates on the following:

- ROMS parking lot
- Operations working on small projects
- Custodians working hard
- Onsite audit completion
- State budget

9.4. Staff and Student Services

Patrick Wolynski spoke about related agenda items.

9.4.1. Personnel Changes

Moved by: Ms. Jasinski

Seconded by: Mrs. VanHaitsma

Resolved, the Royal Oak Schools Board of Education approves the regular personnel changes as presented in the board packet.

6 in favor/0 opposed/0 abstentions. The motion passed.

9.4.2. Unclassified Employee Contracts

Moved by: Mr. Wickey

Seconded by: Mrs. VanHaitsma

Resolved, that Royal Oak Schools Board of Education approves the Unclassified Employee contracts for July 1, 2025, through July 30, 2027.

6 in favor/0 opposed/0 abstentions. The motion passed.

John Tafelski spoke about Joe Youanes and introduced his title change.

10. PUBLIC COMMENT

There were none.

11. BOARD COMMENTS / LIAISON REPORT

Committee Reports:

- Policy: Lauren Jasinski spoke about graduation requirements, gifts, or favors policy change, AI. John Tafelski spoke about a new AI policy document that Joe Youanes recently sent out.
- Communications: Deb Anderson spoke about a new format for the District Dispatch, sending out a communications survey in the fall, recent awards for the Communications department, video updates, Mike Conrad's work with PBS, social media stats
- City-School Liaison: Tim Ciechorski spoke about Safe Routes to Schools, street lighting, parking changes on Marywood, approval of the Robotics Team to use the parking structure, and YMCA open swim

Liaison Reports:

- Maryanne VanHaitsma spoke about Safe Routes to Schools, reminded everyone about the ROYA Bowl-a-thon, and welcomed back teachers and staff.
- Leilani Hamilton and Grace Hatton asked questions about the DP program. Discussion was held on this topic.

12. ADJOURNMENT

President Ciechorski called for adjournment of the meeting at 8:22 p.m. Approved by consensus.

Respectfully submitted,

Deborah Anderson
Secretary, Board of Education

**BOARD OF EDUCATION
SPECIAL MEETING
August 7, 2025 at 6:00 PM - District Main Conference Room
800 Devillen
Royal Oak, Michigan 48073**

MINUTES

PRESENT: President Tim Ciechorski; Secretary Deb Anderson; Treasurer Michelle Cook; Trustee Lauren Jasinski; Trustee Maryanne VanHaitsma; Trustee Matt Wickey; Superintendent Dr. John Tafelski; Executive Director of Finance & Operations Kathy Abela; Deputy Superintendent of Curriculum & Instruction Dr. Joe Youanes; Operations Manager Jeff Synowiec; Owner’s Representative Michelle Kerns and Mark Paulus; Student Representatives Cameron Bulis and Haneen Awada and Finance Administrative Assistant Annemarie Carlisle

ALSO PRESENT: Community member Trestin Bradley; ROEA President Kerry Derminer; ROEA Vice President Mallory Greenway

ABSENT: Vice President Erika Alexander

1. Welcome and Introduction Mr. Ciechorski called the meeting to order at 6:01 pm.
2. Public Comment There were none.
3. Technology and Curriculum There is no update at this time.
4. BSSF
 Mark Paulus discussed the roof replacement schedule. He also thanked the contractors for completing the summer projects (ROHS roofing, ROHS boiler and ROMS paving) within the established deadlines.
 - 4.1. Three Year Plan
 Michelle Kerns provided an update on the spreadsheet.
 - 4.2. Churchill Renovation
 John Tafelski presented his vision for Phase 1 of the redesigning of Churchill.
5. Bond Projects
 John Tafelski spoke on the enhancement millage. Barton Malow and TMP will attend the September 4 Finance & Facilities meeting.
6. Operations
 Jeff Synowiec shared that Addams’ landscaping on the northside is complete. In addition, all drinking fountains have been removed from the classrooms per the Filter First legislation.

7. Finance

7.1. Preliminary Audit Review

Kathy Abela stated that the audit went well and thanked the staff.

8. Sustainability

John Tafelski discussed the Environmental Advisory Board through the city.

9. New Business/Board Member Considerations

John Tafelski stated that the next meeting on September 4 will focus primarily on the 2026 bond.

10. Next Meeting: Thursday, September 4, 2025, at 6:00 pm

11. Adjournment Tim Ciechorski adjourned the meeting at 8:27 pm.

Respectfully submitted,

Deborah Anderson
Secretary, Board of Education

4. PROCLAMATIONS

4.1. Board Proclamation: Hispanic Heritage Month

4.2. Board Resolution: Remembrance Resolution

4.3. Board Proclamation: Suicide Prevention Month

5. PUBLIC COMMENT

6. RECOGNITIONS / PRESENTATIONS / REPORTS

6.1. Recognition of Sponsors

Presenter: Joe Youanes

6.2. Recognition of Jeff Synowiec

Presenter: Kathy Abela

6.3. Diversity, Equity and Inclusion

Presenter: Ashley Phillips

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September DEI Updates

Launch Into Learning

DAPCEP

Family WBN Belonging Survey

IFLC Annual Impact Meeting Wrap-Up

Odysseys Reminder



Launch Into Learning 2025

Led 2 sessions geared towards new staff members, and staff members who typically do not attend Late Start PD Sessions

Diversity, Equity, and Inclusion
& Royal Oak Schools



Launch Into Learning
2025

August 20, 2025

**Fostering Inclusive Learning
Environments**

Culturally Responsive Teaching

Implicit Bias

Microaggressions

Courageous Conversations

Positive Academic Mindsets

Self-Care

Building Belonging

... and much more

Detroit Area Pre-College Engineering Program



**FALL
2025
COURSES**

Explorers

PRE K - 3RD GRADE
SEPT 27 - NOV 8
\$100 per student

Pathfinders

4TH - 12TH GRADE
OCT 11 - NOV 8
\$25 per student

Showcase NOV 15

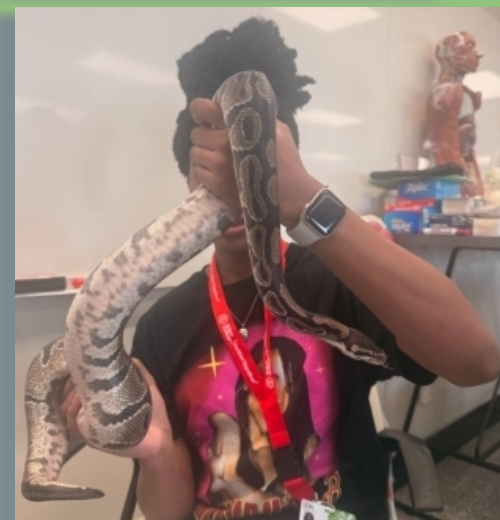
at Second Ebenezer Church | 14601 Dequindre St, Detroit, MI 48212

REGISTRATION OPENS **AUGUST 25**

To register and for financial aid info, visit www.dapcep.org.
For more information: info@dapcep.org or 313-831-3050



EMU STEM Day



www.dapcep.org



ROS Family Welcome Back Night

Belonging Survey Results

School and district belonging efforts have:

- Helped students to make new friends
- Eased transition into new school district
- Helped students to feel more comfortable and welcome
- Hosting outdoor events and open communication from principals have both helped to foster a sense of belonging
- BOTM Program. Books celebrating diversity and different cultures has aided in mirrors and windows efforts.



InterFaith Leadership Council Annual Impact Meeting



IFLC- InterFaith Odysseys



INTERFAITH ODYSSEYS

INVITES YOU TO EXPLORE

HINDUISM

Immerse yourself in the rich and vibrant world of Hinduism by stepping into the sacred spaces of the Sharadamba Temple. Here, you will be graciously welcomed as an honored guest and invited to experience centuries of traditions, devotions, and community.

- **Family Friendly!**
- Warm, Welcome Environment
- Culturally Connected Meal
- Guided Tour of the Worship Space
- Questions Encouraged





REGISTER TODAY

INDIVIDUAL FAMILY ADMISSION

\$35 \$50

TUESDAY | SEPTEMBER 16

SRI SHARADAMBA TEMPLE
26325 HALSTED RD FARMINGTON HILLS, MI 48331
6:00-8:30 PM

InterFaith Leadership Council of Metropolitan Detroit

Connect With Us

www.detroitinterfaithcouncil.com
detroit.interfaith.council@gmail.com
(313) 338-9777



Sept. 16th 6-8:30p



6.4. Student Representatives to the Board
Presenter: Leilani Hamilton and Grace Hatton

6.5. Audit Review
Presenter: Jamie Rivette, Yeo & Yeo

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Royal Oak Schools

Audit Results
June 30, 2025

PRESENTED BY

Jamie Rivette, CPA, CGFM



YEO & YEO

LET'S THRIVE



ROYAL OAK SCHOOLS
A COMMUNITY OF EXCELLENCE

Audit Results

- Financial Statements
 - Unmodified Opinion
 - Highest level of assurance
 - School's financial records and statements are fairly and appropriately presented, and in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Balance Sheet – Governmental Funds

	General Fund	2022 Sinking Fund	Nonmajor Governmental Funds	Total Governmental Funds	
				2025	2024
Assets					
Cash	\$ 20,979,184	\$ 5,355,410	\$ 8,250,947	\$ 34,585,541	\$ 34,196,989
Accounts receivable	294,877	-	5,935	300,812	288,420
Leases receivable	651,937	-	-	651,937	660,556
Due from other governmental units	8,396,187	-	79,676	8,475,863	10,637,229
Inventory	-	-	29,980	29,980	35,561
Investments	22,169	-	-	22,169	21,469
Prepaid items	143,094	-	150,000	293,094	411,249
Total assets	\$ 30,487,448	\$ 5,355,410	\$ 8,516,538	\$ 44,359,396	\$ 46,251,473
Liabilities					
Accounts payable	\$ 1,090,701	\$ 420,231	\$ 217,592	\$ 1,728,524	\$ 2,351,214
Accrued salaries payable	10,413,260	-	-	10,413,260	9,996,072
Unearned revenue	1,722,487	-	-	1,722,487	2,154,796
Total liabilities	13,226,448	420,231	217,592	13,864,271	14,502,082
Deferred Inflows of Resources					
Unavailable revenue					
Leases receivable	\$ 651,937	\$ -	\$ -	\$ 651,937	\$ 660,556
Fund Balance					
Non-spendable - Inventory	-	-	29,980	29,980	35,561
Non-spendable - Prepaid items	143,094	-	150,000	293,094	411,249
Restricted - Food service	-	-	598,168	598,168	952,134
Restricted - Debt service	-	-	992,670	992,670	1,520,284
Restricted - Capital projects	-	4,935,179	4,384,576	9,319,755	4,479,685
Assigned	6,164,451	-	2,143,552	8,308,003	11,386,231
Unassigned	10,301,518	-	-	10,301,518	12,303,691
Total fund balance	16,609,063	4,935,179	8,298,946	29,843,188	31,088,835
Total liabilities, deferred inflows of resources and fund balance	\$ 30,487,448	\$ 5,355,410	\$ 8,516,538	\$ 44,359,396	\$ 46,251,473

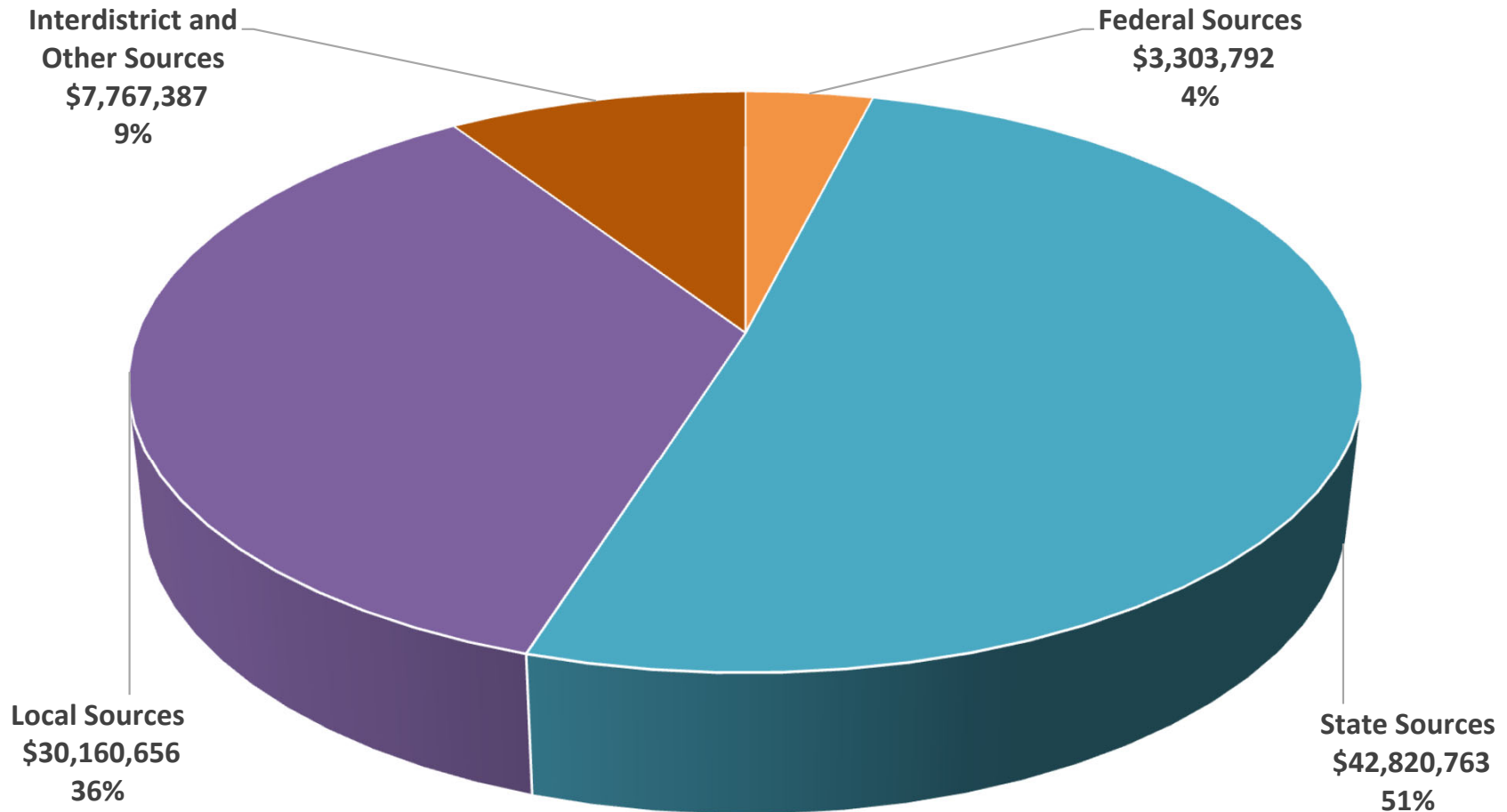
Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds

	General Fund	General Property Maintenance Fund	2022 Sinking Fund	Nonmajor Governmental Fund	Total Governmental Funds	
					2025	2024
Revenues						
Local sources	\$ 30,160,656		\$ 4,057,152	\$ 11,407,214	\$ 45,625,022	\$ 44,053,031
State sources	42,820,763		-	2,434,857	45,255,620	45,064,841
Federal sources	3,303,792		-	970,865	4,274,657	5,397,309
Interdistrict sources	7,744,387		-	-	7,744,387	6,977,655
Total revenues	<u>84,029,598</u>		<u>4,057,152</u>	<u>14,812,936</u>	<u>102,899,686</u>	<u>101,492,836</u>
Expenditures						
Current						
Education						
Instruction	48,422,639		-	1,959,106	50,381,745	50,572,343
Supporting services	33,712,211		5,729	571,393	34,289,333	32,555,345
Student and district activities	-		-	984,369	984,369	875,597
Food service	-		-	2,552,583	2,552,583	2,741,126
Community services	90,288		-	963,514	1,053,802	1,126,300
Intergovernmental payments	1,206,171		-	-	1,206,171	70,061
Capital outlay	-		2,002,144	2,155,625	4,157,769	5,628,549
Debt service						
Principal	-		-	8,285,000	8,285,000	6,495,000
Interest and other expenditures	-		-	1,363,652	1,363,652	1,764,429
Payment to bond refunding escrow agent	-		-	8,128,849	8,128,849	-
Total expenditures	<u>83,431,309</u>		<u>2,007,873</u>	<u>26,964,091</u>	<u>112,403,273</u>	<u>101,828,750</u>
Excess (deficiency) of revenues over expenditures	<u>598,289</u>		<u>2,049,279</u>	<u>(12,151,155)</u>	<u>(9,503,587)</u>	<u>(335,914)</u>

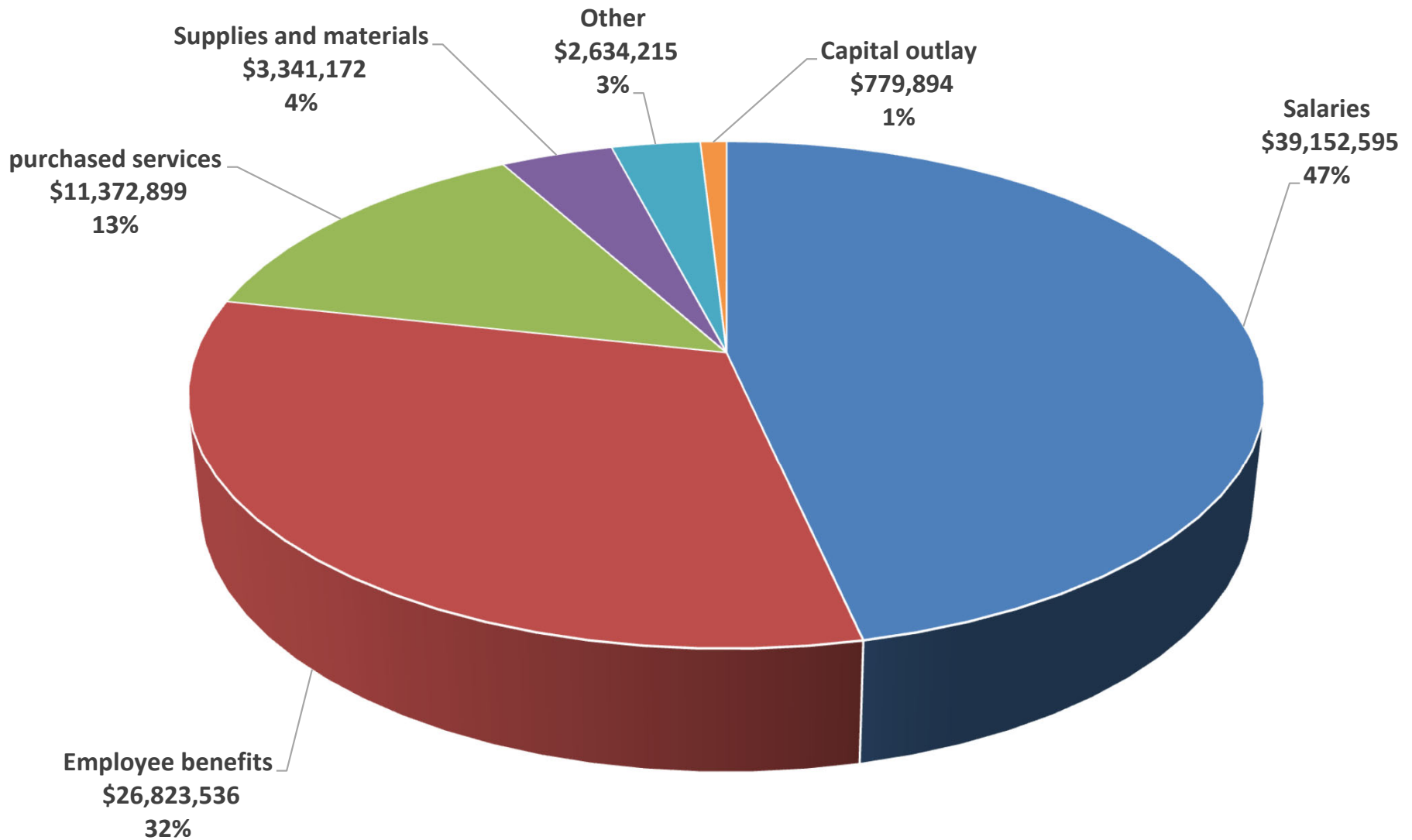
Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds

	General Fund	General Property Maintenance Fund	2022 Sinking Fund	Nonmajor Governmental Fund	Total Governmental Funds	
					2025	2024
Other Financing Sources (Uses)						
Proceeds from sale of refinancing debt	\$ -		\$ -	\$ 8,257,940	\$ 8,257,940	\$ -
Proceeds from sale of capital assets	-		-	-	-	9,992
Transfers in	23,000		-	1,086,115	1,109,115	1,175,986
Transfers out	(673,002)		-	(436,113)	(1,109,115)	(1,175,986)
Total other financing sources (uses)	(650,002)		-	8,907,942	8,257,940	9,992
Net changes in fund balances	(51,713)		2,049,279	(3,243,213)	(1,245,647)	(325,922)
Fund balance - beginning as previously presented	16,660,776	4,384,576	-	10,043,483	31,088,835	31,414,757
Change within financial reporting entity (between major and nonmajor funds)	-	(4,384,576)	2,885,900	1,498,676	-	-
Fund balances - beginning, as adjusted	16,660,776		2,885,900	11,542,159	31,088,835	31,414,757
Fund balances - ending	\$ 16,609,063		\$ 4,935,179	\$ 8,298,946	\$ 29,843,188	\$ 31,088,835

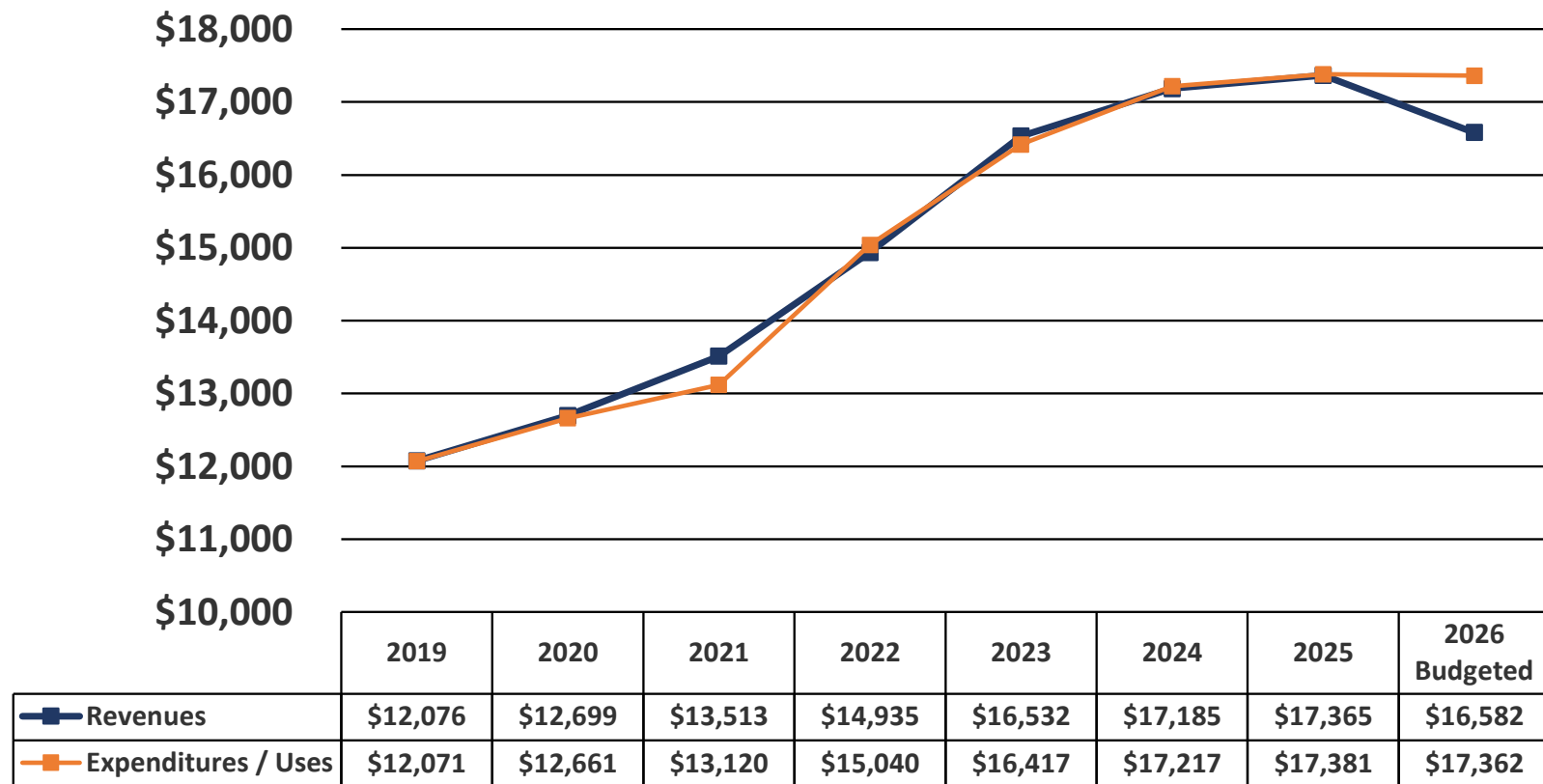
General Fund Revenue (includes other financing sources) Year Ended June 30, 2025



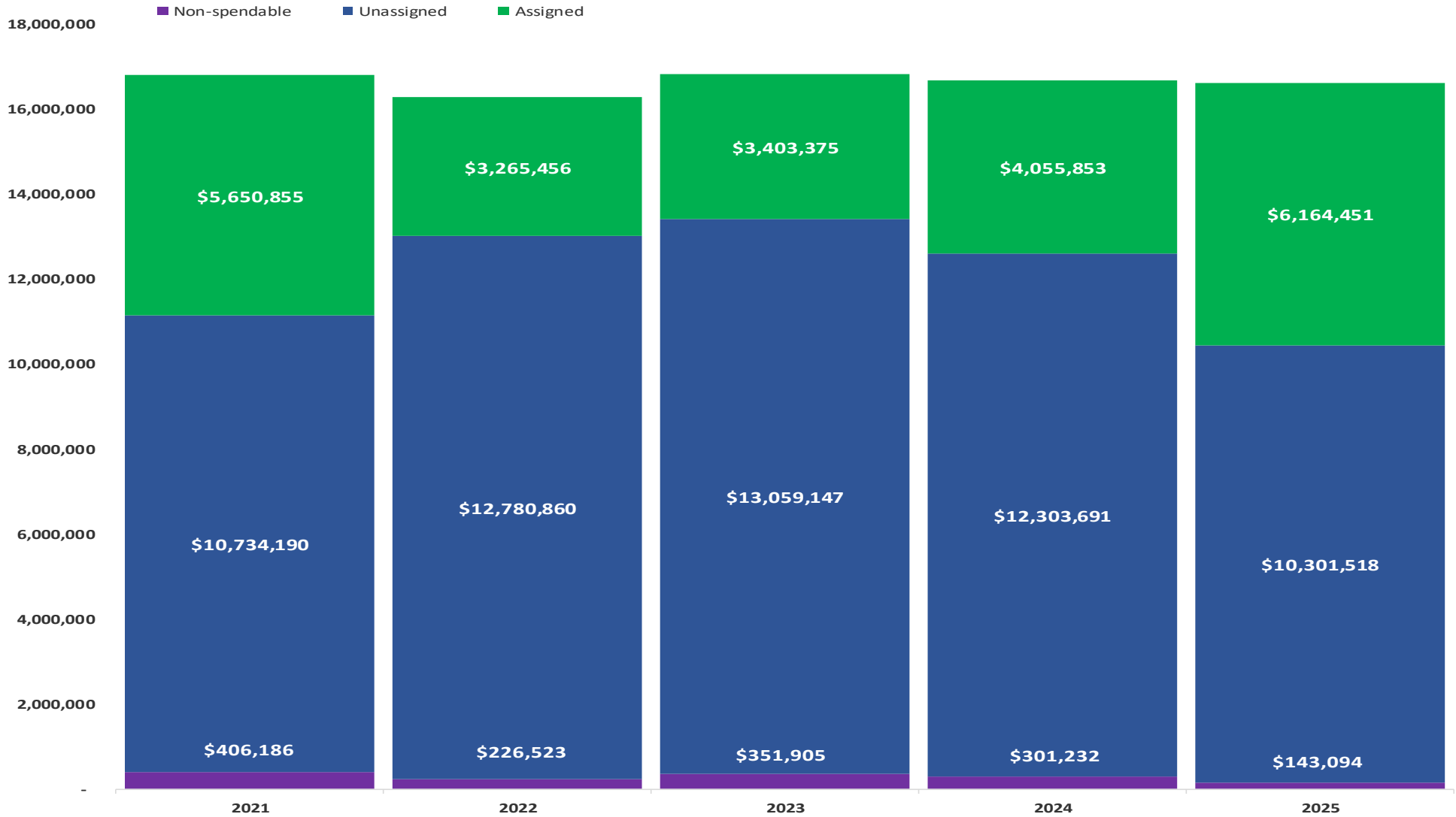
General Fund Expenditures (includes other financing uses) Year Ended June 30, 2025



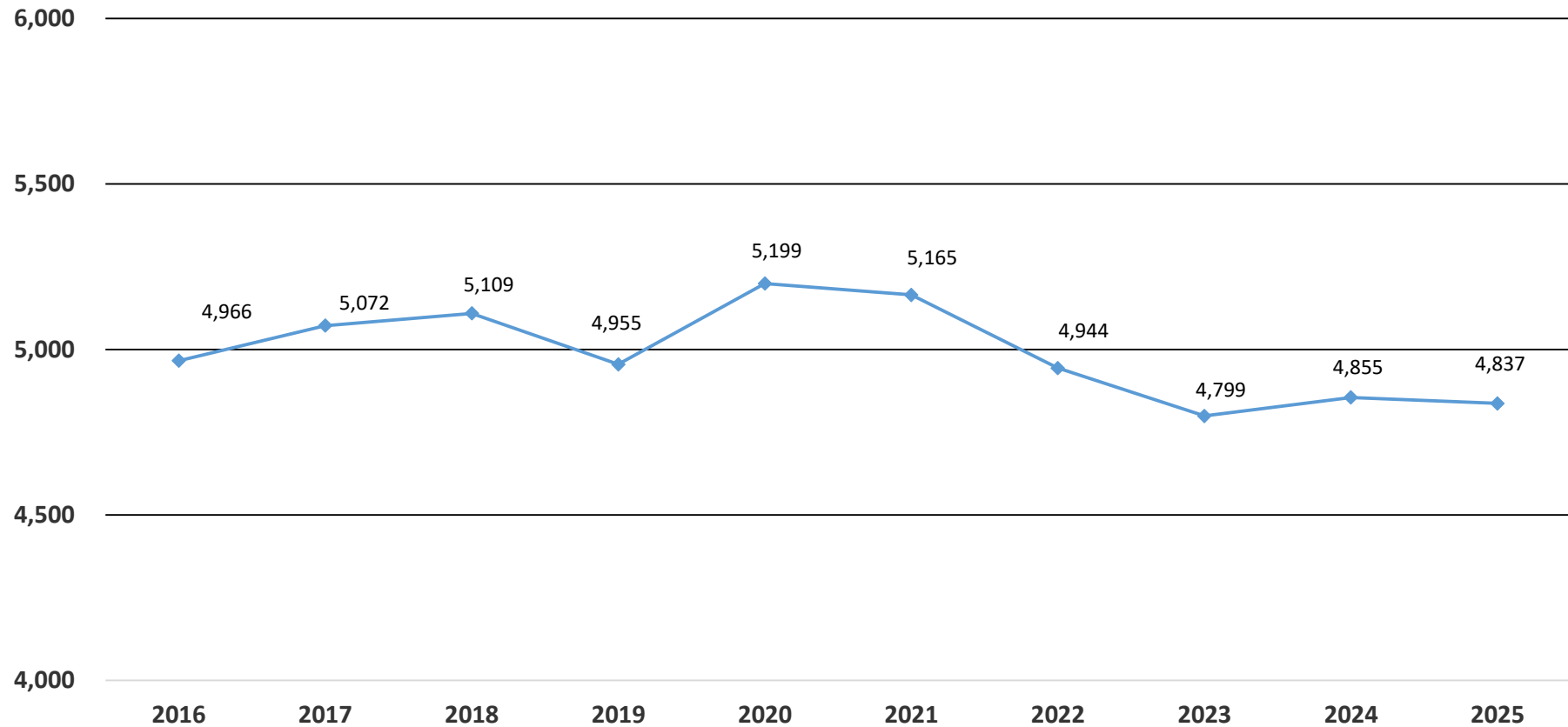
Per-Pupil Analysis of General Fund Revenues and Expenditures



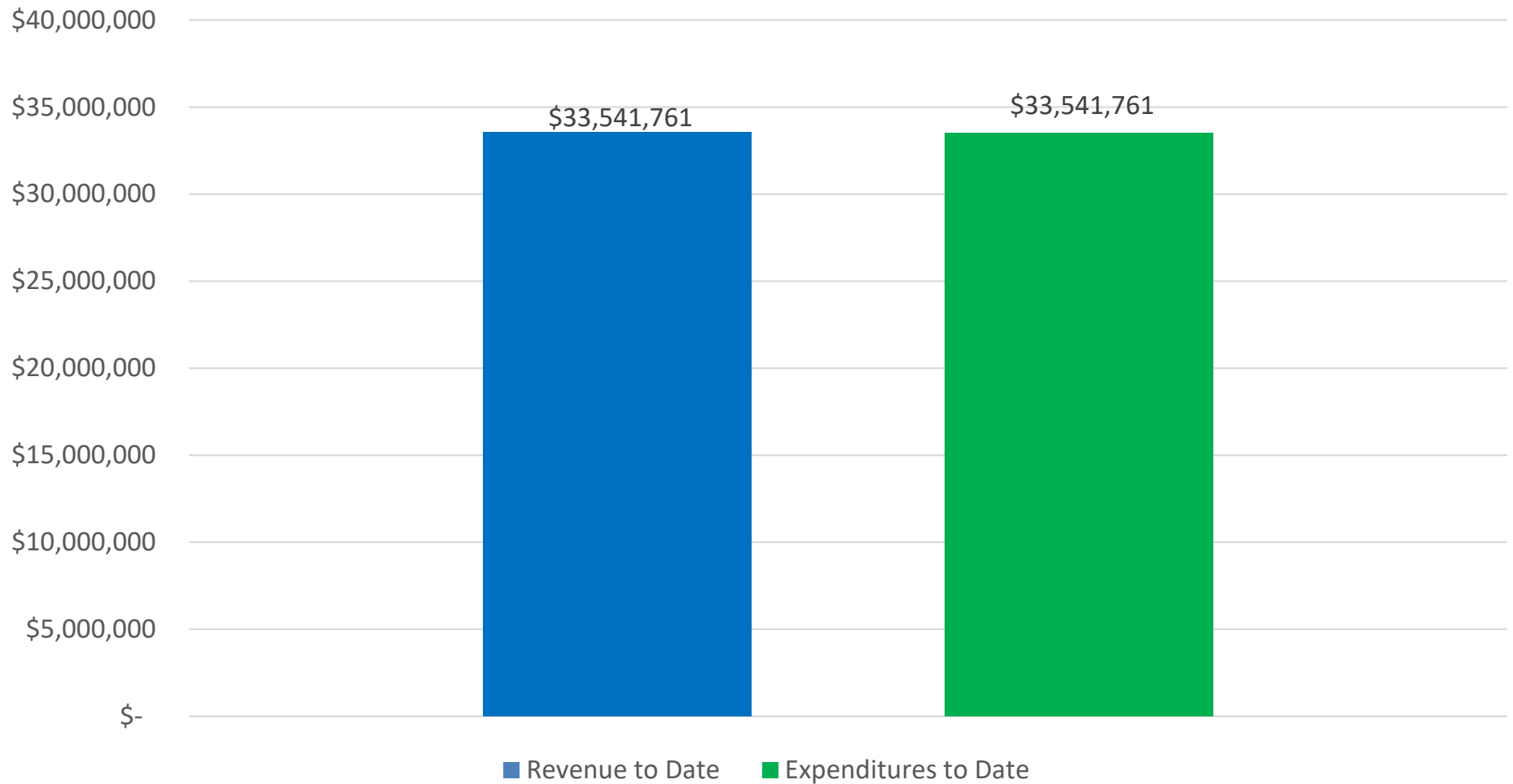
General Fund Balance



Student Enrollment Trend



Bond Progress – 2020 Bond



Governance Letter

- Required Communication
 - Adoption of GASB 101 (*Compensated Absences*)
 - Adoption of GASB 102 (*Certain Risk Disclosures*)
 - No significant audit adjustments
 - Passed Adjusting Journal Entries
 - Prior year August state aid adjustments for \$437,155
 - GASB 101 implementation for \$989,208
 - Current year August state aid adjustment for \$234,735
- Internal Control Matters
 - No material weakness
 - No significant deficiencies
 - No Management comment

Single Audit

- Major Programs Tested:
 - Child Nutrition Cluster
- Single Audit Compliance Findings
 - None

Future Challenges

- Unfunded pension liability - \$84.3 million
- Rising payroll costs
- Changing budget environment

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Through our family of companies, we work with you to achieve your unique goals.

CONTACT

Jamie Rivette, CPA, CGFM
1-800-968-0010
jamie.rivette@yeoandyeo.com

CONNECT



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Due to a delay in the U.S. Office of Management and Budget (OMB) issuing the final Compliance Supplement for 2025 Federal Single Audits, the final audit reports for the School District have not been issued. Information contained in this presentation is in draft form.

Royal Oak Schools

Single Audit

June 30, 2025

DRAFT



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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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 Auditors' Report

Management and the Board of Education
Royal Oak Schools
Royal Oak, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Royal Oak Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Royal Oak Schools' basic financial statements, and have issued our report thereon dated **REPORT DATE**.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Royal Oak Schools' 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 Royal Oak Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Royal Oak Schools' internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Yeo & Yeo, P.C.

Troy, MI

REPORT DATE

DRAFT

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

Management and the Board of Education
Royal Oak Schools
Royal Oak, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Royal Oak Schools' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Royal Oak Schools' major federal programs for the year ended June 30, 2025. Royal Oak Schools' major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Royal Oak Schools' complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Royal Oak 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 Royal Oak 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 agreements applicable to Royal Oak Schools' federal programs.

Auditors' 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 Royal Oak 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 Royal Oak 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 Royal Oak 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 Royal Oak 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 Royal Oak 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 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 Auditors' 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 may exist that were not identified.

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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Royal Oak Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Royal Oak Schools' basic financial statements. We issued our report thereon dated **REPORT DATE**, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Troy, MI
REPORT DATE

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Royal Oak Schools
Schedule of Expenditures of Federal Awards
June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	AL Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue at July 1, 2024	Federal Funds/ Payments In-kind Received	Expenditures	Adjustments	Accrued (Unearned) Revenue at June 30, 2025	Subrecipients
U.S. Department of Agriculture									
Passed through the Michigan Department of Education									
Child Nutrition Cluster									
Cash Assistance									
School Breakfast Program - 251970	10.553	\$ 113,921	\$ -	\$ -	\$ 113,921	\$ 113,921	\$ -	\$ -	\$ -
School Breakfast Program - 241970		124,351	107,253	43	17,141	17,098	-	-	-
Total National School Breakfast Program		<u>238,272</u>	<u>107,253</u>	<u>43</u>	<u>131,062</u>	<u>131,019</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-cash Assistance (commodities):									
Entitlement commodities - 2024-2025	10.555	159,933	-	-	159,933	159,933	-	-	-
Bonus commodities - 2024-2025		632	-	-	632	632	-	-	-
Cash Assistance									
National School Lunch Program - 251960		577,071	-	-	577,071	577,071	-	-	-
National School Lunch Program - 241960		732,733	632,973	215	99,975	99,760	-	-	-
Total National School Lunch Program		<u>1,470,369</u>	<u>632,973</u>	<u>215</u>	<u>837,611</u>	<u>837,396</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Child Nutrition Cluster		<u>1,708,641</u>	<u>740,226</u>	<u>258</u>	<u>968,673</u>	<u>968,415</u>	<u>-</u>	<u>-</u>	<u>-</u>
COVID-19 Emergency Operations CACFP Meals									
CACFP Meals - 251920	10.558	2,014	-	-	2,014	2,014	-	-	-
CACFP Meals - 241920		3,122	2,686	-	436	436	-	-	-
Total CACFP		<u>5,136</u>	<u>2,686</u>	<u>-</u>	<u>2,450</u>	<u>2,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total US Department of Agriculture		<u>1,713,777</u>	<u>742,912</u>	<u>258</u>	<u>971,123</u>	<u>970,865</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Department of Treasury									
Coronavirus Relief Funds									
Passed through the Michigan Department of Education									
COVID-19 Coronavirus State & Local Fiscal Recovery Funds - 20231	21.027	1,522,600	261,577	81,509	81,509	247,412	-	247,412	-
Passed through Royal Oak Schools Education Foundation									
COVID-19 Coronavirus State & Local Fiscal Recovery Funds - 20231		32,000	-	-	12,006	12,006	-	-	-
Total Coronavirus Relief Funds		<u>1,554,600</u>	<u>261,577</u>	<u>81,509</u>	<u>93,515</u>	<u>259,418</u>	<u>-</u>	<u>247,412</u>	<u>-</u>
Total U.S. Department of Treasury		<u>1,554,600</u>	<u>261,577</u>	<u>81,509</u>	<u>93,515</u>	<u>259,418</u>	<u>-</u>	<u>247,412</u>	<u>-</u>

Royal Oak Schools
Schedule of Expenditures of Federal Awards
June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	AL Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue at July 1, 2024	Federal Funds/ Payments In-kind Received	Expenditures	Adjustments	Accrued (Unearned) Revenue at June 30, 2025	Subrecipients
U.S. Department of Education									
Adult Basic Education:									
Passed through the Michigan Department of Education									
Federal Adult Education ABE Instruction 251130	84.002	\$ 100,000	\$ -	\$ -	\$ 41,563	\$ 93,936	\$ -	\$ 52,373	\$ -
Federal Adult Education ABE Instruction 241130		79,661	71,119	71,119	71,119	-	-	-	-
Total Adult Basic Education		<u>179,661</u>	<u>71,119</u>	<u>71,119</u>	<u>112,682</u>	<u>93,936</u>	<u>-</u>	<u>52,373</u>	<u>-</u>
Title I Part A:									
Passed through the Michigan Department of Education									
Title I Part A - 251530	84.010	313,623	-	-	28,530	257,514	-	228,984	-
Title I Part A - 241530		136,159	119,003	82,954	82,954	-	-	-	-
Total Title I		<u>449,782</u>	<u>119,003</u>	<u>82,954</u>	<u>111,484</u>	<u>257,514</u>	<u>-</u>	<u>228,984</u>	<u>-</u>
Special Education Cluster									
IDEA Flowthrough:									
Passed through the Oakland County ISD									
IDEA flowthrough 250450	84.027	1,538,775	-	-	1,383,167	1,538,775	-	155,608	-
IDEA flowthrough 240450		1,598,764	1,557,611	583,341	610,986	41,153	-	13,508	-
IDEA flowthrough 230450		1,502,191	1,497,580	11,983	16,594	4,611	-	-	-
Total IDEA Flowthrough		<u>4,639,730</u>	<u>3,055,191</u>	<u>595,324</u>	<u>2,010,747</u>	<u>1,584,539</u>	<u>-</u>	<u>169,116</u>	<u>-</u>
Handicapped Preschool Initiative:									
Handicapped Preschool Initiative 250460	84.173	65,420	-	-	57,701	65,420	-	7,719	-
Handicapped Preschool Initiative 240460		52,669	52,669	18,734	18,734	-	-	-	-
Total Handicapped Preschool Initiative		<u>118,089</u>	<u>52,669</u>	<u>18,734</u>	<u>76,435</u>	<u>65,420</u>	<u>-</u>	<u>7,719</u>	<u>-</u>
Total Special Education Cluster		<u>4,757,819</u>	<u>3,107,860</u>	<u>614,058</u>	<u>2,087,182</u>	<u>1,649,959</u>	<u>-</u>	<u>176,835</u>	<u>-</u>
Title III Part A:									
Passed through the Michigan Department of Education									
Title III Part A ELL 250580	84.365	108,996	-	-	1,021	29,306	-	28,285	13,627
Title III Part A Immigrant Students 250570		7,808	-	-	-	4,475	-	4,475	-
Title III Part A ELL 240580		114,115	55,450	55,450	53,922	-	(1,528)	-	-
Total Title III Part A		<u>230,919</u>	<u>55,450</u>	<u>55,450</u>	<u>54,943</u>	<u>33,781</u>	<u>(1,528)</u>	<u>32,760</u>	<u>13,627</u>

Royal Oak Schools
Schedule of Expenditures of Federal Awards
June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	AL Number	Approved Awards Amount	(Memo Only) Prior Year Expenditures	Accrued (Unearned) Revenue at July 1, 2024	Federal Funds/ Payments In-kind Received	Expenditures	Adjustments	Accrued (Unearned) Revenue at June 30, 2025	Subrecipients
Title II Part A:									
Passed through the Michigan Department of Education									
Title II Part A 250520	84.367	\$ 146,889	\$ -	\$ -	\$ 18,787	\$ 48,563	\$ -	\$ 29,776	\$ -
Title II Part A 240520		<u>143,210</u>	<u>54,189</u>	<u>54,189</u>	<u>70,024</u>	<u>15,835</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Title II Part A		<u>290,099</u>	<u>54,189</u>	<u>54,189</u>	<u>88,811</u>	<u>64,398</u>	<u>-</u>	<u>29,776</u>	<u>-</u>
Title IV:									
Passed through the Michigan Department of Education									
Title IV Part A Student Support & Academic Enrichment 250750	84.424	16,419	-	-	-	7,158	-	7,158	-
Title IV Part A Student Support & Academic Enrichment 240750		<u>21,226</u>	<u>13,576</u>	<u>13,576</u>	<u>14,807</u>	<u>1,231</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Title IV		<u>37,645</u>	<u>13,576</u>	<u>13,576</u>	<u>14,807</u>	<u>8,389</u>	<u>-</u>	<u>7,158</u>	<u>-</u>
Education Stabilization Fund									
Passed through the Michigan Department of Education									
COVID-19 GEER II Project 203710	84.425C	-	-	-	1,500	-	1,500	-	-
COVID-19 ESSER II Credit Recovery 9-12 213742	84.425D	81,582	66,854	29,670	29,670	-	-	-	-
COVID-19 ESSER III 213713	84.425U	1,040,336	924,853	413,011	528,494	115,483	-	-	-
COVID-19 ESSER III (11t) 213723	84.425U	4,604,867	3,865,454	1,437,073	2,176,485	739,412	-	-	-
Homeless II 211012	84.425W	<u>11,672</u>	<u>-</u>	<u>-</u>	<u>11,601</u>	<u>11,601</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Education Stabilization Fund		<u>5,738,457</u>	<u>4,857,161</u>	<u>1,879,754</u>	<u>2,747,750</u>	<u>866,496</u>	<u>1,500</u>	<u>-</u>	<u>-</u>
Total U.S Department of Education		<u>11,684,382</u>	<u>8,278,358</u>	<u>2,771,100</u>	<u>5,217,659</u>	<u>2,974,473</u>	<u>(28)</u>	<u>527,886</u>	<u>13,627</u>
U.S. Department of Health and Human Services									
Passed through the Oakland County ISD									
Medicaid Cluster Medical Assistance Program	93.778	<u>69,929</u>	<u>46,425</u>	<u>-</u>	<u>69,929</u>	<u>69,929</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Health and Human Services		<u>69,929</u>	<u>-</u>	<u>-</u>	<u>69,929</u>	<u>69,929</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Federal Awards		<u>\$ 15,022,688</u>	<u>\$ 9,282,847</u>	<u>\$ 2,852,867</u>	<u>\$ 6,352,226</u>	<u>\$ 4,274,685</u>	<u>\$ (28)</u>	<u>\$ 775,298</u>	<u>\$ 13,627</u>

Royal Oak Schools
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Royal Oak Schools under programs of the federal government for the year ended June 30, 2025. The information in this 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* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Royal Oak Schools, it is not intended to and does not present the financial position or changes in fund balance or net position of Royal Oak Schools.

Note 2 - Summary of Significant Accounting Policies

Expenditures

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance where certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

Royal Oak Schools has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Reconciliation to the Financial Statements

The Schedule of Expenditures of Federal Awards Agrees to the financial statements without exception.

Adjustments were made for the following: Title III Part A ELL project 240580 for (\$1,528) for federal takebacks in the current year. COVID-19 GEER II Project 203710 for \$1,500 to record amounts that were received in the current year as receipts for prior year expenses that were not reported on the prior year Schedule of Expenditures of Federal Awards.

Note 4 - Subrecipients

The School District provided \$13,627 Title III, Part A (AL number 84.365, project number 250580) funds to subrecipients. The District had three subrecipients: Ferndale Public Schools – 63020, which received \$1,670, Clarenceville School District – 63090, which received \$8,947, and Michigan Virtual Charter Academy – 419250482, which received \$3,010.

Note 5 - Michigan Department of Education Disclosures

The federal amounts reported on the Grant Auditor Report agreed to the schedule of expenditures of federal awards without exception.

Royal Oak Schools
Schedule of Findings and Questioned Costs
June 30, 2025

Section II – *Government Auditing Standards* Findings

There were no *Government Auditing Standards* findings for the year ended June 30, 2025.

Section III – Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2025.

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Royal Oak Schools
Summary Schedule of Prior Audit Findings
June 30, 2025

Section IV – Prior Audit Findings

Government Auditing Standards Findings

There were no *Government Auditing Standards* findings for the year ended June 30, 2024.

Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2024.

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Management and the Board of Education
Royal Oak Schools
Royal Oak, Michigan

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Royal Oak Schools (the School District) as of and for the year ended June 30, 2025. We are required to communicate such matters to you in accordance with the generally accepted accounting standards that relate to internal control and the audit.

We discussed these matters with various personnel in the School District during the audit including management. We would also be pleased to meet with you to discuss these matters at your convenience.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the School District are described in the footnotes of the financial statements. The School District has adopted the following Governmental Accounting Standards Board Statements effective July 1, 2024:

- Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.
- Statement No. 102, *Certain Risk Disclosures*, requires governments to provide users of the financial statements with essential information about risks related to the government's vulnerabilities due to certain concentrations or constraints.

We noted no transactions entered into by the School District during the year for which there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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 School District's financial statements were:

- The useful lives of its capital assets. Useful lives are estimated based on the expected length of time during which the asset is able to deliver a given level of service.
- Net pension liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.
- Net other postemployment benefits (OPEB) liability(asset), and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Disclosures in the financial statements are neutral, consistent and clear.

Auditors are required to use professional judgment to identify areas of the audit that have a significant risk of material misstatement and perform special audit consideration in those areas. Within our audit, we focused additional consideration on the following areas:

- Management override of controls
- Improper revenue recognition

Accounting Standards and Regulatory Updates

The Governmental Accounting Standards Board has released additional Statements. Details regarding these Statements are described in the footnotes of the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing 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 clearly trivial and communicate them to the appropriate level of management. Management has corrected all such misstatements except as discussed below.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Management has determined that the effects of the uncorrected misstatements summarized below are immaterial both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

- Adjustment to the general fund and district wide statements to adjust revenues and beginning fund balance and net position for \$437,155 related to changes in the August 2024 state aid report. This adjustment results in revenues, and change in net assets being overstated by \$437,155 and beginning fund balance and net position being understated by \$437,155.
- Adjustment to the district wide statements to decrease expenses and beginning net position for \$989,208 related to the implementation of GASB 101 Compensated Absences. This adjustment results in beginning net position and expenses being overstated by \$989,208 and change in net position being understated by \$989,208.
- Adjustment to general fund and district wide statements to increase revenues and receivables by \$234,735 for adjustments to state aid revenue due to changes in the August 2025 state aid status report. This adjustment results in total assets and revenues and changes in fund balance or net position being understated by \$234,735.

Management has excluded disclosures related to GASB 77 – Tax abatements which are typically required by accounting principles generally accepted in the United States of America since the disclosures are immaterial to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management's Consultations with Other 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 auditors' 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.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the School District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Reports

Other information that is required to be reported to you is included in the: Independent Auditors' 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 Auditors' Report on Compliance For Each Major Federal Program; Independent Auditors' Report on Internal Control Over Compliance; Independent Auditors' Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and the Schedule of Findings and Questioned Costs. Please read all information included in those reports to ensure you are aware of relevant information.

Report on Required Supplementary Information

We applied certain limited procedures to management's discussion and analysis and the remaining required supplementary information (RSI) as described in the table of contents of the financial statements that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Report on Other Supplementary Information

We were engaged to report on other supplementary information as described in the table of contents of the financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Annual Comprehensive Financial Report

The School District's audited financial statements are included in their annual comprehensive financial report. Our responsibility for the other information contained in the annual comprehensive financial report does not extend beyond the financial information identified in our audit report. We do not have an obligation to perform any procedures to corroborate the other information contained in the introductory section and statistical section. However, we read the other information and considered whether such information, or the manner of its presentation, was materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, was materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Restriction on Use

This information is intended solely for the information and 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.

Yeo & Yeo, P.C.

Troy, Michigan

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Royal Oak Schools

Financial Statements

June 30, 2025



ROYAL OAK SCHOOLS
A COMMUNITY OF EXCELLENCE

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YEO & YEO

BUSINESS SUCCESS
PARTNERS

Annual Comprehensive Financial Report

of

Royal Oak Schools

Royal Oak, Michigan

As prepared by the Finance Department

For the Fiscal Year Ended June 30, 2025

Mary Beth Fitzpatrick
Superintendent of Schools

Katherine Abela
Executive Director, Finance & Operations

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INTRODUCTORY SECTION

DRAFT



Board of Education
800 DeVillen
Royal Oak, Michigan 48073

(248) 435-8400
FAX (248) 288-8700

DRAFT

The Board of Education
Royal Oak Schools
800 DeVillen
Royal Oak, Michigan 48073

Dear Board Members:

This letter of transmittal is intended to provide an overview of the financial condition of Royal Oak Schools from the perspective of the Superintendent and the Executive Director, Finance & Operations. It serves as an introduction to our Annual Comprehensive Financial Report for the fiscal year, which ended June 30, 2025. The Annual Comprehensive Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes the District's organizational chart and this transmittal letter. The financial section includes the members of the Board of Education and Administration, Management's Discussion and Analysis, the Independent Auditor's Report, district-wide financial statements, fund financial statements, and notes to the financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. For an additional narrative about the financial performance of the District, please direct your attention to the Management's Discussion and Analysis.

The report has been prepared by the District's Finance Office, with responsibility for accuracy and completeness of the report resting with the District. This report was prepared in accordance with generally accepted accounting principles. The basic financial statements have been audited by the firm of Yeo & Yeo, an independent auditor, and the report is preceded by their unmodified opinion.

The District

Royal Oak Schools is a suburban district located two miles north of the City of Detroit. It is a fiscally independent school district governed by a seven-member elected Board of Education. In fiscal year 2025, the District operated six K-5 elementary schools, one 6-8 middle school, one 9-12 senior high school, an early childhood center, a community education center, an alternative high school, an administration building, and a maintenance/transportation facility

Student Services Provided

The District provides a comprehensive public education program from pre-kindergarten through twelfth grade, as well as outstanding continuing and alternative education programs. In addition, a wide array of special education programs and services are offered to eligible students, ranging from children in early intervention and early childhood developmentally delayed programs to students reaching the age of 26. The high school, middle school, all elementary schools, and continuing education are fully accredited by Cognia. In addition, the District operates preschool and before and after-school programs as a part of the wide array of services that are provided to the community.

The curriculum of the District is a broad-based curriculum designed to meet the individual needs of all students, including the regular daytime, academically talented, at-risk, special needs, and adult continuing education students. In addition, students have many opportunities to participate in extra-curricular activities, including athletics, music, drama, clubs, and numerous other special interest activities.

Accounting System and Budgetary Control

The Governmental Funds of Royal Oak Schools are presented in accordance with statements issued by the Governmental Accounting Standards Board (GASB). The District adheres to budgetary policies and procedures established by the Board of Education, which include multiple reviews of the budget throughout the year, with amendments submitted to the Board of Education for approval. The District utilizes a detailed line item budget prepared according to the guidelines in Bulletin 1022 (Revised), the State of Michigan's School Accounting Manual. Executive and building-level administrators are delegated the responsibility for controlling expenditures within their respective areas of responsibility, in accordance with Board policies and procedures. The existing budgetary and internal accounting controls system provides reasonable assurance that errors or irregularities that could be material to the financial statements are prevented or would be detected within a timely period. Refer to Note 1 in the Financial Section of the report, which specifically outlines significant accounting policies of the District.

State School Finance System

In the 1994-95 fiscal year, fundamental and dramatic changes in Michigan school finance were implemented, and today, we are still feeling the effects of this shift in school funding from local to state control. These changes significantly reduced local sources of revenue (property taxes) and increased the reliance on State funding. Currently, funding received by each school district is based on the number of students and the per-pupil foundation allowance received for each student. Any increase or decrease in the per-pupil foundation allowance from year to year is directly tied to available revenue in the State School Aid Fund. Under this funding system, school districts depend on the State for their revenue. With the unprecedented economic downturn of the past decade in the State of Michigan, along with state budget decisions, school districts have faced significant financial challenges, including declining revenues, rising costs, and increasing demands for student achievement.

Royal Oak Schools has experienced declines in enrollment for several years, as the community's demographics have shifted. In the 2024-25, Royal Oak Schools saw a decrease in student enrollment of about 18 pupils.

From a local district's perspective, the school funding system instituted following the passage of Proposal A in 1994 has not lived up to its promise of adequately funding public education. Over time, increases in the per-pupil foundation allowance have not kept pace with inflation.

In many of those years, money promised and committed to local school districts has been taken away mid-year by the State of Michigan due to insufficient State revenue and the inability of State lawmakers to make the necessary structural changes in the State budget. Decisions by the state to fund higher education through the school aid budget have eroded funding available for K-12 schools, even as revenue and expenditures in the school aid budget rebound. Insufficient state funding for education has placed a significant financial burden on all school districts across the state when wage, benefit, retirement, and utility costs are increasing at rates above inflation. The dependence upon sales tax and statewide property tax revenue for school funding will continue to result in significant cyclical effects tied to the economy's performance. Any future increase in the District's per-pupil foundation allowance will be based on the growth in sales tax, statewide property tax, and other state revenue. As a result, there are very serious concerns about the financial impact of Michigan's current and future economic downturns on the revenue stream for the State School Aid Fund. The financial outlook for Michigan school districts remains challenging. The \$470 reduction in per-pupil funding adopted by the State Legislature in 2012-13 continues to have a lingering effect. School districts across Michigan continue to face financial uncertainty. The 2021-22 school year was the first time all school districts received the same base foundation allowance.

Revenue Base

The District is supported primarily by funding received from State sources. Most of this State funding is based upon two components: a per-pupil foundation allowance and the number of students enrolled in the District on the two official count days, one in October and the other in February. This reliance on State revenue as a funding source in the General Fund is illustrated as follows:

	Amount	Percentage of Total
Local Sources	\$ 30,160,656	35.89%
State Sources	\$ 42,820,763	50.96%
Federal Sources	\$ 3,303,792	3.93%
Interdistrict Sources	\$ 7,744,387	9.22%
Total Revenue	\$ 84,029,598	100.00%

Local Sources are comprised mainly of local property taxes, facility rentals, and miscellaneous fees. Property tax revenue is a function of two variables: taxable valuation of property located in the District and the millage rate. The real and personal property within the District is assessed at the rate of 50% of true cash value. However, there is a cap on the annual growth in taxable valuation. This annual growth is limited to the rate of inflation or 5%, whichever is less. In 2024-25, the operating millage rate for Royal Oak homeowners was 1.1072 mills and 18.0000 mills for businesses.

A comparison of 2024-25 General Fund revenue to the prior year reveals the following:

	<u>2024-25</u>	<u>2023-24</u>	Increase (Decrease)	(Decrease) By Source
Local Sources	\$ 30,160,656	\$ 28,833,142	\$ 1,327,514	4.60%
State Sources	\$ 42,820,763	\$ 43,334,380	\$ (513,617)	-1.19%
Federal Sources	\$ 3,303,792	\$ 4,246,717	\$ (942,925)	-22.20%
Interdistrict Sources	\$ 7,744,387	\$ 6,974,458	\$ 769,929	11.04%
Total Revenues	<u>\$ 84,029,598</u>	<u>\$ 83,388,697</u>	<u>\$ 640,901</u>	<u>0.77%</u>

The increase in Local Sources of \$1.3 million is primarily attributed to the rise in local property values. More of the foundation allowance was collected locally than from State sources, a function of the pupil foundation allowance. In addition, there is an increase in the interest collected on investments.

The net decrease in State Sources of \$513,617 resulted primarily from the elimination of Section 97 (School Safety) and 22i (Educator Compensation Fund).

The \$942,925 decrease in federal sources was primarily due to the expiration of ESSER III and 11t federal government grants on 9/30/2024.

The increase in Interdistrict Sources of \$769,929 was due to the increase in Public Act (PA) 18 county distributions. PA 18 is a special education millage rate levied on all of Oakland County, collected by the Oakland Intermediate School District, and distributed to all Local Education Agencies.

In November 2020, the electors of the District approved a renewal of the operating property tax levies that maintain current per-pupil revenue levels. This renewal was for a ten-year period and represents an important element of financial stability. This operating millage will remain in effect through the end of the 2030-2031 fiscal year.

Expenditures

Expenditures and Other Financing (Sources) Uses for the General Fund totaled \$84,081,311 for the year ended June 30, 2025. The amount of expenditures for various functions and the percent of the total expenditures are as follows:

<u>Function</u>	<u>Amount</u>	<u>% of Total</u>
Instruction:		
Basic Programs	\$ 34,175,304	40.65%
Added Needs	14,010,779	16.66%
Continuing Education	236,556	0.28%
Total Instruction	48,422,639	57.59%
Support Services:		
Pupil Services	10,608,046	12.62%
Instructional Services	4,126,904	4.91%
General Administration	648,610	0.77%
School Administration	3,832,248	4.56%
Business Services	10,922,940	12.99%
Central Staff	2,362,814	2.81%
Athletic Activities	1,177,375	1.40%
Other	33,274	0.04%
Total Support Services	33,712,211	40.09%
Payments to other governmental units	1,206,171	1.43%
Community Services	90,288	0.11%
Total Expenditures	83,431,309	99.23%
Other Financing Uses	(650,002)	-0.77%
Total Expenditures and Other Financing Sources Uses	<u>\$ 84,081,311</u>	<u>100.00%</u>

A comparison of 2024-25 General Fund expenditures to the prior year is as follows:

Function	2024-25	2023-24	Increase (Decrease)	% Increase (Decrease) By Source
Instruction:				
Basic Programs	\$ 34,175,304	\$ 34,182,175	\$ (6,871)	-0.02%
Added Needs	14,010,779	13,356,569	654,210	4.90%
Continuing Education	236,556	252,616	(16,060)	-6.36%
Total Instruction	48,422,639	47,791,360	647,339	1.35%
Support Services:				
Pupil Services	10,608,046	9,478,592	1,129,454	11.92%
Instructional Services	4,126,904	4,200,079	(73,175)	-1.74%
General Administration	648,610	672,474	(23,864)	-3.55%
School Administration	3,832,248	3,629,706	202,542	5.58%
Business Services	10,922,940	11,798,741	(875,801)	-7.42%
Central Staff	2,362,814	2,247,173	115,641	5.15%
Athletic Activities	1,177,375	1,111,206	66,169	5.95%
Other	33,274	472,246	(438,972)	-92.95%
Total Support Services	33,712,211	33,610,217	101,994	0.30%
Payments to other governmental units	1,206,171	946,294	259,877	27.46%
Community Services	90,288	74,483	15,805	21.22%
Debt Service	-	-	-	0.00%
Total Expenditures	83,431,309	82,422,354	1,008,955	1.22%
Other Financing Uses	(650,002)	(1,119,994)	469,992	-41.96%
Total Expenditures and Other Financing Sources Uses	\$ 84,081,311	\$ 83,542,348	\$ 538,963	0.65%

The most significant dollar changes from 2023-24 to 2024-25 can be explained as follows:

The 93% decrease in Other was due to the payment of a COVID-related stipend to staff in the 2023-2024 school year. This is one-time grant funding, and in the 2024-25 year, it returned to its normal level.

The 20% increase in Community Services was due to a change in the proportionate share services provided to the non-public schools within the City of Royal Oak.

The 42% decrease in Other Financing Uses is primarily due to a reduction in the transfer to the Community Service Fund.

Fund Balance

The District ended the fiscal year 2025 in stable financial condition; however, we remain cautious as the State continues to discuss the funding system for K-12 education. The General Fund's fund balance of \$16,609,063 achieves the stated goal of 15% of expenditures and other financing uses. A conscious effort was made several years ago to establish an adequate fund balance level to support cash flow needs, prevent borrowing, maintain adequate reserves during economic downturns, and provide for unforeseen emergencies. Our District has achieved this goal; however, the current financial challenges and uncertainty of school funding have made maintaining stable fund equity a significant challenge. It should also be noted that a portion of the fund balance is assigned for specific uses. These include assignments for the subsequent year's budget and compensated absences. The unassigned fund balance of \$10.3 million at the end of fiscal year 2025 represents 11.7% of expenditures and other financing uses.

Debt Service

The millage levied in fiscal year 2025 was 2.20 mills. There are two outstanding debt issues: the 2020 and 2025 bonds. During the 2024-2025 fiscal year the 2018 bonds were refunded with a net saving to taxpayers. The 2018 & 2020 bonds issued were for the \$59.9 million bond work approved by voters in November 2017. The total fund balance in the debt retirement funds of \$992,670, along with anticipated tax revenues, is adequate to meet our future years' debt obligation and interest payments, provided our property tax values remain relatively stable.

Fiscal Planning

The District adopts an annual budget for the general fund and special revenue funds as required by legislation. The general fund budget is amended three times during the fiscal year to ensure all stakeholders are continually aware of the district's available resources and changes.

A comprehensive evaluation of all buildings' infrastructure needs was performed several years ago and was updated in 2021-22 fiscal year. This facility assessment included evaluating the electrical and mechanical systems, roofing, plumbing, site, sidewalks, parking lots, heating and cooling, and safety issues.

In November 2012, the Royal Oak Community approved a 1 mill sinking fund that provides a dedicated revenue source to renovate our facilities for 10 years. In November 2022, the community renewed and restored the sinking fund to 1 mill for 10 years.

In November 2017, the voters of Royal Oak supported a \$59.9 million bond. The first series of bonds for \$23,725,000 were sold in January 2018 with interest and principal paid over 10 years. Work began in the spring of 2018 on the athletic plaza at Royal Oak High School. During the 2018-19 year, renovations began on Royal Oak High School, Oak Ridge Elementary, and Keller Elementary. The second and final series of bonds for \$33,029,835 were sold in January 2020 with interest and principal paid over 8 years. During the 2019-20 year, renovations began at Oakland Elementary, and the work continued at Royal Oak High School. The 2020-21 year renovations began at Addams Elementary and Upton Elementary. The final phase of the projects began during the 2021-22 year at Northwood Elementary, Royal Oak Middle School, Churchill Community Education Building, and the Maintenance & Transportation Center.

Since the current State funding system closely ties our revenue to student enrollment, the District's enrollment projection efforts have utilized an outside firm with expertise in enrollment forecasting. These forecasts have had a very high correlation to actual results. The importance of an established long-range planning process and model, with extremely accurate enrollment projections, will continue to be especially important in the upcoming years.

Since student enrollment is critical to the District's financial well-being, several short- and long-term initiatives have been developed to address this issue. Once again, the District successfully participated in the Schools of Choice Program during fiscal 2025. This program allows students in other Oakland County districts to enroll in our District. This program has enabled the District to generate revenue to maintain programs despite declining resident students. For the fiscal year 2025, this program used a targeted, space-available, and grade-specific approach.

Other long-term initiatives have been implemented to maintain student enrollment. These include an Early Childhood Center that provides Preschool services and introduces families to Royal Oak Schools at an early age. Numerous other initiatives have also been implemented, some of which included Board of Education and citizen-based advisory committees, community-based decision-making on facility consolidation, efforts in District-wide public relations and marketing, and curriculum updates.

We will proceed with caution as we develop amendments and prepare the following fiscal year's budget, as there remains uncertainty in the School Aid Fund and pupil enrollment.

Other Financial Highlights

The District maintains a prudent and fiscally conservative cash management program. The General Fund investment income earned was \$1.8 million. This amount results from the interest rate environment and the decision to invest District funds with MILAF (Michigan Liquid Asset Fund).

During the fiscal year, four union groups were recognized within the District. We have successfully negotiated contracts with all four groups, and settled contracts are in place for the 2025-2026 school year.

During 2010-11, the District privatized custodial, maintenance, grounds and transportation services. This difficult decision was necessary to reduce expenditures, balance the budget, and ultimately preserve instructional programs. The transition to contracted services was a tremendous success. Additionally, non-mandated general education transportation was also eliminated in 2010-11 and was necessary for the future financial stability of the District.

The 2012-2013 school year was the first year technology services were provided through an intergovernmental agreement with Oakland Schools. This model for technology services has resulted in lower costs and enhanced district-wide technology planning and support.

The District has two tax capture authorities within its boundaries: a Downtown Development Authority (DDA) and the Royal Oak Brownfield Redevelopment Authority. Such authorities use tax revenue generated from property value growth above a base year value in a defined geographic area to finance public infrastructure improvements. The stated purpose of these authorities is to increase the desirability of the defined area to encourage economic growth and activity. The DDA has met all of its financial obligations and returned excess captured tax revenue to the respective taxing units, including our school district.

To cope with the ever-increasing economic uncertainty, rising costs, and declining revenue, the District has implemented several expenditure and revenue enhancement strategies over the past few years. These include an early return to work program for employees on workers' compensation, energy performance contracts, increased summer staff development activity, increased fees for facility usage, use of a targeted Schools of Choice Program, building consolidation, standardized office automation software and hardware, purchasing card usage, purchase of software and hardware to handle administrative functions, summer team cleaning of buildings, a health insurance dependent eligibility audit, advertising, development of a Quality Assurance Plan for custodial operations, implementation of a preventive maintenance program for facilities, use of a computerized bus routing system, elimination of general education transportation, restructured special education services, improved effectiveness of the facility rental process, an automated substitute calling system, and the direct purchase of fuel and electricity.

Curriculum Highlights

School Quality/District Improvement

The District and school staff are engaged in an ongoing process to address school improvement and school quality. A framework for school improvement from MDE called the Michigan Integrated Continuous Improvement Process (MICIP) is utilized to evaluate current practice and make changes to ensure continuous improvement. As part of the MICIP process, we worked at the building and district level to identify specific goals and strategies that would support the goals and strategies. Our district landed on our MICIP goal of assuring the wellness of staff and students. The district annually monitors academic goals, non-academic goals, and systems goals. During the 25-26 school, we are planning on adding some more direct specific goals around student achievement.

The District continues to use the model of a School Quality Team, comprised of administrators and teacher leaders from each school. This Team focuses on the implementation of Multi-Tiered Systems of Support and oversees the collection and use of student data for decision-making purposes. In 2024-2025, Royal Oak maintained the school culture component to our data-driven learning in Multi-tiered Systems of Support (MTSS). Social Emotional Learning and Trauma-informed Instruction are key components that fall under the MTSS umbrella.

Accreditation

The high school, middle school, all elementaries and continuing education are fully accredited through Cognia, as well as by the Michigan Department of Education. We were last accredited by Cognia in the Spring of 2025 for a five year cycle. As part of the Spring of 2025 Royal Oak Schools engaged in a System Engagement Review by Cognia. This was an external review of the systems the district has in place. The District received district wide accreditation as a result of the review and will remain fully accredited for through the 30-31 school year. During the 25-26 school year, we're starting to identify key stakeholder information to get to begin our next accreditation cycle with Cognia and have already started the process of identifying our system specific goals and areas of review. Both Cognia and MDE set rigorous standards for accreditation. The accreditation process focuses on documented enhanced student achievement for both the individual student as well as the instructional program as a whole.

Curriculum and Instruction Overview

The District's comprehensive curriculum, which provides focus and direction for classroom instruction, is continuously evaluated and redesigned to meet the needs of our students. Curriculum renewal occurs through a process that involves all stakeholders in the learning community, including students, staff, parents, and community members. All students are prepared with the knowledge, skills, and behaviors that are essential for the future. Through their years of school, Royal Oak students receive instruction in reading, writing, communication, mathematics, social studies, and science. World languages, fine and performing arts, physical education, health, and career education are included at all levels of the curriculum.

Keller Elementary School received the designation as an authorized International Baccalaureate Primary Years Program in the spring of 2011 and has been reauthorized several times since then. Their last authorization was in the spring of 2021. Royal Oak Middle School and Royal Oak High School received full authorization as International Baccalaureate (IB) World Schools in the Spring of 2015. Our Middle Years Program was reauthorized in the spring of 2022. In Spring of 2018, Royal Oak High School became authorized for the IB Diploma Program. All three of these schools are implementing inquiry-based learning methods, which are student-centered approaches that encourage inquiry, exploration, and problem-solving. During the 23-34 school year, our IB Diploma program successfully completed their review with IB. The feedback received as part of the evaluation cycle and visit has been used to establish new goals for the 25-26 school year.

Royal Oak High School is well poised to take on the challenges of the rigorous graduation requirements mandated by the State. The high school has curricular programs for the graduating classes of 2026 and beyond to meet these challenges. At the same time, the high school has focused on "Learning for All" in efforts to leave no student behind during this transition to stronger graduation requirements. In recent years, Royal Oak High School was named by US News and World Report as one of the top fifty high schools in the state of Michigan.

Core Curriculum

Royal Oak Schools has created a system-wide K-12 Learning Council, comprised of teachers and administrators across all grades and subjects. The charge of this team is to review, develop, and refine instructional programs and practices to meet the high standards as set by the team. Royal Oak is currently engaged in a process to plan, create and implement the Common Core Standards for Math and ELA (including literacy skills in both Science and Social Studies). In the 2014-2015 school year, the Royal Oak Board of Education approved new curriculum in the areas of ELA, Math, and World Languages. In the spring of 2017, the K-12 Science Curriculum Team began work to develop and align our Science curriculum to the New Generation Science Standards (NGSS).

Language Arts

The District's Language Arts curriculum meets or exceeds state content expectations in all areas. In the early grades, students work on different literacy skills to become fluent readers. At the same time, they hone their communication and writing skills. In the upper grades, students read fiction and non-fiction in all content areas to gain knowledge and develop their skills. Writing skills become increasingly important as students are expected to express their ideas and demonstrate mastery through written language. In the 2023-2024 school year, the Royal Oak Board of Education approved new curriculum in the area of ELA. The pilot process will start during the 24-25 year and we will follow our curriculum cycle review

Math

Our math curriculum is both broad and deep, ensuring that all students will master the math content expectations as laid out by the State. Students at all levels work toward mastering computational math skills. Equal emphasis is placed on math concepts and operations to ensure that students develop the problem-solving skills needed for the 21st century. In the 2022-2023 school year our K-12 math curriculum was updated to include new Math Bridges curriculum resources at the elementary and math Envisions and Reveal programs for the middle and high school.

Science

The District has recently evaluated our entire science curriculum to ensure compliance with the latest State content expectations. In the early grades, students are exposed to science concepts and the scientific method through hands-on experiences in the classroom as well as age-appropriate science texts. In the upper grades, students make use of written content and science labs. Physical, Life, and Earth Science are covered throughout the curriculum. In the spring of 2023, the K-12 Science Curriculum Team began work to develop and align our Science curriculum to the New Generation Science Standards (NGSS).

Social Studies

In the early grades, students spend time on topics such as family, community, economics and state and regional themes. In the upper grades, students learn about the ancient and modern world as well as different civics issues. Economics, Geography, History and Government are strands throughout the K-12 Social Studies curriculum.

Individualized Instruction

The District has a tiered process in place to monitor the progress of each student. When necessary, a child's progress is reviewed by a team of educational professionals, and interventions are put into place to meet the unique needs of each student. District leadership works with the classroom teacher, support staff, administration, and the family to ensure all student needs are met. Advanced and accelerated work is available at all grade levels to students who are ready for additional challenges.

The District is committed to meet the needs of all students. A collaborative, individualized approach is used to identify those needs. Special Education students have support in the general education classroom and with special education staff who work with them to reach their maximum potential.

Instructional Technology

Instructional Technology is integrated into the curriculum to address different learning styles, to provide access to a wide array of information, and to encourage real-world application of academic content and skills. All elementary and secondary schools in Royal Oak have excellent media centers and support staff who are trained in applications of multi-media materials and technology. Royal Oak Schools has initiated a partnership with Oakland Schools Technology Services Department to formalize technology integration initiatives for the classroom, as well as professional development for teachers and administrators.

Assessment

The District's Instruction Office maintains a prescribed assessment program to monitor the progress of individual students as well as the effectiveness of our instructional programs. The District uses common assessments at all grade levels to evaluate student progress and to improve instructional practices. The District Uses AIMSWeb (Academic Improvement Monitoring System) and iReady testing to collect academic growth data on students in grades K-10. The information collected is norm-referenced. The Michigan M-Step is administered in the spring to all students in grades 3-8 and grade 11.

Classroom and Common Assessments are administered to monitor student achievement and to guide instructional decision-making. A formal system has been put in place to manage and communicate all assessment data and associated information.

Communication

Communication between home and school has never been more important. The District utilizes multiple tools to stay connected with our stakeholders. All staff members are reachable via telephone or email. Parent-teacher conferences are scheduled in the fall and spring. Each school holds an informational curriculum night at the beginning of the school year to acclimate families to the school and its offerings. Many staff members maintain classroom websites where students and parents can go for the latest information and direction for more classroom enrichment opportunities. The District is pleased to provide parents with online access to student information regarding academic progress, grades, and daily attendance using Mi-Star Parent Connect. Another form of communication with students and parents that teachers use in grades 6-12 is Canvas. The Canvas learning platform helps create the foundation for increased student and parent engagement with teachers and across multiple content areas.

In Appreciation

The preparation of this report could not have been accomplished without the commitment and dedication of a fine Business Office staff. Special commendation is extended to the Finance Department and the professional auditing staff of Yeo & Yeo for their desire to produce a comprehensive, easily readable, and effectively organized Annual Comprehensive Financial Report.

This School District is highly committed to a program of excellence. A dedicated Board of Education has adopted sound policies that facilitate the continued growth and improvement of the total school program.

In addition, a wide array of support is provided by parents, students, employees, citizens, civic organizations, and hundreds of volunteers, enabling the District to achieve its high goals. For this continued support, we are most grateful!

Respectfully submitted,



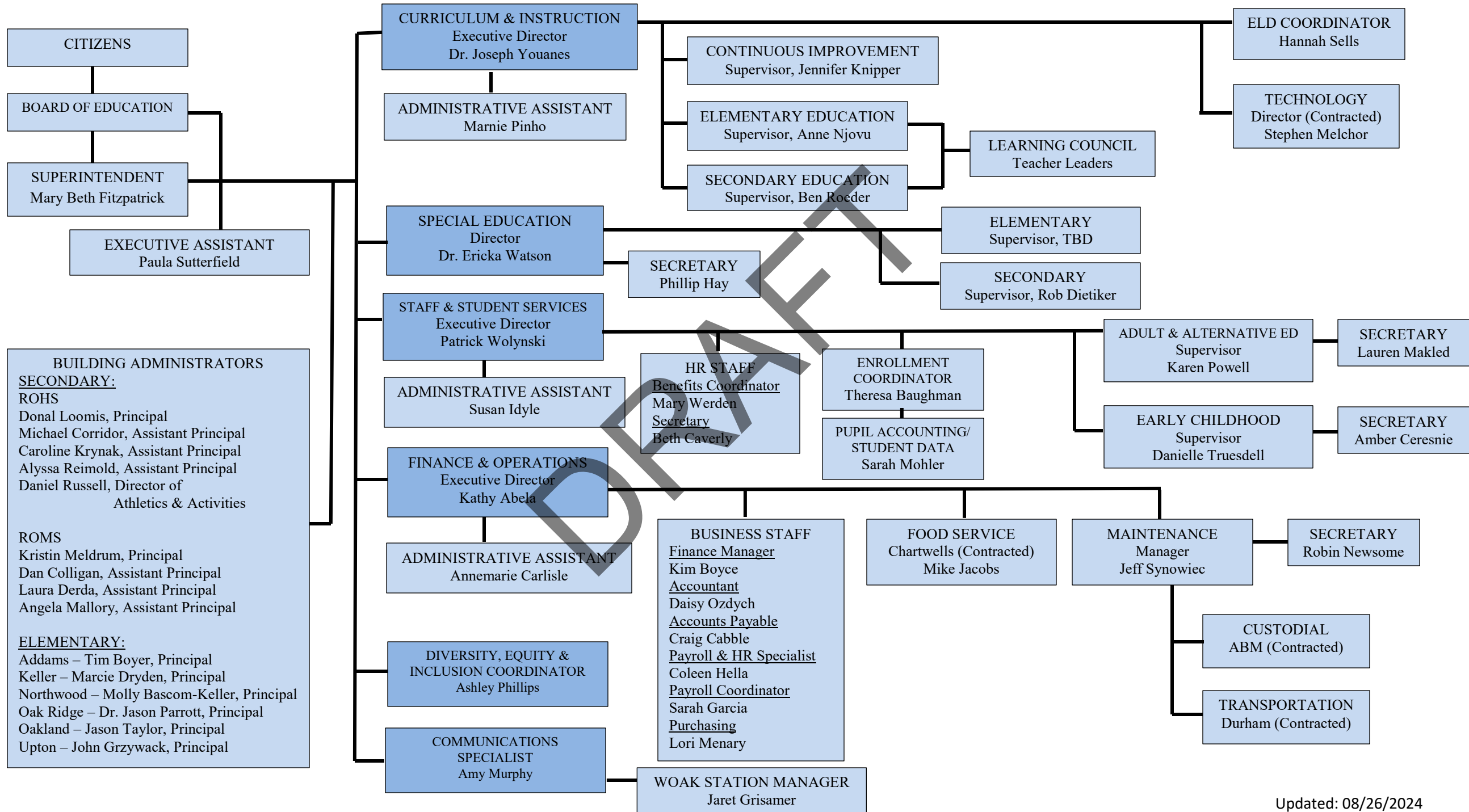
Mary Beth Fitzpatrick
Superintendent of Schools



Katherine Abela
Executive Director, Finance & Operations

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ORGANIZATIONAL CHART 2024-25



FINANCIAL SECTION

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Royal Oak Schools
Members of the Board of Education and Administration
June 30, 2025

Members of the Board of Education

Tim Cierchorski	President
Erika Alexander	Vice President
Michelle Cook	Treasurer
Deborah Anderson	Secretary
Maryanne Vanhaisma	Trustee
Lauren Jasinski	Trustee
Matt Wickey	Trustee

Administration

Mary Beth Fitzpatrick	Superintendent of Schools
Katherine Abela	Executive Director, Finance & Operations

Board of Education Regular Meetings: Second Thursday of each month

Accreditation: Cognia

Independent Auditors' Report

Management and the Board of Education
Royal Oak Schools
Royal Oak, MI

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Royal Oak Schools, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Royal Oak Schools' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Royal Oak Schools, as of June 30, 2025, and the respective changes in financial position 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 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 Royal Oak Schools, 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 Royal Oak Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards 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 Royal Oak Schools' 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 Royal Oak Schools' 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, budgetary comparison information, schedule of the school district's proportionate share of the net pension liability, schedule of the school district's pension contributions, schedule of the school district's proportionate share of the net OPEB liability (asset), and schedule of the school district's OPEB contributions 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Royal Oak Schools' 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 other supplementary information, as identified in the table of contents, other than the prior year 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, other than the prior year information, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior Year Supplementary Information

We also have previously audited, in accordance with auditing standards generally accepted in the United States, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, Royal Oak Schools' basic financial statements as of and for the year ended June 30, 2024, which are not presented with the accompanying basic financial statements. In our report dated September 6, 2024, we expressed unmodified opinions on the respective basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise Royal Oak Schools' basic financial statements as a whole. The 2024 information in the comparative supplementary schedules is presented for purposes of additional analysis and is 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 2024 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 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 2024 information in the comparative supplementary schedules is fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated DRAFT on our consideration of Royal Oak Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Royal Oak Schools' 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 Royal Oak Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Troy, MI

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Royal Oak Schools
Management's Discussion and Analysis
June 30, 2025

This section of the Annual Comprehensive Financial Report presents management's discussion and analysis of the District's financial position and results of operations for the year ended June 30, 2025. It should be read in conjunction with the District's financial statements, which immediately follows this section.

Understanding the Annual Comprehensive Financial Report

The Annual Comprehensive Financial Report consists of a series of financial statements and notes to those statements. The statements are organized in a way to assist the reader in understanding the overall financial condition of the School District. The *District-wide Financial Statements* provide data regarding the financial activities of the entire School District. The *Fund Financial Statements* provide the next level of detail. They present the School District's financial position and the results of operations in more detail than the District-wide Financial Statements and illustrate the various sources of funding used to support the instructional and support service programs of the District. The major funds of the District are presented separately. All other funds are combined and presented in one column labeled as Non-Major Funds. The Annual Comprehensive Financial Report is arranged as follows:

Financial Section

- Basic Financial Statements
 - District-wide Financial Statements
 - Fund Financial Statements
 - Notes to Financial Statements

- Required Supplemental Information
 - Budgetary Comparison Schedule – General Fund
 - Schedule of School District's Proportionate Share of Net Pension Liability
 - Schedule of School District's Pension Contributions
 - Schedule of School District's Proportionate Share of Net OPEB Liability
 - Schedule of School District's OPEB Contributions

- Other Supplemental Information
 - Combining Balance Sheet - Nonmajor Governmental Funds
 - Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds
 - Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Budget to Actual – Special Revenue Funds
 - Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Budget to Actual – Debt Service Funds
 - Combining Statement of Revenue, Expenditures, and Changes in Fund Balance – Capital Projects Fund
 - Schedule of Outstanding Bonded Indebtedness

- Statistical Section

Royal Oak Schools
Management's Discussion and Analysis
June 30, 2025

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

The Statement of Net Position and the Statement of Activities, which appear first in the School District's financial statements, report the financial information of the School District as a whole. These schedules assist the reader in assessing the School District's financial condition as a result of the year's activities. These statements include all assets and liabilities, and are presented using the accrual basis of accounting, the accounting method used by most private-sector companies. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

These two statements report the District's net position, the difference between assets and liabilities, as one of many ways to measure the School District's financial position. Over time, increases or decreases in net position, as reported in the Statement of Activities, are indicators of whether the financial condition of the District is either improving or declining. The difference between revenues and expenditures represents the School District's operating results. It is important to remember that the District's primary mission is to provide outstanding instructional programs and support services to the students in the District, not to generate profits as commercial entities do. There are many other non-financial factors that must be considered when assessing the overall well-being of the School District. These include the quality of the educational services provided, student safety, standardized student test scores, and the wide array of programs and services provided to the community.

In addition, the Statement of Net Position and the Statement of Activities report the governmental activities of the School District. These activities encompass all of the School District's services, including instruction, supporting services, community services, athletics, special education and food services. Property taxes, unrestricted State Aid (foundation allowance revenue), and State and federal grants provide the funding for most of these activities.

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

The Fund Financial Statements provide detailed information for the various funds used in the District. Some funds have been established because they are required by State law or bond covenants. Other funds have been established by the District to help control and manage financial resources that are used for specific purposes such as Food Service, Community Services, and the Student & District Activities Fund. Funds are also established to meet legal responsibilities for certain taxes, grants, bonds and property maintenance revenue. The governmental funds of the School District use the following accounting approach:

Governmental funds - All of the School District's services are reported in governmental funds. The financial reporting in these funds focuses on the revenue and expenditures and the balances remaining at year end. Transactions are accounted for using the modified accrual method of 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 financial view of the operations of the School District. Governmental fund statements provide information to illustrate whether there has been an increase or decrease in available financial resources that can be expended in future years. The relationship between governmental activities and governmental funds is illustrated in a reconciliation included in the financial section on page 4-6.

Royal Oak Schools
Management's Discussion and Analysis
June 30, 2025

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a comparative summary of the School District's net position as of June 30, 2025 and June 30, 2024.

		Governmental Activities	
		2025	2024
Assets		(In millions)	
Current and other assets		\$ 59.4	\$ 48.2
Capital assets		141.3	154.6
Total assets		<u>200.7</u>	<u>202.8</u>
Deferred outflows of resources		29.5	41.4
Total assets and deferred outflows of resources		<u>\$ 230.2</u>	<u>\$ 244.2</u>
Liabilities			
Current liabilities		\$ 14.1	\$ 14.7
Long-term liabilities		107.9	144.9
Total liabilities		<u>122.0</u>	<u>159.6</u>
Deferred inflows of resources		51.7	37.7
Total liabilities and deferred inflows of resources		<u>173.7</u>	<u>197.3</u>
Net Position			
Net investment in capital assets		118.5	124.7
Restricted		25.9	5.3
Unrestricted		(87.9)	(83.2)
Total Net Position		<u>\$ 56.5</u>	<u>\$ 46.8</u>

The previous schedule (Table 1) reports the net position of the District. The School District's net position was \$56.5 million and \$46.8 million at June 30, 2025 and 2024, respectively. Net investment in capital assets totaled \$118.6 million. This represents the original cost of the School District's capital assets less accumulated depreciation, and net of the long-term debt used to finance the acquisition of those assets. General obligation long-term debt will be repaid from voter-approved property tax collections as the principal and interest comes due. Restricted net position is reported

Royal Oak Schools
Management's Discussion and Analysis
June 30, 2025

separately to highlight any legal constraints included in debt covenants and legislation that may limit the School District's ability to use those net position for day-to-day operations. The unrestricted net position is \$(87.9) million.

The \$(87.8) million in unrestricted net position of governmental activities represents the *cumulative* results of all past years' operations and includes the GASB 68 Unfunded Liability & GASB 75, which is fully funded.

The results of this year's operations for the School District as a whole are reported in the Statement of Activities (Table 2), which shows the changes in net position for fiscal year 2025 and fiscal year 2024.

<u>Table 2</u>	<u>Governmental Activities</u>	
	2025	2024
Revenues	(In millions)	
Program revenue:		
Charges for services	\$ 1.9	\$ 2.2
Operating grants and contributions	34.9	33.3
General revenue:		
Property taxes	40.2	38.0
State foundation allowance	23.3	25.0
Other	2.6	3.0
Total revenue	\$ 102.9	\$ 101.5
Functions/Program Expenses		
Instruction	47.7	45.7
Supporting services	32.5	31.1
Food services	2.9	2.7
Community services	1.2	1.1
Student and district activities	1.1	0.9
Interest and fiscal charges on long-term debt	0.7	0.7
Depreciation (unallocated)	7.1	7.9
Total functions/program expense	93.2	90.1
Increase in Net Position	\$ 9.7	\$ 11.4

Royal Oak Schools
Management's Discussion and Analysis
June 30, 2025

As reported in the Statement of Activities, the expenditures for all *governmental* activities this year was \$93.1 million. Certain activities were partially funded from those who benefited from the programs (\$1.9 million). In addition, other governmental units and organizations subsidized certain programs with grants and contributions (\$34.9 million). The remaining "public benefit" portion of our governmental activities was funded with \$40.2 million in taxes, \$23.3 million in State foundation allowance, and \$2.6 million in other revenues, such as interest earnings, proceeds from the sale of property and general entitlements.

During fiscal year 2025, the School District experienced a increase in net position of approximately \$9.7 million.

As discussed above, the net cost of the programs and activities offered in the District illustrates the impact each program has on the resources of the District. Since property taxes for operations and unrestricted state aid constitute the vast majority of the District's operating revenue sources, the Board of Education and administration must annually evaluate and prioritize the needs of the District and balance those needs with the limited available resources.

The School District's Funds

Individual funds are used by the District to control and manage resources that are dedicated for specific purposes. The following overview of these funds will demonstrate the District's strong financial stewardship over the resources provided by the taxpayers. These funds, taken individually and collectively, also provide additional insight into the District's financial condition.

At the end of fiscal year 2025, the governmental funds reported a combined fund balance of approximately \$29.8 million, which represents a decrease of \$1.2 million from last year. The changes in fund balance, major, and non-major funds are as follows:

In the General Fund, the fund balance decreased by approximately \$51,000 for a total year-end fund balance of \$16.6 million. A portion of the General Fund's fund balance is assigned for specific purposes, with the remaining unassigned portion available for unforeseen emergencies. This level of fund balance meets the target of 15% of expenditures and provides the District with sufficient resources to handle unforeseen emergencies, prevent cash flow borrowing, and cover potential state revenue shortfalls.

The Special Revenue Funds combined fund balance decreased by approximately \$1.1 million from the prior year. There were decreases in each of the food service fund, community service fund, and the student activities fund.

The Debt Service Funds have a fund balance of approximately \$1.0 million, a decrease of \$0.5 million from last year. The Debt Retirement millage rate remained at 2.20 mills. The millage rate is determined annually to ensure that the School District accumulates sufficient resources to pay principal and interest obligations of the bonded debt. Debt Service fund balances are reserved and are only used to pay debt service obligations.

The combined Capital Projects Funds' fund balance decreased approximately \$0.5 million from the prior year. This was primarily due to capital outlay in the Sinking Fund and 2020 Bond Fund.

Royal Oak Schools
Management's Discussion and Analysis
June 30, 2025

General Fund Budgetary Highlights

Over the course of the year, the School District's budget was revised on multiple occasions to reflect anticipated and unanticipated changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations established by the Board of Education. The budget amendment process utilized by the District is a proven budget management tool that has been used effectively to ensure that revenue and expenditure appropriations are up-to-date throughout the year. The final amendment to the budget was adopted just before year end. A schedule comparing the School District's original and final budget amounts to actual revenues and expenditures is provided in the Required Supplemental Information Section of these financial statements.

Revenue amendments were made during the year to reflect revisions to local, state, and federal funds based on the anticipated and actual collection of funds. Adjustments in property tax collections, student enrollment, and federal grants are all examples of reasons it becomes necessary to amend the revenue budgets. Budgeted expenditures were amended to reflect changes that occurred after the adoption of the original budget, which was created using conservative assumptions. Modifications in salaries and benefits are made to reflect actual staffing levels, while purchased services, supplies, and materials, capital outlay, and other expenditures are modified throughout the year to reflect actual and anticipated expenses.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2025 and 2024, the School District had \$141.2 million and \$154.6 million, respectively, invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. The 2025 amount represents a net decrease of approximately \$13.4 million, or about 8 percent, from the previous year. This is due to annual depreciation expense. This change from the previous year includes all additions, disposals, and depreciation.

	2025	2024
	(in millions)	
Land	5.0	5.0
Construction in progress	0.7	1.7
Building and building improvements	220.2	255.9
Buses and other equipment	2.7	2.3
Total capital assets	228.6	264.9
Less accumulated depreciation	87.4	110.3
Net capital assets	141.2	154.6

Royal Oak Schools
Management's Discussion and Analysis
June 30, 2025

Debt

At the end of this year, the School District had approximately \$21.0 million in bonds outstanding compared to \$29.2 million in the previous year.

The School District bonds have a S&P rating of AA- and Moody's rating of Aa2. 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 general obligation debt is significantly below the statutorily imposed limit.

Other obligations include accrued vacation pay, sick leave and severance pay. Detailed information about our long-term liabilities is included in the notes to the financial statements.

Economic Factors and Next Year's Budgets

The Board of Education and administration considered many variables when the School District's 2025-26 fiscal year budget was developed. The two most important factors that determine the overwhelming majority of the District's revenue are student enrollment (blended count) and the per pupil foundation allowance. The blended student count for the 2025-26 fiscal year will be 90 percent of the October 2025 actual student count and 10 percent of the February 2026 student count. We have projected student enrollment to be flat for the 2025-2026 school year. Any change in the per pupil foundation allowance is determined by the State and is dependent upon the State's economic climate and the financial condition of the State School Aid Fund. The 2025-26 budget was adopted by the Board of Education on June 26, 2025.

There remains great uncertainty in public school funding. The 2025-26 adopted budget takes into consideration these uncertainties while maintaining a strong commitment to the education of our students.

Contacting the School District's Financial Management

This Annual Comprehensive Financial Report is designed to provide the School District's citizens, taxpayers, customers, and creditors with a picture of the School District's financial position and the results of operations for fiscal year 2025 and to demonstrate the District's fiscal responsibility and accountability over its financial resources. The Annual Comprehensive Financial Report is available on the District's website and at the Administrative offices for public inspection. If you have any questions or would like additional information, please feel free to contact the Finance Department at 800 DeVillen, Royal Oak, MI 48073.

BASIC FINANCIAL STATEMENTS

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Royal Oak Schools
Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
Assets	
Cash	\$ 34,585,541
Accounts receivable	300,812
Leases receivable	651,937
Due from other governmental units	8,475,863
Inventory	29,980
Investments	22,169
Prepaid items	293,094
Capital assets not being depreciated	5,663,462
Capital assets - net of accumulated depreciation	135,614,053
Net OPEB asset	<u>15,009,473</u>
 Total assets	 <u>200,646,384</u>
 Deferred Outflows of Resources	
Deferred amount relating to the net pension liability	25,310,469
Deferred amount relating to the net OPEB liability (asset)	<u>4,226,425</u>
 Total deferred outflows of resources	 <u>29,536,894</u>

See Accompanying Notes to the Financial Statements

Royal Oak Schools
Statement of Net Position
June 30, 2025

	<u>Governmental Activities</u>
Liabilities	
Accounts payable	\$ 1,728,524
Accrued expenditures	201,889
Accrued salaries payable	10,413,260
Unearned revenue	1,722,487
Long-term liabilities	
Net pension liability	84,325,961
Due within one year	8,532,390
Due in more than one year	<u>14,994,324</u>
Total liabilities	<u>121,918,835</u>
Deferred Inflows of Resources	
Deferred amount on debt refunding	530,596
Deferred amount on leases receivable	651,937
Deferred amount relating to the net pension liability	30,542,109
Deferred amount relating to the net OPEB liability (asset)	<u>19,986,851</u>
Total deferred inflows of resources	<u>51,711,493</u>
Net Position	
Net investment in capital assets	118,551,107
Restricted for:	
Food service	778,148
Debt service	790,781
Capital projects	9,319,755
Net OPEB asset	15,009,473
Unrestricted (deficit)	<u>(87,896,314)</u>
Total net position	<u>\$ 56,552,950</u>

See Accompanying Notes to the Financial Statements

Royal Oak Schools
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction	\$ 47,702,771	\$ 56,710	\$ 27,551,166	\$ (20,094,895)
Supporting services	32,503,351	221,492	3,075,883	(29,205,976)
Food services	2,897,093	181,598	2,598,403	(117,092)
Community services	1,168,639	1,391,434	767,558	990,353
Student and district activities	1,099,206	-	918,338	(180,868)
Interest and fiscal charges on long-term debt	703,444	-	-	(703,444)
Depreciation (unallocated)	7,057,183	-	-	(7,057,183)
Total governmental activities	<u>\$ 93,131,687</u>	<u>\$ 1,851,234</u>	<u>\$ 34,911,348</u>	<u>(56,369,105)</u>
General revenues				
Property taxes, levied for general purposes				27,500,633
Property taxes, levied for debt service				8,684,739
Property taxes, levied for sinking fund				4,057,152
State aid - unrestricted				23,294,393
Interest and investment earnings				1,824,440
Other				775,747
Total general revenues				<u>66,137,104</u>
Change in net position				9,767,999
Net position - beginning				<u>46,784,951</u>
Net position - ending				<u>\$ 56,552,950</u>

See Accompanying Notes to the Financial Statements

**Royal Oak Schools
Governmental Funds
Balance Sheet
June 30, 2025**

(With Comparative Summarized Totals for 2024)

	General Fund	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds	
		2022 Sinking Fund		2025	2024
Assets					
Cash	\$ 20,979,184	\$ 5,355,410	\$ 8,250,947	\$ 34,585,541	\$ 34,196,989
Accounts receivable	294,877	-	5,935	300,812	288,420
Leases receivable	651,937	-	-	651,937	660,556
Due from other governmental units	8,396,187	-	79,676	8,475,863	10,637,229
Inventory	-	-	29,980	29,980	35,561
Investments	22,169	-	-	22,169	21,469
Prepaid items	143,094	-	150,000	293,094	411,249
Total assets	\$ 30,487,448	\$ 5,355,410	\$ 8,516,538	\$ 44,359,396	\$ 46,251,473
Liabilities					
Accounts payable	\$ 1,090,701	\$ 420,231	\$ 217,592	\$ 1,728,524	2,351,214
Accrued salaries payable	10,413,260	-	-	10,413,260	9,996,072
Unearned revenue	1,722,487	-	-	1,722,487	2,154,796
Total liabilities	13,226,448	420,231	217,592	13,864,271	14,502,082

See Accompanying Notes to the Financial Statements

**Royal Oak Schools
Governmental Funds
Balance Sheet
June 30, 2025**

(With Comparative Summarized Totals for 2024)

	General Fund	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds	
		2022 Sinking Fund		2025	2024
Deferred Inflows of Resources					
Unavailable revenue					
Leases	\$ 651,937	\$ -	\$ -	\$ 651,937	\$ 660,556
Fund Balances					
Non-spendable					
Inventory	-	-	29,980	29,980	35,561
Prepaid items	143,094	-	150,000	293,094	411,249
Restricted for					
Food service	-	-	598,168	598,168	952,134
Debt service	-	-	992,670	992,670	1,520,284
Capital projects	-	4,935,179	4,384,576	9,319,755	4,479,685
Assigned	6,164,451	-	2,143,552	8,308,003	11,386,231
Unassigned	10,301,518	-	-	10,301,518	12,303,691
Total fund balances	16,609,063	4,935,179	8,298,946	29,843,188	31,088,835
Total liabilities, deferred inflows of resources, and fund balances	\$ 30,487,448	\$ 5,355,410	\$ 8,516,538	\$ 44,359,396	\$ 46,251,473

See Accompanying Notes to the Financial Statements

Royal Oak Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances for governmental funds	\$ 29,843,188
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	5,663,462
Capital assets - net of accumulated depreciation	135,614,053
Net OPEB asset is not recorded as an asset in the governmental funds	15,009,473
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	(530,596)
Deferred outflows of resources resulting from the net pension liability	25,310,469
Deferred outflows of resources resulting from the net OPEB liability (asset)	4,226,425
Deferred inflows of resources resulting from the net pension liability	(30,542,109)
Deferred inflows of resources resulting from the net OPEB liability (asset)	(19,986,851)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(201,889)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Net pension liability	(84,325,961)
Compensated absences	(1,330,902)
Bonds payable	<u>(22,195,812)</u>
Net position of governmental activities	<u>\$ 56,552,950</u>

Royal Oak Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025 (With Comparative Summarized Totals for 2024)

	Capital Projects Funds				Total Governmental Funds	
	General Fund	General Property Maintenance Fund	2022 Sinking Fund	Nonmajor Governmental Funds	2025	2024
Revenues						
Local sources	\$ 30,160,656		\$ 4,057,152	\$ 11,407,214	\$ 45,625,022	\$ 44,053,031
State sources	42,820,763		-	2,434,857	45,255,620	45,064,841
Federal sources	3,303,792		-	970,865	4,274,657	5,397,309
Interdistrict sources	7,744,387		-	-	7,744,387	6,977,655
Total revenues	<u>84,029,598</u>		<u>4,057,152</u>	<u>14,812,936</u>	<u>102,899,686</u>	<u>101,492,836</u>
Expenditures						
Current						
Education						
Instruction	48,422,639		-	1,959,106	50,381,745	49,718,825
Supporting services	33,712,211		5,729	571,393	34,289,333	33,782,916
Student and district activities	-			984,369	984,369	875,597
Food services	-			2,552,583	2,552,583	2,741,126
Community services	90,288			963,514	1,053,802	1,126,300
Intergovernmental payments	1,206,171			-	1,206,171	946,294
Capital outlay	-		2,002,144	2,155,625	4,157,769	4,378,263
Debt service						
Principal	-			8,285,000	8,285,000	6,495,000
Interest and other expenditures	-			1,363,652	1,363,652	1,764,429
Payment to bond refunding escrow agent	-			8,128,849	8,128,849	-
Total expenditures	<u>83,431,309</u>		<u>2,007,873</u>	<u>26,964,091</u>	<u>112,403,273</u>	<u>101,828,750</u>
Excess (deficiency) of revenues over expenditures	<u>598,289</u>		<u>2,049,279</u>	<u>(12,151,155)</u>	<u>(9,503,587)</u>	<u>(335,914)</u>

See Accompanying Notes to the Financial Statements

Royal Oak Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025 (With Comparative Summarized Totals for 2024)

	Capital Projects Funds				Total Governmental Funds	
	General Fund	General Property Maintenance Fund	2022 Sinking Fund	Nonmajor Governmental Funds	2025	2024
Other Financing Sources (Uses)						
Proceeds from refinancing debt	\$ -		\$ -	\$ 8,257,940	\$ 8,257,940	\$ -
Proceeds from sale of capital assets	-		-	-	-	9,992
Transfers in	23,000		-	1,086,115	1,109,115	1,175,986
Transfers out	(673,002)		-	(436,113)	(1,109,115)	(1,175,986)
Total other financing sources (uses)	(650,002)		-	8,907,942	8,257,940	9,992
Net change in fund balances	(51,713)		2,049,279	(3,243,213)	(1,245,647)	(325,922)
Fund balances - beginning as previously presented	16,660,776	4,384,576	-	10,043,483	31,088,835	31,414,757
Change within financial reporting entity (between major and nonmajor funds)	-	(4,384,576)	2,885,900	1,498,676	-	-
Fund balances - beginning, as adjusted	16,660,776		2,885,900	11,542,159	31,088,835	31,414,757
Fund balances - ending	\$ 16,609,063		\$ 4,935,179	\$ 8,298,946	\$ 29,843,188	\$ 31,088,835

See Accompanying Notes to the Financial Statements

Royal Oak Schools
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - Total governmental funds	\$ (1,245,647)
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation and amortization expense	(7,057,183)
Capital outlay	5,201,380
Disposal of capital assets (net book value)	(11,483,677)
Expenses are recorded when incurred in the statement of activities.	
Interest	36,440
Compensated absences	(1,051,390)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	28,767,813
Net change in deferrals of resources related to the net pension liability	(18,099,898)
The statement of net position reports the net OPEB liability (asset) and deferred outflows of resources and deferred inflows related to the net OPEB liability (asset) and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB liability (asset)	13,106,391
Net change in deferrals of resources related to the net OPEB liability (asset)	(7,185,907)
Bond and note proceeds and leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.	
Debt issued	(8,257,940)
Repayments of long-term debt	6,785,000
Payment to bond refunding escrow agent	9,628,849
Amortization of premiums	623,768
Change in net position of governmental activities	\$ 9,767,999

See Accompanying Notes to the Financial Statements

Royal Oak Schools
Notes to the Financial Statements
June 30, 2025

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Royal Oak Schools (the School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the School District as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross

expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

Fund Financial Statements

Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

Royal Oak Schools
Notes to the Financial Statements
June 30, 2025

The School District reports the General Fund and the 2022 Sinking Fund as major funds as described below.

The School District reports the following governmental funds:

General Fund – The General Fund is the School District’s primary operating fund. It is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or assigned to expenditure for specified purposes. The School District’s Special Revenue Funds are comprised of the Food Services, Community Service, and Student and District Activities Funds.

Food Service Fund – The Food Service Fund is used to segregate, for administrative purposes, the transactions of cafeteria operations from regular revenue and expenditure accounts. The School District maintains full control of this fund. The annual operating deficit, if any, generated by this activity is the responsibility of the General Fund. Any operating surplus remains within the fund.

Community Service Fund – The Community Services Fund is used to account for the revenues and expenditures of the School District’s preschool, childcare, and alternative education programs. The annual operating deficit, if any, generated by this activity is the responsibility of the General Fund. Any operating surplus remains within the fund.

Student and District Activities Fund – The Student and District Activities Fund is used to account for the revenues and expenditures of the School District’s various student and district activities.

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

2018 Debt – used to record tax, interest, and other revenue and the payment of principal, interest, and other expenditures on long-term debt issued in 2018.

2020 Debt – used to record tax, interest, and other revenue and the payment of principal, interest, and other expenditures on long-term debt issued in 2020.

2025 Debt – used to record tax, interest, and other revenue and the payment of principal, interest, and other expenditures on long-term debt issued in 2025.

Capital Projects Funds – Capital Projects Funds are used to record bond proceeds and other revenue and the disbursement of monies specifically for acquiring new school sites, buildings and equipment, and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished.

General Property Maintenance Fund – used to record revenue and the disbursement of monies specifically assigned for property maintenance and renovations.

2020 Bond Fund – used to record the revenues and disbursement of monies as part of the second and final series of the bond approved by voters in November of 2017.

Instructional Technology Capital Projects Fund – used to record revenue and the disbursement of monies specifically assigned for the purchase of instructional technology equipment and software.

Royal Oak Schools
Notes to the Financial Statements
June 30, 2025

2022 Sinking Fund – used to record the Sinking Fund property tax levy and other revenue and the disbursement of invoices specifically for acquiring new school sites, construction, or repair of school buildings, and for the purchase of new technology.

Assets, Liabilities and Net Position or Fund Balance

Cash and Investments – Cash includes cash on hand, demand deposits, certificates of deposits and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as “due from/to other funds”. These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2025, the rates are as follows per \$1,000 of assessed value:

General Fund	
Principal residence exemption	1.10720
Non-principal residence exemption	18.00000
Commercial personal property	7.10720
Industrial personal property	1.10720
Debt Service Funds	2.20000
Sinking Fund	0.99730

School property taxes are assessed and collected in accordance with enabling state legislation by local municipalities within the School

District’s boundaries. All of the School District’s tax roll lies within Oakland County.

Property taxes are levied on July 1 for taxes due August 31 and December 1 for taxes due February 14 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on February 28 of the following year. At this time, penalties and interest are assessed and the total obligation is added to the county tax rolls.

Prepaid Items – Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in the governmental funds, the School District follows the consumption method, and they are therefore capitalized as prepaid items.

Inventories – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed. In the Food Service Fund, inventory is capitalized at year end.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$10,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20 - 40 years
Buses, vehicles and equipment	7 - 10 years

Royal Oak Schools
Notes to the Financial Statements
June 30, 2025

Deferred Outflows of Resources – A deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. Deferred amounts on bond refundings are included in the district-wide financials statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities (assets) are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities (assets) in the following year.

Compensated Absences – The liability for compensated absences reported in the district-wide financial statements consists of earned but unused accumulated vacation and sick leave benefits. A liability for these amounts is reported in governmental funds as it comes due for payment. The liability has been calculated based on time that is considered earned as of year end and expected to be used or paid out in future years.

Long-term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

In the School District's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions – For purposes of measuring the net OPEB liability (Asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources – A deferred inflow of resources is an acquisition of net assets by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Deferred inflow for leases is related to leases receivable and is being amortized to recognize lease revenue in a systematic and rational manner over the term of the lease. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities (asset) are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received

Royal Oak Schools
Notes to the Financial Statements
June 30, 2025

relating to the amounts included in the deferred outflows for payments related to MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Balance – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – amounts that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts that have been formally set aside by the Board of Education for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

Assigned – amounts intended to be used for specific purposes, as determined by the Executive Council. The Board of Education has granted the Executive Council the authority to assign funds. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

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, as well as deferred inflows and deferred outflows of resources at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Summarized Comparative Data

Summarized comparative data for the prior year has been presented for the major and nonmajor funds and in the fund financial statements in total but not by fund in order to provide an understanding of the changes in the financial position and operations of these funds. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the School District's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Royal Oak Schools
Notes to the Financial Statements
June 30, 2025

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints.

Upcoming Accounting and Reporting Changes

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for the year ending June 30, 2026.

The School District is evaluating the impact that the above pronouncements will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General Fund, and special revenue funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. The Uniform Budgeting and Accounting Act requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted on a functional level are a violation of the Uniform Budgeting and Accounting Act. The Uniform Budgeting and Accounting Act permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. Revenue amendments were made during the year to reflect revisions to local, state, and federal funds based on the anticipated and actual collection of funds. Adjustment in property tax collections, student enrollment, and federal grants are all examples of reasons it becomes necessary to amend the revenue budgets. Budgeted expenditures were amended to reflect changes that occurred after the adoption of the original budget which is created using conservative assumptions. Modifications in salaries and benefits are made to reflect actual staffing levels, while purchased services, supplies and materials, capital outlay, and other expenditures are modified throughout the year to reflect actual and anticipated expenses.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as assigned or committed fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year.

Royal Oak Schools
Notes to the Financial Statements
June 30, 2025

Compliance - Sinking Fund

The Sinking Fund records capital project activities funded with Sinking Fund millage. For these funds, management believes the School District has complied, in all material respects, with the applicable provisions of § 1212(1) of the Revised School Code.

Note 3 - Deposits and Investments

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities
Cash	\$ 34,585,541
Investments	22,169
	\$ 34,607,710

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 9,970,459
Investments in securities, mutual funds, and similar vehicles	24,635,612
Petty cash and cash on hand	1,639
Total	\$34,607,710

As of year end, the School District had the following investments:

Investment	Carrying Value	Maturities	Rating	Organization
External investment pools:				
Michigan Liquid Asset Fund (MILAF):				
MILAF + Portfolio				
Cash Management Class	\$ 1,003,268	<60 days	AAAm	S&P
MAX Class	23,610,175	<60 days	AAAm	S&P
U.S. Government Treasury Bond	22,169	1-6 months	AA+	S&P
	\$ 24,635,612			

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is discussed below.

As of June 30, 2025, the net asset value of the School District's investment in MILAF + Portfolio was \$24,613,443. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustee's may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of \$1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

Interest rate risk – The School District does not have a formal investment policy to manage its exposure to fair value losses arising from changes in interest rates.

Royal Oak Schools
Notes to the Financial Statements
June 30, 2025

Credit risk – 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 an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers’ acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles.

Concentration of credit risk – The School District’s current policy places no limit on the amount the School District may invest in any one issuer, nor does it minimize the 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.

Custodial credit risk – deposits – In the case of deposits, this 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. As of year-end, \$9,768,171 of the School District’s bank balance of \$10,021,510 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year end, none of the district’s investments were exposed to custodial credit risk.

Note 4 - Fair Value Measurements

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School District has the following recurring fair value measurements as of June 30, 2025:

- U.S. Treasury bonds of \$22.169 are valued using significant other observable inputs (Level 2).

Note 5 - Receivables

Receivables as of year end for the School District’s individual major funds and the non-major funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows. The School District had no allowance for uncollectible accounts as of June 30, 2025.

	General Fund	2024 Sinking Fund	Nonmajor Governmental Funds	Total
Receivables				
Accounts	\$ 294,877	\$ -	\$ 5,935	\$ 300,812
Leases	651,937	-	-	651,937
	<u>\$ 946,814</u>	<u>\$ -</u>	<u>\$ 5,935</u>	<u>\$ 952,749</u>
Due from other governmental units				
Federal	\$ 598,463	\$ -	\$ -	\$ 598,463
State	7,130,450	-	79,676	7,210,126
Local	667,274	-	-	667,274
	<u>\$ 8,396,187</u>	<u>\$ -</u>	<u>\$ 79,676</u>	<u>\$ 8,475,863</u>

Note 6 - Lease Receivable

The School District has a ground lease agreement for a cell phone tower. The lease commenced on June 12, 2019 and automatically renews in 5-year terms through August 2050 unless the lessee notifies the lessor in writing of the lessee’s intention not to extend the agreement at least 60 days prior to the expiration of any term. It is the School District’s intent to exercise all renewals. Payments increase 15% each renewal term and range from \$1,840 to \$3,701 per month in future years with an implied interest rate of 2.05%.

Royal Oak Schools
Notes to the Financial Statements
June 30, 2025

The School District collected \$22,080 from the lessee for the year ended June 30, 2025, which includes \$8,619 in lease revenue and \$13,461 in lease interest revenue.

A lease receivable and deferred inflows have been recorded to reflect future expected payments. Future minimum lease payments are as follows:

Year ending June 30,	
2026	\$ 11,579
2027	12,381
2028	12,637
2029	12,898
2030	13,165
2031-2035	89,337
2036-2040	121,907
2041-2045	161,444
2046-2050	209,205
2051	7,383
Total	\$ 651,936

Note 7 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 4,966,417	\$ -	\$ -	\$ 4,966,417
Construction-in-progress	1,725,691	697,045	1,725,691	697,045
Total capital assets not being depreciated	6,692,108	697,045	1,725,691	5,663,462
Capital assets being depreciated				
Buildings and additions	255,937,152	5,800,290	41,495,476	220,241,966
Buses, vehicles, and equipment	2,314,332	429,736	-	2,744,068
Total capital assets being depreciated	258,251,484	6,230,026	41,495,476	222,986,034
Less accumulated depreciation for				
Buildings and additions	108,766,924	6,928,244	30,011,799	85,683,369
Buses and other vehicles	1,559,673	128,939	-	1,688,612
Total accumulated depreciation	110,326,597	7,057,183	30,011,799	87,371,981
Net capital assets being depreciated	147,924,887	(827,157)	11,483,677	135,614,053
Net capital assets	\$ 154,616,995	\$ (130,112)	\$ 13,209,368	\$ 141,277,515

Depreciation expense was \$7,057,183 for the year ended June 30, 2025. Depreciation was not charged to activities of the School District because the district considers its assets to impact multiple activities and allocation of depreciation expense is not practical.

Royal Oak Schools
Notes to the Financial Statements
June 30, 2025

Construction Contracts

As of year end, the School District had the following construction contracts in progress:

Project	Total Contract	Remaining Construction Commitment at Year End
Various Renovation and new construction projects	\$ <u>3,786,431</u>	\$ <u>2,925,177</u>

Contracts payable at year end represent actual contractor billings and are recorded as a Capital Projects and General Fund liability. These contracts are funded by the sinking fund. All projects are expected to be complete by June 30, 2026.

Note 8 - Interfund Transfers

Interfund transfers consist of the following:

Transfers in	Transfers Out		Total
General Fund	Other Governmental Funds		
General Fund	\$ -	\$ 23,000	\$ 23,000
Nonmajor governmental funds	<u>673,002</u>	<u>413,113</u>	<u>1,086,115</u>
	<u>\$ 673,002</u>	<u>\$ 436,113</u>	<u>\$ 1,109,115</u>

These transfers were made to cover the costs of School District programs that were in excess of revenues generated from those activities, and to cover indirect costs.

Note 9 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

Grant and categorical aid payments received prior to meeting all eligibility requirements	<u>\$ 1,722,487</u>
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The School District is authorized to levy a hold-harmless millage rate on homestead property located within the boundaries of the School District. The property tax revenue generated from this millage is restricted by statute to \$589 per student. Any hold-harmless tax revenue generated in excess of the allowable \$589 per student is classified as unearned revenue and is considered unearned at fiscal year end.

Note 10 - Long-term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make a bond payment on behalf of the School District related to qualified bonds. Other long-term obligations include compensated absences.

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Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and notes payable					
General obligation bonds	\$29,235,000	\$7,985,000	\$ 16,270,000	\$20,950,000	\$7,875,000
Premium on bonds	2,271,085	272,940	1,298,213	1,245,812	-
Deferred gain on refunding	-	530,596	-	530,596	-
Total bonds payable	31,506,085	8,788,536	17,568,213	22,726,408	7,875,000
Other liabilities					
Compensated absences	279,512	1,051,390	-	1,330,902	657,390
Total	<u>\$31,785,597</u>	<u>\$9,839,926</u>	<u>\$ 17,568,213</u>	<u>\$24,057,310</u>	<u>\$8,532,390</u>

General obligation bonds payable at year end, consist of the following:

\$27,790,000 building and site bond due in annual installments of \$3,920,000 to \$4,520,000 through May 1, 2028 interest at 4.0% to 5.0%	\$ 12,965,000
\$7,985,000 refunding serial bond due in annual installments of \$3,760,000 to \$4,225,000 through May 1, 2027 interest at 5.0%	7,985,000
Total general obligation bonded debt	<u>\$ 20,950,000</u>

Future principal and interest requirements for bonded debt are as follows:

Year Ending June 30,	Bonds	
	Principal	Interest
2026	\$ 7,875,000	\$1,142,876
2027	8,555,000	653,750
2028	4,520,000	226,000
Total	<u>\$20,950,000</u>	<u>\$2,022,626</u>

The general obligation bonds are payable from the Debt Service Funds. As of year end, the fund had a balance of \$992,670 to pay this debt. Future debt and interest will be payable from future tax levies. Other long-term liabilities are expected to be liquidated primarily by General Fund resources. Compensated absences additions and deductions are reported net.

Interest expenditures for the fiscal year ended June 30, 2025 in the debt service funds was \$1,224,625.

Current Refinancing

In 2025, the School District issued general obligation bonds of \$7,985,000 (par value) with an interest rate of 5.00% to refinance the 2018 building and site bond. The net proceeds from the issuance of the general obligation bonds were deposited with an escrow agent to provide debt service payments.

Deferred Amount on Refunding

The current refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$530,596. This amount is reported in the accompanying statement of net position as a deferred inflow of resources and is being charged to activities through fiscal year 2027.

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Notes to the Financial Statements
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Note 11 - Net Investment in Capital Assets

The composition of net investment in capital assets is as follows:

Capital assets	
Capital assets not being depreciated	\$ 5,663,462
Capital assets, net of accumulated depreciation	<u>135,614,053</u>
Total capital assets	<u>141,277,515</u>
Related debt	
General obligation bonds	(20,950,000)
Unamortized bond premiums	(1,245,812)
Deferred gain on bond refunding	<u>(530,596)</u>
Total related debt	<u>(22,726,408)</u>
Net investment in capital assets	<u>\$ 118,551,107</u>

Note 12 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The School District has purchased commercial insurance for health, property and general liability claims. Additionally, reinsurance has been purchased by the School District to protect against claims exceeding a specific dollar amount. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The School District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the School District must reimburse the State of Michigan Unemployment Insurance Agency for all benefits charged against the School District.

Note 13 - Pension Plan

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the defined benefit pension 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 (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a

Royal Oak Schools
Notes to the Financial Statements
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monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2024

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	23.03%
Member Investment Plan	3.0 - 7.0%	23.03%
Pension Plus	3.0 - 6.4%	19.17%
Pension Plus 2	6.2%	20.10%
Defined Contribution	0.0%	13.90%

Required contributions to the pension plan from the School District were \$14,400,547 for the plan year ending September 30, 2024.

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

At June 30, 2025, the School District reported a liability of \$84,325,961 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2023. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2024, the School District's proportion was .3444 percent, which was a decrease of .0050 percent from its proportion measured as of September 30, 2023.

For the plan year ending September 30, 2024, the School District recognized pension expense of \$6,739,739. For the reporting period ending June 30, 2025, the School District recognized total pension contribution expense of \$14,441,659.

Royal Oak Schools
Notes to the Financial Statements
June 30, 2025

At June 30, 2025, 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	Total
Difference between expected and actual experience	\$ 2,287,823	\$ (916,213)	\$ 1,371,610
Changes of assumptions	8,791,481	(6,178,426)	2,613,055
Net difference between projected and actual earnings on pension plan investments	-	(16,092,968)	(16,092,968)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>610,772</u>	<u>(3,486,584)</u>	<u>(2,875,812)</u>
Total to be recognized in future	11,690,076	(26,674,191)	(14,984,115)
School District contributions subsequent to the measurement date	<u>13,620,393</u>	<u>(3,867,918)</u>	<u>9,752,475</u>
Total	<u>\$25,310,469</u>	<u>\$ (30,542,109)</u>	<u>\$ (5,231,640)</u>

Contributions subsequent to the measurement date reported as deferred outflows and inflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. The District will offset the contribution expense in the year ended June 30, 2026 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
Year	Amount
2025	\$ (3,378,655)
2026	(576,160)
2027	(6,681,609)
2028	<u>(4,347,691)</u>
	<u>\$ (14,984,115)</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2023
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
 - MIP and Basic Plans: 6.00%, net of investment expenses
 - Pension Plus Plan: 6.00%, net of investment expenses
 - Pension Plus 2 Plan: 6.00%, net of investment expenses

Royal Oak Schools
Notes to the Financial Statements
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- Projected Salary Increases: 2.75 – 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non Compounded for MIP Members
- Mortality:
 - Retirees: RP-2010 Male and Female Healthy Retiree Annuitant Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active Members: RP-2010 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2024, is based on the results of an actuarial valuation date of September 30, 2023, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 4.4612 years.

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2024 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension 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 pension 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.3%
Private Equity Pools	16.0	9.0%
International Equity	15.0	6.5%
Fixed Income Pools	13.0	2.2%
Real Estate and Infrastructure Pools	10.0	7.1%
Absolute Return Pools	9.0	5.2%
Real Return/Opportunistic Pools	10.0	6.9%
Short Term Investment Pools	2.0	1.4%
	100.0%	

*Long-term rates of return are net of administrative expenses and 2.3% inflation.

Rate of Return

For the plan year ended September 30, 2024, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 15.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Royal Oak Schools
Notes to the Financial Statements
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Discount Rate

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.00%	Current Single Discount Rate Assumption 6.00%	1% Increase 7.00%
\$ 123,622,765	\$ 84,325,961	\$ 51,603,811

Michigan Public School Employees' Retirement System (MPERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the Michigan Public School Employees' Retirement System (MPERS)

There were no significant payables to the pension plan that are not ordinary accruals to the School District.

Note 14 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

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The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the

3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2023 valuation will be amortized over a 15-year period beginning October 1, 2023 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2024.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.31%
Personal Healthcare Fund (PHF)	0.0%	7.06%

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Required contributions to the OPEB plan from the School District were \$2,898,423 for the plan year ended September 30, 2024.

OPEB Liabilities or Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the School District reported an asset of \$15,009,473 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2023. The School District's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2024, the School District's proportion was .3487 percent, which was an increase of .0123 percent from its proportion measured as of September 30, 2023.

For the plan year ending September 30, 2024, the School District recognized OPEB expense of \$(5,527,258). For reporting period ending June 30, 2025, the School District recognized total OPEB contribution expense of \$589,251.

At June 30, 2025, 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	Total
Difference between expected and actual experience	\$ -	\$(15,905,457)	\$(15,905,457)
Changes of assumptions	3,278,285	(376,812)	2,901,473
Net difference between projected and actual earnings on OPEB plan investments	-	(2,841,465)	(2,841,465)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>680,274</u>	<u>(863,117)</u>	<u>(182,843)</u>
Total to be recognized in future	3,958,559	(19,986,851)	(16,028,292)
School District contributions subsequent to the measurement date	<u>267,866</u>	<u>-</u>	<u>267,866</u>
Total	<u>\$ 4,226,425</u>	<u>\$(19,986,851)</u>	<u>\$(15,760,426)</u>

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Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB asset in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Deferred (Inflow) and Deferred Outflow of Resources by Year
 (To Be Recognized in Future OPEB Expenses)

2025		\$ (5,020,939)
2026		(3,199,986)
2027		(3,142,397)
2028		(2,867,350)
2029		(1,530,954)
Thereafter		(266,666)
		<u>\$ (16,028,292)</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2023
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%

- Investment Rate of Return: 6.00%, net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: Pre-65: 7.25% Year 1 graded to 3.5% Year 15; Post-65: 6.50% Year 1 graded to 3.5% Year 15
- Mortality:
 - Retirees: PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Employee Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Other Assumptions:

- Opt Out Assumption: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan
- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total OPEB asset as of September 30, 2024, is based on the results of an actuarial valuation date of September 30, 2023, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is in years is 6.2834.

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Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2024 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on 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 OPEB 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.3%
Private Equity Pools	16.0	9.0%
International Equity	15.0	6.5%
Fixed Income Pools	13.0	2.0%
Real Estate and Infrastructure Pools	10.0	7.1%
Absolute Return Pools	9.0	5.2%
Real Return/Oppportunistic Pools	10.0	6.9%
Short Term Investment Pools	2.0	1.4%
	<u>100.0%</u>	

*Long-term rates of return are net of administrative expenses and 2.3% inflation.

Rate of Return

For the plan year ended September 30, 2024, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 15.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total OPEB liability or asset. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability or asset.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability or Asset to Changes in the Discount Rate

The following presents the School District's proportionate share of the net OPEB liability or asset calculated using the discount rate of 6.00%, as well as what the School District's proportionate share of the net OPEB liability or asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease	Current Discount Rate	1% Increase
5.00%	6.00%	7.00%
\$ (11,599,444)	\$ (15,009,473)	\$ (179,578,022)

Royal Oak Schools
Notes to the Financial Statements
June 30, 2025

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability or Asset to Healthcare Cost Trend Rate

The following presents the School District's proportionate share of the net OPEB liability or asset calculated using assumed trend rates, as well as what the School District's proportionate share of net OPEB liability or asset would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
\$ (17,957,834)	\$ (15,009,473)	\$ (11,847,370)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2024 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 15 - Assigned Fund Balance

The fund balance has been assigned for the following purposes:

	General Fund	Nonmajor Governmental Funds
Assigned		
Subsequent year's budget	\$ 4,833,549	\$ -
Compensated absences	1,330,902	-
Community services	-	1,358,538
Student and school activities	-	749,773
Total fund balance assigned for various operating purposes	\$ 6,164,451	\$ 2,143,552

Note 16 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims including amounts already collected, may constitute a asset of the applicable funds. There were no disallowed costs that have been recorded as an asset. Additional amounts, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

Note 17 - Changes within the Financial Reporting Entity

During the year ended June 30, 2025, a fund that was previously reported as a major fund in the prior year was no longer required to be presented as major in the current year, and a fund that was previously not reported as major in the prior year, was reported as major in the current year. As a result, the following presentation changes were necessary to be made in the financial statements:

	Nonmajor Governmental Funds	General property Maintenance Fund	2022 Sinking Fund
Fund balance at June 30, 2024	\$ 10,043,483	\$ 4,384,576	\$ -
Adjustments			
Change from major to nonmajor fund	4,384,576	(4,384,576)	-
Change from nonmajor to major fund	(2,885,900)	-	2,885,900
Fund balance at June 30, 2024	\$ 11,542,159	\$ -	\$ 2,885,900

REQUIRED SUPPLEMENTARY INFORMATION

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Royal Oak Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Revenues				
Local sources	\$ 27,787,640	\$ 30,226,236	\$ 30,160,656	\$ (65,580)
State sources	42,826,983	45,384,884	42,820,763	(2,564,121)
Federal sources	2,056,024	3,440,512	3,303,792	(136,720)
Interdistrict sources	7,535,978	7,758,061	7,744,387	(13,674)
Total revenues	<u>80,206,625</u>	<u>86,809,693</u>	<u>84,029,598</u>	<u>(2,780,095)</u>
Expenditures				
Instruction				
Basic programs	33,919,930	35,200,897	34,175,304	(1,025,593)
Added needs	14,580,982	14,770,623	14,010,779	(759,844)
Adult and continuing education	257,592	309,695	236,556	(73,139)
Supporting services				
Pupil	10,480,161	11,163,422	10,608,046	(555,376)
Instructional staff	4,049,647	5,598,940	4,126,904	(1,472,036)
General administration	719,107	747,778	648,610	(99,168)
School administration	4,303,310	3,935,483	3,832,248	(103,235)
Business	9,950,370	11,260,772	10,922,940	(337,832)
Central	2,311,023	2,465,596	2,362,814	(102,782)
Athletic activities	1,118,623	1,209,964	1,177,375	(32,589)
Other	67,221	39,382	33,274	(6,108)
Community services	70,913	120,143	90,288	(29,855)
Intergovernmental payments	949,488	1,269,481	1,206,171	(63,310)
Total expenditures	<u>82,778,367</u>	<u>88,092,176</u>	<u>83,431,309</u>	<u>(4,660,867)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,571,742)</u>	<u>(1,282,483)</u>	<u>598,289</u>	<u>1,880,772</u>

Royal Oak Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	\$ 10,000	\$ 10,000	\$ -	\$ (10,000)
Transfers in	23,000	23,000	23,000	-
Transfers out	(1,237,607)	(673,002)	(673,002)	-
Total other financing sources (uses)	(1,204,607)	(640,002)	(650,002)	(10,000)
Net change in fund balances	(3,776,349)	(1,922,485)	(51,713)	1,890,772
Fund balance - beginning	16,660,776	16,660,776	16,660,776	-
Fund balance - ending	\$ 12,884,427	\$ 14,738,291	\$ 16,609,063	\$ 1,890,772

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Royal Oak Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. School District's proportion of the net pension liability (%)	0.34%	0.35%	0.36%	0.36%	0.35%	0.34%	0.33%	0.32%	0.31%	0.31%
B. School District's proportionate share of the net pension liability	\$ 84,325,961	\$ 113,093,774	\$ 135,863,462	\$ 84,485,574	\$ 120,275,985	\$ 112,229,941	\$ 99,931,152	\$ 84,157,360	\$ 78,591,165	\$ 76,622,770
C. School District's covered payroll	\$ 37,155,296	\$ 33,799,667	\$ 35,171,386	\$ 32,389,100	\$ 31,717,116	\$ 29,822,926	\$ 28,721,382	\$ 27,575,741	\$ 26,589,939	\$ 26,274,901
D. School District's proportionate share of the net pension liability as a percentage of its covered payroll	226.96%	334.60%	386.29%	260.85%	379.21%	376.32%	347.93%	305.19%	295.57%	291.62%
E. Plan fiduciary net position as a percentage of total pension liability	74.44%	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2024.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2024.

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Royal Oak Schools
Required Supplementary Information
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. Statutorily required contributions	\$ 14,441,659	\$ 13,607,533	\$ 12,795,424	\$ 12,153,517	\$ 10,688,035	\$ 9,670,783	\$ 9,014,113	\$ 8,661,137	\$ 7,073,600	\$ 6,051,796
B. Contributions in relation to statutorily required contributions	<u>14,441,659</u>	<u>13,607,533</u>	<u>12,795,424</u>	<u>12,153,517</u>	<u>10,688,035</u>	<u>9,670,783</u>	<u>9,014,113</u>	<u>8,661,137</u>	<u>7,073,600</u>	<u>6,051,796</u>
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
D. School District's covered payroll	\$ 38,803,052	\$ 36,427,685	\$ 33,511,588	\$ 33,814,504	\$ 32,003,252	\$ 31,531,076	\$ 29,437,272	\$ 28,581,849	\$ 27,281,002	\$ 26,396,616
E. Contributions as a percentage of covered payroll	37.22%	37.35%	38.18%	35.94%	33.40%	30.67%	30.62%	30.30%	25.93%	22.93%

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Royal Oak Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. School District's proportion of the net OPEB liability (asset) (%)	0.35%	0.34%	0.36%	0.36%	0.36%	0.34%	0.34%	0.34%	0.32%	
B. School District's proportionate share of the net OPEB liability (asset)	\$ (15,009,473)	\$ (1,903,082)	\$ 7,630,174	\$ 5,450,082	\$ 19,144,177	\$ 24,475,853	\$ 26,826,843	\$ 28,694,413		
C. School District's covered payroll	\$ 37,155,296	\$ 33,799,667	\$ 35,171,386	\$ 32,389,100	\$ 31,717,116	\$ 29,822,926	\$ 28,721,382	\$ 27,575,741		
D. School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-40.40%	-5.12%	21.69%	16.83%	60.36%	82.07%	93.40%	104.06%		
E. Plan fiduciary net position as a percentage of total OPEB liability (asset)	143.08%	105.04%	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%		

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2024.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2024.

Royal Oak Schools
Required Supplementary Information
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
A. Statutorily required contributions	\$ 589,251	\$ 2,588,925	\$ 2,699,552	\$ 2,650,615	\$ 2,635,664	\$ 2,541,850	\$ 2,338,278	\$ 2,224,640		
B. Contributions in relation to statutorily required contributions	<u>589,251</u>	<u>2,588,925</u>	<u>2,699,552</u>	<u>2,650,615</u>	<u>2,635,664</u>	<u>2,541,850</u>	<u>2,338,278</u>	<u>2,224,640</u>		
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
D. School District's covered payroll	\$ 38,803,052	\$ 36,427,685	\$ 33,511,588	\$ 33,814,504	\$ 32,003,252	\$ 31,531,076	\$ 29,437,272	\$ 28,581,849		
E. Contributions as a percentage of covered payroll	1.52%	7.11%	8.06%	7.84%	8.24%	8.06%	7.94%	7.78%		

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OTHER SUPPLEMENTARY INFORMATION

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Royal Oak Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2025

	Special Revenue Funds			Debt Service Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	Community Services	Food Services	Student and District Activities	2025 Debt	2020 Debt	2018 Debt	General Property Maintenance Fund	2020 Bond Fund	Instructional Technology Capital Projects Fund	
Assets										
Cash	\$ 1,374,496	\$ 706,949	\$ 753,977	\$ 413,783	\$ 578,887	\$ -	\$ 4,384,576	\$ 3,038	\$ 35,241	\$ 8,250,947
Accounts receivable	-	5,935	-	-	-	-	-	-	-	5,935
Due from other governmental units	-	79,676	-	-	-	-	-	-	-	79,676
Inventory	-	29,980	-	-	-	-	-	-	-	29,980
Prepaid items	-	150,000	-	-	-	-	-	-	-	150,000
Total assets	\$ 1,374,496	\$ 972,540	\$ 753,977	\$ 413,783	\$ 578,887	\$ -	\$ 4,384,576	\$ 3,038	\$ 35,241	\$ 8,516,538
Liabilities										
Accounts payable	\$ 15,958	\$ 194,392	\$ 4,204	\$ -	\$ -	\$ -	\$ -	\$ 3,038	\$ -	\$ 217,592
Fund Balances										
Non-spendable										
Inventory	-	29,980	-	-	-	-	-	-	-	29,980
Prepaid items	-	150,000	-	-	-	-	-	-	-	150,000
Restricted for										
Food service	-	598,168	-	-	-	-	-	-	-	598,168
Debt service	-	-	-	413,783	578,887	-	-	-	-	992,670
Capital projects	-	-	-	-	-	-	4,384,576	-	-	4,384,576
Assigned	1,358,538	-	749,773	-	-	-	-	-	35,241	2,143,552
Total fund balances	1,358,538	778,148	749,773	413,783	578,887	-	4,384,576	-	35,241	8,298,946
Total liabilities and fund balances	\$ 1,374,496	\$ 972,540	\$ 753,977	\$ 413,783	\$ 578,887	\$ -	\$ 4,384,576	\$ 3,038	\$ 35,241	\$ 8,516,538

Royal Oak Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	Special Revenue Funds			Debt Service Funds			Capital Projects Funds			Total Nonmajor Governmental Funds	
	Community Services	Food Services	Student and District Activities	2025 Debt	2020 Debt	2018 Debt	General Property Maintenance Fund	2020 Bond Fund	2022 Sinking Fund		Instructional Technology Capital Projects Fund
Revenues											
Local sources	\$ 1,270,609	\$ 181,598	\$ 918,338	\$ -	\$ 4,227,169	\$ 4,764,761	\$ -	\$ 37,875		\$ 6,864	\$ 11,407,214
State sources	807,319	1,627,538	-	-	-	-	-	-		-	2,434,857
Federal sources	-	970,865	-	-	-	-	-	-		-	970,865
Total revenues	2,077,928	2,780,001	918,338	-	4,227,169	4,764,761	-	37,875		6,864	14,812,936
Expenditures											
Current											
Education											
Instruction	1,959,106	-	-	-	-	-	-	-		-	1,959,106
Supporting services	571,393	-	-	-	-	-	-	-		-	571,393
Student and district activities	-	-	984,369	-	-	-	-	-		-	984,369
Food services	-	2,552,583	-	-	-	-	-	-		-	2,552,583
Community services	963,514	-	-	-	-	-	-	-		-	963,514
Capital outlay	-	523,965	-	-	-	-	-	1,631,660		-	2,155,625
Debt service											
Principal	-	-	-	-	3,920,000	4,365,000	-	-		-	8,285,000
Interest and other expenditures	-	-	-	128,421	851,174	384,057	-	-		-	1,363,652
Payment to bond refunding escrow agent	-	-	-	8,128,849	-	-	-	-		-	8,128,849
Total expenditures	3,494,013	3,076,548	984,369	8,257,270	4,771,174	4,749,057	-	1,631,660		-	26,964,091
Excess (deficiency) of revenues over expenditures	(1,416,085)	(296,547)	(66,031)	(8,257,270)	(544,005)	15,704	-	(1,593,785)		6,864	(12,151,155)
Other Financing Sources (Uses)											
Proceeds from refinancing debt	-	-	-	8,257,940	-	-	-	-		-	8,257,940
Transfers in	673,002	-	-	413,113	-	-	-	-		-	1,086,115
Transfers out	-	(23,000)	-	-	-	(413,113)	-	-		-	(436,113)
Total other financing sources (uses)	673,002	(23,000)	-	8,671,053	-	(413,113)	-	-		-	8,907,942
Net change in fund balances	(743,083)	(319,547)	(66,031)	413,783	(544,005)	(397,409)	-	(1,593,785)		6,864	(3,243,213)
Fund balances - beginning as previously presented	2,101,621	1,097,695	815,804	-	1,122,892	397,409	-	1,593,785	2,885,900	28,377	10,043,483
Change within financial reporting entity (between major and nonmajor funds)	-	-	-	-	-	-	4,384,576	-	(2,885,900)	-	1,498,676
Fund balances - beginning, as adjusted	2,101,621	1,097,695	815,804	-	1,122,892	397,409	4,384,576	1,593,785		28,377	11,542,159
Fund balances - ending	\$ 1,358,538	\$ 778,148	\$ 749,773	\$ 413,783	\$ 578,887	\$ -	\$ 4,384,576	\$ -		\$ 35,241	\$ 8,298,946

Royal Oak Schools
Other Supplementary Information
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2025

	Food Service			Community Services			Student and District Activities			Total		
	Final Budget	Actual	Over (Under) Final Budget	Final Budget	Actual	Over (Under) Final Budget	Final Budget	Actual	Over (Under) Final Budget	Final Budget	Actual	Over (Under) Final Budget
Revenues												
Local sources	\$ 185,209	\$ 181,598	\$ (3,611)	\$ 1,205,000	\$ 1,270,609	\$ 65,609	\$ 1,500,000	\$ 918,338	\$ (581,662)	\$ 2,890,209	\$ 2,370,545	\$ (519,664)
State sources	1,432,725	1,627,538	194,813	874,468	807,319	(67,149)	-	-	-	2,307,193	2,434,857	127,664
Federal sources	1,231,386	970,865	(260,521)	-	-	-	-	-	-	1,231,386	970,865	(260,521)
Total revenues	2,849,320	2,780,001	(69,319)	2,079,468	2,077,928	(1,540)	1,500,000	918,338	(581,662)	6,428,788	5,776,267	(652,521)
Expenditures												
Current												
Education												
Instruction	-	-	-	1,977,000	1,959,106	(17,894)	-	-	-	1,977,000	1,959,106	(17,894)
Supporting services	-	-	-	692,394	571,393	(121,001)	1,500,000	984,369	(515,631)	2,192,394	1,555,762	(636,632)
Food services	2,855,062	2,552,583	(302,479)	-	-	-	-	-	-	2,855,062	2,552,583	(302,479)
Community services	-	-	-	1,033,706	963,514	(70,192)	-	-	-	1,033,706	963,514	(70,192)
Capital outlay	532,000	523,965	(8,035)	5,350	-	(5,350)	-	-	-	537,350	523,965	(13,385)
Total expenditures	3,387,062	3,076,548	(310,514)	3,708,450	3,494,013	(214,437)	1,500,000	984,369	(515,631)	8,595,512	7,554,930	(1,040,582)
Excess (deficiency) of revenues over expenditures	(537,742)	(296,547)	241,195	(1,628,982)	(1,416,085)	212,897	-	(66,031)	(66,031)	(2,166,724)	(1,778,663)	388,061
Other Financing Sources (Uses)												
Transfers in	-	-	-	673,002	673,002	-	-	-	-	673,002	673,002	-
Transfers out	(23,000)	(23,000)	-	-	-	-	-	-	-	(23,000)	(23,000)	-
Total other financing sources (uses)	(23,000)	(23,000)	-	673,002	673,002	-	-	-	-	650,002	650,002	-
Net change in fund balances	(560,742)	(319,547)	241,195	(955,980)	(743,083)	212,897	-	(66,031)	(66,031)	(1,516,722)	(1,128,661)	388,061
Fund balances - beginning	1,097,695	1,097,695	-	2,101,621	2,101,621	-	815,804	815,804	-	4,015,120	4,015,120	-
Fund balances - ending	\$ 536,953	\$ 778,148	\$ 241,195	\$ 1,145,641	\$ 1,358,538	\$ 212,897	\$ 815,804	\$ 749,773	\$ (66,031)	\$ 2,498,398	\$ 2,886,459	\$ 388,061

Royal Oak Schools
Other Supplementary Information
Debt Service Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2025

	2020 Debt	2018 Debt	2025 Debt	Total Debt Actual	Total Debt Final Budget	Over (Under) Final Budget
Revenues						
Local sources	\$ 4,227,169	\$ 4,764,761	\$ -	\$ 8,991,930	\$ 8,849,139	\$ 142,791
Expenditures						
Debt service						
Principal	3,920,000	4,365,000	-	8,285,000	8,281,000	4,000
Interest and other expenditures	851,174	384,057	128,421	1,363,652	1,525,500	(161,848)
Payment to bond refunding escrow agent	-	-	8,128,849	8,128,849	-	8,128,849
Total expenditures	4,771,174	4,749,057	8,257,270	17,777,501	9,806,500	7,971,001
Excess (deficiency) of revenues over expenditures	(544,005)	15,704	(8,257,270)	(8,785,571)	(957,361)	(7,828,210)
Other Financing Sources (Uses)						
Proceeds from refinancing debt	-	-	8,257,940	8,257,940	-	8,257,940
Transfers in	-	-	413,113	413,113	-	413,113
Transfers out	-	(413,113)	-	(413,113)	-	(413,113)
Total other financing sources (uses)	-	(413,113)	8,671,053	8,257,940	-	8,257,940
Net change in fund balances	(544,005)	(397,409)	413,783	(527,631)	(957,361)	429,730
Fund balances - beginning	1,122,892	397,409	-	1,520,301	1,520,301	-
Fund balances - ending	\$ 578,887	\$ -	\$ 413,783	\$ 992,670	\$ 562,940	\$ 429,730

Royal Oak Schools
Other Supplementary Information
Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	General Property Maintenance Fund	Instructional Technology Fund	2020 Bond Fund	2022 Sinking Fund	Total Capital Projects Actual
Revenues					
Local sources	\$ -	\$ 6,864	\$ 37,875	\$ 4,057,152	\$ 4,101,891
Expenditures					
Current					
Education					
Supporting services	-	-	-	5,729	5,729
Capital outlay	-	-	1,631,660	2,002,144	3,633,804
Total expenditures	-	-	1,631,660	2,007,873	3,639,533
Net change in fund balances	-	6,864	(1,593,785)	2,049,279	462,358
Fund balances - beginning	4,384,576	28,377	1,593,785	2,885,900	8,892,638
Fund balances - ending	\$ 4,384,576	\$ 35,241	\$ -	\$ 4,935,179	\$ 9,354,996

Royal Oak Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2025

Year Ending June 30,	2020 Debt	2025 Debt	Total
2026	\$ 4,115,000	\$ 3,760,000	\$ 7,875,000
2027	4,330,000	4,225,000	8,555,000
2028	<u>4,520,000</u>	<u>-</u>	<u>4,520,000</u>
Total	<u>\$ 12,965,000</u>	<u>\$ 7,985,000</u>	<u>\$ 20,950,000</u>
Principal payments due the first day of	May	May	
Interest payments due the first day of	May and November	May and November	
Interest rate	4.00% - 5.00%	5.00%	
Original issue	<u>\$ 27,790,000</u>	<u>\$ 7,985,000</u>	

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STATISTICAL SECTION (UNAUDITED)

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Royal Oak Schools
District-Wide Net Position by Component - Last Ten Fiscal Years
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in										
capital assets	\$ 118,551,107	\$ 124,704,695	\$ 121,517,620	\$ 117,617,784	\$ 110,189,542	\$ 104,106,488	\$ 99,081,081	\$ 92,295,603	\$ 85,077,012	\$ 78,315,855
Restricted	25,898,157	5,265,567	7,005,841	11,879,575	7,343,700	6,998,309	6,316,619	5,178,997	451,875	3,349,905
Unrestricted (deficit)	<u>(87,896,314)</u>	<u>(83,185,311)</u>	<u>(93,170,056)</u>	<u>(97,533,876)</u>	<u>(92,965,037)</u>	<u>(87,980,113)</u>	<u>(81,097,473)</u>	<u>(77,344,092)</u>	<u>(47,929,313)</u>	<u>(48,474,236)</u>
Total primary government	<u>\$ 56,552,950</u>	<u>\$ 46,784,951</u>	<u>\$ 35,353,405</u>	<u>\$ 31,963,483</u>	<u>\$ 24,568,205</u>	<u>\$ 23,124,684</u>	<u>\$ 24,300,227</u>	<u>\$ 20,130,508</u>	<u>\$ 37,599,574</u>	<u>\$ 33,191,524</u>

Source: Royal Oak Schools Annual Comprehensive Financial Reports 2016-2025.

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Royal Oak Schools
District-Wide Revenues by Source and Expenses by Function - Last Ten Fiscal Years
(Unaudited)

	2025	2023	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities										
Instruction	\$ 47,702,771	\$ 45,674,299	\$ 51,652,279	\$ 44,621,401	\$ 45,632,786	\$ 44,966,014	\$ 42,446,936	\$ 39,331,584	\$ 36,088,719	\$ 35,518,070
Support services	32,503,351	31,086,565	29,433,472	26,712,981	27,873,128	27,536,176	22,574,360	21,384,267	20,570,368	18,753,557
Food services	2,897,093	2,741,126	1,949,228	1,889,861	747,494	1,432,897	1,302,533	1,242,244	1,381,164	1,216,593
Community services	1,168,639	1,126,300	1,064,324	1,804,653	1,841,005	2,604,024	950,960	1,964,081	1,886,136	1,745,745
Student and district activities	1,099,206	875,597	763,168	599,346	294,889	649,407	-	-	-	-
Interest on long-term debt	703,444	661,152	783,867	786,241	359,298	888,411	968,212	554,058	742,821	1,096,173
Depreciation (unallocated)	7,057,183	7,906,243	7,474,050	7,018,149	5,877,459	5,151,089	5,117,538	5,045,399	4,980,448	4,996,650
Total expenses	93,131,687	90,071,282	93,120,388	83,432,632	82,626,059	83,228,018	73,360,539	69,521,633	65,649,656	63,326,788
Program revenues										
Governmental activities										
Charges for services										
Instruction	56,710	30,674	15,900	36,514	8,361	11,823	28,100	22,060	40,808	23,046
Support services	221,492	213,460	300,090	199,768	132,598	144,466	229,689	218,888	212,990	175,956
Food services	181,598	254,394	692,210	35,020	26,772	588,351	790,786	732,268	725,094	639,249
Community services	1,391,434	1,726,510	1,665,203	1,119,445	340,778	1,186,063	1,758,325	1,536,597	1,587,652	1,407,426
Operating grants and contributions										
Instruction	27,551,166	25,720,296	26,710,725	20,244,368	16,246,538	13,248,246	11,548,480	10,487,391	9,992,468	9,347,498
Support services	3,075,883	3,841,134	2,383,844	-	-	-	-	-	-	-
Food services	2,598,403	2,517,885	1,113,157	2,398,455	751,577	806,056	688,569	667,174	627,260	596,957
Community services	767,558	363,168	1,105,563	1,328,392	427,397	445,599	446,658	445,423	454,121	486,394
Student and district activities	918,338	896,616	803,812	681,582	317,832	690,145	-	-	-	-
Total revenues	36,762,582	35,564,137	33,986,692	25,361,962	17,934,021	16,430,604	15,490,607	14,109,801	13,640,393	12,676,526
Net (expense) revenue	\$ (56,369,105)	\$ (54,507,145)	\$ (59,133,696)	\$ (58,070,670)	\$ (64,692,038)	\$ (66,797,414)	\$ (57,869,932)	\$ (55,411,832)	\$ (52,009,263)	\$ (50,650,262)

Source: Royal Oak Schools Annual Comprehensive Financial Reports 2016-2025.

Royal Oak Schools
District-Wide General Revenues and Total Change in Net Position - Last Ten Fiscal Years
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net (expense) revenue										
Total net expense	\$ (56,369,105)	\$ (54,507,145)	\$ (58,329,884)	\$ (57,389,088)	\$ (64,374,206)	\$ (66,107,269)	\$ (57,869,932)	\$ (55,411,832)	\$ (52,009,263)	\$ (50,650,262)
General revenues and other changes in net position										
Governmental activities										
Taxes										
Property taxes levied for general purposes	27,500,633	26,030,420	24,103,460	22,383,629	22,989,273	22,084,864	20,374,544	19,886,188	19,529,389	19,252,696
Property taxes levied for debt service	8,684,739	8,143,771	8,356,829	8,456,902	9,328,764	8,755,999	8,928,788	8,508,770	9,374,541	9,067,830
Property taxes levied for sinking fund	4,057,152	3,787,069	3,201,692	2,950,687	2,853,017	2,779,272	2,643,250	2,538,310	2,444,540	2,387,206
Unrestricted state aid	23,294,393	25,008,711	23,992,089	30,312,124	30,027,667	29,265,834	28,257,911	29,753,112	28,578,016	27,187,890
Interest and investment earnings	1,824,440	2,019,365	1,367,413	85,777	45,903	737,932	1,402,717	266,907	51,120	44,286
Gain on sale of assets	-	9,992	-	-	-	-	17,255	5,678	41,264	1,803,787
Insurance recoveries	-	-	-	-	-	-	-	-	-	300,000
Other	775,747	939,363	698,323	595,247	573,103	699,601	415,186	456,124	468,173	279,891
Total	66,137,104	65,938,691	61,719,806	64,784,366	65,817,727	64,323,502	62,039,651	61,415,089	60,487,043	60,323,586
Change in net position										
Total	\$ 9,767,999	\$ 11,431,546	\$ 3,389,922	\$ 7,395,278	\$ 1,443,521	\$ (1,783,767)	\$ 4,169,719	\$ 6,003,257	\$ 8,477,780	\$ 9,673,324

Source: Royal Oak Schools Annual Comprehensive Financial Reports 2016-2025.

Royal Oak Schools
Fund Level Fund Balances - Last Ten Fiscal Years
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Non-spendable	\$ 143,094	\$ 301,232	\$ 351,905	\$ 226,523	\$ 406,186	\$ 585,285	\$ 695	\$ -	\$ 16,000	\$ 32,000
Assigned	6,164,451	4,055,853	3,403,375	3,265,456	5,650,855	6,721,665	3,130,793	2,184,204	1,829,317	2,251,304
Unassigned	<u>10,301,518</u>	<u>12,303,691</u>	<u>13,059,147</u>	<u>12,780,860</u>	<u>10,734,190</u>	<u>7,456,878</u>	<u>11,433,617</u>	<u>12,357,244</u>	<u>12,673,806</u>	<u>11,818,474</u>
Total General Fund	<u>16,609,063</u>	<u>16,660,776</u>	<u>16,814,427</u>	<u>16,272,839</u>	<u>16,791,231</u>	<u>14,763,828</u>	<u>14,565,105</u>	<u>14,541,448</u>	<u>14,519,123</u>	<u>14,101,778</u>
All other governmental funds										
Non-spendable	179,980	145,578	139,794	140,908	150,912	140,176	124,642	132,213	133,033	129,566
Restricted	10,910,593	6,952,103	7,151,177	12,068,626	19,532,727	35,285,297	20,038,841	30,487,230	4,603,842	2,539,084
Committed	-	-	-	-	-	-	-	-	125,662	41,360
Assigned	2,143,552	7,330,378	7,309,359	7,408,963	8,011,198	7,988,255	7,445,735	7,639,735	7,601,707	1,569,597
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>13,234,125</u>	<u>14,428,059</u>	<u>14,600,330</u>	<u>19,618,497</u>	<u>27,694,837</u>	<u>43,413,728</u>	<u>27,609,218</u>	<u>38,259,178</u>	<u>12,464,244</u>	<u>4,279,607</u>
Total all funds	<u>\$ 29,843,188</u>	<u>\$ 31,088,835</u>	<u>\$ 31,414,757</u>	<u>\$ 35,891,336</u>	<u>\$ 44,486,068</u>	<u>\$ 58,177,556</u>	<u>\$ 42,174,323</u>	<u>\$ 52,800,626</u>	<u>\$ 26,983,367</u>	<u>\$ 18,381,385</u>

Source: Royal Oak Schools Annual Comprehensive Financial Reports 2016-2025.

Royal Oak Schools
Fund Level Revenues by Source - Last Ten Fiscal Years
(Unaudited)

Year Ended	General Fund					Special Revenue Funds					Capital Project Funds	Debt Service Funds		Total Revenue		
	Property Taxes	Other Local Sources	Interdistrict Sources	State Sources	Federal Sources *	Total General Fund Revenues	Local Sources	State Sources	Federal Sources	Interdistrict Sources	Total Special Revenue Funds Revenue	Property Taxes, Interest and Other	Property Taxes		Interest and Other	Total Debt Service Funds Revenue
2016	\$ 19,287,977	\$ 734,789	\$ 4,113,029	\$ 30,646,176	\$ 1,686,554	\$ 56,468,525	\$ 1,824,818	\$ 548,016	\$ 546,479	\$ -	\$ 2,919,313	\$ 2,387,511	\$ 9,061,579	\$ 59,397	\$ 9,120,976	\$ 70,896,325
2017	19,567,379	1,014,287	4,080,207	32,386,390	1,817,732	58,865,995	2,014,146	511,291	569,884	-	3,095,321	2,630,597	9,408,163	86,096	9,494,259	74,086,172
2018	19,927,123	1,076,000	4,354,650	34,105,594	1,663,102	61,126,469	2,057,520	499,172	618,282	-	3,174,974	2,610,520	8,552,219	55,030	8,607,249	75,519,212
2019	20,374,544	1,482,167	4,639,259	33,459,787	1,645,578	61,601,335	2,233,868	508,492	626,735	-	3,369,095	3,351,733	9,147,731	43,109	9,190,840	77,513,003
2020	22,084,864	1,360,731	4,970,465	35,659,236	1,822,876	65,898,172	2,283,871	514,155	751,299	-	3,549,325	3,038,014	8,927,688	31,052	8,958,740	81,444,251
2021	22,989,273	716,685	5,889,403	36,332,010	3,859,168	69,786,539	654,761	497,236	830,565	-	1,982,562	2,935,528	9,320,154	44,797	9,364,951	84,069,580
2022	22,383,629	999,518	6,174,613	37,728,620	6,537,785	73,824,165	1,743,112	567,472	3,159,375	-	5,469,959	3,029,261	8,402,904	101,621	8,504,525	90,827,910
2023	24,103,460	2,164,400	6,469,884	43,067,284	3,523,589	79,328,617	2,969,184	604,165	1,611,383	-	5,184,732	3,409,894	8,586,167	-	8,586,167	96,509,410
2024	26,030,420	2,802,722	6,974,458	43,334,380	4,246,717	83,388,697	2,783,640	1,730,461	1,150,592	3,197	5,667,890	3,935,653	8,500,596	-	8,500,596	101,492,836
2025	27,500,633	2,660,023	7,744,387	42,820,763	3,303,792	84,029,598	2,370,545	2,434,857	970,865	-	5,776,267	4,101,891	8,991,930	-	8,991,930	102,899,686

*In years 2021 through 2025 the District received a significant source of federal funding through the Coronavirus Relief Fund and Education Stabilization Fund.

Source: Royal Oak Schools Annual Comprehensive Financial Reports 2016-2025.

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Royal Oak Schools
Fund Level Expenditures by Function - Last Ten Fiscal Years
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction (2)	\$ 48,422,639	\$ 47,791,360	\$ 48,242,889	\$ 43,854,174	\$ 38,887,847	\$ 38,424,907	\$ 36,900,582	\$ 35,802,944	\$ 33,133,803	\$ 31,623,623
Pupil services	10,608,046	9,478,592	8,105,267	7,222,576	6,537,024	6,106,549	5,349,769	4,959,956	4,700,118	4,732,277
Instructional support services	4,126,904	4,200,079	3,378,437	3,336,152	3,139,428	2,463,698	2,596,437	2,338,967	2,184,700	2,194,597
General administration	648,610	672,474	701,380	622,233	597,344	547,694	565,877	562,678	648,453	655,508
School administration	3,832,248	3,629,706	3,499,827	3,444,304	3,260,660	3,241,057	3,188,060	3,088,633	2,901,153	2,978,263
Business services	10,922,940	11,798,741	10,036,591	10,120,673	8,782,891	7,980,052	8,352,121	8,567,905	9,173,251	7,631,310
Central staff	2,362,814	2,247,173	2,064,120	2,076,594	1,969,100	1,745,747	1,880,536	1,858,317	1,855,851	2,151,889
Athletics	1,177,375	1,111,206	1,022,521	897,977	797,408	831,570	867,871	816,009	763,345	627,266
Other	33,274	472,246	96,322	363,136	13,413	51,383	77,548	72,174	41,582	44,188
Community services	90,288	74,483	93,514	1,123,475	1,034,945	1,443,609	159,764	1,280,877	1,265,541	1,078,979
Payments to other governmental units	1,206,171	946,294	1,042,157	1,044,300	1,222,961	1,310,637	1,204,466	1,203,937	1,346,705	1,813,518
Capital outlay (1)	-	-	-	-	-	782,493	121,548	1,524	15,342	10,314
Student and District Activities Fund	984,369	875,597	763,168	599,346	294,889	649,407	-	-	-	-
Food Services Fund	3,076,548	2,741,126	1,949,228	1,889,861	747,494	1,432,897	1,302,533	1,242,244	1,364,823	1,187,441
Community Services Fund	3,494,013	3,151,981	2,891,516	2,283,373	1,996,510	2,233,471	1,990,907	1,839,889	1,779,078	1,977,873
Sinking Fund	2,007,873	2,141,631	2,841,925	7,623,117	2,204,581	1,495,031	1,808,236	1,874,583	1,342,877	765,622
Debt service										
Principal	16,413,849	6,495,000	6,225,000	6,220,000	7,295,000	7,660,000	6,890,000	7,755,000	7,455,000	7,050,000
Interest	1,363,652	1,764,429	2,047,759	2,319,574	2,911,789	1,752,011	2,313,138	1,315,660	1,689,040	2,041,571
Capital lease retirement	-	-	-	-	141,096	25,650	-	43,887	75,235	75,235
Capital projects (1)	1,631,660	2,236,632	5,985,268	4,381,777	15,929,790	19,069,329	12,593,131	2,124,057	15,365	49
	<u>\$ 112,403,273</u>	<u>\$ 100,986,889</u>	<u>\$ 100,986,889</u>	<u>\$ 99,422,642</u>	<u>\$ 97,764,170</u>	<u>\$ 99,247,192</u>	<u>\$ 88,162,524</u>	<u>\$ 76,749,241</u>	<u>\$ 71,751,262</u>	<u>\$ 68,639,523</u>
Debt services as a percentage of noncapital expenditures	19.12%	8.18%	8.98%	9.77%	12.99%	11.99%	12.48%	12.53%	13.10%	13.51%

(1) Capital outlay expenditures consist of all capital-related expenditures not recorded in the capital projects funds.

Source: Royal Oak Schools Annual Comprehensive Financial Reports 2016-2025.

Royal Oak Schools
Property Tax Levies and Collections - Last Ten Fiscal Years
(Unaudited)

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Delinquent Taxes Collected</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2016	\$ 30,802,157	\$ 30,672,298	99.58 %	\$ 56,302	\$ 30,728,600	99.76 %
2017	31,346,492	31,310,198	99.88 %	61,008	31,371,206	100.08 %
2018	30,922,347	30,885,435	99.88 %	63,597	30,949,032	100.08 %
2019	31,949,203	31,905,123	99.86 %	62,093	31,967,216	100.06 %
2020	33,470,199	33,426,923	99.87 %	208,364	33,635,287	100.49 %
2021	35,093,513	35,024,181	99.80 %	146,873	35,171,054	100.49 %
2022	33,777,771	33,228,529	98.37 %	69,609	33,298,138	98.58 %
2023	35,385,257	34,806,031	98.36 %	330,468	35,136,500	99.30 %
2024	37,901,012	37,084,876	97.85 %	40,914	37,125,789	97.95 %
2025	40,208,345	39,038,155	97.09 %	8,434	39,046,589	97.11 %

Source: Treasurers' Settlements

Royal Oak Schools
Taxable Valuation and Actual Value of Taxable Property - Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxable Valuation			Estimated Actual Valuation	Total District Direct Millage Rate	
	Homestead Property	Nonhomestead Property	Total		Homestead Property	Nonhomestead Property
2016	\$ 1,571,990,170	\$ 831,881,780	\$ 2,403,871,950	\$ 4,807,743,900	6.39	22.75
2017	1,638,497,870	844,904,480	2,483,402,350	4,966,804,700	6.30	22.74
2018	1,739,083,200	856,416,460	2,595,499,660	5,190,999,320	5.72	22.23
2019	1,835,670,110	889,099,390	2,724,769,500	5,449,539,000	6.52	22.22
2020	1,934,268,690	968,789,880	2,903,058,570	5,806,117,140	6.05	21.96
2021	2,035,357,920	1,032,718,920	3,068,076,840	6,136,153,680	6.24	21.95
2022	2,130,334,130	1,085,754,450	3,216,088,580	6,432,177,160	5.40	21.54
2023	2,258,530,970	1,176,166,200	3,434,697,170	6,869,394,340	3.93	21.32
2024	2,433,549,780	1,303,290,430	3,736,840,210	7,473,680,420	4.31	21.20
2025	2,583,300,700	1,374,296,900	3,957,597,600	7,915,195,200	4.30	21.20

Property taxes in the School District are contingent upon the taxable property values. Taxable value increases are limited by variable caps and other restrictions, which generally cause taxable values to be at or below state equalized values (which are primarily market driven).

Source: Royal Oak Schools and Oakland County Equalization

Royal Oak Schools
Direct and Overlapping Property Tax Rates - Homestead - Last Ten Fiscal Years
(Unaudited)

Fiscal Year	District Direct Rates			State of Michigan	Oakland County Operating and ISD	Oakland Community College	Overlapping Rates				
	Operating	Non-Operating	Total				City of Berkley	City of Huntington Woods	City of Madison Heights	City of Royal Oak	City of Troy
2016	2.64	3.75	6.39	6.00	8.21	1.58	16.98	24.57	22.96	17.68	10.50
2017	2.55	3.75	6.30	6.00	8.13	1.57	15.82	22.38	23.02	17.88	10.40
2018	2.47	3.25	5.72	6.00	8.09	1.56	15.17	23.16	25.21	17.64	10.36
2019	2.31	3.25	5.56	6.00	8.06	1.54	14.90	23.19	25.72	18.62	10.30
2020	2.09	3	5.09	6.00	8.03	1.53	16.82	23.56	25.29	18.12	10.24
2021	2.29	3	5.29	6.00	9.61	1.52	16.55	25.83	26.26	17.85	10.00
2022	1.86	2.6	4.46	6.00	9.68	1.51	15.99	24.93	26.26	17.47	10.02
2023	0.61	2.4	3.01	6.00	10.41	1.49	15.78	24.26	26.08	17.56	9.90
2024	1.11	2.2	3.31	6.00	10.41	1.49	15.77	24.13	25.53	17.62	9.90
2025	1.11	2.2	3.31	6.00	9.20	1.48	15.64	23.74	25.46	17.24	9.86

Source: Oakland County Equalization Department

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Royal Oak Schools
Direct and Overlapping Property Tax Rates - Non-Homestead - Last Ten Fiscal Years
(Unaudited)

Fiscal Year	District Direct Rates			State of Michigan	Oakland County Operating and ISD	Oakland Community College	Overlapping Rates				
	Operating	Non-Operating	Total				City of Berkley	City of Huntington Woods	City of Madison Heights	City of Royal Oak	City of Troy
2016	18.00	4.75	22.75	6.00	8.21	1.58	16.98	24.57	22.96	17.68	10.50
2017	18.00	4.74	22.74	6.00	8.13	1.57	15.82	22.38	23.02	17.88	10.40
2018	18.00	4.23	22.23	6.00	8.09	1.56	15.17	23.16	25.21	17.64	10.36
2019	18.00	4.22	22.22	6.00	8.06	1.54	14.90	23.19	25.72	18.62	10.30
2020	18.00	3.96	21.96	6.00	8.03	1.53	16.82	23.56	25.29	18.12	10.24
2021	18.00	3.95	21.95	6.00	9.61	1.52	16.55	25.83	26.26	17.85	10.00
2022	18.00	3.54	21.54	6.00	9.68	1.51	15.99	24.93	26.26	17.47	10.02
2023	18.00	3.32	21.32	6.00	10.41	1.49	15.78	24.26	26.08	17.56	9.90
2024	18.00	3.20	21.20	6.00	10.41	1.49	15.77	24.13	25.53	17.62	9.90
2025	18.00	3.20	21.20	6.00	9.20	1.48	15.64	23.74	25.46	17.24	9.86

Source: Oakland County Equalization Department

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Royal Oak Schools
Outstanding Debt by Type - Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities			Percentage of Personal Income	Per Capita
	Bonded Debt	Capital Leases	Total		
2016	\$ 33,715,000	\$ 115,234	\$ 33,830,234	N/A	\$ 559
2017	26,260,000	43,306	26,303,306	N/A	435
2018	42,230,000	-	42,230,000	N/A	697
2019	35,340,000	-	35,340,000	N/A	580
2020	55,470,000	128,662	55,598,662	N/A	915
2021	48,175,000	-	48,175,000	N/A	795
2022	41,955,000	-	41,955,000	N/A	703
2023	35,730,000	-	35,730,000	N/A	606
2024	29,235,000	-	29,235,000	N/A	496
2025	22,740,000	-	22,747,000	N/A	381

Source: Royal Oak Schools

Royal Oak Schools
Legal Debt Margin Information - Last Ten Fiscal Years
(Unaudited)

Legal Debt Margin Calculation for Fiscal Year 2025

Taxable value	\$ 3,957,597,600
Debt limit (15%) of taxable value	593,639,640
Debt applicable to limit	<u>(22,740,000)</u>
Legal Debt Margin	<u>\$ 570,899,640</u>

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$360,580,793	\$372,510,353	\$389,324,949	\$408,715,425	\$435,458,786	\$460,211,526	\$482,413,287	\$515,204,576	\$560,526,032	\$593,639,640
Total net debt applicable to limit	<u>33,715,000</u>	<u>30,138,465</u>	<u>42,230,000</u>	<u>35,340,000</u>	<u>56,794,794</u>	<u>55,998,149</u>	<u>41,955,000</u>	<u>35,730,000</u>	<u>29,235,000</u>	<u>22,740,000</u>
Legal debt margin	<u>\$326,865,793</u>	<u>\$342,371,888</u>	<u>\$347,094,949</u>	<u>\$373,375,425</u>	<u>\$378,663,992</u>	<u>\$404,213,377</u>	<u>\$440,458,287</u>	<u>\$479,474,576</u>	<u>\$531,291,032</u>	<u>\$570,899,640</u>
Total net debt applicable to the limit as a percentage of debt limit	9.35%	8.09%	7.74%	8.65%	13.04%	12.17%	8.70%	6.94%	5.22%	3.83%

Source: Oakland County Equalization and Royal Oak Schools

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Royal Oak Schools
Demographic Data - Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Estimated Population	Enrollment	Full-Time and Part-Time School District Employees
2016	60,508	5,839	483
2017	60,506	5,921	508
2018	60,612	6,005	536
2019	60,961	5,447	535
2020	60,777	5,322	547
2021	60,619	5,135	559
2022	59,711	5,015	586
2023	58,995	4,975	589
2024	58,952	5,071	628
2025	59,711	5,084	646

Source: Royal Oak Schools and U.S. Census Bureau

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Royal Oak Schools
Demographic and Economic Statistics - Last Ten Calendar Years
(Unaudited)

Calendar Year	Oakland County Personal Income	City of Royal Oak				
		Estimated Population	Estimated Total Household Income	Estimated Number of Households	Estimated Income Per Household	Unemployment Rate
2016	\$ 83,550,230,000	60,508	N/A	29,033	N/A	5.00%
2017	86,933,319,000	60,506	N/A	29,122	N/A	4.30%
2018	89,322,345,000	60,612	\$ 1,955,926,208	28,552	\$ 68,504	4.10%
2019	91,548,729,000	60,961	2,253,188,740	30,391	74,140	4.20%
2020	97,217,213,000	60,777	2,241,520,047	28,467	78,741	19.30%
2021	104,068,949,000	60,619	2,944,591,272	28,728	102,499	6.10%
2022	108,583,665,000	59,711	2,407,052,002	28,933	83,194	4.10%
2023	115,329,992,000	58,995	2,529,631,836	28,971	87,316	3.70%
2024	115,329,992,000	58,952	2,689,871,814	28,986	92,799	4.50%
2025	115,329,992,000	59,711	2,793,686,882	29,351	95,182	5.40%

*Updated years 2019-2024 from 2025 U.S. Bureau of Economic Analysis

** Updated years 2016-2024 revised on March 5, 2025

Source: U.S. Department of Commerce, US Census Bureau, Southeast Michigan Council of Governments, U.S. Department of Labor, FRED

N/A: Data is not available

Royal Oak Schools
Principal Property Taxpayers - Current Year and Nine Years Ago
(Unaudited)

Taxpayer	2025 2024*			2016 2015*		
	2023 Tax Year Taxable Value Real and Personal Property	Rank	Percentage of Total Taxable Value	2015 Tax Year Taxable Value Real and Personal Property	Rank	Percentage of Total Taxable Value
Consumers Energy	\$77,864,840	1	2.30%	\$18,603,170	2	0.83%
DTE Electric Company	33,644,740	2	1.00%	23,107,090	1	1.03%
Beaumont Hospital	30,301,060	3	0.90%	17,191,430	3	0.77%
The Griffin Singh LLC	29,254,120	4	0.87%			
Hyatt Place Detroit	24,340,780	5	0.72%			
Central Park Development Group	23,524,230	6	0.70%			
Baker (College) of Royal Oak	19,632,920	7	0.58%			
Trailhead RO LLC	19,252,530	8	0.57%			
Midtown Pointe, LLC	14,114,200	9	0.42%			
Meijer	7,627,460	10	0.23%	6,817,740	8	0.31%
HHI FormTech				15,177,340	4	0.68%
Amber Equities LLC				14,197,090	5	0.64%
Flex-N-Gate				13,224,770	6	0.59%
MacLean-Fogg				7,117,390	7	0.32%
New Par/Verizon				6,696,530	9	0.30%
Sears Holding				6,488,280	10	0.29%
Total principal Taxpayers	\$279,556,880		8.27%	\$128,620,830		5.76%
Balance of Valuations	<u>\$3,100,013,120</u>		<u>91.73%</u>	<u>2,104,226,840</u>		<u>94.24%</u>
Total taxable valuation	<u><u>\$3,379,570,000</u></u>		<u><u>100.00%</u></u>	<u><u>\$2,232,847,670</u></u>		<u><u>100.00%</u></u>

Source: City of Royal Oak financial statements.

*Data for 2024 is the most current available from the City of Royal Oak audit.

Royal Oak Schools
Principal Employers - Current Year and Nine Years Ago
(Unaudited)

Employer	2025 2024*			2016 2015*		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Corewell Health**	9,635	1	24.36%	10,514	1	28.46%
Royal Oak Pudlic Schools	979	2	2.47%	476	4	1.29%
City of Royal Oak	506	3	1.28%	496	3	1.34%
Detroit Zoo	484	4	1.22%	334	8	0.90%
Dassault Systemes	439	5	1.11%			
Henry Ford Health System	400	6	1.01%			
Consumers Energy	321	7	0.81%	350	6	0.95%
RPM Logistics	258	8	0.65%			
Holiday Market	254	9	0.64%	300	9	0.81%
Oakland Community College	223	10	0.56%	602	2	1.63%
Flex-n-Gate				350	5	0.95%
Form Tech Industries LLC				345	7	0.93%
Meijer				291	10	0.79%
			34.11%			38.05%

Source: City of Royal Oak financial statements.

*Data for 2024 is the most current available from the City of Royal Oak audit.

**Formally William Beaumont Hospital

Royal Oak Schools
Operating Statistics - Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended	Enrollment (1)	Operating Expenditures (2)	Cost per Pupil	Percentage Change
2016	4,967	\$ 52,638,921	\$ 10,598	0.97 %
2017	5,072	56,824,196	11,203	5.70 %
2018	4,966	59,315,407	11,945	6.63 %
2019	4,958	60,983,267	12,300	2.97 %
2020	5,052	62,728,944	12,417	0.95 %
2021	5,066	65,334,616	12,897	3.87 %
2022	4,846	72,982,119	15,061	16.78 %
2023	4,799	78,189,511	16,294	8.19 %
2024	4,854	81,097,585	16,707	2.53 %
2025	4,837	83,341,021	17,231	3.14 %

Source: Royal Oak Schools

(1) Change of methodology from headcount to FTE in FY19. All previous years updated to FTE.

(2) General Fund expenditures only, excluding other financing sources, capital outlay, and community services

Royal Oak Schools
Full-Time Equivalent Employees by Type - General Fund - Last Ten Fiscal Years
(Unaudited)

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	Percentage Change from <u>2015-16 to 2024-25</u>
Administrative											
Building administration	15.0	15.0	15.0	15.0	14.5	14.5	14.5	14.5	14.5	14.5	3.45 %
Central administration	9.0	10.0	10.0	9.0	9.0	8.0	8.0	8.0	8.0	6.0	50.00 %
Operational administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.00 %
	<u>25.0</u>	<u>26.0</u>	<u>26.0</u>	<u>25.0</u>	<u>24.5</u>	<u>23.5</u>	<u>23.5</u>	<u>23.5</u>	<u>23.5</u>	<u>21.5</u>	16.28 %
Instruction and pupil services											
Classroom teachers	319.5	312.8	309.0	309.9	308.8	294.2	286.9	270.9	254.8	253.2	26.18 %
Counselors	9.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	28.57 %
Media specialists	-	-	-	-	-	-	-	-	-	2.0	(100.00)%
Psychologists	7.0	7.0	7.0	7.0	6.0	5.0	5.0	4.2	5.2	5.2	34.62 %
Social workers	14.0	16.0	12.5	11.5	9.0	9.0	8.0	6.5	6.0	6.0	133.33 %
Pupil support - professional	40.7	37.2	27.3	25.5	25.2	26.4	22.8	20.3	21.5	21.2	91.98 %
Paraprofessionals	127.4	109.9	95.6	107.1	99.6	110.7	110.2	101.7	71.0	74.1	71.86 %
Secretarial	22.5	22.5	22.5	22.5	21.5	21.5	21.5	21.5	21.5	20.0	12.50 %
	<u>540.1</u>	<u>513.4</u>	<u>481.9</u>	<u>490.5</u>	<u>477.1</u>	<u>473.8</u>	<u>461.4</u>	<u>432.1</u>	<u>387.0</u>	<u>388.7</u>	38.94 %
Business Services											
Secretarial/clerical	16.0	15.0	15.0	16.0	16.0	15.0	14.0	14.0	13.0	13.0	23.08 %
Total	<u>581.1</u>	<u>554.4</u>	<u>522.9</u>	<u>531.5</u>	<u>517.6</u>	<u>512.3</u>	<u>498.9</u>	<u>469.6</u>	<u>423.5</u>	<u>423.2</u>	37.30 %

Source: Royal Oak Schools

Royal Oak Schools
Teacher Base Salaries - Last Ten Fiscal Years
(Unaudited)

Fiscal Year	BA Base Minimum Salary	MA / BA +30 Maximum Salary
2016	\$ 38,452	\$ 82,473
2017	38,452	82,473
2018	38,452	82,473
2019	41,046	83,298
2020	41,252	83,714
2021	41,252	83,714
2022	41,252	83,714
2023	42,283	86,837
2024	42,918	88,139
2025	43,561	89,461

Source: Royal Oak Schools

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Royal Oak Schools
School Building Information - Last Ten Fiscal Years
(Unaudited)

<u>School</u>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary:										
Addams (1952)										
Square feet	70,890	70,890	70,890	70,890	70,890	70,890	70,890	70,890	70,890	70,890
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	466	469	469	443	465	424	420	428	443	443
Keller (1961)										
Square feet	78,640	78,640	78,640	78,640	78,640	78,640	78,640	78,640	78,640	78,640
Capacity	675	675	675	675	675	675	675	675	675	675
Enrollment	421	453	445	457	460	450	424	442	450	450
Northwood (2008)										
Square feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity	475	475	475	475	475	475	475	475	475	475
Enrollment	461	463	450	458	486	470	462	449	447	447
Oakland (1924)										
Square feet	43,257	43,257	43,257	43,257	43,257	43,257	43,257	43,257	43,257	43,257
Capacity	400	400	400	400	400	400	400	400	400	400
Enrollment	275	269	279	259	247	236	208	223	231	231
Oak Ridge (1951)										
Square feet	51,619	51,619	51,619	51,619	51,619	51,619	51,619	51,619	51,619	51,619
Capacity	475	475	475	475	475	475	475	475	475	475
Enrollment	421	427	434	433	447	439	410	388	409	409
Upton (1951)										
Square feet	35,708	35,708	35,708	35,708	35,708	35,708	35,708	35,708	35,708	35,708
Capacity	325	325	325	325	325	325	325	325	325	325
Enrollment	284	287	291	288	307	264	283	303	295	295

Royal Oak Schools
School Building Information - Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Middle:										
ROMS (1928)										
Square feet	277,161	277,161	277,161	277,161	277,161	277,161	277,161	277,161	277,161	277,161
Capacity	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Enrollment	1,138	1,161	1,187	1,148	1,156	1,143	1,085	1,060	1,097	1,097
High:										
ROHS (1957)										
Square feet	285,508	285,508	285,508	285,508	285,508	285,508	285,508	285,508	285,508	285,508
Capacity	1,998	1,998	1,998	1,998	1,998	1,998	1,998	1,998	1,998	1,998
Enrollment	1,225	1,255	1,282	1,344	1,389	1,429	1,396	1,343	1,339	1,339
Other:										
Oakland Technical Center, SE Campus (1971)										
Square feet	125,735	125,735	125,735	125,735	125,735	125,735	125,735	125,735	125,735	125,735
Community Education Center (1979)										
Square feet	51,079	51,079	51,079	51,079	51,079	51,079	51,079	51,079	51,079	51,079
Capacity	540	540	540	540	540	540	540	540	540	540
Enrollment	248	211	240	370	344	258	285	319	333	333
Addams Early Childhood Center (1952)										
Square feet	25,913	25,913	25,913	25,913	25,913	25,913	25,913	25,913	25,913	25,913
Capacity	250	250	250	250	250	250	250	250	250	250
Enrollment	82	104	104	110	114	94	128	159	191	191

Source: Royal Oak Schools

7. COMMUNICATIONS

Presenter: Board of Education Secretary

8. *CONSENT AGENDA (*Personnel / Instruction / Business*)

8.1. *Payment of Expenses

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ROYAL OAK SCHOOLS

BILLS SUBMITTED FOR APPROVAL

08/31/25

BILLS PAID:	8/01/2025 - 8/31/2025	ACCOUNTS PAYABLE - GENERAL	\$1,157,174.98
VENDOR EP:	8/01/2025 - 8/31/2025	ACCOUNTS PAYABLE - GENERAL	\$1,780,300.12
WIRE TRANSFERS:	8/01/2025 - 8/31/2025	WIRE TRANSFERS:	<u>\$6,275,287.51</u>
		TOTAL:	\$9,212,762.61

GRAND TOTAL **\$9,212,762.61**

ELECTRONIC PAYMENT REGISTER AUGUST 2025

Check #	Check Date	Vendor ID	Vendor Name	Check Amount
00007521	8/7/2025	404258	ABM	4,330.32
00007522	8/7/2025	403111	ADN ADMINISTRATORS INC	4,555.60
00007523	8/7/2025	402783	AMAZON.COM SERVICES LLC	1,359.11
00007524	8/7/2025	009058	APPLIED INNOVATION	32.28
00007525	8/7/2025	009649	BARLAGE, AMY	52.29
00007526	8/7/2025	008670	BLICK ART MATERIALS	1,258.15
00007527	8/7/2025	402030	BUTTAZZONI, GABRIELLE	16.67
00007528	8/7/2025	402509	CINTAS CORPORATION	2,905.46
00007529	8/7/2025	401440	CNS ELECTRIC CO	402.00
00007530	8/7/2025	010272	DEARBORN NATIONAL LIFE INS CO	3,547.24
00007531	8/7/2025	002466	DTE ELECTRIC COMPANY	622.78
00007532	8/7/2025	403218	GRISAMER, JARET	51.66
00007533	8/7/2025	092542	LEGG, LYNN	26.46
00007534	8/7/2025	403831	MILLER, ANDREW J	21.49
00007535	8/7/2025	005222	NOWAK AND FRAUS ENGINEERS	1,471.00
00007536	8/7/2025	050310	OAKLAND SCHOOLS	61,633.50
00007537	8/7/2025	008905	OAKLAND SCHOOLS PRODUCTION	89.60
00007538	8/7/2025	007669	RIDDELL ALL AMERICAN SPORTS	15,203.70
00007539	8/7/2025	057719	ROSE PEST SOLUTIONS	1,097.00
00007540	8/7/2025	404288	SEC SHIELD LLC	1,689.50
00007541	8/7/2025	000535	VERIZON WIRELESS SERVICES LLC	2,151.61
00007542	8/7/2025	005756	YEO AND YEO PC	26,850.00
00007543	8/14/2025	008312	ABSOPURE WATER COMPANY LLC	89.45
00007544	8/14/2025	403111	ADN ADMINISTRATORS INC	12,697.52
00007545	8/14/2025	402783	AMAZON.COM SERVICES LLC	3,463.04
00007546	8/14/2025	009058	APPLIED INNOVATION	584.78
00007547	8/14/2025	005850	AUDIO SENTRY CORP	309.23
00007548	8/14/2025	008100	BILLINGS LAWN EQUIPMENT	109.32
00007549	8/14/2025	008670	BLICK ART MATERIALS	601.38
00007550	8/14/2025	011538	CHARTWELLS DINING	31,834.19
00007551	8/14/2025	401066	COMPTON PRESS INDUSTRIES LLC	3,497.06
00007552	8/14/2025	009592	CSM MECHANICAL LLC	440,536.61
00007553	8/14/2025	005761	DELTA NETWORK SERVICES LLC	9,102.31
00007554	8/14/2025	019357	DINN BROS INC	7.30
00007555	8/14/2025	404144	DURHAM SCHOOL SERVICES LP	67,969.30
00007556	8/14/2025	317649	FIRE DEFENSE EQUIPMENT CO INC	8,030.81
00007557	8/14/2025	005124	H O H WATER TECHNOLOGY INC	7,220.25
00007558	8/14/2025	010060	JOHNSON, MARY	154.00
00007559	8/14/2025	036139	KELLER THOMA PC	55.00
00007560	8/14/2025	037467	KURTS KUSTOM PROMOTIONS LLC	1,920.65
00007561	8/14/2025	400547	MEI TOTAL ELEVATOR SOLUTIONS	1,777.50
00007562	8/14/2025	047100	NASCO EDUCATION LLC	56.42
00007563	8/14/2025	008400	NEOLA INC	795.00
00007564	8/14/2025	050310	OAKLAND SCHOOLS	227,789.50
00007565	8/14/2025	051115	OVERHEAD DOOR WEST COMMERCIAL	840.00
00007566	8/14/2025	403638	PROFESSIONAL CABLING SOLUTIONS	1,157.12
00007567	8/14/2025	098586	PURCHASE POWER	495.32
00007568	8/14/2025	402597	ROVIN CERAMICS	2,067.05
00007569	8/14/2025	404143	SCHENA ROOFING AND SHEET METAL	237,078.85

00007570	8/14/2025	069450	SCHOOL SPECIALTY LLC	652.33
00007571	8/14/2025	063680	STAPLES BUSINESS ADVANTAGE	4,654.95
00007572	8/14/2025	401075	TURFIX LLC	3,200.00
00007573	8/14/2025	070875	WARDS SCIENCE	1,534.16
00007574	8/14/2025	401130	YEO AND YEO TECHNOLOGY	858.00
00007575	8/21/2025	001000	AERO FILTER INC	405.20
00007576	8/21/2025	402783	AMAZON.COM SERVICES LLC	7,962.21
00007577	8/21/2025	009024	ASPEN DOOR SUPPLY	3,550.00
00007578	8/21/2025	008670	BLICK ART MATERIALS	17.27
00007579	8/21/2025	400665	BOLHOUSE LLC	500.00
00007580	8/21/2025	004752	CENTRAL MICHIGAN PAPER CO	1,360.00
00007581	8/21/2025	009365	CLEAR RATE COMMUNICATIONS LLC	820.20
00007582	8/21/2025	402070	COLLINS AND BLAHA PC	948.75
00007583	8/21/2025	317649	FIRE DEFENSE EQUIPMENT CO INC	629.96
00007584	8/21/2025	404104	GALLAGHER BENEFIT SERVICES INC	6,000.00
00007585	8/21/2025	006858	GT JERSEYS LLC	1,441.05
00007586	8/21/2025	008250	INSTITUTE FOR MULTI SENSORY ED	500.00
00007587	8/21/2025	006352	INTERNATIONAL BACCALAUREATE OR	1,103.00
00007588	8/21/2025	402476	KOGNITY USA INC	10,875.00
00007589	8/21/2025	006576	LECOLE PLANNERS LLC	6,932.50
00007590	8/21/2025	008594	MOUNTS, CHRIS	1,076.11
00007591	8/21/2025	401507	OC TEES INC	1,453.04
00007592	8/21/2025	010249	ROCKET ENTERPRISE INC.	665.00
00007593	8/21/2025	069450	SCHOOL SPECIALTY LLC	525.14
00007594	8/21/2025	063680	STAPLES BUSINESS ADVANTAGE	2,506.95
00007595	8/21/2025	403315	THE MATH LEARNING CENTER	24,742.80
00007596	8/21/2025	403738	TOSHIBA BUSINESS SOLUTIONS	3,029.22
00007597	8/28/2025	402783	AMAZON.COM SERVICES LLC	7,080.84
00007598	8/28/2025	404046	BBC DISTRIBUTING LLC A BRADYPL	8,686.51
00007599	8/28/2025	008100	BILLINGS LAWN EQUIPMENT	14.39
00007600	8/28/2025	011280	C AND N PARTY RENTALS LLC	1,293.75
00007601	8/28/2025	008252	CENGAGE LEARNING INC	1,582.00
00007602	8/28/2025	401440	CNS ELECTRIC CO	24,760.75
00007603	8/28/2025	403228	CO SUSTAINABILITY	250.00
00007604	8/28/2025	009592	CSM MECHANICAL LLC	79,026.77
00007605	8/28/2025	401847	G2 CONSULTING GROUP LLC	11,385.00
00007606	8/28/2025	404140	GOROUT	605.00
00007607	8/28/2025	402569	INSTRUCTURE INC	38,864.78
00007608	8/28/2025	403703	ISCG	315.06
00007609	8/28/2025	401522	MAHAR, DANIELLE	144.00
00007610	8/28/2025	400547	MEI TOTAL ELEVATOR SOLUTIONS	1,185.00
00007611	8/28/2025	093086	MILLAR, DARRIN	239.85
00007612	8/28/2025	402760	MURPHY, AMY	500.00
00007613	8/28/2025	048300	NATIONAL TIME AND SIGNAL	130.52
00007614	8/28/2025	401493	PAZDZIORKO, CAITLIN	28.28
00007615	8/28/2025	403185	PEOPLE DRIVEN TECHNOLOGY INC	15,559.96
00007616	8/28/2025	097421	POTTER, DAVID	330.00
00007617	8/28/2025	058421	RUNYAN POTTERY SUPPLY	965.00
00007618	8/28/2025	000919	SCHOOL DATEBOOKS INC	430.56
00007619	8/28/2025	069450	SCHOOL SPECIALTY LLC	655.72
00007620	8/28/2025	063680	STAPLES BUSINESS ADVANTAGE	520.20
00007621	8/28/2025	404218	SZMANSKY, THERESA	81.20

00007622	8/28/2025	403315	THE MATH LEARNING CENTER	6,454.08
00007623	8/28/2025	401812	TRUE NORTH ASPHALT LLC	286,826.24
00007624	8/28/2025	403090	US OMNI AND TSACG COMPLIANCE S	353.44
00007625	8/28/2025	402946	WEATHERTECH CONSULTING GROUP I	14,482.00
			Electronic Payments Issued	1,780,300.12
			Less VOIDS	-
			GRAND TOTAL	1,780,300.12

WIRE TRANSFERS

8/1/2025 - 8/31/2025

<u>DATE</u>	<u>PAYROLL LIABILITIES</u>	<u>TRANSFERS</u>	<u>DESCRIPTION</u>
8/1/2025	1,288,586.59		
8/15/2025	1,306,977.92		
8/29/2025	1,363,181.63		
8/1/2025		17,661.33	EDUSTAFF
8/4/2025		6.95	MERCH SERV FEES
8/5/2025		741,667.21	MESSA
8/5/2025		279.86	DTE
8/7/2025		105.30	NVA VISION
8/7/2025		103.75	NVA VISION
8/8/2025		523,409.80	ORS
8/11/2025		44.41	CLOVER GO
8/15/2025		22,544.08	EDUSTAFF
8/15/2025		447.52	DETROIT TAXES
8/19/2025		15,000.00	ARBITERPAY
8/21/2025		431,987.05	UAAL
8/21/2025		379.48	NVA VISION
8/22/2025		523,476.97	ORS
8/26/2025		20,382.09	PURCH CARD
8/28/2025		389.20	SETSEG
8/29/2025		18,656.37	EDUSTAFF
TOTAL	<u>\$3,958,746.14</u>	<u>2,316,541.37</u>	
	TOTAL TRANSFERS:	<u><u>\$6,275,287.51</u></u>	

Check Register August 2025

Check #	Check Date	Vendor ID	Vendor Name	Check Amount
00225416	8/7/2025	403460	BAUGHMAN, THERESA	215.32
00225417	8/7/2025	006136	BSN SPORTS LLC	7,404.22
00225418	8/7/2025	400136	BUILDING AUTOMATED SYSTEMS AND	388.38
00225419	8/7/2025	057870	CITY OF ROYAL OAK	3,456.75
00225420	8/7/2025	403698	CONSTELLATION NEWENERGY GAS DI	3,611.83
00225421	8/7/2025	015210	CONSUMERS ENERGY COMPANY	2,925.28
00225422	8/7/2025	005652	DIHYDRO SERVICES INC	5,188.00
00225423	8/7/2025	018360	DTE ENERGY	957.42
00225424	8/7/2025	402952	JOSTENS INC	23.85
00225425	8/7/2025	404313	KOCIK, BEN	363.92
00225426	8/7/2025	401393	LANGUAGELINE SERVICES INC	6.30
00225427	8/7/2025	402091	LEONARDS SYRUPS	727.78
00225428	8/7/2025	401415	METROPOLITAN LIFE INS CO	819.00
00225429	8/7/2025	088299	TAMARACK CAMPS	250.00
00225430	8/7/2025	096570	TROY SCHOOL DISTRICT	9,974.00
00225431	8/14/2025	404319	AMERICAN MODELING TEACHERS ASS	2,700.00
00225432	8/14/2025	006136	BSN SPORTS LLC	1,554.52
00225433	8/14/2025	400136	BUILDING AUTOMATED SYSTEMS AND	452.50
00225434	8/14/2025	005673	C AND G NEWSPAPERS	1,329.00
00225435	8/14/2025	057870	CITY OF ROYAL OAK	16,309.12
00225436	8/14/2025	404160	CLASS INTERCOM LLC	1,190.00
00225437	8/14/2025	001021	DETROIT COUNTRY DAY SCHOOL	275.00
00225438	8/14/2025	095710	FERNDALE PUBLIC SCHOOLS	33.39
00225439	8/14/2025	404156	FIRST TO THE FINISH	290.00
00225440	8/14/2025	009143	GARDNER, LISA	58.31
00225441	8/14/2025	008661	GRAND BLANC PRINTING CO INC	7,420.50
00225442	8/14/2025	403268	GREENLAND IRRIGATION AND SERVI	1,200.00
00225443	8/14/2025	404047	INDUSTRIAL STEAM CLEANING	5,770.00
00225444	8/14/2025	401499	J W CHRISTMAS AND ASSOCIATES I	6,500.00
00225445	8/14/2025	008958	KALINOWSKI, TRACY	1,679.48
00225446	8/14/2025	404241	LAMPHERE PUBLIC SCHOOLS	1,793.75
00225447	8/14/2025	404308	LUCIDO AND MANZELLA PC	521.64
00225448	8/14/2025	041487	MASB MI ASSN OF SCHOOL BOARDS	440.00
00225449	8/14/2025	042840	MEDCO SUPPLY	1,798.25
00225450	8/14/2025	096101	MHSAA	40.00
00225451	8/14/2025	401841	MICHIGAN TECHNOLOGICAL UNIVERS	3,200.00
00225452	8/14/2025	317129	MSBO	360.00
00225453	8/14/2025	401872	N FARMINGTON GIRLS GOLF LLC	225.00
00225454	8/14/2025	404096	NATIONAL VISION ADMINISTRATORS	291.55
00225455	8/14/2025	050244	OAKLAND COUNTY TREASURER	4,072.92
00225456	8/14/2025	404321	PRESTIGE ATHLETICS LLC	3,849.00
00225457	8/14/2025	057928	ROYAL OAK CHAMBER OF COMMERCE	225.00
00225458	8/14/2025	400604	SEESAW	4,982.80
00225459	8/14/2025	402523	VISUAL SPORTS NETWORK OF MI	235.00
00225460	8/14/2025	402711	WEISS, OLIVIA	98.80
00225461	8/14/2025	005357	WIENCLAW, MELISSA	199.00
00225462	8/14/2025	073903	WOODWARD CAMERA	2,941.02
00225463	8/21/2025	006136	BSN SPORTS LLC	2,636.46
00225464	8/21/2025	011230	CDW GOVERNMENT LLC	30,948.50

00225465	8/21/2025	001122	CLAWSON PUBLIC SCHOOLS	50.00
00225466	8/21/2025	015210	CONSUMERS ENERGY COMPANY	374.44
00225467	8/21/2025	001289	COREWELL HEALTH	976.00
00225468	8/21/2025	018360	DTE ENERGY	35,557.64
00225469	8/21/2025	401114	HOLLY AREA SCHOOL DISTRICT	300.00
00225470	8/21/2025	032430	HOWIE GLASS CO	255.36
00225471	8/21/2025	005832	JACKSON PUBLIC SCHOOLS	300.00
00225472	8/21/2025	404022	LASER SPORT SURFACING	76,700.00
00225473	8/21/2025	092770	MANN, LOIS	155.80
00225474	8/21/2025	042809	MAXWELL MEDALS & AWARDS	816.00
00225475	8/21/2025	043483	MICHIGAN AIR PRODUCTS CO	1,250.00
00225476	8/21/2025	401841	MICHIGAN TECHNOLOGICAL UNIVERS	400.00
00225477	8/21/2025	048470	NEFF	2,060.52
00225478	8/21/2025	401848	POWERSCHOOL GROUP LLC	9,270.00
00225479	8/21/2025	404326	RIVET, GRANT	258.49
00225480	8/21/2025	008728	SCHOOL MATE	940.00
00225481	8/21/2025	404317	SCREENVISION DIRECT INC	1,500.00
00225482	8/21/2025	403316	SPORTS IMPORTS INC	3,054.75
00225483	8/21/2025	006022	STATE OF MICHIGAN	180.00
00225484	8/21/2025	007818	TRANE U.S. INC.	208.00
00225485	8/21/2025	002092	WALSWORTH PUBLISHING CO INC	1,662.89
00225486	8/28/2025	403799	ADAMS, ALAINA	144.00
00225487	8/28/2025	404332	ALLEN PARK VOLLEYBALL BOOSTER	250.00
00225488	8/28/2025	403954	AMERICAN READING COMPANY INC	829,825.00
00225489	8/28/2025	404330	BAJOREK, REBECCA	62.50
00225490	8/28/2025	400967	BALOGH, KELLI	144.00
00225491	8/28/2025	006136	BSN SPORTS LLC	982.80
00225492	8/28/2025	404337	CAMP CASEY CORPORATION	1,800.00
00225493	8/28/2025	057870	CITY OF ROYAL OAK	3,512.70
00225494	8/28/2025	008895	COASTAL ENTERPRISES	1,411.50
00225495	8/28/2025	015210	CONSUMERS ENERGY COMPANY	919.26
00225496	8/28/2025	404312	DIADEM SPORTS LLC	595.00
00225497	8/28/2025	400473	FREYTAG, TRACY	144.00
00225498	8/28/2025	027005	GEORGES SOCCER SUPPLY INC	81.50
00225499	8/28/2025	403268	GREENLAND IRRIGATION AND SERVI	3,000.00
00225500	8/28/2025	404336	HUBBEL, LINDSEY	144.00
00225501	8/28/2025	404335	JAGELLO, MCKENNA	67.50
00225502	8/28/2025	404333	KOSOWSKI, ANDRZEJ	144.00
00225503	8/28/2025	404329	LACORBIERE, SIOBHAN	45.00
00225504	8/28/2025	402091	LEONARDS SYRUPS	271.00
00225505	8/28/2025	404308	LUCIDO AND MANZELLA PC	521.64
00225506	8/28/2025	002657	MASA - MICHIGAN ASSN OF SUPT A	445.00
00225507	8/28/2025	404334	MOON, KIANA	75.00
00225508	8/28/2025	400519	NEWSELA INC	11,200.00
00225509	8/28/2025	008161	OXFORD COMMUNITY SCHOOLS	195.00
00225510	8/28/2025	404328	PARENTSQUARE INC	21,989.80
00225511	8/28/2025	401981	REA, REBECCA	88.48
00225512	8/28/2025	057655	ROTARY CLUB OF ROYAL OAK	250.00
00225513	8/28/2025	063926	STATE OF MICHIGAN DEPT LICENSI	155.00
00225514	8/28/2025	400521	STATE OF MICHIGAN MDE	677.60
00225515	8/28/2025	008384	UTICA COMMUNITY SCHOOLS	125.00
00225516	8/28/2025	401646	XELLO INC	1,500.00

Checks Issued	1,158,968.73
Less VOIDS	(1,793.75)
GRAND TOTAL	1,157,174.98

8.2. *Field Trips

8.2.1. *Field Trips

9. MATTERS FOR DISCUSSION / ACTION

9.1. Superintendent

Presenter: John Tafelski

9.1.1. First Reading of Revised/Replaced and/or Recommended Policies and Guidelines

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Book	Policy Manual
Section	1000 Administration
Title	Copy of CONFLICT OF INTEREST
Code	po1130
Status	
Adopted	September 13, 2012
Last Revised	February 13, 2025

1130 - **CONFLICT OF INTEREST**

Staff members, officers, and agents shall perform their official duties in a manner free from conflict of interest. To this end:

- A. The maintenance of unusually high standards of honesty, integrity, impartiality, and professional conduct by the District's Board members, employees, officers, and agents is essential to ensure the proper performance of school business as well as to earn and keep public confidence in the District.

To accomplish this, the Board of Education has adopted the following guidelines which apply to all District employees, officers, agents, and Board members to assure that conflicts of interest do not occur. These guidelines are not intended to be all inclusive, nor to substitute for good judgment on the part of all employees, officers, agents, and Board members.

1. No employee, officer, agent, or Board member shall engage in or have a financial or other interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with the employee's, officer's, agent's, or Board member's duties and responsibilities in the school system. When a staff member determines that the possibility of a personal interest conflict exists, the staff member should, prior to the matter being considered by the Board or administration, disclose the staff member's interest (such disclosure shall become a matter of record in the minutes of the Board).
2. No staff member, officer, agent, or Board member shall use their position to benefit either themselves or any other individual or agency apart from the total interest of the District.
3. If the financial interest pertains to a proposed contract with the District, the following requirements must be met.

The staff member, officer, agent, or Board member shall disclose the direct financial interest in the contract to the Board with such disclosure made a part of the official Board minutes. If the direct financial interest amounts to \$250 or more or five percent (5%) or more of the contract cost to the District, the staff member, officer, agent, or Board member shall make the disclosure in one (1) of two (2) ways:

- a. In writing, to the Board president at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings. (See Bylaw 0165.)
 - b. By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The staff member, officer, agent, or Board member must use this method of disclosure if the financial interest amounts to \$5,000 or more.
4. Employees, officers, agents, and Board members shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship the employee, officer, agent, or Board member may have with any student, client, or parents of such students or clients in the course of the employee's, officer's, agent's, or Board member's employment or professional relationship with the District.

Included, by way of illustration rather than limitation are the following:

- a. the provision of any private lessons or services for a fee
 - b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the employee's, officer's, agent's, or Board member's employment or professional relationship with the District through access to District records
 - c. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals
 - d. the requirement of students or clients to purchase any private goods or services provided by an employee, officer, agent, or Board member, or any business or professional practitioner with whom any employee, officer, agent, or Board member has a financial or other relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations
5. Employees, officers, agents, or Board members shall not make use of materials, equipment, or facilities of the District in private practice. Examples would be the use of facilities before, during, or after regular business hours for service to private practice clients, or the checking out of items from an instructional materials center for private practice.
- B. Should exceptions to this policy be necessary in order to provide services to students or clients of the School District, all such exceptions will be made known to the employee's supervisor and will be disclosed to the Superintendent **before** entering into any private relationship.
- C. No employee, officer, agent, or Board member with a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by the Federal award. A conflict of interest includes when the employee, officer, agent, or Board member, any member of their immediate family, their partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from an entity considered for a contract.

Pursuant to Federal rules, the District has set standards for situations where the financial interest is not substantial or the gift is an unsolicited item of nominal value. ~~For purposes of this section, "nominal value" means that the gift has a monetary value of \$73 or less.~~ Board members and school personnel shall not accept any gifts or favors from vendors which might, in any way, influence their recommendations on the eventual purchase of equipment, supplies, or services.

- D. If the District has a parent, affiliate or subsidiary organization that is not a State, local government or Indian tribe, the District may not conduct a procurement action involving the parent, affiliate or subsidiary organization if the District is unable, or appears to be unable, to be impartial in conducting a procurement action involving a related organization.
- E. Employees, officers, agents, and Board members must promptly disclose any potential conflict of interest which may lead to a violation of this policy to the District. Upon discovery of any potential conflict of interest, the District will disclose, in writing, the potential conflict of interest to the appropriate Federal agency or, if applicable, the pass-through entity.

The District will also promptly disclose whenever, in connection with the Federal award (including any activities or subawards thereunder), it has credible evidence of the commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code or a violation of the civil False Claims Act (31 U.S.C. 3729-3733). The disclosure must be made in writing to the Federal agency, the agency's Office of Inspector General, and pass-through entity. The District is also required to report matters related to recipient integrity and performance in accordance with Appendix XII of 2 C.F.R. Part 200.

- F. Employees, officers, agents, and Board members found to be in violation of this conflict of interest policy will be subject to disciplinary action up to and including termination, as permitted by applicable Board policy

Revised 11/12/15

Revised 6/23/16

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Legal 2 C.F.R. 200.112, 200.113, 200.318

M.C.L. 380.634, 380.1805(1)

Last Modified by Jennifer Perkins on September 3, 2025

Book	Policy Manual
Section	3000 Professional Staff
Title	Copy of CONFLICT OF INTEREST
Code	po3110
Status	
Adopted	September 13, 2012
Last Revised	February 13, 2025

3110 - **CONFLICT OF INTEREST**

Staff members, officers, and agents shall perform their official duties in a manner free from conflict of interest. To this end:

- A. The maintenance of unusually high standards of honesty, integrity, impartiality, and professional conduct by the District's Board members, employees, officers, and agents is essential to ensure the proper performance of school business as well as to earn and keep public confidence in the District.

To accomplish this, the Board of Education has adopted the following guidelines which apply to all District employees, officers, agents, and Board members to assure that conflicts of interest do not occur. These guidelines are not intended to be all-inclusive, nor to substitute for good judgment on the part of all employees, officers, agents, and Board members.

1. No employee, officer, agent, or Board member shall engage in or have a financial or other interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with the employee's, officer's, agent's, or Board member's duties and responsibilities in the school system. When a staff member determines that the possibility of a personal interest conflict exists, the staff member should, prior to the matter being considered by the Board or administration, disclose the staff member's interest (such disclosure shall become a matter of record in the minutes of the Board).
2. No staff member, officer, agent, or Board member shall use their position to benefit either themselves or any other individual or agency apart from the total interest of the District.
3. If the financial interest pertains to a proposed contract with the District, the following requirements must be met.

The staff member, officer, agent, or Board member shall disclose the direct financial interest in the contract to the Board with such disclosure made a part of the official Board minutes. If the direct financial interest amounts to \$250 or more or five percent (5%) or more of the contract cost to the District, the staff member, officer, agent, or Board member shall make the disclosure in one (1) of two (2) ways:

- a. In writing, to the Board President at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings. (See Bylaw 0165)
 - b. By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The staff member, officer, agent, or Board member must use this method of disclosure if the financial interest amounts to \$5,000 or more.
4. Employees, officers, agents, and Board members shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship the employee, officer, agent, or Board member may have with any student, client, or parents of such students or clients in the course of the employee's, officer's, agent's, or Board member's employment or professional relationship with the District.

Included, by way of illustration rather than limitation, are the following:

Book	Policy Manual
Section	4000 Support Staff
Title	Copy of CONFLICT OF INTEREST
Code	po4110
Status	
Adopted	September 13, 2012
Last Revised	February 13, 2025

4110 - **CONFLICT OF INTEREST**

Staff members, officers, and agents shall perform their official duties in a manner free from conflict of interest. To this end:

- A. The maintenance of unusually high standards of honesty, integrity, impartiality, and professional conduct by the District's Board members, employees, officers, and agents is essential to ensure the proper performance of school business as well as to earn and keep public confidence in the District.

To accomplish this, the Board of Education has adopted the following guidelines which apply to all District employees, officers, agents, and Board members to assure that conflicts of interest do not occur. These guidelines are not intended to be all-inclusive, nor to substitute for good judgment on the part of all employees, officers, agents, and Board members.

1. No employee, officer, agent, or Board member shall engage in or have a financial or other interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with the employee's, officer's, agent's, or Board member's duties and responsibilities in the school system. When a staff member determines that the possibility of a personal interest conflict exists, the staff member should, prior to the matter being considered by the Board or administration, disclose the staff member's interest (such disclosure shall become a matter of record in the minutes of the Board).
2. No staff member, officer, agent, or Board member shall use their position to benefit either themselves or any other individual or agency apart from the total interest of the District.
3. If the financial interest pertains to a proposed contract with the District, the following requirements must be met.

The staff member, officer, agent, or Board member shall disclose the direct financial interest in the contract to the Board with such disclosure made a part of the official Board minutes. If the direct financial interest amounts to \$250 or more or five percent (5%) or more of the contract cost to the District, the staff member, officer, agent, or Board member shall make the disclosure in one (1) of two (2) ways:

- a. In writing, to the Board President at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings. (See Bylaw 0165)
 - b. By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The staff member, officer, agent, or Board member must use this method of disclosure if the financial interest amounts to \$5,000 or more.
4. Employees, officers, agents, and Board members shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship the employee, officer, agent, or Board member may have with any student, client, or parents of such students or clients in the course of the employee's, officer's, agent's, or Board member's employment or professional relationship with the District.

Included, by way of illustration rather than limitation, are the following:



Book	Policy Manual
Section	Tabled po
Title	Revised FOOD SERVICES
Code	po8500 ps 3/5/2025
Status	Policy Committee Review
Adopted	September 13, 2012
Last Revised	June 10, 2021
Last Reviewed	August 8, 2025

Revised Policy - Vol. 39, No. 2

8500 - FOOD SERVICES

The Board of Education shall provide cafeteria facilities in all school facilities where space and facilities permit, and will provide food service for the purchase and consumption of lunch for all students.

The food service program shall comply with Federal and State regulations pertaining to the selection, preparation, delivery, consumption, and disposal of food and beverages including, but not limited to, the current United States Department of Agriculture's ("USDA") school meal pattern requirements and the USDA Smart Snacks in School nutrition standards, as well as to the fiscal management of the program.

Further, the food service program shall comply with Federal and State regulations pertaining to the fiscal management of the program as well as all the requirements pertaining to food service hiring and food service manager/operator licensure and certification. In addition, as required by law, a food safety program based on the principles of the Hazard Analysis and Critical Control Point ("HACCP") system shall be implemented with the intent of preventing food-borne illnesses. For added safety and security, access to the facility and the food stored and prepared therein shall be limited to food service staff and other authorized persons.

The Board shall approve and implement nutrition standards governing the types of food and beverages that may be sold on the premises of its schools and shall specify the time and place each type of food or beverage may be sold. In adopting such standards, the Board shall:

- A. consider the nutritional value of each food or beverage;
- B. consult with a dietitian licensed under R.C. Chapter 4759, a dietetic technician registered by the Commission on Dietetic Registration, or a school nutrition specialist certified or credentialed by the School Nutrition Association;
- C. consult and incorporate to the maximum extent possible the dietary guidelines for Americans jointly developed by the USDA and the United States Department of Health and Human Services; and
- D. consult and incorporate the USDA Smart Snacks in School nutrition guidelines.

The District's food service program shall serve only food items and beverages determined by the Food Service Department to be in compliance with the current USDA Dietary Guidelines for Americans and the USDA Smart Snacks in School nutrition guidelines. (X) Any competitive food items and beverages that are available for sale to students a la carte in the dining area between midnight and thirty (30) minutes following the end of the school day shall also comply with the current USDA

Dietary Guidelines for Americans and the USDA Smart Snacks in School nutrition guidelines. Foods and beverages not associated with the food service program may be vended in accordance with the rules and regulations set forth in Board Policy 8540 - Vending Machines. **[END OF OPTION]**

The Superintendent will require that the food service program serve foods in the schools of the District that are wholesome and nutritious and reinforce the concepts taught in the classroom.

The Superintendent is responsible for implementing the food service program in accordance with the adopted nutrition standards and shall provide a report to the Board at one of its regular meetings, annually, regarding the District's compliance with the standards. ~~()~~ The Superintendent shall ensure that the District's vendors and/or food service management contractor is provided a copy of this policy and any implementing guidelines and that any pertinent agreements are consistent with this policy and any implementing guidelines. **[END OF OPTION]**

No food or beverage may be sold on any school premises except in accordance with the standards approved by the Board.

Dietary Modifications

[DRAFTING NOTE: This section contains three (3) categories of circumstances in which a student may receive a modified meal. The first category, "Compliant Medical Documentation," is mandatory, whereas the second two (2) categories, i.e., "Noncompliant Medical Requests" and "Requests Not Based on a Medical Statement", are optional. The Board may choose either or neither of the two (2) optional categories.]

Modifications Based on Compliant Medical Documentation

An adult student or student's parent requesting special dietary accommodations for a student with a disability that restricts the diet must provide the Medical Statement for Special Dietary Needs signed by a State authorized medical authority, which is a medical professional authorized in the State of Michigan to write prescriptions. The request must contain the following information:

- A. an explanation of how the student's physical or mental impairment restricts the diet;
- B. the food(s)/type(s) of foods to be avoided;
- C. the food(s)/type(s) of foods to be substituted; and
- D. additional pertinent information, if any, that will assist in accommodating the student's needs.

If a Medical Statement for Special Dietary Needs is incomplete, unclear, or lacks sufficient detail, the Special Dietary Accommodation Coordinator or Food Service Director shall request that the student or parent/guardian request that the medical authority supplement the response so that a safe meal can be provided.

A special dietary accommodation for a student who has a disability that restricts the student's diet must be supported by a Medical Statement for Special Dietary Needs, which should be submitted to the **(X)** Food Service Director who shall serve as the Special Dietary Accommodation Coordinator, Mike Jacobs, ROHS, 248-435-8500 ~~()~~ Special Dietary Accommodation Coordinator. **[END OF OPTIONS] [Insert name, address, phone, email address.] [DRAFTING NOTE - at least one (1) person must be identified as responsible for coordinating compliance with disability-based dietary modifications per 7 C.F.R. Part 15b.6.]**

A student with a disability may have an IEP or 504 plan that requires specific instruction, services, or accommodation related to the student's nutritional needs. If a student's IEP or 504 plan contains the same information that is required on a Medical Statement for Special Dietary Needs, then it is not necessary to obtain and submit a separate Medical Statement for Special Dietary Needs.

The individual making an initial request for such substitutions must inform the Food Service Director or Special Dietary Accommodation Coordinator that the student has a disability that restricts the student's diet. The School District will honor the request upon receipt of the required documentation from a State-authorized medical authority. If the Special Dietary Accommodation Coordinator is unable to grant a requested accommodation following receipt of the medical authority's statement, the student or parent shall be provided with an explanation of the basis for the decision. Compliant requests shall be made as soon as possible. ~~immediately implemented.~~

Disability Accommodation Grievance Procedure

The following procedure is intended to provide prompt and equitable resolution to any concern or disagreement regarding the food service program's administration of meal modifications made or requested on the basis of a student's disability. None of the procedures described in this policy section shall prevent a student or parent from pursuing a complaint with any State or Federal agency, including the USDA, using the procedures described at the end of this policy.

- A. An initial request for accommodation in the form of substituted meals is denied, the student or parent may request review of that decision by the Building Principal District's Compliance Coordinator Superintendent Executive Director of Finance and Operations _____ **[OTHER] [END OF OPTIONS]**
[DRAFTING NOTE: The grievance procedure can be designed as appropriate for each District] and shall provide any communications between the student or parent and food service officials concerning the accommodation request, any documentation provided by a medical authority, and any additional information the student or parent believes is pertinent to the decision. A review of the materials provided and of the initial decision shall be completed and a response provided to the student or parent as soon as practicable following receipt of the request for review. If the initial decision is reversed, including due to additional information provided on review, the dietary accommodations shall be implemented without delay. If the initial decision is affirmed, the decision is final the decision may be appealed to the Superintendent whose decision is final _____ **[OTHER] [END OF OPTIONS]**.
- B. Any other complaint or disagreement with the food service administration concerning implementation of special dietary accommodations based on a student's disability shall be presented to the Special Dietary Accommodation Coordinator. The student or parent shall specify the nature of the concern and any requested remedy in writing. The Coordinator shall promptly review the grievance and either contact the student or parent for any required clarification of the request or to seek to reach an agreement regarding how to best address the concern. If no agreement is reached, the Coordinator shall make a determination and notify the student or parent in writing as soon as practicable. If the grievance is affirmed in any respect, the Coordinator shall propose a plan for implementing appropriate remedial measures. If the student or parent is dissatisfied with the Coordinator's determination, the student or parent may submit a written request to the Building Principal or Superintendent for review. The administrator's determination shall be final.

[OPTIONAL PROVISION – for medical statements not compliant with 7 C.F.R. Part 15b]

Modifications Based on Noncompliant Medical Requests

On a case-by-case basis, substitutions to the standard meal requirements may be made, at no additional charge, for students who provide a signed statement from a qualified medical authority that the student cannot consume certain food items due to medical or other special dietary needs, but which does not comply with the requirements above. To qualify for such consideration and substitutions the medical statement must identify:

- A. the medical or dietary need that restricts the student's diet; and
- B. the food(s) to be omitted from the student's diet and the food(s) or choice of foods that may be substituted.

[END OF OPTION]

[OPTIONAL PROVISION - Based on preferences with no medical documentation] [DRAFTING NOTE: If the Board chooses to include this category of modification, it must also choose among the options below.]

Modification Based on Student/Parental Preference

When a request for a special dietary accommodation is not supported by an authorized Medical Statement for Special Dietary Needs or included in a student's IEP or 504 plan, the School District cannot provide modified meals that are not in compliance with USDA Child Nutrition Program requirements. However, the Board authorizes the following:

- A. **Fluid Milk Substitution [DRAFTING NOTE: If selected, choose one (1) of the following two (2) options]**

The School District shall have no legal obligation to accommodate a student's or a parent's preference for a fluid milk substitute if there is no Medical Statement for Special Dietary Needs on file requiring such a substitute. However, the District will assist the student in choosing a reimbursable meal through offer versus serve ("OVS").

[DRAFTING NOTE: This gives students the ability to decline some of the food options offered as part of the reimbursable meals. For example: five (5) components need to be offered and students need to take three (3) options. They can decline milk for example, and it is still a reimbursable meal. The intent is to give students a choice and avoid food waste. Schools have the ability whether or not they use OVS.]

[OR]

(X) The School District shall offer a Federally approved milk substitute with a written and signed request from a parent that identifies the reason for the special dietary accommodation.

B. () Religious Reason [DRAFTING NOTE: If selected, choose one (1) of the following two (2) options]

~~()~~ The School District shall have no legal obligation to accommodate a student's or parent's request for accommodations based on religious requests. However, the District will assist the student in choosing a reimbursable meal through OVS.

[OR]

~~()~~ The School District will provide substitutions based on religious requests to any student, for any religious reason with a written and signed request by a parent that identifies the reason for the accommodation. A substitution for a religious request must meet USDA Child Nutrition Program meal pattern requirements.

C. () General Dietary Preference [DRAFTING NOTE: If selected, choose one (1) of the following two (2) options]

~~()~~ The School District shall have no legal obligation to accommodate a student's or parent's general health, nutrition, or food preferences. However, the District will assist the student in choosing a reimbursable meal through OVS.

[OR]

~~()~~ The School District will provide substitutions based on lifestyle preferences to any student with a written and signed request by a parent that identifies the reason for the accommodation. A substitution for a personal request must meet USDA Child Nutrition Program meal pattern requirements.

[END OF OPTIONS]

IMPLEMENTATION AND DISCONTINUATION

Review

Upon receipt of a request for a special dietary accommodation, the Food Service Director or Special Dietary Accommodation Coordinator shall review the request to ensure it is supported as required by Federal law and District policy and if not, shall request additional or clarifying information from the student or parent making the request.

Implementation

When the need for a special dietary accommodation is supported by a Medical Statement for Special Dietary Needs signed by a State-authorized medical authority, the District will offer a reasonable modification that effectively accommodates the student's disability. Following USDA Child Nutrition Program regulations, the School District may consider factors such as cost and efficiency and is not required to prepare a specific meal, provide a specific brand of food, or provide a meal beyond the meals provided to other students.

For students who have an IEP or 504 plan that requires specific food-related accommodations, the School District shall provide the accommodation as required by law, seeking clarifying medical information, as necessary.

A special dietary request will be approved and implemented upon submission of a completed authorized Medical Statement.

Student Absence

If a student receiving a special dietary accommodation is absent or does not wish to participate in school lunch on a day an accommodation is planned, the student or parent shall contact the Special Dietary Accommodation Coordinator by 9:00 a.m. **[or enter a time]** the same day.

Renewing A Special Dietary Request

An authorized Medical Statement does not need to be updated annually. However, the Special Dietary Accommodation Coordinator may annually seek clarification or updates on special dietary requests.

Discontinuation of a Special Dietary Request

A special dietary request or part of a request may be discontinued by a parent by submitting the request in writing to the Special Dietary Accommodation Coordinator or shall be discontinued consistent with the medical authorities' recommendation provided with the Medical Statement for Special Dietary Needs.

The Board does not discriminate on the basis of race, color, national origin, sex (including sexual orientation or gender identity), disability, age (except as authorized by law), religion, military status, ancestry, or genetic information (collectively, "Protected Classes") in its educational programs or activities. Students and all other members of the School District community and third parties are encouraged to promptly report incidents of unlawful discrimination and/or retaliation to a teacher, administrator, supervisor, or other District official so that the Board may address the conduct. See Policy 2260—Nondiscrimination and Access to Equal Educational Opportunity.

The food service program shall comply with Federal and State regulations pertaining to the selection, preparation, delivery, consumption, and disposal of food and beverages, including but not limited to the current USDA's school meal pattern requirements for Americans and the USDA Smart Snacks in School nutrition standards, as well as to the fiscal management of the program. In addition, as required by law, a food safety program based on the principles of the Hazard Analysis and Critical Control Point (HACCP) system shall be implemented with the intent of preventing food borne illnesses. For added safety and security, access to the facility and the food stored and prepared therein shall be limited to food service staff and other authorized persons.

Substitutions

If determined appropriate by a student's Section 504 team, substitutions to the standard meal requirements shall be made, at no additional charge, for students for whom a healthcare provider who has prescriptive authority in the State of Michigan has provided medical certification that the student has a disability which restricts his/her diet, in accordance with the criteria set forth in 7 CFR 15(b). To qualify for such substitutions the medical certification must identify:

- A. the student's disability and the major life activity affected by the disability;
- B. an explanation of why the disability affects the student's diet; and
- C. the food(s) to be omitted from the student's diet, and the food or choice of foods that must be substituted (e.g., caloric modifications or use of liquid nutritive formula).

[] If determined appropriate by a team of qualified individuals including, but not limited to, the Principal, school nurse, parent, Director of Food Services, () _____, substitutions to the standard meal requirements may be made, at no additional charge, for a student who is not a "disabled person" but has a signed statement from a qualified medical authority that the student cannot consume certain food items due to medical or other special dietary needs. To qualify for such consideration and substitutions the medical statement must identify:

- A. the medical or dietary need that restricts the student's diet; and
- B. the food(s) to be omitted from the student's diet and the food(s) or choice of foods that may be substituted.

For non disabled students who need a nutritional equivalent milk substitute, only a signed request by a parent or guardian is required.

Lunches sold by the school may be purchased by students and staff members and community residents in accordance with the administrative guidelines established by the Superintendent.

The operation and supervision of the food service program shall be the responsibility of the Finance Office and the Food Service Director. Food services shall be operated on a self supporting basis with revenue from students, staff, Federal reimbursement, and surplus food. The Board shall assist the program by furnishing available space, initial major equipment, and utensils. Maintenance and replacement of equipment is the responsibility of the program.

A periodic review of the food service accounts shall be made by the Finance Office. Any surplus funds from the National School Lunch Program shall be used to reduce the cost of the service to students or to purchase cafeteria equipment. Surplus funds from a la carte foods purchased using funds from the nonprofit food service account must accrue to the nonprofit food service account.

Meal Charges

Meals sold by the school may be purchased by students, staff members, and community residents in accordance with administrative guidelines established by the Superintendent. Meals may be made available, free of charge, to senior citizens who are serving as volunteers to the District.

The operation and supervision of the food service program shall be the responsibility of the Food Service Management Company _____. In accordance with Federal law, the Royal Oak Schools _____ shall take such actions as are necessary to obtain a minimum of two (2) food safety inspections per school year, which are conducted by the State or local governmental agency responsible for food safety inspections. The report of the most recent inspection will be posted in a publicly visible location, and a copy of the report will be available upon request. **[DRAFTING NOTE: Schools participating in more than one (1) child nutrition program are only required to obtain two (2) food safety inspections per school year if the nutrition programs offered use the same facilities for the preparation and service of meals. Also, the requirement for two (2) inspections does not apply to schools that only offer the Special Milk Program.]**

A periodic review of the food service accounts shall be made by the Finance Department _____. Any surplus funds from the National School Lunch Program or the Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296) shall be used to reduce the cost of the service to students or to purchase cafeteria equipment. Surplus funds from a-la-carte foods may accrue to the food service program.

Bad Debt

Bad debt incurred through the inability to collect lunch payments from students is not an allowable cost chargeable to any Federal program. Any related collection cost, including legal cost, arising from such bad debt after they have been determined to be uncollectable are also unallowable. District efforts to collect bad debt shall be in accordance with Policy 6152 - Student Fees, Fines, and Charges.

Bad debt is uncollectable/delinquent debt that has been determined to be uncollectable no sooner than the end of the school year in which the debt was incurred (~~-~~) and after the Superintendent determines that sufficient reasonable effort and approaches to collecting the debt have been made. **[END OF OPTION]** If the uncollectable/delinquent debt cannot be recovered by the School Meals Program in the year when the debt was incurred, then this is classified as bad debt. Once classified as bad debt, non-Federal funding sources must reimburse the NSFSA for the total amount of the bad debt. The funds may come from the District general fund, State or local funding, school or community organizations such as the PTA, or any other non-Federal source. Once the uncollectable/delinquent debt charges are converted to bad debt, records relating to those charges must be maintained in accordance with the record retention requirements in 7 C.F.R. 210.9(b) (17) and 7 C.F.R. 210.15(b).

Negative Account Balances

[DRAFTING NOTE: USDA regulations provide local control with respect to permitting negative lunch account balances, including prohibiting it altogether. As a practical matter, a hard-line rule prohibiting any negative account balances is not recommended. Rather, permitting some limited negative balances to occur, while placing some restrictions on those situations, is likely the most appropriate. Nonetheless, this first option recognizes that each School District does have the choice to prohibit a negative balance without any exceptions].

~~[] [OPTION #1]~~

~~No student will be permitted to purchase any meals for which the student does not have sufficient balance in their food service account or sufficient cash on hand to purchase the food items.~~

~~Students receiving paid or reduced price lunch who do not have sufficient account balance or cash on hand to purchase a meal (~~-~~) will be provided an alternative meal (~~-~~) will not be provided an alternative meal **[END OF OPTIONS]** that meets the USDA guidelines applicable to alternative meal options. The Superintendent shall, in coordination with the District's food service, assure that any alternative meals that are provided meet the requisite USDA guidelines for alternative meals. The cost of the alternative meal will be added to the delinquent account.~~

~~[END OF OPTION #1]~~

X] [OPTION #2]

Students will be permitted to purchase meals from the District's food service using either cash on hand or a food service account. A student may be allowed to incur a negative food service account balance subject to the following conditions.

Students may be permitted to accumulate a negative food service account balance ~~()~~ not to exceed \$ _____ [ENTER AMOUNT] ~~()~~ not to exceed an amount equal to one (1) school week of regular meal price [END OF OPTIONS]. ~~()~~ Students up to grade eight (8) will be allowed to incur a negative balance not to exceed \$ _____ [ENTER AMOUNT]. [END OF OPTIONAL SENTENCE] [DRAFTING NOTE: The Board may establish a different permissible negative balance for elementary grades to account for the students' lower level of responsibility for managing these accounts at the younger grade levels.] A student ~~()~~ shall (X) shall not [END OF OPTION] be permitted to purchase a la carte items without sufficient account balance or cash on hand. (X) Likewise, any student who has a negative account balance may not purchase a la carte items with cash unless the student is also able to bring their account current. [END OF OPTIONAL SENTENCE]

X] A student who has exceeded the permissible negative balance amount in their account and does not have cash on hand sufficient to purchase a meal will be treated respectfully. The District will provide meals to students with unpaid meal balances without stigmatizing them, will provide parents of students who charge meals with notification when a student charges a meal and will make efforts to collect the charges incurred by the students so that the unpaid charges are not classified as bad debt at the end of the school year.

X] [OPTION A]

If a student has reached the permissible level of a negative lunch account balance, that student shall be provided a regular reimbursable meal that follows the USDA meal pattern, the cost of which shall continue to accrue to a negative lunch account balance.

[END OF OPTION A]

~~[] [OPTION B]~~

~~If a student has a significant negative lunch account balance, they shall be provided an alternate meal, () at a reduced price recommended by the Superintendent and approved by the Board, [END OF OPTION] the cost of which shall continue to accrue to a negative lunch account balance, and the student's parent(s) shall be contacted to collect the outstanding charges. The alternate meal will be a low cost alternative to the regular reimbursable meal and shall meet USDA nutritional standards or the Smart Snacks in Schools Regulations so that it qualifies for reimbursement under the National School Lunch/Breakfast Program.~~

[END OF OPTION B]

~~[] Negative lunch account balances will carry over from year to year until paid in full or until a student enters 9th grade. Upon entering 9th grade, any negative lunch account balances will be converted to school fees. Parents/Guardians will be responsible for paying all fees in accordance with Policy 6152—Student Fees, Fines, and Charges. Fee waivers are applied in accordance with Policy 6152.01—Waivers of School Fees for Instructional Materials. [END OF OPTION]~~

[END OF OPTION #2]

[END OF OPTIONS]

Students who have qualified for Free lunches are still responsible for paying off any debt that was incurred prior to qualifying for free lunches. This policy and any implementing guidelines shall be provided in writing to all households at the start of each school year and to households transferring to the school or School District during the year. The policy and implementing guidelines will also be provided to all District staff with responsibility for enforcing the policies.

~~() The policy and guideline(s) will be posted on the District website. [END OF OPTION]~~

Bad debt incurred through the inability to collect lunch payment from students is not an allowable cost chargeable to any Federal program. Any related collection cost, including legal cost, arising from such bad debt after they have been determined to be uncollectable are also unallowable.

~~[] Bad debt is uncollectable/delinquent debt that has been determined to be uncollectable by the end of the school year in which the debt was incurred. If the uncollectable/delinquent debt cannot be recovered by the School Meals Program in the year when the debt was incurred, then this is classified as bad debt. Once classified as bad debt, non-Federal funding sources must reimburse the NSFSA for the total amount of the bad debt. The funds may come from the District general fund, State or local funding, school or community organizations such as the PTA, or any other non-Federal source. Once the uncollectable/delinquent debt charges are converted to bad debt, records relating to those charges must be maintained in accordance with the record retention requirements in 7 CFR 210.9(b) (17) and 7 CFR 210.15(b).~~

~~The Superintendent is authorized to develop and implement an administrative guideline regarding meal charge procedures. This guideline will provide consistent directions for students who are eligible for reduced price or paid meals but do not have funds in their account or in hand to cover the cost of their meal at the time of service and shall also address feeding students with unpaid meal balances without stigmatizing them.~~

~~This guideline shall be provided in writing to all households at the start of each school year and to households transferring to the school or School District during the school year.~~

With regard to the operation of the school food service program, the Superintendent shall require:

- A. the maintenance of sanitary, neat premises free from fire and health hazards;
- B. the preparation of food that complies with Federal food safety regulations;
- C. the planning and execution of menus in compliance with USDA requirements;
- D. the purchase of foods and supplies in accordance with State and Federal law, USDA regulations, and Board policy (See Policy 1130, Policy 3110, and Policy 4110);
- E. complying with food holds and recalls in accordance with USDA regulations;
- F. the accounting and disposition of food-service funds pursuant to Federal and State law and USDA regulations;
- G. the safekeeping and storage of food and food equipment pursuant to State and Federal law and USDA regulations;
- H. the regular maintenance and replacement of equipment;
- I. all District employees whose salaries are paid for with USDA funds or non-federal funds used to meet a match or cost share requirement must comply with the District's time and effort record-keeping policy (See Policy 6116).

The District shall serve only nutritious food as determined by the Food Service Department in compliance with the current USDA Nutrition Standards for the National School Lunch and School Breakfast Programs and the USDA Smart Snacks in School nutrition guidelines. Foods and beverages unassociated with the food-service program must comply with the current USDA Nutrition Standards for the National School Lunch and School Breakfast Programs and the USDA Smart Snacks in School nutrition guidelines, and may be vended in accordance with Board Policy 8540.

The Superintendent will require that the food service program serve foods in District schools that are wholesome and nutritious and reinforce the concepts taught in the classroom.

~~The Superintendent is responsible for implementing the food service program in accordance with the adopted nutrition standards and shall provide a report regarding the District's compliance with the standards at one of the Board's regular meetings annually.~~

Nondiscrimination Statement

~~In accordance with Federal civil rights law and U.S. Department of Agriculture ("USDA") civil rights regulations and policies, this institution is prohibited from discriminating on the basis of race, color, national origin, sex (including gender identity and sexual orientation), disability, age, or reprisal or retaliation for prior civil rights activity. The District's nondiscrimination statement below is complementary to the District's nondiscrimination policies, including Policy 2260 - Nondiscrimination and Access to Equal Educational Opportunity and Policy 1422/Policy 3122/Policy 4122 - Nondiscrimination and Equal Employment Opportunity.~~

~~Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotope, American Sign Language) should contact the responsible state or local agency that administers the program or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339.~~

~~To file a program discrimination complaint, a Complainant should complete Form AD-3027, USDA Program Discrimination Complaint Form, which can be obtained online at <https://www.usda.gov/sites/default/files/documents/ad-3027.pdf>, from any USDA office by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights ("ASCR") about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:~~

1. Mail:
U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410; or
2. Fax:(833) 256-1665 or (202) 690-7442; or
3. E-mail:program.intake@usda.gov.

This institution is an equal opportunity provider.

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Legal

M.C.L. 380.1272, 1272a, 1272d et seq.

7 C.F.R. Parts 15b, 127, 210, 215, 220, 225, 226, 240, 245, 3015

42 U.S.C. 1758, 1760

Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq.

Healthy, Hunger-Free Kids Act of 2010 and Richard B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq.

OMB Circular No. A 87 USDA Smart Snacks in School Food Guidelines (effective July 1, 2014)

SP 32-2015 Statements Supporting Accommodations for Children with Disabilities in the Child Nutrition Programs

Last Modified by Jennifer Perkins on August 8, 2025

9.2. Curriculum & Instruction

Presenter: Joe Youanes

9.3. Finance/Facilities and Bond

Presenter: Kathy Abela

9.4. Staff and Student Services

Presenter: Patrick Wolynski

9.4.1. Personnel Changes

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September 11, 2025

Regular Personnel Changes:

RESOLVED that Royal Oak Schools Board of Education hereby approves the following regular personnel changes:

NAME	POSITION	ACTION	EFFECTIVE DATE
Ryan Figueiras	Paraeducator – Addams	Resigned	6/12/25
Aaron Noble	Paraeducator – Churchill	Resigned	6/12/25
Cole Kessel	Paraeducator – Oak Ridge	Resigned	6/12/25
Wendy Davis	Media Tech – Oak Ridge	Resigned	6/12/25
Timothy Whitlow	Paraeducator – ROMS	Resigned	6/12/25
Samantha Waddell	Paraeducator – Keller	Resigned	6/12/25
Pamela Bredau	Paraeducator – Addams	Resigned	6/12/25
Jaymie Epstein	Kindergarten Teacher – Addams	Hired	8/18/25
Donia Michelutti	Kindergarten Teacher – Addams	Hired	8/19/25
Alisha Washington	MYP Coordinator – ROMS	Resigned	8/22/25
Corey Stoner	Paraeducator – ROHS	Hired	8/25/25
Jasmin Harrington	Paraeducator – Addams ECC	Hired	8/25/25
Emily Steslicki	GSRP Lead Teacher – Addams ECC	Hired	8/27/25
Crystal Krauskoff	Paraeducator – Northwood	Hired	8/28/25
LaTisha Scott	ASD Teacher – Oak Ridge	Hired	9/5/25
Anthony Koch	Music Teacher – Keller/Oak Ridge	Hired	9/5/25
Leticia Thweatt	Supervisor of Secondary Special Education – Board Office	Hired	9/8/25
Kaylee Minter	Media Teach – Northwood/Oak Ridge	Hired	9/10/25
Jessica Huertas	Paraeducator – Oak Ridge	Hired	9/10/25
Nicole Bazinski	Intermediate Night ESL Teacher – Churchill	Hired	9/10/25

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Christina Wheatley	Paraeducator – Northwood	Hired	9/10/25
Lisa Dabrowski	Music Teacher – Oak Ridge/Keller	Resigned	9/30/25
Amy Murphy	Communications Specialist – Board Office	Resigned	10/31/25

10. PUBLIC COMMENT (same rules apply)

11. BOARD COMMENTS / LIAISON REPORT

12. ADJOURNMENT (approval by consensus)

[Royal Oak Schools Board of Education meetings are open to the public. There is a time for public participation during the meeting as indicated in the agenda. This meeting is for the purposes of conducting the School District's business and is not to be considered a "community" meeting.]