Regular School Board Meeting

Monday, December 12, 2022 5:30 PM
Middle School Media Center, 420 Ypsilanti St., Dundee, MI 48131

I. **Pledge of Allegiance**

II. **Attendance**

III. **Presentation**

III.A. Elementary Peer to Peer

III.B. 2021-2022 District Audit

III.C. Josh Dyer Shared Service Plan

IV. **Administrative Moments**

V. **Committee of the Whole**

V.A. Policy Update - 2nd reading and action - # 0144.1, 6108, 6700, 8805, 9150

V.B. Vertical uni-vents Bid

V.C. Christman Company Construction Management costs for the 2022 Bond project

V.D. State School Aid Borrowing

V.E. Middle School Mud Hens Trip Request

V.F. Superintendent Contract Extension

VI. **Informational Items**

VI.A. Budget vs Expenditures

VI.B. Debit Card Transactions

VII. **Agenda**

VIII. **Consent Agenda**

IX. **Public Comment:**

The purpose of public comment is to provide an opportunity for a member of the public to speak. The role of the board is to listen attentively, and we thank you in advance for sharing your thoughts and ideas.

» All members of the public that speak during "Public Comment" will need to state their name and sign the public comment sheet that is provided at the podium, for contact information.

» We have designated up to 5 minutes per person.

» The Superintendent, or designee, will

follow up concerning the comments as soon as possible, as warranted.
No member of the public shall distribute materials at the meeting without prior approval.
Please contact the Superintendent's office if you have any additional questions.

X. **New Business**

X.A. Policy Update - # 0144.1, 6108, 6700, 8805, 9150

X.B. Vertical uni-vents Bid

X.C. Christman Company Construction Management costs for the 2022 Bond project

X.D. State School Aid Borrowing

X.E. Middle School Mud Hens Trip Request

X.F. Superintendent Contract Extension

XI. **Superintendent**

XII. **Board Comments**

XIII. **Adjournment**

Dundee Community Schools

Year Ended
June 30, 2022

Financial Statements & Single Audit Act Compliance

Rehmann

This page intentionally left blank.

DUNDEE COMMUNITY SCHOOLS

Table of Contents

DUNDEE COMMUNITY SCHOOLS

Table of Contents

INDEPENDENT AUDITORS' REPORT

December 1, 2022

Board of Education
Dundee Community Schools
Dundee, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of ***Dundee Community Schools*** (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position thereof and the budgetary comparison of the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

WE ARE AN INDEPENDENT MEMBER OF THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

1249 Griswold Street, Suite 201, Detroit, MI 48226 313.202.7400

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

Independent Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefit plan, as listed 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.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 1, 2022, on our consideration of the District's 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rehmann Robson LLC

This page intentionally left blank.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Dundee Community Schools (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022.

Financial Highlights

· Total net position	$ (6,260,854)
· Change in total net position	2,949,592
· Fund balances, governmental funds	10,318,438
· Change in fund balances, governmental funds	3,901,704
· Unassigned fund balance, general fund	2,182,912
· Change in fund balance, general fund	(471,866)
· Installment debt outstanding	19,915,000
· Change in installment debt	1,600,000

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how a government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, community services, athletics, food service, and student/school activities. The District has no business-type activities during the year.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

Management's Discussion and Analysis

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of a government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains various individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general and 2022 capital projects, each of which are considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual appropriated budget for its general and special revenue funds. The budgetary comparison statement has been provided for the general fund herein to demonstrate compliance with that budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This is limited to this management's discussion and analysis and the schedules for the Michigan Public School Employees' Retirement System pension and other postemployment benefit plans immediately following the notes to the financial statements. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the above required supplementary information.

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $6,260,854 at the close of the most recent fiscal year.

	Net Position	
	Governmental Activities	
	2022	2021
Assets		
Current and other assets	$ 13,676,158	$ 10,142,585
Capital assets, net	31,448,417	31,852,184
Total assets	45,124,575	41,994,769
Deferred outflows of resources	8,271,330	10,403,672
Liabilities		
Current and other liabilities	25,461,496	37,661,409
Long-term debt	22,313,028	20,388,405
Total liabilities	47,774,524	58,049,814
Deferred inflows of resources	11,882,235	3,559,073
Net position		
Net Investment in capital assets	13,889,995	12,680,086
Restricted	3,076,956	2,581,889
Unrestricted (deficit)	(23,227,805)	(24,472,421)
Total net position	$ (6,260,854)	$ (9,210,446)

A portion of the District's net position ($13,889,995) reflects its investment in capital assets (e.g., land, construction in progress, land improvements, buildings and improvements, vehicles, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to the students it serves; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis

The deficit of $23,227,805 in unrestricted net position of governmental activities represents the accumulated results of all past years' operations including the impact of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No, 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.* More detailed information on this can be seen in the notes to the financial statements.

The results of this year's operations for the District as a whole are reported in the statement of activities, which shows the changes in net position for the fiscal year 2022.

	Changes in Net Position	
	Governmental Activities	
	2022	2021
Revenues		
Program revenues:		
Charges for services	$ 202,143	$ 74,720
Operating grants and contributions	6,473,752	5,290,632
General revenues:		
Property taxes	5,291,096	5,229,287
State school aid	12,499,258	11,305,767
Grants and contributions not restricted to specific programs	337,403	735,123
Unrestricted investment earnings	3,054	5,049
Total revenues	24,806,706	22,640,578
Expenses		
Instruction	10,710,323	11,905,222
Support services	7,040,330	6,643,480
Community services	126,842	111,121
Athletics	553,703	543,778
Food service	957,757	797,403
Student/school activities	288,998	209,992
Unallocated depreciation	1,526,409	1,521,883
Interest on long-term debt	652,752	712,227
Total expenses	21,857,114	22,445,106
Change in net position	2,949,592	195,472
Net position, beginning of year	(9,210,446)	(9,405,918)
Net position, end of year	$ (6,260,854)	$ (9,210,446)

Governmental activities. Net position increased by $2,949,592 compared to an increase of $195,472 in fiscal 2021.

The key elements of this increase are as follows:

- The main reason for the increase in net position are the increases in operating grants of approximately $869,000 and State school aid funding of approximately $1.2 million and also a decrease in the District spending of approximately $577,000.

Financial Analysis of the Government's Funds

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $10,318,438, an increase of $3,901,704 in comparison with the prior year. Approximately 21% of this total amount ($2,182,912) constitutes unassigned fund balance, which is available for spending at the District's discretion. The District reports unspendable fund balances, restricted fund balances to indicate those amounts that are for a specific purpose, and committed fund balances to indicate amounts that are constrained for specific purposes by the formal action of the District's Board of Education.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was $2,182,912. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The unassigned general fund balance represents 10.7% of the total general fund expenditures, and total general fund balance represents 11.0% of total general fund expenditures.

The unassigned fund balance of the District's general fund decreased by $543,769 during the current fiscal year and the total fund balance of the District's general fund decreased by $471,866. This decrease can be mostly attributed the District transferring funds out to the debt service and capital projects funds during the year.

The restricted fund balance of the 2022 capital projects fund was $3,546,468 at the end of the year. This was a new fund set up related to the issuance of bonds for the 2022 capital projects improvements at the District.

General Fund Budgetary Highlights

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

Differences between the original and final amended budgets relate to several factors. Changes to benefits, salaries, and repair and maintenance costs will all influence subsequent budget amendments. The amendments will recognize the additional revenue and additional planned expenditures and the individual various District program budgets are adjusted accordingly. Some of the more significant changes between the original adopted budget and the final amended budget were:

- Budgeted state revenues were increased $2,484,736 from the original to the final amended budget to better reflect State per student foundation funding and adjustments to categorical funding.

- Budgeted expenditures were increased $2,627,364 from the original to the final amended budget to better reflect costs of operations due to the grant awards for specific pandemic-related purposes.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of June 30, 2022, amounted to $31,448,417 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, vehicles, and equipment. The District had significant additions to construction in progress related to the athletic complex construction and the HVAC upgrades, additions related to equipment for new ventilators, and additions related to vehicles for buses. See further discussion of capital assets in the footnotes.

Long-term debt. At the end of the current fiscal year, the District had total long-term debt outstanding of $22,313,028. This amount represents the general obligations of the District that do constitute an indebtedness of the District within any constitutional or statutory limitations. See further discussion of long-term debt in the footnotes.

The District's total debt increased by $1,924,623 during the current fiscal year due a bond issuance of $3.6 million offset by regular repayments on long-term obligations of $2,000,000.

Factors Bearing on the District's Future

Our elected school board officials and administration considered many factors when setting the District's 2023 fiscal year budget. The new year will be challenging because we are closing some of the COVID-19 grants so changes are necessary to discontinue use of those funds. We also are planning ways to complete the plan for the remaining COVID-19 grants. The 2023 fiscal year budget was adopted in June 2022 based on an estimate of students that will be enrolled in October 2022 and without information regarding the per pupil FY 2023 foundation amount. Approximately 80% of general fund revenues received by the District are directly related to the foundation allowance (57% from the State of Michigan and 23% from non-homestead local property taxes). Under State law, the District cannot assess additional property tax revenue for general operations. As a result, District funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data for 2023, we anticipate that the fall student count will be slightly higher due to the continued growth in Dundee. There are several new builds, including apartment units which will likely attract families with children. Once the final student count and related per pupil funding is validated, State law requires the District to amend the budget if actual District resources are not sufficient to fund original appropriations.

Management's Discussion and Analysis

Since the District's revenue is heavily dependent on State funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts. In fiscal year 2022, because of the financial impact of the COVID-19 pandemic, the District was awarded additional grant dollars through COVID Relief Funds. Some of these grant funds will flow into the next fiscal year. The 2022 foundation allowance for the District was $8,700. The District must continue to meet increased contractual obligations, maintenance/repair costs on aging buildings, buses, and equipment, increasing health care costs, and State mandated retirement rates through continued budget management and attracting student enrollment.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Dundee Community Schools Business Office, 420 Ypsilanti Street, Dundee, MI 48131.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

DUNDEE COMMUNITY SCHOOLS

Statement of Net Position

June 30, 2022

	Governmental Activities
Assets	
Cash and investments	$ 9,616,917
Receivables	3,987,330
Other assets	71,911
Capital assets not being depreciated	1,445,163
Capital assets being depreciated, net	30,003,254
Total assets	45,124,575
Deferred outflows of resources	
Deferred charge on refunding	587,674
Deferred pension amounts	5,476,080
Deferred other postemployment benefit amounts	2,207,576
Total deferred outflows of resources	8,271,330
Liabilities	
Accounts payable and accrued liabilities	2,964,415
Unearned revenue	528,535
Long-term debt:	
Due within one year	2,456,110
Due in more than one year	19,856,918
Net pension liability (due in more than one year)	20,618,481
Net other postemployment benefit liability (due in more than one year)	1,350,065
Total liabilities	47,774,524
Deferred inflows of resources	
Deferred pension amounts	6,789,705
Deferred other postemployment benefit amounts	5,092,530
Total deferred inflows of resources	11,882,235
Net position	
Net investment in capital assets	13,889,995
Restricted for:	
Food service	386,128
Debt service	2,198,750
Capital projects	492,078
Unrestricted (deficit)	(23,227,805)
Total net position	$ (6,260,854)

The accompanying notes are an integral part of these financial statements.

DUNDEE COMMUNITY SCHOOLS

Statement of Activities
For the Year Ended June 30, 2022

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue
Governmental activities				
Instruction	$ 10,710,323	$ -	$ 4,944,445	$ (5,765,878)
Support services	7,040,330	-	8,047	(7,032,283)
Community services	126,842	42,616	-	(84,226)
Athletics	553,703	116,398	-	(437,305)
Food service	957,757	43,129	1,207,450	292,822
Student/school activities	288,998	-	313,810	24,812
Unallocated depreciation	1,526,409	-	-	(1,526,409)
Interest on long-term debt	652,752	-	-	(652,752)
Total governmental activities	$ 21,857,114	$ 202,143	$ 6,473,752	(15,181,219)
General revenues				
Property taxes				5,291,096
State school aid				12,499,258
Grants and contributions not restricted to specific programs				337,403
Unrestricted investment earnings				3,054
Total general revenues				18,130,811
Change in net position				2,949,592
Net position, beginning of year				(9,210,446)
Net position, end of year				$ (6,260,854)

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

DUNDEE COMMUNITY SCHOOLS

Balance Sheet

Governmental Funds
June 30, 2022

	General Fund	2022 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	$ 5,875,341	$ -	$ 3,741,576	$ 9,616,917
Accounts receivable	131,167	-	-	131,167
Due from other governments	3,809,577	-	46,586	3,856,163
Due from other funds	337,974	3,600,000	1,690,113	5,628,087
Prepaid items	71,903	-	8	71,911
Total assets	$ 10,225,962	$ 3,600,000	$ 5,478,283	$ 19,304,245
Liabilities				
Accounts payable	753,509	53,532	343,901	1,150,942
Salaries payable	1,678,243	-	-	1,678,243
Due to other funds	5,029,855	-	598,232	5,628,087
Unearned revenue	509,540	-	18,995	528,535
Total liabilities	7,971,147	53,532	961,128	8,985,807
Fund balances				
Nonspendable - prepaid items	71,903	-	8	71,911
Restricted for:				
Food service	-	-	386,128	386,128
Debt service	-	-	2,333,980	2,333,980
Capital projects	-	3,546,468	793,287	4,339,755
Commited for:				
Student/school activities	-	-	380,183	380,183
Capital projects	-	-	623,569	623,569
Unassigned	2,182,912	-	-	2,182,912
Total fund balances	2,254,815	3,546,468	4,517,155	10,318,438
Total liabilities and fund balances	$ 10,225,962	$ 3,600,000	$ 5,478,283	$ 19,304,245

The accompanying notes are an integral part of these financial statements.

DUNDEE COMMUNITY SCHOOLS

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2022

Fund balances - total governmental funds	$ 10,318,438
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	1,445,163
Capital assets being depreciated	50,901,366
Accumulated depreciation	(20,898,112)
Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(19,915,000)
Unamortized deferred charge on refunding	587,674
Unamortized bond premium	(2,078,773)
Accrued interest on bonds payable	(135,230)
Compensated absences	(319,255)
Certain pension and other postemployment benefit-related amounts, such as the net pension and other postemployment benefit liabilities and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(20,618,481)
Deferred outflows related to the net pension liability	5,476,080
Deferred inflows related to the net pension liability	(6,789,705)
Net other postemployment benefit liability	(1,350,065)
Deferred outflows related to the net other postemployment benefit liability	2,207,576
Deferred inflows related to the net other postemployment benefit liability	(5,092,530)
Net position of governmental activities	$ (6,260,854)

The accompanying notes are an integral part of these financial statements.

DUNDEE COMMUNITY SCHOOLS

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2022

	General Fund	2022 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local sources:				
Property taxes	$ 2,774,760	$ -	$ 2,516,336	$ 5,291,096
Other local sources	1,055,257	-	361,605	1,416,862
State sources	15,508,986	-	317,716	15,826,702
Federal sources	1,106,236	-	1,165,810	2,272,046
Total revenues	20,445,239	-	4,361,467	24,806,706
Expenditures				
Current:				
Instruction	11,751,860	-	-	11,751,860
Support services	7,321,345	-	-	7,321,345
Community services	129,255	-	-	129,255
Athletics	597,733	-	-	597,733
Food service	-	-	964,455	964,455
Student/school activities	-	-	288,998	288,998
Debt service:				
Principal	-	-	2,000,000	2,000,000
Interest and fiscal charges	1,875	-	776,624	778,499
Bond issuance costs	-	-	62,584	62,584
Capital outlay	683,212	53,532	338,604	1,075,348
Total expenditures	20,485,280	53,532	4,431,265	24,970,077
Revenues under expenditures	(40,041)	(53,532)	(69,798)	(163,371)
Other financing sources (uses)				
Issuance of long-term debt	-	3,600,000	-	3,600,000
Premium on issuance of long-term debt	-	-	465,075	465,075
Transfers in	-	-	431,825	431,825
Transfers out	(431,825)	-	-	(431,825)
Total other financing sources (uses)	(431,825)	3,600,000	896,900	4,065,075
Net change in fund balances	(471,866)	3,546,468	827,102	3,901,704
Fund balances, beginning of year	2,726,681	-	3,690,053	6,416,734
Fund balances, end of year	$ 2,254,815	$ 3,546,468	$ 4,517,155	$ 10,318,438

The accompanying notes are an integral part of these financial statements.

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds	$ 3,901,704
Amounts reported for *governmental activities* in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital assets purchased	1,122,642
Depreciation expense	(1,526,409)
Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term debt in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term debt in the statement of net position.	
Principal payments on bonds	2,000,000
Issuance of long-term debt	(3,600,000)
Premium on issuance of long-term debt	(465,075)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the fund.	
Change in net pension liability and related deferred amounts	188,213
Change in net other postemployment benefit liability and related deferred amounts	1,267,609
Change in accrued interest payable on bonds	(6,084)
Amortization of refunding deferred charge and refunding premium	131,831
Change in the accrual for compensated absences	(64,839)
Change in net position of governmental activities	$ 2,949,592

The accompanying notes are an integral part of these financial statements.

DUNDEE COMMUNITY SCHOOLS

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Local sources:				
Property taxes	$ 2,798,882	$ 2,896,759	$ 2,774,760	$ (121,999)
Other local sources	1,025,392	1,012,284	1,055,257	42,973
State sources	13,039,368	15,524,104	15,508,986	(15,118)
Federal sources	1,000,651	1,202,014	1,106,236	(95,778)
Total revenues	17,864,293	20,635,161	20,445,239	(189,922)
Expenditures				
Instruction:				
Basic programs	9,657,174	10,410,271	10,377,582	(32,689)
Added needs:				
Special education	1,288,482	1,401,059	1,374,278	(26,781)
Other added needs	50	50	-	(50)
Total instruction	10,945,706	11,811,380	11,751,860	(59,520)
Support services:				
Pupil	624,445	702,653	694,386	(8,267)
Instructional services	115,078	115,858	131,288	15,430
General administration	564,676	686,687	686,619	(68)
School administration	1,055,323	1,037,901	1,069,243	31,342
Business	376,024	433,869	453,656	19,787
Maintenance	1,749,881	2,230,578	2,489,439	258,861
Transportation	830,111	885,180	936,078	50,898
Other support services	562,001	792,563	860,636	68,073
Total support services	5,877,539	6,885,289	7,321,345	436,056
Community services	77,149	135,968	129,255	(6,713)
Athletics	491,855	575,942	597,733	21,791
Debt service -				
Interest and fiscal charges	-	-	1,875	1,875
Capital outlay	12,653	623,687	683,212	59,525
Total expenditures	17,404,902	20,032,266	20,485,280	453,014
Revenues over (under) expenditures	459,391	602,895	(40,041)	(642,936)
Other financing uses				
Transfers out	(436,000)	(431,075)	(431,825)	750
Net change in fund balance	23,391	171,820	(471,866)	(643,686)
Fund balance, beginning of year	2,726,681	2,726,681	2,726,681	-
Fund balance, end of year	$ 2,750,072	$ 2,898,501	$ 2,254,815	$ (643,686)

The accompanying notes are an integral part of these financial statements.

DUNDEE COMMUNITY SCHOOLS

Statement of Fiduciary Net Position

June 30, 2022

	Private-Purpose Trusts
Assets	
Cash and cash equivalents	$ 822
Investments	1,619,030
Accounts receivable	6,215
Total assets	1,626,067
Net position	
Restricted for scholarships	$ 1,626,067

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2022

	Private-Purpose Trusts
Additions	
Private donations	$ 10,208
Investment loss	(33,271)
Total additions	(23,063)
Deductions	
Scholarships	16,289
Change in net position	(39,352)
Net position, beginning of year	1,665,419
Net position, end of year	$ 1,626,067

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Notes to Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Dundee Community Schools (the “District”) has followed the guidelines of the Governmental Accounting Standards Board and has determined that no entities should be included in its basic financial statements as component units. Therefore, the reporting entity consists of the primary government financial statements only. The criteria for including a component unit include significant operational or financial relationships with the District.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The effect of all significant interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District had no business-type activities during the year.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary fund financial statements. However, custodial funds do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

The *general fund* is a government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

The *2022 capital projects fund* is used to account for the expenditure of bond proceeds from the 2022 School Building and Site Bonds.

Additionally, the District reports the following fund types:

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for food service or student/school activities.

The *debt service funds* are used to account for all financial resources restricted, committed, or assigned to expenditure for principal and interest.

Capital projects funds are used to account for all financial resources restricted, committed, or assigned to expenditure for the acquisition or construction of capital assets.

The *private-purpose trust funds* account for contributions earmarked for scholarships available to qualifying students of the District.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and Investments

The District's cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The District's investments in the Michigan Liquid Assets Fund (MILAF) are recorded at amortized cost. All other investments for the District are reported at fair value.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Accounts payable and other payables reflected in the financial statements are based on when the liability is incurred.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	10-25
Buildings and improvements	10-50
Vehicles	5-10
Equipment	5-20

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows for the deferred charge on refunding. This amount represents the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District also reports deferred outflows of resources related to the net pension liability and the net other postemployment benefit liability. A portion of these costs represent contributions to the plan subsequent to the plan measurement date.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick pay benefits. These are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Employees accrue 10-12 days of sick leave per year, which accumulates if not used. Sick time is paid upon termination only to employees who have 10 or more years of service with the District. The maximum payout upon termination varies, depending on the employee's classification (teacher, administrator, etc.).

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources consist of amounts related to pension and other postemployment benefit liabilities.

Long-term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net position. Where applicable, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received in debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Fund Equity

Governmental funds report *nonspendable fund balance* for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted fund balance* is reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. *Committed fund balance,* if any, is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the Board of Education. A formal resolution of the Board of Education is required to establish, modify or rescind a fund balance commitment. The District reports assigned fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Board of Education has delegated the authority to assign fund balance to the Superintendent or his/her designee. Unassigned fund balance is the residual classification for the general fund. In other funds, the unassigned classification should be only used to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When the District incurs an expenditure for purposes for which various fund balance classifications can be used, it is the District's policy to use restricted fund balance first, then committed fund balance, assigned fund balance, and finally unassigned fund balance.

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefit expense, information about the fiduciary net position of the plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

2. BUDGETARY INFORMATION

The general and special revenue funds are under formal budgetary control. Budgets shown in the financial statements are adopted annually on a basis consistent with generally accepted accounting principles (GAAP), and are not significantly different from the modified accrual basis used to reflect actual results, and consist only of those amounts contained in the formal budget as originally adopted or as amended by the Board of Education. The budgets for the general and special revenue funds are adopted on a functional basis.

3. ACCOUNTABILITY AND COMPLIANCE

P.A. 621 of 1978, as amended, provides that a government shall not incur expenditures in excess of the amount appropriated. The approved budgets of the District were adopted on a detailed functional level basis.

During the year ended June 30, 2022, the government incurred expenditures in excess of the amounts appropriated at the legal level of budgetary control as follows:

	Final Budget	Actual	Variance
General fund			
Support services:			
Instructional services	$ 115,858	$ 131,288	$ 15,430
School administration	1,037,901	1,069,243	31,342
Business	433,869	453,656	19,787
Maintenance	2,230,578	2,489,439	258,861
Transportation	885,180	936,078	50,898
Other support services	792,563	860,636	68,073
Athletics	575,942	597,733	21,791
Debt service -			
Interest and charges	-	1,875	1,875
Capital outlay	623,687	683,212	59,525
Transfers out	431,075	431,825	750

2018 and 2022 Capital Projects Funds

The 2018 and 2022 capital projects funds account for activities funded by school building and site bonds. For these funds, the District has complied with the applicable provisions of §1351(a) of the Michigan Revised School Code.

4. DEPOSITS AND INVESTMENTS

A reconciliation of cash and investments as shown on the Statement of Net Position and Statement of Fiduciary Net Position follows:

Statement of Net Position	
Cash and investments	$ 9,616,917
Statement of Fiduciary Net Position	
Private-purpose trusts:	
Cash and cash equivalents	822
Investments	1,619,030
Total	$ 11,236,769
Deposits and investments	
Bank deposits (checking accounts, savings accounts and CDs due within one year)	$ 9,026,415
Investments:	
U.S. government agencies	264,598
Municipal bonds	30,023
Government mutual funds	1,130,980
Michigan Liquid Asset Fund	693,003
Money market and cash management funds	91,750
Total	$ 11,236,769

Statutory Authority

State statutes authorize the District to deposit and invest in:

a. Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State. In a primary or fourth class school district, the bonds, bills, or notes shall be payable at the option of the holder upon not more than 90 days notice or, if not so payable, shall have maturity dates not more than five years after the purchase dates.

b. Certificates of deposit insured by a State or national bank, savings accounts of a state or federal savings and loan association, or certificates of deposit or share certificates of a state or federal credit union organized and authorized to operate in this State.

c. Commercial paper rated prime at the time of purchase and maturing not more than 270 days after the date of purchase.

d. Securities issued or guaranteed by agencies or instrumentalities of the United States government or federal agency obligation repurchase agreements, and bankers' acceptance issued by a bank that is a member of the federal deposit insurance corporation.

e. Mutual funds composed entirely of investment vehicles that are legal for direct investment by a school district.

f. Investment pools, as authorized by the surplus funds investment pool act, composed entirely of instruments that are legal for direct investment by a school district.

The District's investment policy allows for all of these types of investments.

Investment and Deposit Risk

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in list of authorized investments above. The District's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2022, all of the District's debt securities had the following maturities:

	< 1 year	1 - 5 years	6 -10 years	Total
U.S. government agencies	$ -	$ 238,047	$ 26,551	$ 264,598
Municipal bonds	-	30,023	-	30,023
	$ -	$ 268,070	$ 26,551	$ 294,621

Credit Risk. State law limits investments to specific government securities, certificates of deposits, and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds, and qualified external investment pools as identified in the list of authorized investments above. The District's investment policy does not have specific limits in excess of state law on investment credit risk.

As of June 30, 2022, all of the District's debt securities had the following credit ratings as determined by either Standard and Poor's or Kroll:

Rating	MILAF	U.S. Government Agencies	Municipal Bonds	Total
AA+	$ -	$ 264,598	$ -	$ 264,598
AA	-	-	30,023	30,023
AAAm	693,003	-	-	693,003
	$ 693,003	$ 264,598	$ 30,023	$ 987,624

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. State law does not require and the District does not have a policy for deposit custodial credit risk. As of year end, $9,171,023 of the District's bank balance of $9,554,029 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require and the District does not have a policy for investment custodial credit risk. The District's investments in U.S. government agencies and municipal bonds are not exposed to custodial credit risk since the securities are held by a counterparty in the name of the District. Investments in mutual funds and money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk. State law limits allowable investments but does not limit concentration of credit risk as identified in the list of authorized investments above. The District's investment policy does not have specific limits in excess of state law on concentration of credit risk.

Fair Value Measurement. The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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 District's recurring fair value measurements as of June 30, 2022 are related to its investments in U.S. government agencies, municipal bonds, mutual funds, and money market cash management funds. The money market cash management funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The investments in U.S. government agencies, municipal bonds, and mutual funds are valued using significant other observable inputs (Level 2 inputs).

5. RECEIVABLES

Receivables as of year end for the District's individual major funds and nonmajor funds in the aggregate, are as follows:

	General Fund	Nonmajor Governmental Funds	Total
Accounts receivable	$ 131,167	$ -	$ 131,167
Due from other governments	3,809,577	46,586	3,856,163
	$ 3,940,744	$ 46,586	$ 3,987,330

Notes to Financial Statements

6. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 is as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	$ 762,767	$ -	$ -	$ -	$ 762,767
Construction in progress	142,665	539,731	-	-	682,396
	905,432	539,731	-	-	1,445,163
Capital assets being depreciated:					
Land improvements	1,318,909	-	-	-	1,318,909
Buildings and improvements	46,665,385	-	-		46,665,385
Vehicles	1,448,114	176,838	-	-	1,624,952
Equipment	886,047	406,073	-	-	1,292,120
	50,318,455	582,911	-	-	50,901,366
Less accumulated depreciation for:					
Land improvements	(860,358)	(37,597)	-	-	(897,955)
Buildings and improvements	(16,758,803)	(1,337,525)	-	-	(18,096,328)
Vehicles	(1,180,603)	(86,589)	-	-	(1,267,192)
Equipment	(571,939)	(64,698)	-	-	(636,637)
	(19,371,703)	(1,526,409)	-	-	(20,898,112)
Total capital assets being depreciated, net	30,946,752	(943,498)	-	-	30,003,254
Capital assets, net	$ 31,852,184	$ (403,767)	$ -	$ -	$ 31,448,417

Depreciation expense for the fiscal year ended June 30, 2022 amounted to $1,526,409. The District determined that it was impractical to allocate depreciation to the various functions as the assets serve multiple functions.

At June 30, 2022, the District has outstanding construction commitments of approximately $7,800,000 related to open projects.

Notes to Financial Statements

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities as of year end for the District's individual major funds and nonmajor funds in the aggregate, are as follows:

	General Fund	2022 Capital Projects Fund	Nonmajor Governmental Funds	Total
Accounts payable	$ 753,509	$ 53,532	$ 343,901	$ 1,150,942
Salaries payable	1,678,243	-	-	1,678,243
	$ 2,431,752	$ 53,532	$ 343,901	2,829,185
Accrued interest on long-term debt				135,230
				$ 2,964,415

8. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

At June 30, 2022, interfund receivables and payables consisted of the following:

	Due From	Due To
General fund	$ 337,974	$ 5,029,855
2022 capital projects fund	3,600,000	-
Nonmajor governmental funds	1,690,113	598,232
	$ 5,628,087	$ 5,628,087

The District reports interfund balances between many of its funds. The sum of all balances presented in the tables above agrees with the sum of interfund balances presented in the statements of net position/balance sheet for the governmental funds. These interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

For the year ending June 30, 2022, interfund transfers consisted of the following:

	Transfers out	Transfers in
General fund	$ 431,825	$ -
Nonmajor governmental funds	-	431,825
	$ 431,825	$ 431,825

Notes to Financial Statements

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and (4) move residual capital projects amounts that were intended for debt service. For the year ended June 30, 2022, the District transferred funds from the general fund to a debt service fund to cover debt service expenditures and to the general capital projects fund to cover current and future projects expenditures.

9. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	$ 18,315,000	$ 3,600,000	$ (2,000,000)	$ 19,915,000	$ 2,140,000
Unamortized bond premium	1,818,989	465,075	(205,291)	2,078,773	236,296
Compensated absences	254,416	111,101	(46,262)	319,255	79,814
	$ 20,388,405	$ 4,176,176	$ (2,251,553)	$ 22,313,028	$ 2,456,110

Bonds payable at June 30, 2022, are comprised of the following issues:

General obligation bonds:

$17,165,000 2015 Refunding Bonds for refunding a portion of the 2000 Building and Site Bonds, due in annual installments of $1,145,000 to $1,235,000 through 2030; interest at 5.0%	$ 9,815,000
$1,355,000 2009 Energy Bonds for improvements to buildings due in annual installments of $110,000 to $130,000 through 2024; interest at 3.0% to 4.5%	250,000
$8,910,000 2018 School Building and Site Bonds for improvements to buildings due in annual installments of $650,000 to $1,085,000 through 2029; interest at 2.5% to 3.0%	6,250,000
$3,600,000 2022 School Building and Site Bonds for improvements to buildings due in annual installments of $195,000 to $325,000 through 2037; interest at 5.0%	3,600,000
Total general obligation bonds	$ 19,915,000

Notes to Financial Statements

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2023	$ 2,140,000	$ 840,380	$ 2,980,380
2024	2,240,000	775,200	3,015,200
2025	2,230,000	678,050	2,908,050
2026	2,350,000	582,950	2,932,950
2027	2,435,000	484,150	2,919,150
2028-2032	7,030,000	1,020,400	8,050,400
2033-2037	1,490,000	230,250	1,720,250
	$ 19,915,000	$ 4,611,380	$ 24,526,380

10. RISK MANAGEMENT

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The District has purchased commercial insurance for general liability, employee injuries/workers' compensation, property and casualty, and health claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage during the last fiscal year.

11. CONTINGENCIES

Under the terms of various federal and State grants and regulatory requirements, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement of the grantor or regulatory agencies. However, management does not believe such disallowances, if any, would be material to the financial position of the District.

As is the case with other entities, the District faces exposure from potential claims and legal proceedings involving environmental matters. No such claims or proceedings have been asserted as of June 30, 2022.

12. PROPERTY TAXES

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied as of July 1 and December 1, and are due upon receipt of the billing by the taxpayer. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity. District property tax revenues are recognized when levied to the extent that they result in current receivables (collected within sixty days after year end). Amounts received subsequent to August 29 are recognized as revenue when collected.

Notes to Financial Statements

13. TAX ABATEMENTS

The District received reduced property tax revenues during 2019 as a result of industrial facilities tax exemptions (IFT's) and brownfield redevelopment agreements entered into by cities, villages, townships, and authorities within the District boundaries.

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Developments Districts Act (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high-tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property within the District boundaries. The abatements amounted to approximately $33,000 in reduced District tax revenues for 2022.

14. PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS

Plan Description

The Michigan Public School Employees' Retirement System (the "System" or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (the "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 at the ORS website at www.michigan.gov/orsschools.

Pension 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% to 1.50%. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB member 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.

Participants in the defined contribution plan consist of one of the following: (1) members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan; (2) members who elected to transfer from the defined benefit plan to the defined contribution plan under the reform (P.A. 300) of 2012; or (3) members who worked for a Michigan public school on or after February 1, 2018 and did not elect participation in the Pension Plus 2 plan. Members who worked for a Michigan public school on or after September 4, 2012 and elected to be enrolled in the defined contribution plan receive a 100% match of the member contribution rate up to a maximum of 3% based on the member's gross earnings. Additionally, there is a mandatory employer contribution of 4% of the member's gross earnings for MPSERS members who elected to convert from a Basic or MIP benefit plan to the defined contribution benefit plan. Members electing the Pension Plus or Pension Plus 2 benefit plan receive a 50% match of the member's contribution percent up to a maximum of 1% based on the member's gross earnings. Effective October 1, 2017, there is a mandatory employer contribution of 4% of the member's gross earnings for members who elect the Defined Contribution benefit plan. The employer must match 100% of the employee contribution for any member who elected the Personal Healthcare Fund up to a maximum of 2% of the member's gross earnings. For all members with a Personal Health Care Fund (PHF), the first 2% of DC contributions must go into the PHF and must be matched 100% by the employer.

Other Postemployment 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 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, 2020 valuation will be amortized over an 18-year period beginning October 1, 2020 and ending September 30, 2038.

The table below summarizes pension contribution rates in effect for fiscal year 2022:

Benefit Structure	Member Rates	Employer Rates
Basic	0.00% - 4.00%	19.78% - 20.14%
Member Investment Plan (MIP)	3.00% - 7.00%	19.78% - 20.14%
Pension Plus	3.00% - 6.40%	16.82% - 17.22%
Pension Plus 2	6.20%	19.59% - 19.93%
Defined Contribution	0.00%	13.39% - 13.73%

For the year ended June 30, 2022, required and actual contributions from the District to the pension plan were $3,026,875, which included $1,394,852, the amount received from the State and remitted to the System to fund the MPSERS unfunded actuarial accrued liability ("UAAL") stabilization rate.

The table below summarizes OPEB contribution rates in effect for fiscal year 2022:

Benefit Structure	Member Rates	Employer Rates
Premium Subsidy	3.00%	8.09% - 8.43%
Personal Healthcare Fund (PHF)	0.00%	7.23% - 7.57%

For the year ended June 30, 2022, required and actual contributions from the District to the OPEB plan were $664,789.

The table below summarizes defined contribution rates in effect for fiscal year 2022:

Benefit Structure	Member Rates	Employer Rates
Defined Contribution	0.00% - 3.00%	0.00% - 7.00%
Personal Healthcare Fund (PHF)	0.00% - 2.00%	0.00% - 2.00%

For the year ended June 30, 2022, required and actual contributions from the District for those members with a defined contribution benefit were $64,537.

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

At June 30, 2022, the District reported a liability of $20,618,481 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2020. The 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, 2021, the District's proportion was 0.08709%, which was an increase of 0.00189% from its proportion measured as of September 30, 2020.

Notes to Financial Statements

For the year ended June 30, 2022, the District recognized pension expense of $2,804,212. At June 30, 2022, the 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	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	$ 319,389	$ 121,418	$ 197,971
Changes in assumptions	1,299,715	-	1,299,715
Net difference between projected and actual earnings on pension plan investments	-	6,628,775	(6,628,775)
Changes in proportion and differences between employer contributions and proportionate share of contributions	991,118	39,512	951,606
	2,610,222	6,789,705	(4,179,483)
District contributions subsequent to the measurement date	2,855,135	-	2,855,135
Total	$ 5,465,357	$ 6,789,705	$ (1,324,348)

The $2,855,135 reported as deferred outflows 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2023	$ (143,189)
2024	(856,344)
2025	(1,442,913)
2026	(1,737,037)
Total	$ (4,179,483)

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

At June 30, 2022, the District reported a liability of $1,350,065 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2020. The District's proportion of the net OPEB liability 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, 2021, the District's proportion was 0.08845% which was an increase of 0.00372% from its proportion measured as of September 30, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of ($616,932). At June 30, 2022, the 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	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	$ -	$ 3,853,665	$ (3,853,665)
Changes in assumptions	1,128,588	168,879	959,709
Net difference between projected and actual earnings on OPEB plan investments	-	1,017,569	(1,017,569)
Changes in proportion and differences between employer contributions and proportionate share of contributions	485,192	52,417	432,775
	1,613,780	5,092,530	(3,478,750)
District contributions subsequent to the measurement date	589,489	-	589,489
Total	$ 2,203,269	$ 5,092,530	$ (2,889,261)

The $589,489 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 liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2023	$ (879,902)
2024	(808,759)
2025	(771,964)
2026	(758,810)
2027	(229,237)
Thereafter	(30,078)
Total	$ (3,478,750)

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. The total pension and OPEB liabilities in the September 30, 2020 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age, normal
Wage inflation rate	2.75%
Investment rate of return:	
MIP and Basic plans (non-hybrid)	6.80%
Pension Plus plan (hybrid)	6.80%
Pension Plus 2 plan (hybrid)	6.00%
OPEB plans	6.95%
Projected salary increases	2.75% - 11.55%, including wage inflation at 2.75%
Cost of living adjustments	3% annual non-compounded for MIP members
Healthcare cost trend rate	7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120
Mortality	RP-2014 Male and Female Employee Annuitant Mortality Tables, adjusted for mortality improvements using projection scale MP-2017 from 2006. For retirees, the tables were scaled by 82% for males and 78% for females. For active members, 100% of the table rates were used for both males and females.
Other OPEB assumptions:	
Opt-out assumptions	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 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation. The total pension and OPEB liabilities as of September 30, 2021, are based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study. The recognition period for pension liabilities is 4.4367 years which is the average of the expected remaining service lives of all employees. The recognition period for OPEB liabilities is 6.1312 years which is the average of the expected remaining service lives of all employees. The recognition period for assets is 5 years.

Long-term Expected Return on Pension 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, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.09%	1.27%
Private equity pools	16.00%	8.58%	1.37%
International equity pools	15.00%	7.08%	1.06%
Fixed income pools	10.50%	-0.73%	-0.08%
Real estate and infrastructure pools	10.00%	5.12%	0.51%
Absolute return pools	9.00%	2.42%	0.22%
Real return/opportunistic pools	12.50%	5.73%	0.72%
Short-term investment pools	2.00%	-1.29%	-0.03%
	100.00%		5.04%
Inflation			2.00%
Risk adjustment			-0.24%
Investment rate of return			6.80%

Long-term Expected Return on OPEB 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, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Domestic equity pools	25.00%	5.09%	1.27%
Private equity pools	16.00%	8.58%	1.37%
International equity pools	15.00%	7.08%	1.06%
Fixed income pools	10.50%	-0.73%	-0.08%
Real estate and infrastructure pools	10.00%	5.12%	0.51%
Absolute return pools	9.00%	2.42%	0.22%
Real return/opportunistic pools	12.50%	5.73%	0.72%
Short-term investment pools	2.00%	-1.29%	-0.03%
	100.00%		5.04%
Inflation			2.00%
Risk adjustment			-0.09%
Investment rate of return			6.95%

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 27.30% and 27.14%, respectively. 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 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan, both of which are hybrid plans provided through non-university employers only) and a discount rate of 6.95% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on pension and OPEB plan investments of 6.80% (6.80% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan) and 6.95%, respectively. The projection of cash flows used to determine these discount rates 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 and 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 pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.80% (6.80% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan), as well as what the 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 point higher:

	1% Decrease (5.80% / 5.80% / 5.00%)	Current Discount Rate (6.80% / 6.80% / 6.00%)	1% Increase (7.80% / 7.80% / 7.00%)
District's proportionate share of the net pension liability	$ 29,478,836	$ 20,618,481	$ 13,272,666

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 6.95%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease (5.95%)	Current Discount Rate (6.95%)	1% Increase (7.95%)
District's proportionate share of the net OPEB liability	$ 2,508,665	$ 1,350,065	$ 366,828

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

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

	1% Decrease (6.00%)	Current Healthcare Cost Trend Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net OPEB liability	$ 328,595	$ 1,350,065	$ 2,499,342

Pension and OPEB Plans Fiduciary Net Position

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued MPSERS financial statements available on the State of Michigan Office of Retirement Services website at www.michigan.gov/orsschools.

Payable to the Pension Plan

At June 30, 2022, the District reported a payable of $429,389 for the outstanding amount of pension contributions to the Plan required for the year ended June 30, 2022.

Payable to the OPEB Plan

At June 30, 2022, the District reported a payable of $70,563 for the outstanding amount of OPEB contributions to the Plan required for the year ended June 30, 2022.

15. NET INVESTMENT IN CAPITAL ASSETS

As of June 30, 2022, net investment in capital assets was comprised of the following:

Invested in capital assets:	
Capital assets not being depreciated	$ 1,445,163
Capital assets being depreciated, net	30,003,254
Related debt:	
Bonds and installment loans payable	(19,915,000)
Unamortized bond premium	(2,078,773)
Unamortized charge on refunding	587,674
Unspent bond proceeds	3,847,677
	$ 13,889,995

Notes to Financial Statements

16. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. While the pandemic has resulted in an increase in the demands on the District to deliver education to students in a safe environment, the Federal Government has also provided significant resources to help mitigate the impacts of COVID-19. Over the past two years, the District has been awarded funds from various sources to be used to respond to the impacts of the COVID-19 pandemic. Of the amount awarded, approximately $924,000 was expended and recognized as revenue during the current fiscal year. With these additional Federal resources, at this time management does not believe that the negative financial impact of the pandemic, if any, would be material to the District.

17. SUBSEQUENT EVENTS

On November 17, 2022, the District entered into a 2022 School Building and Site Bonds issuance of $20,215,000 with a premium of $1,600,628, due in annual installments of $100,000 to $3,240,000 through 2037; interest at 4.0% to 5.0%.

■ ■ ■ ■ ■

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plan

Schedule of the District's Proportionate Share of the Net Pension Liability

	Year Ended June 30,		
	2022	2021	2020
District's proportionate share of the net pension liability	$ 20,618,481	$ 29,266,996	$ 27,766,291
District's proportion of the net pension liability	0.08709%	0.08520%	0.08384%
District's covered payroll	$ 8,010,448	$ 7,529,096	$ 7,484,418
District's proportionate share of the net pension liability as a percentage of its covered payroll	257.39%	388.72%	370.99%
Plan fiduciary net position as a percentage of the total pension liability	72.60%	59.72%	60.31%

See notes to required supplementary information.

Year Ended June 30,				
2019	2018	2017	2016	2015
$ 24,123,550	$ 20,405,669	$ 19,292,085	$ 18,452,018	$ 16,669,865
0.08025%	0.07874%	0.07733%	0.07555%	0.07568%
$ 6,927,483	$ 6,636,417	$ 6,612,129	$ 6,348,273	$ 6,473,812
348.23%	307.48%	291.77%	290.66%	257.50%
62.36%	64.21%	63.27%	63.17%	66.20%

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plan
Schedule of the District's Pension Contributions

	Year Ended June 30,		
	2022	2021	2020
Statutorily required contributions	$ 3,026,875	$ 2,628,200	$ 2,398,220
Contributions in relation to the statutorily required contributions	(3,026,875)	(2,628,200)	(2,398,220)
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered payroll	$ 8,483,524	$ 8,086,738	$ 7,856,245
Contributions as a percentage of covered payroll	35.68%	32.50%	30.53%

See notes to required supplementary information.

Year Ended June 30,				
2019	2018	2017	2016	2015
$ 2,207,033	$ 2,189,215	$ 1,828,675	$ 1,711,132	$ 1,473,709
(2,207,033)	(2,189,215)	(1,828,675)	(1,711,132)	(1,473,709)
$ -	$ -	$ -	$ -	$ -
$ 7,379,463	$ 6,879,031	$ 6,587,415	$ 6,384,679	$ 6,588,021
29.91%	31.82%	27.76%	26.80%	30.67%

Required Supplementary Information

MPSERS Cost-Sharing Multiple-Employer Plan

Schedule of the District's Proportionate Share of the Net Other Postemployment Benefit Liability

	Year Ended June 30,	
	2022	2021
District's proportionate share of the net OPEB liability	$ 1,350,065	$ 4,539,416
District's proportion of the net OPEB liability	0.08845%	0.08473%
District's covered payroll	$ 8,010,448	$ 7,529,096
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.85%	60.29%
Plan fiduciary net position as a percentage of the total OPEB liability	87.33%	59.44%

See notes to required supplementary information.

Year Ended June 30,		
2020	2019	2018
$ 6,135,282	$ 6,461,292	$ 6,979,764
0.08548%	0.08128%	0.07882%
$ 7,484,418	$ 6,927,483	$ 6,636,417
81.97%	93.27%	105.17%
48.46%	42.95%	36.39%

DUNDEE COMMUNITY SCHOOLS

Required Supplementary Information
MPSERS Cost-Sharing Multiple-Employer Plan
Schedule of the District's Other Postemployment Benefit Contributions

	Year Ended June 30, 2022	Year Ended June 30, 2021
Statutorily required contributions	$ 664,789	$ 661,255
Contributions in relation to the statutorily required contributions	(664,789)	(661,255)
Contribution deficiency (excess)	$ -	$ -
District's covered payroll	$ 8,483,524	$ 8,086,738
Contributions as a percentage of covered payroll	7.84%	8.18%

See notes to required supplementary information.

Year Ended June 30,		
2020	2019	2018
$ 627,718	$ 571,565	$ 506,884
(627,718)	(571,565)	(506,884)
$ -	$ -	$ -
$ 7,856,245	$ 7,379,463	$ 6,879,031
7.99%	7.75%	7.37%

Notes to Required Supplementary Information

Pension Information

GASB 68 was implemented in fiscal year 2015. The pension plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of the District's Proportionate Share of the Net Pension Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.80% for the MIP and Basic plans, 6.80% for the Pension Plus Plan, and 6.00% for the Pension Plus 2 Plan.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.05% for the MIP and Basic plans, 7.00% for the Pension Plus plan, and 6.00% for the Pension Plus 2 plan.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased to 7.50% for the MIP and Basic plans and 7.00% for the Pension Plus plan.

OPEB Information

GASB 75 was implemented in fiscal year 2018. The OPEB plan schedules are being built prospectively. Ultimately, 10 years of data will be presented.

The amounts presented in the schedule of the District's Proportionate Share of the Net OPEB Liability were determined as of September 30 of the preceding year (the plan year).

The significant changes in assumptions for each of the fiscal years ended June 30 were as follows:
- 2022 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2023 employer contributions decreased from 3.0% to 2.5%. The healthcare cost trend rate used in the September 30, 2020 actuarial valuation increased to 7.75%.
- 2021 - The payroll growth assumption for amortization purposes used in determining the fiscal year 2022 employer contributions decreased from 3.5% to 3.0%. The healthcare cost trend rate used in the September 30, 2019 actuarial valuation decreased to 7.0%.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased to 6.95%.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased to 7.15%.

COMBINING FUND FINANCIAL STATEMENTS

Combining Balance Sheet

Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds		Debt Service Funds	
	Food Service Fund	Student/School Activity Fund	2010 Debt Fund	2015 Debt Fund
Assets				
Cash and investments	$ 625,356	$ 380,183	$ -	$ 780,846
Due from other governments	46,586	-	-	-
Due from other funds	307,956	-	-	869,645
Prepaid items	8	-	-	-
Total assets	$ 979,906	$ 380,183	$ -	$ 1,650,491
Liabilities				
Accounts payable	$ 142,976	$ -	$ -	$ -
Due to other funds	431,799	-	-	-
Unearned revenue	18,995	-	-	-
Total liabilities	593,770	-	-	-
Fund balances				
Unspendable	8	-	-	-
Restricted	386,128	-	-	1,650,491
Committed	-	380,183	-	-
Total fund balances	386,136	380,183	-	1,650,491
Total liabilities and fund balances	$ 979,906	$ 380,183	$ -	$ 1,650,491

Debt Service Funds		Capital Projects Funds			Total Nonmajor
2018 Debt Fund	2022 Debt Fund	General Fund	Athletic Complex Fund	2018 Fund	Governmental Funds
$ 170,977	$ -	$ 768,202	$ 693,003	$ 323,009	$ 3,741,576
-	-	-	-	-	46,586
110,021	402,491	-	-	-	1,690,113
-	-	-	-	-	8
$ 280,998	$ 402,491	$ 768,202	$ 693,003	$ 323,009	$ 5,478,283
$ -	$ -	$ -	$ 200,925	$ -	$ 343,901
-	-	144,633	-	21,800	598,232
-	-	-	-	-	18,995
-	-	144,633	200,925	21,800	961,128
-	-	-	-	-	8
280,998	402,491	-	492,078	301,209	3,513,395
-	-	623,569	-	-	1,003,752
280,998	402,491	623,569	492,078	301,209	4,517,155
$ 280,998	$ 402,491	$ 768,202	$ 693,003	$ 323,009	$ 5,478,283

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds		Debt Service Funds	
	Food Service Fund	Student/School Activity Fund	2010 Debt Fund	2015 Debt Fund
Revenues				
Local sources:				
Property taxes	$ -	$ -	$ -	$ 1,740,638
Other local sources	43,804	313,810	-	862
State sources	40,965	-	-	276,751
Federal sources	1,165,810	-	-	-
Total revenues	1,250,579	313,810	-	2,018,251
Expenditures				
Current:				
Food service	964,455	-	-	-
Student/school activities	-	288,998	-	-
Debt service:				
Principal	-	-	115,000	1,200,000
Interest and fiscal charges	-	-	16,825	551,249
Bond issuance costs	-	-	-	-
Capital outlay and maintenance	939	-	-	-
Total expenditures	965,394	288,998	131,825	1,751,249
Revenues over (under) expenditures	285,185	24,812	(131,825)	267,002
Other financing sources				
Premium on issuance of long-term debt	-	-	-	-
Transfers in	-	-	131,825	-
Total other financing sources	-	-	131,825	-
Change in fund balances	285,185	24,812	-	267,002
Fund balances, beginning of year	100,951	355,371	-	1,383,489
Fund balances, end of year	$ 386,136	$ 380,183	$ -	$ 1,650,491

Debt Service Funds		Capital Projects Funds			Total Nonmajor
2018 Debt Fund	2022 Debt Fund	General Fund	Athletic Complex Fund	2018 Fund	Governmental Funds
$ 775,698	$ -	$ -	$ -	$ -	$ 2,516,336
370	-	687	1,620	452	361,605
-	-	-	-	-	317,716
-	-	-	-	-	1,165,810
776,068	-	687	1,620	452	4,361,467
-	-	-	-	-	964,455
-	-	-	-	-	288,998
685,000	-	-	-	-	2,000,000
208,550	-	-	-	-	776,624
-	62,584	-	-	-	62,584
-	-	-	337,665	-	338,604
893,550	62,584	-	337,665	-	4,431,265
(117,482)	(62,584)	687	(336,045)	452	(69,798)
-	465,075	-	-	-	465,075
-	-	300,000	-	-	431,825
-	465,075	300,000	-	-	896,900
(117,482)	402,491	300,687	(336,045)	452	827,102
398,480	-	322,882	828,123	300,757	3,690,053
$ 280,998	$ 402,491	$ 623,569	$ 492,078	$ 301,209	$ 4,517,155

DUNDEE COMMUNITY SCHOOLS

Combining Statement of Fiduciary Net Position

Private-Purpose Trust Funds
June 30, 2022

	Eddy Scholarship	Schultz Scholarship	Total
Assets			
Cash and cash equivalents	$ 822	$ -	$ 822
Investments	101,679	1,517,351	1,619,030
Accounts receivable	6,215	-	6,215
Total assets	108,716	1,517,351	1,626,067
Net position			
Restricted for scholarships	$ 108,716	$ 1,517,351	$ 1,626,067

DUNDEE COMMUNITY SCHOOLS

Combining Statement of Changes in Fiduciary Net Position

Private-Purpose Trust Funds
For the Year Ended June 30, 2022

	Eddy Scholarship	Schultz Scholarship	Total
Additions			
Private donations	$ 10,208	$ -	$ 10,208
Investment loss	-	(33,271)	(33,271)
Total additions	10,208	(33,271)	(23,063)
Deductions			
Scholarships	10,289	6,000	16,289
Change in net position	(81)	(39,271)	(39,352)
Net position, beginning of year	108,797	1,556,622	1,665,419
Net position, end of year	$ 108,716	$ 1,517,351	$ 1,626,067

This page intentionally left blank.

SINGLE AUDIT ACT COMPLIANCE

This page intentionally left blank.

Rehmann

INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

December 1, 2022

Board of Education
Dundee Community Schools
Dundee, Michigan

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of ***Dundee Community Schools*** (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 1, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 basic financial statements and certain other 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 expenditure of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Rehmann Robson LLC

This page intentionally left blank.

This page intentionally left blank.

DUNDEE COMMUNITY SCHOOLS

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number
U.S. Department of Agriculture			
Child Nutrition Cluster:			
Seamless Summer Option (SSO) Breakfast	10.553	MDE	211971/221971
Seamless Summer Option (SSO) Lunch	10.555	MDE	211961/221961/ 220910
Entitlement Commodities (non-cash assistance)	10.555	MDE	-n/a-
Summer Food Service Program for Children	10.559	MDE	210904
Total Child Nutrition Cluster			
Child and Adult Care Food Program	10.558	MDE	211920
COVID-19 - Pandemic EBT Administrative Costs	10.649	MDE	210980
Total U.S. Department of Agriculture			
U.S. Department of Treasury			
Coronavirus Relief Fund -			
COVID-19 School Aid 11p	21.019	MDE	n/a
U.S. Department of Education			
Title I Grants to Local Educational Agencies -			
Title I, Part A - Improving Basic Programs:			
Project 211530 - Regular 20/21	84.010	MDE	211530-2021
Project 221530 - Regular 21/22	84.010	MDE	221530-2122
Supporting Effective Instruction State Grants			
(formally Improving Teacher Quality State Grants) -			
Title II, Part A:			
Project 210520 - Regular 20/21	84.367	MDE	210520-2021
Project 220520 - Regular 21/22	84.367	MDE	220520-2122
Student Support and Academic Enrichment Program -			
Title IV, Part A:			
Project 210750 - Regular 20/21	84.424	MDE	210750-2021
Project 220750 - Regular 21/22	84.424	MDE	220750-2122

Approved Grant Award Amount	Accrued (Unearned) Revenue June 30, 2021	Federal Funds / Payments In-Kind Received	Expenditures (Memo Only) Prior Year(s)	Expenditures Year Ended June 30, 2022	Accrued (Unearned) Revenue June 30, 2022
$ 220,899	$ -	$ 220,899	$ -	$ 229,055	$ 8,156
812,996	-	812,996	-	832,437	19,441
48,368	-	48,368	-	48,368	-
	-	861,364	-	880,805	19,441
632,941	61,226	108,731	694,167	54,018	6,513
	61,226	1,190,994	694,167	1,163,878	34,110
9,691	-	1,317	-	1,317	-
614	-	614	-	614	-
	61,226	1,192,925	694,167	1,165,809	34,110
602,627	(241,509)	-	361,118	241,509	-
157,039	95,514	120,516	95,514	25,002	-
138,958	-	-	-	112,475	112,475
	95,514	120,516	95,514	137,477	112,475
66,577	11,772	20,963	11,772	9,191	-
63,369	-	-	-	20,103	20,103
	11,772	20,963	11,772	29,294	20,103
13,537	7,398	10,399	7,398	3,001	-
13,138	-	-	-	9,085	9,085
	7,398	10,399	7,398	12,086	9,085

continued…

DUNDEE COMMUNITY SCHOOLS

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2022

Federal Agency / Cluster / Program Title	Assistance Listing Number	Passed Through	Pass-through / Grantor Number
U.S. Department of Education (concluded)			
Education Stabilization Fund:			
Governor's Emergency Education Relief (GEER) -			
COVID-19 - GEER II - Teacher & Support Staff Payments	84.425C	MDE	211202-2122
Elementary and Secondary School Emergency Relief (ESSER):			
COVID-19 - ESSER I - Formula Funds	84.425D	MDE	203710-1920
COVID-19 - ESSER II - Formula Funds	84.425D	MDE	213712-2021
COVID-19 - ESSER II - Before and After School Programming K-12	84.425D	MDE	213752-2122
COVID-19 - ESSER II - Credit Recovery 9-12	84.425D	MDE	213742-2122
COVID-19 - ESSER II - Summer Programing K-8	84.425D	MDE	213722-2122
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP-ESSER):			
COVID-19 - ESSER III - American Rescue Plan	84.425U	MDE	213713-2122
COVID-19 - ESSER III - Equalization Funds	84.425U	MDE	213723-2122
Total U.S. Department of Education			
U.S. Department of Health and Human Services			
Medicaid Cluster -			
Medicaid Assistance Program	93.778	MCISD	n/a
Total Federal Financial Assistance			

See notes to schedule of expenditures of federal awards.

Approved Grant Award Amount	Accrued (Unearned) Revenue June 30, 2021	Federal Funds / Payments In-Kind Received	Expenditures (Memo Only) Prior Year(s)	Expenditures Year Ended June 30, 2022	Accrued (Unearned) Revenue June 30, 2022
$ 23,000	$ 23,000	$ 23,000	$ 23,000	$ -	$ -
100,645	90,511	100,645	90,511	10,134	-
420,324	155,757	-	155,757	264,567	420,324
10,394	1,687	-	1,687	8,707	10,394
32,450	30,645	-	30,645	1,618	32,263
62,150	35,452	-	35,452	26,698	62,150
944,659	-	-	-	87,929	87,929
926,863	-	-	-	282,708	282,708
	337,052	123,645	337,052	682,361	895,768
	451,736	275,523	451,736	861,218	1,037,431
3,837	2,154	5,664	3,837	3,510	-
	$ 273,607	$ 1,474,112	$ 1,510,858	$ 2,272,046	$ 1,071,541

concluded.

Notes to Schedule of Expenditures of Federal Awards

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Dundee Community Schools (the "District") under programs of the federal government for the year ended June 30, 2022. 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 the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance or other applicable guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Cash received is recorded on the cash basis; expenditures are recorded on the modified accrual basis of accounting. Revenues are recognized when the qualifying expenditures have been incurred and all grant requirements have been met.

The Schedule has been arranged to provide information on both actual cash received and the revenue recognized. Accordingly, the effects of accruals of accounts receivable, unearned revenue, and accounts payable items at both the beginning and end of the fiscal year have been reported.

Expenditures are in agreement with amounts reported in the financial statements and the financial reports. The amounts reported on the Grant Auditor Report reconcile with this Schedule.

2. 10% DE MINIMIS COST RATE

For purposes of charging indirect costs to federal awards, the District has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

Notes to Schedule of Expenditures of Federal Awards

3. PASS-THROUGH AGENCIES

The District receives certain federal grants as subawards from non-federal entities. Pass-through entities, where applicable, have been identified in the Schedule with an abbreviation, defined as follows:

Pass-through Agency Abbreviation	Pass-through Agency Name
MDE	Michigan Department of Education
MCISD	Monroe County Intermediate School District

This page intentionally left blank.

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*

December 1, 2022

Board of Education
Dundee Community Schools
Dundee, 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 ***Dundee Community Schools*** (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 1, 2022.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, as items 2022-001, -002, and -003 that we consider to be material weaknesses.

Compliance and Other Matters

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

Dundee Community Schools' Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rehmann Robson LLC

Rehmann

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 1, 2022

Board of Education
Dundee Community Schools
Dundee, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of ***Dundee Community Schools*** (the "District") 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 the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Independent 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 the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-004. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-004 to be a material weakness.

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 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.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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.

Rehmann Robson LLC

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	X yes	___ no
Significant deficiency(ies) identified?	___ yes	X none reported
Noncompliance material to financial statements noted?	___ yes	X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	X yes	___ no
Significant deficiency(ies) identified?	___ yes	X none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	X yes	___ no

Identification of major programs and type of auditors' report issued on compliance for each major program:

Assistance Listing Number	Name of Federal Program or Cluster	Type of Report
21.019	COVID-19 - Coronavirus Relief Fund	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee?	___ yes	X no

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS

2022-001 – Preparation of Financial Statements in Accordance with GAAP (Repeat)

Finding Type. Material Weakness in Internal Control over Financial Reporting.

Criteria. The preparation of financial statements in accordance with GAAP is the responsibility of the District's management and requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and (2) reporting financial statements including the related footnotes (i.e., external financial reporting).

Condition. As is the case with many smaller and medium-sized entities, the District has historically relied on its independent external auditors to assist in the preparation of the financial statements and footnotes as part of its external financial reporting process. Accordingly, the District's ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its external auditors, who cannot by definition be considered a part of the District's internal controls.

Cause. This condition was caused by management's decision that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the time and expense of obtaining the necessary training and expertise required for the District to perform this task internally.

Effect. As a result of this condition, the District lacks internal controls over the preparation of financial statements in accordance with GAAP, and instead relies, in part, on its external auditors for assistance with this task.

View of Responsible Officials. The District has evaluated the benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the District to outsource this task to its external auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

Responsible Official. Sharon Ramirez, Chief Financial Officer

Estimated Completion Date. June 30, 2023

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

2022-002 – Timely Year-End Closing and Workpaper Reconciliation

Finding Type. Material Weakness in Internal Control over Financial Reporting.

Criteria. The timely preparation and issuance of financial statements in accordance with generally accepted accounting principles requires a coordinated effort between management and the external auditors. This places the burden on the auditee to properly prepare for the audit, including timely closing of the accounting records, preparation of workpapers to support the significant account balances and obtaining the necessary documents needed to perform their procedures.

Condition. The District was not ready for the audit on the appointed start date in September. Year-end reconciliations and closing entries were not complete at the start of the audit and still not completed when the auditors were scheduled to work on the audit. Reconciliations and journal entries needed to adjust the District's general ledger to the appropriate balances were still being completed through November 2022.

Cause. The District did not have clear deadlines and documented processes in place to ensure timely completion of the audit.

Effect. As a result of these conditions, management was unable to timely close the accounting records and prepare for the audit. Additionally, we identified many discrepancies in account reconciliations that needed to be addressed by management prior to starting the certain audit areas. Management was able to subsequently adjust the District's general ledger to the appropriate balances.

Recommendation. We recommend that the District develop and adhere to (with appropriate oversight) a written plan with detailed tasks and completion points for the timely completion of year end closing procedures to ensure timely issuance of the financial statements.

View of Responsible Officials. Management Concurs. The District will work with the audit team prior to the next audit and develop clear timelines for both staff and auditors to complete the necessary testing.

Responsible Official. Sharon Ramirez, Chief Financial Officer

Estimated Completion Date. June 30, 2023

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

2022-003 – Preparation of the Schedule of Expenditures of Federal Awards

Finding Type. Material Weakness in Internal Control over Financial Reporting

Criteria. The Uniform Guidance requires that the District "identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification shall include, as applicable, the assistance listing title and number, award number and year, name of the federal agency, and name of the pass-through entity." In addition, the District is required to "prepare appropriate financial statements, including the schedule of expenditures of federal awards (SEFA) in accordance with the Uniform Guidance."

Condition. Management required significant external assistance to complete the SEFA. These adjustments included adding and subtracting grants, correcting assistance listing numbers and program years, changing expenditure amounts to match the District's accounting records, adjusting the revenue recorded, and properly recording amounts received during the year.

Cause. The District's internal controls did not identify the necessary elements to prepare a complete and reconciled SEFA.

Effect. The District's SEFA preparation process did not detect significant variances in the originally reported cash receipt amounts and other basic grant identification information. This resulted in several revisions to the SEFA during the audit process.

Recommendation. The District should evaluate its processes to ensure that the SEFA is prepared in accordance with the Uniform Guidance and reconciled to its accounting records.

View of Responsible Officials. Management Concurs

Responsible Official. Sharon Ramirez, Chief Financial Officer

Estimated Completion Date. June 30, 2023

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2022-004 – Documentation and Internal Controls over Journal Entries

Finding Type. Immaterial Noncompliance; Material Weakness in Internal Control over Compliance (Allowable Costs/Cost Principles)

Federal program(s)

U.S. Department of Education:

- COVID-19 - Education Stabilization Fund (ALN 84.425); Passed through MDE; All project numbers

Criteria. The Uniform Guidance requires the District to establish internal controls over disbursements, including journal entries related to the compliance requirements applicable to allowable costs/cost provisions. The District's policies require an independent review of journal entries.

Condition. Evidence of an independent review was not documented for three out of the three journal entries selected for testing.

Cause. This condition appears to be the result of the District not adhering to established internal control policies and procedures.

Effect. The District is at increased risk of unallowable costs being charged to federal programs without being detected by its internal controls.

Questioned Costs. No costs have been questioned as a result of this finding.

Recommendation. We recommend the District follow its internal control policies and procedures that require independent review of all journal entries.

View of Responsible Officials. Management Concurs

Responsible Official. Sharon Ramirez, Chief Financial Officer

Estimated Completion Date. June 30, 2023

■ ■ ■ ■ ■

Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2022

Finding 2021-001: Material Audit Adjustments

During our audit, we identified and proposed material adjustments (which were approved and posted by management) to adjust the District's general ledger to the appropriate balances. As a result of this condition, the District's accounting records were initially misstated by amounts material to the financial statements. This finding has been corrected for 2022.

Finding 2021-002: Preparation of Financial Statements in Accordance with GAAP

The District has historically relied on its independent external auditors to assist in the preparation of the financial statements and footnotes as part of its external financial reporting process. Accordingly, the District’s ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its external auditors, who cannot by definition be considered a part of the District’s internal controls. This finding has been repeated as 2022-001.

■ ■ ■ ■ ■

Dundee Community Schools
Vision Statement: "Students First" – Inspire, Educate, Innovate, Celebrate
Mission Statement: Dundee Community Schools is setting a course for student success. We will challenge and inspire ever student, every day, in every class through innovation and dedication - promoting knowledgeable, responsible, and caring citizens.

Scott Leach
scott.leach@dundeeschools.org
Superintendent

420 Ypsilanti Street
Dundee, MI 48131
Phone: 734-529-2350 Ext. 11000

CORRECTIVE ACTION PLAN

Pursuant Federal Regulations, Uniform Administrative Requirements Section 200.511, the following are the findings as noted in Dundee Community School's Single Audit report for the year ended June 30, 2022, and corrective actions to be completed.

2022-001 – Preparation of Financial Statements in Accordance with GAAP (Repeat Comment)

Auditor Description of Condition and Effect. As is the case with many smaller and medium-sized entities, the District has historically relied on its independent external auditors to assist in the preparation of the financial statements and footnotes as part of its external financial reporting process. Accordingly, the District's ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its external auditors, who cannot by definition be considered a part of the District's internal controls. As a result of this condition, the District lacks internal controls over the preparation of financial statements in accordance with GAAP, and instead relies, in part, on its external auditors for assistance with this task.

Auditor Recommendation. Management has taken appropriate action in the current year by reviewing and correcting the proposed adjustments to the financial statements.

Responsible Person: Sharon Ramirez, Chief Financial Officer

Corrective Action. Management concurs with the finding. The District will seek the necessary training over the preparation of the financial statements.

Anticipated Completion Date: June 30, 2023

2022-002 – Timely Year-End Closing and Workpaper Reconciliation

Auditor Description of Condition and Effect. The District was not ready for the audit on the appointed start date in September. Year-end reconciliations and closing entries were not complete at the start of the audit and still not completed when the auditors were scheduled to work on the audit. Reconciliations and journal entries needed to adjust the District's general ledger to the appropriate balances were still being completed through November 2022. As a result of these conditions, management was unable to timely close the accounting records and prepare for the audit. Additionally, we identified many discrepancies in account reconciliations that needed to be addressed by management prior to starting the certain audit areas. Management was able to subsequently adjust the District's general ledger to the appropriate balances.

Auditor Recommendation. We recommend that the District develop and adhere to (with appropriate oversight) a written plan with detailed tasks and completion points for the timely completion of year end closing procedures to ensure timely issuance of the financial statements.

Responsible Person: Sharon Ramirez, Chief Financial Officer

Corrective Action. Management Concurs. The District will work with the audit team prior to the next audit and develop clear timelines for both staff and auditors to complete the necessary testing.

Anticipated Completion Date: June 30, 2023

2022-003 – Preparation of Schedule of Expenditures of Federal Awards

Auditor Description of Condition and Effect. Management required significant external assistance to complete the SEFA. These adjustments included adding and subtracting grants, correcting assistance listing numbers and program years, changing expenditure amounts to match the District's accounting records, adjusting the revenue recorded, and properly recording amounts received during the year. The District's SEFA preparation process did not detect significant variances in the originally reported cash receipt amounts and other basic grant identification information. This resulted in several revisions to the SEFA during the audit process.

Auditor Recommendation. The District should evaluate its processes to ensure that the SEFA is prepared in accordance with the Uniform Guidance and reconciled to its accounting records.

Responsible Person: Sharon Ramirez, Chief Financial Officer

Corrective Action. Management concurs with the finding.

Anticipated Completion Date: June 30, 2023

2022-004 – Documentation and Internal Controls over Journal Entries

Auditor Description of Condition and Effect. Evidence of an independent review was not documented for three out of the three journal entries selected for testing. The District is at increased risk of unallowable costs being charged to federal programs without being detected by its internal controls.

Auditor Recommendation. We recommend the District follow its internal control policies and procedures that require independent review of all journal entries.

Responsible Person: Sharon Ramirez, Chief Financial Officer

Corrective Action. Management concurs with the finding.

Anticipated Completion Date: June 30, 2023

DUNDEE
Community Schools

MCISD

Shared-Time Services Plan for Dundee Community Schools December 2022

Joshua P. Dyer, CPA, MBA

Assistant Superintendent for Business & Administrative Services

Existing MCISD Inter-local Relationships

ISD Staff that supports the financial accounting system within the Monroe/Lenawee Technology Consortium.

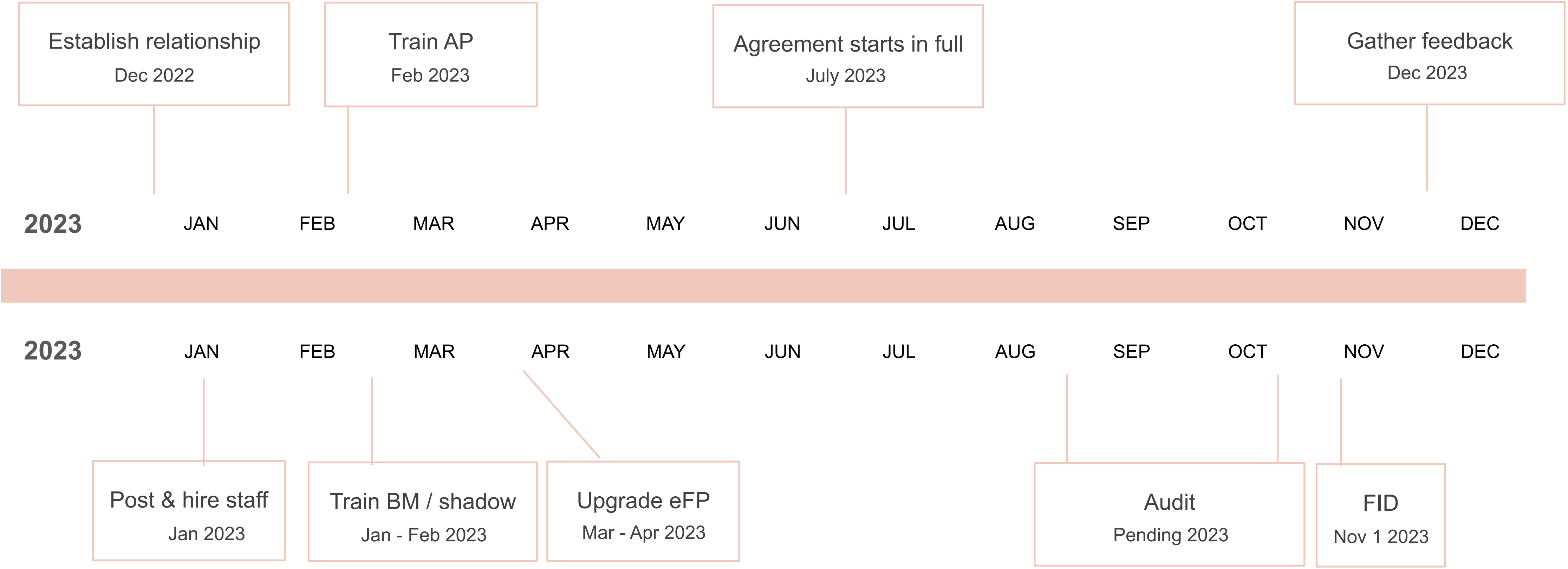
Summerfield Schools – operating entire Business Office functions for Business Manager, AP, PR, Accounting, Grant finance, Audit, FID and all other reporting. All ISD staff in business office.

Ida Public Schools – Shared Time Business Manager overseeing district business office functions in cooperation with two LEA staff members.

Shared concept

Provide opportunities for districts to manage complex functions across borders and to utilize trained, experienced staff in a manner that helps support task completion with cost efficiency. By facilitating tiered positions under an array of functions, growth opportunity is available to retain and attract scarce talent within shared areas.

Goals and timeline



Terms & Conditions

Dates

Main agreement is fiscal year based starting July 1, 2023 with set up timing from January 1 – June 30, 2023.

90 day termination clause

April 1, 2024 is rollover date for the next year. Collaborate on potential modifications.

Services

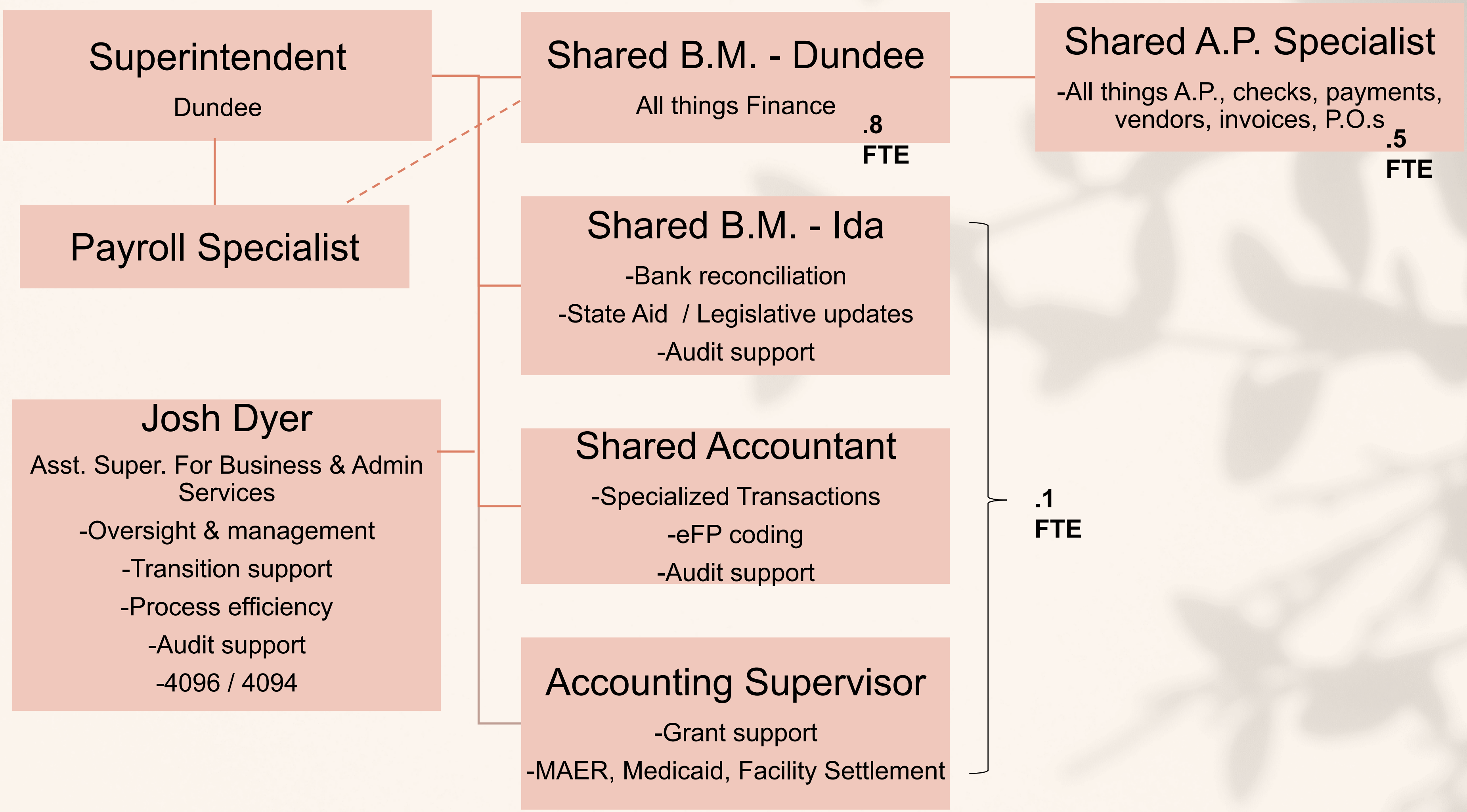
Shared-Time Business Manager dedicated to Dundee, along with supporting positions to equate to .90 FTE.

Shared-Time Accounts Payable Specialist will be .50 FTE.

Services, paperwork, data and reports are all on-site. Minimal remote assistance.

Dundee Superintendent collaborates on evaluation of staff and approval of any procedural updates.

Potential layout of supports



Questions?

Joshua P. Dyer, CPA, MBA

Assistant Superintendent for Business and Administrative Services

Monroe County ISD

josh.dyer@monroeisd.us

734.322.2620

Monroe County Intermediate School District
Human Resources and Legal Counsel
1101 S. Raisinville Road
Monroe, Michigan 48161
734-322-2640

Cooperative Agreement between Monroe County Intermediate School District and Dundee Community Schools

Recitals

This Agreement is entered into on the _____ day of _______, 2022 between Monroe County Intermediate School District, 1101 South Raisinville Road, Monroe, Michigan 48161 (hereinafter referred to as "MCISD"), and Dundee Community Schools, 420 Ypsilanti Street, Dundee, Michigan 48131 (hereinafter referred to as "Dundee"). The MCISD and Dundee may within this Agreement be individually referred to as a "Party" or collectively referred to as the "Parties."

Recitations

Whereas MCISD and Dundee are public bodies corporate, organized and existing pursuant to the Michigan Revised School Code, MCL 380.1, *et seq*.; and

Whereas, both MCISD and Dundee are authorized to enter into an inter-local agreement of cooperation for performance of any service that either of them would have the power to perform separately; and

Whereas, Dundee desires to contract for certain business office services from MCISD, including the services of a Shared-Time Business Manager and Shared-Time Accounts Payable Specialist for the term of this agreement, and

Whereas, MCISD can provide such services on a cooperative basis through utilization of its personnel and also desires to do so; and

Whereas, both MCISD and Dundee have determined that it is in their respective interests to enter into such an agreement; and

Whereas, the parties wish to reduce their agreements to writing setting forth all of the substantive terms and agreements concerning the provision of business office services; and

Therefore, in consideration of the benefits set forth in this agreement, MCISD and Dundee agree to the following:

Agreement

1. **Term:** The term of this agreement will be for one (1) year beginning on July 1, 2023, and continuing through June 30, 2024, and shall renew annually unless written notification by either party is received sixty (60) calendar days before the renewal date. The period to include January 1, 2023 through June 30, 2023 is also under the terms of this agreement as staffing is preliminarily established and services are transitioned with existing Dundee staff.

2. **Services:** For the term of this agreement, MCISD shall provide Dundee certain business office services as specified in this agreement, including sharing MCISD's Shared-Time Business Manager and Shared-Time Accounts Payable Specialist. Equivalent

3. **Shared-Time Staffing Services:** MCISD's Shared-Time Business Manager shall act and perform the duties of the Business Manager for Dundee. It is stipulated and agreed that the services provided to Dundee shall be all of the duties and responsibilities that are usual and customary for a Business Manager to perform. The parties agree that approximately ninety percent (90% or a .9 FTE) of the employees' weekly work will be dedicated to Dundee, or combination of supporting staff. A description of the representative duties and responsibilities of the position are delineated in Attachment A. MCISD may utilize a combination of staff for the 90% so as to ensure separation of duties and segmented controls as necessary.

   MCISD's Shared-Time Accounts Payable Specialist shall perform the function of data collection, entry and issuance of Dundee's accounts payable checks. The parties agree that fifty percent (50% or a .5 FTE) of the employees' weekly work will be dedicated to Dundee for the issuance of accounts payable checks under the direction of the Shared-Time Business Manager. A description of the representative duties and responsibilities of the position are delineated in Attachment B.

4. **Division of Time:** The parties agree that the amount of time attributable to each entity under the agreement is approximate and both parties agree to use their best efforts and cooperate in reaching a flexible schedule that ensures efficiency and meets the needs of each party.

5. **Hold Harmless Agreement:** The parties agree that their business offices are distinct and separate from each other and shall remain the sole and separate responsibility of the respective party.

6. **Compensation and Benefits:**

   a. In consideration of the services to be provided to Dundee under item 3, Dundee shall pay to MCISD a sum equivalent to the total compensation and applicable benefits of 90% of the Shared-Time Business Manager and 50% of the Shared-Time Accounts Payable Specialist as MCISD Non-Affiliated staff and as determined by the individual contract of employment between MCISD and the Shared-Time Business Manager. Dundee shall also share proportionately for the following expenses of the two (2) positions:

i. Approved conference expenses
ii. Membership dues (MSBO, AICPA, MACPA, if necessary)
iii. MSBO certification
iv. Mileage

b. Dundee shall supply all materials, supplies, office space, and equipment necessary for the Shared-Time services under this Agreement.

c. In the event the Shared-Time Business Manager and/or Shared-Time Accounts Payable Specialist position(s) becomes vacant and needs to be filled, the parties shall agree to a new salary, which would be based on the candidate's qualifications and experience. The new salary, in addition to the total compensation package and applicable benefits, would be subject to Paragraph 6(a).

d. The total compensation package and applicable benefits may be subject to increases, pursuant to the individual contract(s) of employment between MCISD and the Shared-Time position(s) (e.g., annual salary percentage increases, annual increases in health benefits, IRS adjustment to mileage rate).

7. **Payment:** MCISD will bill and Dundee will pay MCISD as described in Attachment A and B for the services provided to Dundee for the Shared-Time services. MCISD will bill Dundee for the services on a quarterly basis. Mileage will be billed at the IRS rate on a quarterly basis. Payment shall be made within thirty (30) days of the date of receipt of the invoice.

8. **Separate and Distinct Entities:** Each party shall retain their separate and distinct records and the information concerning the business offices and related services of the respective Districts shall not be comingled.

9. **Employee Status:** At all times, the Shared-Time Business Manager and Accounts Payable Specialist will be considered MCISD employee's and will be compensated by the MCISD and provided with appropriate benefits for full-time MCISD employees. At no time will the Shared-Time positions be considered an employee of Dundee.

10. **<u>Modification:</u>** This agreement shall be subject to amendment from time to time at the mutual agreement of the parties. No such modification shall be effective unless reduced to writing and signed by both parties.

11. **<u>Termination:</u>** This agreement is subject to termination upon ninety (90) days written notice by either party to the other. Written notices shall be serviced at the address of the respective party set forth above. Upon termination, MCISD shall provide to Dundee a final accounting of compensation due under the terms of the agreement and the payment shall be made within thirty (30) days from the date of receipt.

12. **<u>Waiver; Severability:</u>** Each party shall always have the right to enforce the provisions of this Agreement in strict accordance with the terms hereof, notwithstanding any conduct or custom on the part of such party in refraining from doing so at any time or times. The failure of the party at any such time or times to enforce its right under such provisions shall not be constructed as having created a custom in any way or manner, contrary to specific provisions of this Agreement or as having in any way or manner modified or waived the same. All rights and remedies of the respective parties hereto are cumulative and concurrent, and the exercise of one right or remedy shall not be deemed a waiver or release of any other right or remedy. If any provision of this Agreement shall be held invalid by any other applicable statute or regulation or by a decision of a court of competent jurisdiction, such invalidity shall not affect any other provision of this Agreement that can be given affect without the invalid provision, and, to this end, the provisions hereof are severable.

13. **<u>Subcontracts and Assignment</u>:** The Parties agree that they will not assign or transfer any rights or duties contained herein, without first obtaining the expressed written consent of the other party. The parties understand and acknowledge that either party may withhold consent regardless of the reasonableness of such.

14. **<u>Successors in Interest:</u>** This Agreement shall bind and inure to the benefit of the parties, their successors, and approved assigns, if any.

15. **<u>No Third-Party Beneficiaries:</u>** This Agreement is enforceable only by the MCISD and Dundee No other person may enforce any of the terms contained in this Agreement, nor is the Agreement intended to confer third party beneficiary status on any third party.

16. **<u>Non-discrimination:</u>** Both Parties agree that no person shall be subject to unlawful discrimination based on race; national or ethnic origin; color; sex; religion; age; sexual orientation; gender expression or identity; pregnancy; marital status; familial status; economic status or source of income; mental or physical disability; or military service in programs, activities, services, benefits, or employment in connection with this Agreement.

17. **Controlling Law:** This Agreement shall be deemed to have been executed in the state of Michigan and the substantive laws of the state of Michigan shall govern the enforcement of this Agreement and the rights and remedies of the parties.

18. **Counterparts:** This Agreement may be executed in counterparts, each of which shall constitute an original and all of which comprise the same Agreement. Counterparts may be delivered electronically.

19. **Notices:** All notices or demands of any kind required or desired to be given by MCISD to Dundee must be in writing and will be deemed delivered upon depositing the notice or demand in the United States mail, certified or registered addressed to the undersigned representative of Dundee. Likewise, all notices or demands of any kind required or desired to be given by Dundee to MCISD must be in writing and will be deemed delivered upon depositing the notice or demand in the United States mail, certified or registered addressed to the undersigned representative of the MCISD.

20. **Force Majeure:** Neither the MCISD nor Dundee shall be liable to the other for damages caused by an interruption of this Agreement where such interruption is due to war, rebellion, or insurrection, acts of God, fire, governmental statute, pandemic, judicial or agency order or regulation prohibiting the performance of this Agreement, labor disputes, or for other causes beyond the reasonable control of either the MCISD or Dundee.

21. **Entire Agreement**: This Agreement and any appendices attached hereto represents the entire agreement between the parties.

Each person placing his/her signature below represents and warrants that he/she is the signatory duly authorized to execute this Agreement on behalf of MCISD or Dundee as is respectively applicable.

Dated: ___________________	Dated: ______________________
________________________	____________________________
Dr. Stephen McNew Superintendent, Monroe County ISD	Scott Leach Superintendent, Dundee Community Schools

Bylaw 0144.1 - Compensation (Revised)

This policy revision is offered to accommodate the IRS guidance regarding payments to School Board members. See Legal Alert #5.

This revision should be adopted to maintain accurate policies.

Book	Policy Manual
Section	Vol. 37, No. 1 - September 2022
Title	Vol. 37, No. 1 - September 2022 Revised COMPENSATION
Code	po0144.1
Status	First Reading
Legal	M.C.L. 380.11a, 380.1254

REVISED BYLAW - VOL. 37, NO. 1

0144.1 - **COMPENSATION**

Board members shall receive not more than **$_30.00_____ per meeting [DRAFTING NOTE: ISDs are limited to $30 per meeting]**~~$30 per meeting~~ up to a total of not more than fifty-two (52) meetings (including committee meetings) as compensation for their services. Expenses of a Board member shall be reimbursed when incurred in the performance of **the Board member's**~~his/her~~ duties or in the performance of functions authorized by the Board and duly vouchered.

The following guidelines have been established by the Board of Education to ensure appropriate and proper reimbursement of expenses for Board members:

A. **(x)** Expenses will be reimbursed only for activities authorized by the Board.

B. **(x)** Reimbursement for mileage will not exceed the current rate established by the Internal Revenue Service.

C. ~~( ) Attendance at Board-approved conferences should be at the location closest to the District.~~

D. **(x)** When attending a Board-approved conference, all fees, parking, mileage, meals, and housing will be reimbursed. The maximum reimbursable expenses are as follows:

~~Housing - $________ per night~~

Meals **$25.00 per meal, not to exceed a daily amount of $75.00**

~~Breakfast - $______________~~

~~Lunch - $______________~~

~~Dinner - $_________________~~
~~**Telephone expenses will be reimbursed to a maximum of $___________ per fiscal year.**~~

[NOTE: Similar language appears in Bylaw 0175.1 and in administrative guideline 6550. Check to be sure similar options and amounts have been included for consistency.]

E. **( )** Purchase of any printed or other materials relating to Boardmanship will be reimbursed if prepurchase approval is given by the Board. If such approval is not possible or feasible, a voucher must be submitted to the Board for approval. No postpurchase voucher will be approved if it exceeds $___________.

F. **( )** When the Board attends a community or school-related event as a Board function, or a Board member attends as the designated representative of the Board, any incurred expenses, including mileage, will be reimbursed by the Board. If a Board member attends such events as a private citizen, any incurred expenses are to be paid by the Board member.

G. **(x)** No entertainment expenses or purchases of alcoholic beverages are reimbursable.

A voucher detailing the amount and nature of each expense must be submitted to the Board for approval at a Board meeting after the expenses have been incurred and prior to reimbursement.

Board members may use District credit or debit cards only in accordance with Board Policy 6423 and the accompanying administrative guidelines.

Policy 6108 - Authorization to Use Electronic Transfer of Funds and Automated Clearing House Arrangements (NEW)

This new policy is provided in response to client requests. In order to utilize electronic fund transfers and automated clearing house (ACH) arrangements and transactions, the District must have a written ACH policy in place. This policy includes the components required by Michigan statute.

This policy should be adopted in order to utilize electronic fund transfers and automated clearing house arrangements and transactions.

Book	Policy Manual
Section	Vol. 37, No. 1 - September 2022
Title	Vol. 37, No. 1 - September 2022 New AUTHORIZATION TO USE ELECTRONIC FUND TRANSFERS AND AUTOMATED CLEARING HOUSE ARRANGEMENTS
Code	po6108
Status	First Reading
Legal	M.C.L. 124.301 - 124.305

NEW POLICY - VOL. 37, NO. 1

6108- **AUTHORIZATION TO USE ELECTRONIC FUND TRANSFERS AND AUTOMATED CLEARING HOUSE ARRANGEMENTS**

In accordance with the provisions of law, the Board of Education authorizes the acceptance and distribution/transmission of electronic fund transfers (ETFs) and automatic clearing house arrangements (ACH). The Superintendent shall put in place measures to protect the integrity and security of such transactions to comply with mandates of State and Federal agencies or programs, including Medicaid.

Definitions

"ACH arrangement" means the agreement between the originator of the ACH transaction and the receiver of the ACH transaction.

"ACH transaction" means an electronic payment, debit, or credit transfer processed through an automated clearing house.

"Automated clearing house" or "ACH" means a national and governmental organization that has authority to process electronic payments including, but not limited to, the national automated clearing house association and the Federal reserve system.

"Electronic transactions officer" or "ETO" means the Superintendent or another person designated by the Board to have the responsibilities of the ETO as prescribed in the Michigan Electronic Transactions of Public Funds Act.

All District staff shall comply with all provisions of the Uniform Electronic Transaction Act when creating, generating, sending, communicating, receiving, storing, processing, using, and relying upon electronic records. Further, all District staff and other persons who use electronic signatures when completing transactions with the Board shall do so in compliance with State law.

ACH Transactions and Arrangements

The Superintendent or another employee designated by the ETO is authorized to engage in electronic transfer of funds and ACH arrangements in accordance with this policy. The Superintendent shall be responsible for overseeing the District's ACH transactions, including payment approval, accounting, reporting, and compliance with this ACH policy.

Internal Controls

The Superintendent is responsible for disbursement of funds and shall submit appropriate documentation to the Board. Such documentation shall include:

A. information regarding the goods or services purchased;

B. the cost of goods or services;

C. the date of the payment; and

D. departments serviced by the payment.

This documentation shall be contained in the District's electronic general ledger software system or in a separate report to the Board. ACH invoices must be reviewed and approved prior to payment.

The District's system of internal controls (see Policy 6111 - Internal Controls) shall be used to monitor the use of ACH transactions.

[x] The Superintendent is authorized to develop administrative guidelines concerning the use of electronic fund transfers and ACH transactions.

M.C.L. 124.301 - 124.305

Policy 6700 - Fair Labor Standards Act (FLSA) (Revised)

More than a decade ago, Congress passed a law amending Section 7 of the Fair Labor Standards Act ("FLSA"), mandating that eligible employees be provided reasonable breaks and private facilities to express breast milk during the first year after the birth of their child. It is important to keep in mind that the FLSA overtime and lactation provisions only apply to certain employees in an organization, but not all of them. For public schools, typically nonteaching employees, such as bus drivers, custodians, and secretaries, are covered by the FLSA. However, professional employees like teachers, administrators, and IT staff are usually exempt from overtime and other FLSA provisions including those mandating breaks for lactation. However, school employers may elect to provide this type of benefit and support for exempt employees. Therefore, language has been added that summarizes a board of education's obligation to provide reasonable breaks and private facilities for FLSA-eligible employees to express breast milk. In the new AG 6700, optional language provides the same benefit to FLSA-exempt employees to the extent the employees may be accommodated without materially disrupting school operations or employee duties. Such an option is not required and in some cases may be difficult or nearly impossible to accommodate. Many employers attempt to provide similar accommodations/benefits for all employees, regardless of status or assignment.

A legal alert accompanies this change and summarizes a board of education's duties with regard to this topic.

Book	Policy Manual
Section	Vol. 37, No. 1 - September 2022
Title	Vol. 37, No. 1 - September 2022 Revised FAIR LABOR STANDARDS ACT (FLSA)
Code	po6700
Status	First Reading
Legal	29 C.F.R. Part 541 29 U.S.C. 201 et seq.
Adopted	November 12, 2012

REVISED POLICY - VOL. 37, NO. 1

6700 - **FAIR LABOR STANDARDS ACT (FLSA)**

It is the Board of Education's policy to comply with the provisions of the Fair Labor Standards Act (FLSA) and its implementing regulations. The Board will pay at least the minimum wage required by the FLSA to all covered, non-exempt employees. Non-exempt employees are hourly employees, or salaried employees who do not qualify for a professional, administrative, computer, or executive exemption under the FLSA. Teachers are generally exempt, even if they are paid on an hourly basis.

Non-exempt employees who work more than forty (40) hours in a given work week will receive overtime pay in accordance with the FLSA for all hours worked in excess of forty (40).

Non-exempt employees who work overtime without prior approval from the Superintendent or a supervisor may be subject to disciplinary action, up to and including termination.

The work week is established as _____________ **(Day/time)** to ________________ **(Day/time)**.

To the extent that an employee's individual contract or collective bargaining agreement provides for greater benefits than mandated by the FLSA, the contract or bargaining agreement will be honored.

Notwithstanding the fact that exempt school employees continue to meet the salary basis requirements and are not disqualified from exemption even if the employee's pay is reduced or the employee is placed on a leave without pay for absences for personal reasons or because of illness or injury of less than one (1) workday because accrued leave is not used for specific reasons, the Board reserves the right to make deductions from the pay of otherwise exempt employees under the following circumstances:

A. the employee is absent from work for one (1) or more full days for personal reasons other than sickness or disability

B. the employee is absent from work for one (1) or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy, or practice of providing compensation for salary lost due to illness

C. to offset amounts employees receive as jury or witness fees, or for military pay

D. for unpaid disciplinary suspensions of one (1) or more full days imposed in good faith for workplace conduct rule infractions

E. for penalties imposed in good faith for infractions of safety rules of major significance

The Board shall also not be required to pay the full salary in the initial or terminal week of employment, or for weeks in which an exempt employee takes unpaid leave under the Family & Medical Leave Act.

The Board recognizes that with limited legally permissible exceptions, no deductions should be taken from the salaries of exempt employees. If an exempt employee believes that an improper deduction has been made to **their**~~**his/her**~~ salary, the employee should immediately report this information to the **( )** Superintendent, **( )** Business Manager, **(x)** **Building Administrator** , **[END OF OPTIONS]** or **their**~~**his/her**~~ immediate supervisor. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, the employee will be promptly reimbursed for any improper deduction made, and the Board will make a good faith commitment to avoid any recurrence of the error.

Reasonable Break Time for Nursing Mothers

As required by Federal law, the District shall take steps necessary to support staff members who decide to breastfeed their infants by providing additional unpaid reasonable break time, as necessary, for a qualified employee to express breast milk for their nursing child, for one (1) year after the child's birth, on District premises.

Prior to returning to work from maternity leave, it shall be the employee's responsibility to notify their supervisor of their intent to continue breastfeeding their infant(s), and of their need to express milk during work hours. Further, it shall be the responsibility of the employee to keep their supervisor informed of their needs in this regard throughout the period of lactation.

The building administrator shall designate a private area, other than a restroom, where an employee can express breast milk. The designated area shall be a space where intrusion from coworkers, students, and the public shall be prevented, and one where an employee who is using this area can be shielded from view.

An employee shall be enabled to express milk during regularly scheduled break periods. The Principal or employee's supervisor shall make an accommodation if the time of regular breaks needs to be adjusted or if additional and/or longer breaks are needed. In the event that more breaks are needed or the break(s) need to be longer than legally required, the additional time required shall be unpaid, and the employee's work schedule or work day shall, therefore, be modified accordingly. The Principal or the employee's supervisor shall work with the employee to make these necessary modifications.

[DRAFTING NOTE: An employer that employs less than fifty (50) employees shall not be subject to the requirements of this subsection, if such requirements would impose an undue hardship by causing the employer significant difficulty or expense when considered in relation to the size, financial resources, nature, or structure of the employer's business.]

Notice

Information regarding the Fair Labor Standards Act may be found on the U.S. Department of Labor's website.

This policy is intended to comply with and explain the employees' rights under the Fair Labor Standards Act. To the extent there is any conflict, or the policy exceeds the statutory requirements, the statute and its implementing regulations prevail.

Policy 8805 - Flags and Displays (NEW)

This new policy is offered at the request of clients. This is not a required policy and should only be considered after discussion with district leadership and legal counsel. Be sure to note that any prohibitions should not be "message-based" but rather restricting permission in a reasonable, school-oriented manner. In the case of districts that permit the display of "message-based" flags or displays, this policy should not be adopted.

Book	Policy Manual
Section	Vol. 37, No. 1 - September 2022
Title	Vol. 37, No. 1 - September 2022 New FLAGS AND DISPLAYS
Code	po8805
Status	First Reading

NEW POLICY - VOL. 37, NO. 1

8805 - **FLAGS AND DISPLAYS**

This policy is adopted by the Board of Education as a content-neutral policy with respect to the appropriate usage and display of items in District buildings and on/in District property, including flags, banners, posters, electronic insignia, and similar items (collectively "Displays"). In addition to the use of the American flag as addressed in Policy 8800, the only Displays that may be flown, posted, or affixed to the grounds, stadiums, fencing, walls, doors, ceilings, or any other furnishings or appurtenances of any public school system building, vehicle, or facility owned or operated by the Board or posted on any electronic messaging, including emails, on the District's network, are as follows:

A. The current Michigan flag.

B. **(x)** The current school flag.

C. **(x)** Displays used in the classroom as a part of a temporary unit of study within the approved curriculum.

D. **( )** Displays that denote a recognition of achievement and are approved by the Superintendent as to content and location of the Display. ~~including, but not limited to ________________ **[examples may include _______]**.~~

E. **(x)** Michigan High School Athletic Association or other similar sport tournament Displays recognizing the participation of or accomplishment of a school team and/or athlete.

F. **(x)** Displays from colleges or universities ~~**( )** which may be placed in a District classroom or administrative office.~~

G. **(x)** Flags of countries representing our Foreign Exchange Students ~~**( )** which may be placed in _______________.~~

H. **(x)** Displays representing student organizations/clubs (see Policy 5840)**as approved by the Superintendent or designee.** ~~**( )** which may be placed in/on _______________~~.

Policy 9150 - School Visitors (Revised)

The proposed revision to this policy reflects the recent changes required by amendments, approved by the Governor, to the Sex Offender Registration Act (SORA). The change was made to Policy 8400 in a recent update

This revision should be considered in order to have consistent policies and to remain compliant with Michigan law.

Book	Policy Manual
Section	Vol. 37, No. 1 - September 2022
Title	Vol. 37, No. 1 - September 2022 Revised SCHOOL VISITORS
Code	po9150
Status	First Reading
Adopted	November 12, 2012

REVISED POLICY - VOL. 37, NO. 1

9150 - **SCHOOL VISITORS**

The Board of Education welcomes and encourages visits to school by parents, other adult residents of the community, and interested educators. But in order for the educational program to continue undisturbed when visitors are present and to prevent the intrusion of disruptive persons into the schools, it is necessary to establish visitor guidelines.

The Superintendent or the principal has the authority to prohibit the entry of any person to a school of this District or to expel any person when there is reason to believe the presence of such person would be detrimental to the good order of the school. If such an individual refuses to leave the school grounds or creates a disturbance, the principal is authorized to request from the local law enforcement agency whatever assistance is required to remove the individual.

Individuals who are registered sex offenders and wish to participate in school activities may be allowed on campus. Conditions may be imposed by the Superintendent on the individual's campus visit(s) governing the terms and conditions of the visit. These conditions may include, but are not limited to, the need to receive prior permission before entering campus, required check-in, an approved escort in the building or at an event, and time or location limitations while on campus.

~~**[ ] Parents/Guardians, who are registered sex offenders and wish to participate in their child's school activities, may be allowed on campus at the discretion and under the direction of the principal. Conditions may be imposed including, but not limited to, the following: must have prior permission, must check in, must have approved escort in building or at event, must leave premises immediately upon conclusion of business, and may not visit while school is in session.**~~

Nonstaff access to students and classes must be limited and only in accordance with a schedule which has been determined by the principal after consultation with the teacher whose classroom is being visited. Classroom visitations must be nonobtrusive to the educative process and learning environment and should not occur on an excessive basis.

Parent concerns about any aspect of **their**~~**his/her**~~ child's educational program should be presented through the procedure set forth in Board Policy 9130 - Public Complaints, a copy of which is available at the Board office and at each school.

~~[ ] Except as set forth in District policy, canines brought on the premises by law enforcement personnel for law enforcement purposes, or in~~

~~the case of "service animals" required for use by a person with a disability, no other animals may be on school premises at any time.~~

The Superintendent shall promulgate such administrative guidelines as are necessary to protect students and employees from disruption to the educational program or the efficient conduct of their assigned tasks.

Rules regarding entry of persons other than students, staff, and faculty upon school grounds or premises shall be posted conspicuously at or near the entrance to such grounds or premises if there are no formal entrances, and at the main entrance to each school building.

~~Individual Board members who are interested in visiting schools or classrooms on an unofficial basis shall make the appropriate arrangements with the principal. In keeping with Board bylaws, such Board member visits shall not be considered to be official unless designated as such~~

~~**( )** by the Board.~~

~~**( )** by the President.~~

~~**( )** by a committee chairman.~~

The Board member shall be visiting as an interested individual in a similar capacity of any parent or citizen of the community. These visits should not be considered to be inspections nor as supervisory in nature.

If, during a visit to a school or program, a Board member observes a situation or condition which causes concern, **the Board member**~~**s/he**~~ should discuss the situation first **(x)** with the principal **( )** with the Superintendent **[END OF OPTION]** as soon as convenient or appropriate. Such a report or discussion shall not be considered an official one from the Board.

[x] If the Board member believes the situation or condition serious enough, **the Board member**~~**s/he**~~ may wish to also inform the Superintendent.

CHRISTMAN GMB
BUILDING SINCE 1894

Bid Package #1 - Equipment Pre-purchase
BID DAY SUMMARY
Dundee Community Schools
2022 Bond Program

Dundee, Michigan

Date: **December 7, 2022**

TCC Proj #: **221112-100**

				RECOMMENDED CONTRACT AWARD		
TCC WC	**Description**	**Bid Pack**	**Budget**	**RECOMMENDED Award**	**Variance Budget**	**Contractor Name**
27	Mechanical Systems	1	951,192	811,006	(140,186)	Bolhouse LLC
	Total Recommended Award:		**951,192**	**811,006**	**(140,186)**	**-14.74%**

BID TABULATION

CHRISTMAN
SINCE 1894

Estimate Budget w/ D/B Contingencies:	$	**951,192**
WC Bidday Budget:	$	**951,192**

Client:	Dundee Community Schools
Project:	Indoor Air Quality Improvements
Bid Package:	**1**

Bid Comparison

Work Category: **27 Mechanical Systems**

Bidday Rank (1&2):	**2**	**1**							
Awarded to:	RECOMMENDED								
Contractor Name	**Bolhouse LLC**	**Thermal Netics**							
Base Bid	$811,006	$720,800							
Total Anticipated Contract:	**$811,006**	**$739,800**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Recommendation:

Apparent Low:	$739,800	Thermal Netics
2nd Bidder:	$811,006	Bolhouse LLC RECOMMENDED AWARD
Awarded To:		
Reviewed By:		
Approved By:		

Alternates									
Total Approved Alternates:	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Post Bid Adjustments									
Total Post Bid Adjustments:	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Qualifications/ TCC Requirements?:									
Addendum Acknowledgement:									
Anticipated Man Power:									
UNIT PRICES:									
Post Bid Clarification:									
No bottom pipe connections	1	1 $ 14,000	1	1	1	1	1	1	1
Rear plenum dividers	2	2 $ 5,000	2	2	2	2	2	2	2
	3	3	3	3	3	3	3	3	3
	4	4	4	4	4	4	4	4	4
	5	5	5	5	5	5	5	5	5

CHRISTMAN
BUILDING SINCE 1894

December 07, 2022

Mr. Scott Leach
Superintendent
Dundee Community Schools
420 Ypsilanti Street
Dundee, MI 48131

RE: Proposal for 2022 Bond Construction Services

Dear Mr. Leach:

Congratulations on the successful passage of the 2022 Bond Program! The Christman Company is excited to continue our successful partnership with Dundee Community Schools by honoring the commitments made to Dundee's taxpayers, and managing the upgrades to your current facilities to support the growth and learning of Dundee Students.

At the start of our partnership, Christman provided a proposal for our services that was approved by your Board of Education. Our approved proposal has been included for reference beginning on page 3 of this letter. Within the "Fee Proposal" heading of our proposal, it was stated that following the successful passage of the 2022 bond program we would negotiate final fees, staffing costs, general conditions and reimbursables with the District.

Immediately following on page 2 of this letter is the update to our original proposal, outlining those estimated costs. Incorporating the assumptions listed in that update, the estimated total cost of our services for Preconstruction, Construction Management Staff, and General Conditions is $1,555,000 plus 2.25% of the Cost of the Work as a Construction Management Fee.

We are looking forward to continuing our partnership with Dundee Community Schools. Please do not hesitate to reach out to us with any questions regarding this proposal.

Sincerely,
The Christman Company

Joe Luther
Vice President and General Manager
Southeast Michigan

Jennifer Emerick
Project Executive

PROPOSAL UPDATE

DUNDEE COMMUNITY SCHOOLS 2022 BOND PROGRAM

Preconstruction and Operations Planning budget:	$205,000
Construction Management Fee:	2.25% of the Cost of the Work
Construction Staff Costs:	$1,100,000
General Conditions/Reimbursables:	$250,000

Fees based on following assumptions:

- Construction costs of approximately $18,600,000
- A preconstruction/operations planning duration of 4 months (January 2023 – April 2023)
- A construction duration of 16 months (May 2023 – August 2024)

HOURLY RATES

Staff Title	2023 Hourly Rate	2024 Hourly Rate
Project Director	$136	$142
Senior Project Manager	$102	$107
Project Manager	$89	$93
Site Manager	$89	$93
Superintendent	$93	$97
Project Engineer	$73	$76
Senior Director of Project Planning	$105	$110
Lead Estimator	$84	$88
MEP Estimator	$84	$88
Safety Manager	$78	$81
Accounting	$57	$59
Clerical Support	$52	$54
General Labor	$73	$76

ORIGINAL PROPOSAL
INCLUDED FOR REFERENCE ONLY

PROPOSAL FOR CONSTRUCTION MANAGEMENT SERVICES

Dundee Community Schools

CHRISTMAN
BUILDING SINCE 1894

TABLE OF CONTENTS

CHRISTMAN
BUILDING SINCE 1894

May 20, 2021

Edward Manuszak, Ed. S.
Superintendent
Dundee Community Schools
420 Ypsilanti
Dundee, MI 48131

RE: Proposal for Construction Management Services
Dundee Community Schools

Dear Mr. Manuszak:

This is an exciting time for Dundee Community Schools as you finish investing your 2017 bond program dollars, improve your athletics facilities with the generous donation from an alumnus, and begin the process of planning for a 2022 bond election. We are honored to be considered by Dundee Community Schools as a construction partner, and we deeply appreciate this opportunity to present our proposal to work with you. Christman's focus is to work with the district and the design team to deliver your vision for students by supporting 21st century learning. Our team can be of service as much or as little as you'd prefer, working alongside your architect partner to bring the district's vision to life.

Our exceptional group of construction professionals is eager to come alongside you to provide professional construction management services and support you in identifying the best solutions for your district. Your success will be the highest priority for our entire staff, from our project team through our senior management. Dundee Community Schools can have complete confidence in working with Christman as your uniquely qualified construction management partner. As detailed in the attached, we offer:

- Recognized expertise in K-12 educational facility construction
- Extensive pre-bond services that begin on day one and focus on aligning the district's vision with community support for a unique bond program that meets the needs of Dundee Community Schools
- Deep ties to central and southeast Michigan and strong relationships with its leaders and trade contractors
- An exceptional safety record, with a thorough understanding of the sensitivity of and best practices in providing construction operations in occupied educational facilities and campuses
- Best-in-market pre-construction planning services, including in-house mechanical, electrical and plumbing coordination and estimating and cost benchmarking as well as phasing, logistics and scheduling planning

We are confident of our ability to become an integral part of the team that will execute this important project. We would very much appreciate the opportunity to present our qualifications and approach to you and your team. Please contact Sam, Mary or myself at 313-908-6060 if you have questions or to set up a time to meet with you.

Sincerely,
THE CHRISTMAN COMPANY

Joe Luther, A.C., LEED AP
Vice President

Sam Ruegsegger, LEED AP BD+C
Project Executive

Phone 313-908-6060 Fax 313-908-6055 www.christmanco.com

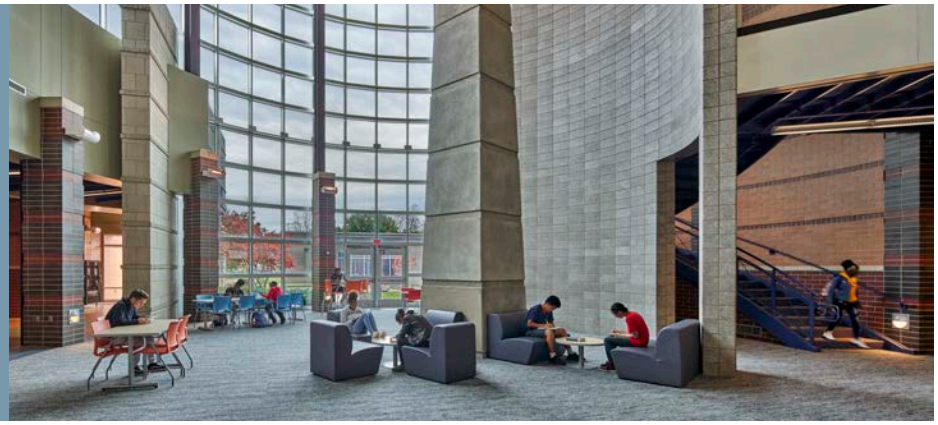
OUR K-12 PHILOSOPHY

Standing at the core of our communities, local K-12 schools are more than just classrooms, libraries and cafeterias. School campuses are life-altering institutions that inspire imaginations, build character and guide our children to understand the benefits of responsibility and focus.

As part of our values, The Christman Company strives to honor all of our commitments with integrity. This is a philosophy employed by many educational leaders today. The ultimate goal for a Christman project is to reach excellence in understanding, as a teacher would in their classroom. Christman does this while allowing you to fulfill your mission in education, because we know that children are your first concern.

Christman can remove the stress of bond campaign organization, managing construction, providing safety and more. As your partner, we will first listen to your goals and develop a plan to meet them. This K-12 philosophy lets the teachers teach, and offers an experience where school renovations or new construction feels more like recess than a test.

COMPANY OVERVIEW



400

Full-Time Professionals invested as owners of The Christman Company

#88 Ranking

Engineering News-Record 400 list of top contractors in 2020

8

OFFICES THROUGHOUT THE U.S. WITH EXPERIENCE IN 38 STATES

$1 Billion

in annual revenues

Celebrating **127** YEARS OF EXPERIENCE

Major Markets

Education
Healthcare
Office
Public
Historic Preservation
R & D / Industrial

$4 Billion

in construction currently underway

.66 EMR

SAFETY FIRST

Experience Modification Rate

In 1894, H.G. Christman founded Christman Brothers, a partnership that evolved into the H.G. Christman Company, the parent of today's Christman organization. In 1915, the firm established its Lansing, Michigan headquarters, was incorporated in the state of Michigan in 1927 and officially changed its name to The Christman Company in 1933.

Today, with a team of 400 full-time professionals, The Christman Company is a fully employee-owned corporation, and is a leading professional construction services firm. In conjunction with its affiliates Christman Capital Development Company, Christman Mid-Atlantic Constructors, Inc., Christman Constructors, Inc., and Christman Millwork, the company's award-winning services include construction management, general contracting, design/build, real estate development, facilities analysis and planning, and self-performed skilled trades.

Christman has a long and successful track record in public school construction. A significant amount of annual volume is education-related, and we have successfully completed dozens of projects for districts large and small throughout the state, many of whom have become repeat clients, from Muskegon to Harbor Springs to Detroit. We currently have more than $800 million in public school construction projects underway across Michigan.

SERVICES

Christman's approach to K-12 construction management services is built on trusted relationships. Our goal is to come alongside Dundee Community Schools to support your vision of "Students First" - Inspire, Educate, Innovate, Celebrate. We understand that as a district you are looking toward the future and building facilities that will meet the growing needs of the Dundee community in the years to come. As you configure your buildings in a way that best suites your student population, we can be your trusted advisor to assure that your community investment is maximized. As we refine this plan and educate the community about it, Christman will use effective community engagement strategies, detailed project planning, streamlined communications channels, and a system of rigid safety, quality assurance and other controls to proactively manage the bond project from concept to construction.

BUILDING CONSENSUS: PRE-BOND SERVICES

Bond Issue Development

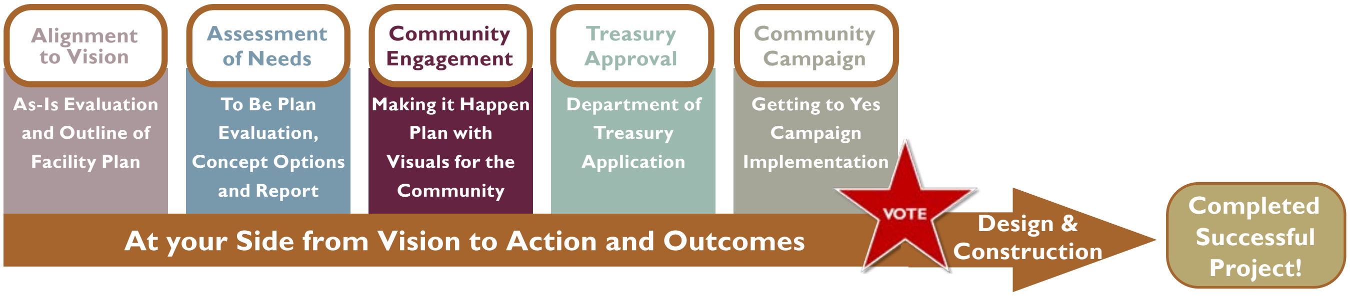
Christman's comprehensive pre-bond services will start on day one by helping to create a unified vision for Dundee Community Schools. Christman's approach to K-12 is built on creating trusting partnerships. We look forward to working with the district administration, school board and design team to develop a bond program that will meet the needs of Dundee Community Schools' students and the greater community. We will work with district stakeholders and experts to validate and/or update the 2019 Utilization Survey and Facilities Study, identifying facility and programing needs in every building. Christman will then help facilitate a prioritization exercise with all stakeholders to make sure there is a unified vision moving into the community input phase. We will work with Dundee leaders to test all possible solutions.

Our pre-bond services include:

- Needs, expectations and existing conditions assessment
- Educational specifications
- Program planning feasibility and options evaluation
- Cash flow projections
- Professional service selection

PRE-BOND SERVICES

- Bond Issue Development
  - Facility Assessments
  - Programming Feasibility and Options Evaluation
  - Cash Flow Projections
  - Professional Service Selection
  - Project Strategies, Scheduling and Budgeting
  - Treasury Approvals
  - Public Engagement and Campaign
  - Technical Support
  - State Approvals and Submissions
- Campaign Strategy
  - Stakeholder Identification
  - Organizational Tools
    - Efforts to Maximize Media
    - Get-Out-The-Vote Activities
    - Events to Engage the Community
  - Door-to-Door Outreach with Smartphone Application
  - Voter List and "Yes" Voter Tracking Tools
  - Absentee Voter Strategies
  - General Election Awareness
  - Voter Registration Campaigns
  - Community Forums / Rallies
  - Media Coverage Tools



- Project strategies, scheduling and budgeting
- Treasury approvals
- Public engagement and campaign
- Technical support

K-12 districts are the heart of our Michigan communities, and we believe in unifying community support through the bond development to create consensus. We will help facilitate community forums and focus groups to hear from parents and community members about their vision for the district and areas that they believe are most important for the bond. Bringing community members along as active participants creates unity for the bond issue and ownership over its success.

State Approvals and Submissions

Upon board approval of a bond scope, Christman will support the work of our design partner to prepare and submit necessary bond application documents to the State Treasury and Election authorities for qualified and non-qualified bond applications.

Campaign Strategy

After successful approval from the Treasury Department, Christman looks forward to the opportunity to assist in the bond campaign. Christman is prepared to cover the spectrum from information to advocacy, involving both internal and external stakeholder engagement. Recognizing that every community is unique and offers different opportunities for engagement, we understand that the bond process is about finding the right combination of activities to align the needs of the community and the school district. We will come on board to help develop strategies to support informational and/or advocacy campaign teams and assist the school board, superintendent, key community leaders, and design partner to promote a unified vision for the future of the facilities at Dundee Community Schools.

In the midst of the COVID-19 pandemic, we recognize that our state's K-12 districts have been among the most impacted organizations. We also recognize that there are unique needs and priorities for every school district and community, and we are prepared to support Dundee Community Schools in developing a strategic approach to the upcoming bond campaign. As we navigated the May 2020 and 2021 elections with our current K-12 partners, we took a flexible approach and developed district-specific strategies that were tailored to each community to

ensure success. For example, in 2020 we worked with Muskegon Public Schools to keep the district's bond issue on the May election, implementing creative new tools to inform voters that we couldn't talk to in person as we normally would, and had great success in receiving "yes" votes from 62 percent of voters. At that time, other districts opted to postpone their election to August 2020, providing more time to be in contact with their district's families and community members and strategically working around the community's economic situation and specific election guidelines. Dundee Community Schools can rely on Christman as a trusted partner and expert in navigating the election process even in the most challenging of times. We are eager to provide counsel and help the district develop a campaign strategy that fits within your goals and priorities.

Our team is available to work alongside you to help implement comprehensive public relations strategies and achieve positive recognition for the bond program. Our K-12 project teams pride themselves on developing a deep and genuine connection with your community during this process. We will empower volunteers to make this effort their own and rally the rest of the community to vote in support of the project and district's vision.

Campaign strategies include:

- Stakeholder identification
- Organizational tools to maximize media, get-out-the-vote activities, and events to engage the larger community
- Door-to-door smart phone application for efficient and effective door-to-door outreach
- Voter list and "yes" voter tracking tools
- Absentee voter strategies to engage "yes" votes
- General election awareness
- Voter registration campaigns
- Community forums / rallies
- Media coverage tools

Campaigning with Confidence

Through a holistic, "whole building" design and construction approach, members of Christman's Project Planning Group work in close collaboration with the entire project team - including Dundee Community Schools, the architect, the construction staff, engineers, and consultants - to ensure a continuity of plan to execution as we partner to find the solutions which deliver the most for the district's budget. Christman's team-based construction management approach calls for the earliest possible collaboration with the client and design team to envision the project together, define its goals and establish a customized project plan.

This will begin during the bond issue development phase, as the team identifies needs and shapes the community's vision for the bond scope.

A+

OUR PRE-BOND SERVICES ARE DESIGNED TO TARGET "YES" VOTERS AMONG INTERNAL AND EXTERNAL STAKEHOLDERS, CREATING A BOND CAMPAIGN THAT IS TRULY UNIQUE AND SPECIFIC TO YOUR COMMUNITY.

BOND PASSED BY 62% DESPITE COVID-19 CHALLENGES

In the midst of the COVID-19 pandemic, Christman remained committed to its partnership with Muskegon Public Schools and creatively implemented bond campaign strategies by tweaking them to reach voters that now had to vote absentee rather than visit the polls on election day. The bond in turn received "yes" votes from 62 percent of the voting population.

"It was wonderful to work with the Christman team during the Muskegon bond campaign! They were staunch partners with the district through multiple district leadership changes, as we worked together to refine a sweeping bond proposal and bring it over the finish line. Their tireless efforts culminated in a tremendously successful election outcome – an outcome that speaks to the dedication and strong methods the Christman team was able to put into action!"

Dirk Weeldreyer
Interim Superintendent
Muskegon Public Schools

Our planning team will provide cost estimates based on a rich database of K-12 construction cost benchmarks. This process is critical for the success of the bond campaign, as it validates the cost of the proposed scope, allowing those advocating for the bond to speak with confidence that the plan aligns with the budget.

Christman's planning services will be critical to determining the feasibility of desired projects at the onset of the bond issue development. An in-depth study of the existing conditions at each building will help build a recommendation for renovating the existing facilities and/or building additions to better fit the needs of the district.

BEFORE THE FIRST SHOVEL HITS THE GROUND: PRE-CONSTRUCTION PHASE

Christman's planning services will be critical in creating a plan to implement the bond program that will impact facilities across the district. Once the bond has passed, the Christman approach to planning focuses heavily on the Schematic and Design Development phases. This is intentional and leads the project team in making informed design decisions early on in order to reduce the design cycle. Reducing or eliminating redesigns will save Dundee Community Schools time and money over the course of the project.

To achieve cost certainty and a high-level of value creation, Christman will prepare detailed estimates for the project, starting with a Schematic Design estimate, which will serve as our baseline for value analysis. We are able to achieve such granularity at Schematic Design because we are a full-service planning group which includes: mechanical, electrical, civil, architectural and structural cost estimators, value engineers, and building information modeling (BIM) specialists. At the early stages of design, including Schematic Design and Design Development, many aspects of the overall design are not yet shown in the documents. To ensure a high level of accuracy, our planning team will layout systems in a software referred to as "On-Screen Takeoff." This allows our team to review our assumptions with the designers and Dundee Community Schools, including details such as pipe sizing, routing, and configuration. Again, this granularity at Schematic Design benefits Dundee Community Schools by reducing or eliminating assumptions, thereby increasing accuracy.

During pre-construction, we will circulate project planning reports to the team at each design stage. After initial reviews, we will lead meetings with the entire project team so everyone is aware of the current scope of the project and associated costs at each stage of Design Development.

Typical contents of the project planning reports include:

- Executive summary
- Cost model estimate
- Benchmark analysis
- Cash flow analysis
- Value analysis
- Operations and maintenance

PRE-CONSTRUCTION SERVICES

- Full-service Project Planning Group
- Detailed Estimates
- Project Planning Reports
- Cost Certainty
  - Real-Time Cost Information
  - Historical Cost Data
  - Cost Modeling
  - Data for Effective Decision-Making
  - Constructability Feedback
  - Intelligent Trade Contracts (Packaging of Work Scopes)

- Site logistics and schedule
- Safety and quality plan drafts

Christman has made a substantial investment in people, training and technology in order to achieve a high level of performance during pre-construction. The investment has paid off. **When comparing our last detailed estimate to bids, K-12 projects are coming in 4.6% under budget on average over the last 12 months.**

By providing accurate and current cost information, your stakeholders can fully appreciate the current state of facilities and the cost of key issues tied to the bond funds. Christman has experience helping school districts across the state to understand all of their options and provide creative solutions for cost savings throughout the process.

Cost Certainty

Christman's full-service Project Planning Group specializes in developing cost models for your program as well as an overall project budget to ensure all project scope is covered (e.g., major client equipment, technology, furnishings, etc.). The result - no surprises for the project team and the avoidance of re-design. While we are working in unprecedented times where many challenges we will face are still unknown due to COVID-19, Christman is actively monitoring market data and industry trends and will incorporate this data into all of the forecasting that we do. Dundee Community Schools can count on Christman as a leader in cost estimating that will protect the district from unexpected budget concerns.

Proven methods Christman will provide on this project include:

- Real-Time Cost Information
- Historical Cost Data
- Cost Modeling
- Data for Effective Decision-Making
- Constructability Feedback
- Intelligent Trade Contracts (Packaging of Work Scopes)

SEEING YOUR VISION COME TO LIFE: CONSTRUCTION PHASE

Christman understands that a project of this nature requires careful attention to the mission and vision of Dundee Community Schools, and our role on the team is not to simply construct the project, but to work collaboratively with the district and the design team to develop creative solutions and cost certainty.

We promote both transparency and accountability, and we will take a "no surprises" approach to communications and reporting. On a Christman project, dialogue among the team is constant, information is readily available to everyone and the team proactively identifies challenges and then tackles them together.

Our strong leadership and desire to promote teamwork will drive the construction process toward established project goals.

Christman worked closely with Sparta Area Schools and GMB Architecture + Engineering to implement effective planning and proper management of the district's bond projects, which led to room in the budget for additional project scope. The collaborative team effort was able to bring over $3 million in savings to the bond program, which meant that Sparta could add a tennis complex and renovations to the old athletic stadium, which were not part of the original scope.

Construction phase services will include:

- **Complete and comprehensive bidding processes:** Christman will place building trades through an extensive pre-qualification to bid process - we will search out the best, the safest and the most financially strong contractors. We are well versed in the public bidding process and will ensure that we package the work to comply with the State of Michigan's requirements and tailor the work to provide opportunities for local firms.
- **Proactive safety leadership:** We will hold safety huddles with all trades on-site every morning - ensuring communication and recognizing risks and hazards and promptly mitigating safety hazards.
- **Proactive field management:** We will utilize our proven tools and techniques to promote frequent and effective communication as well as accuracy of all documents, especially when tracking Request for Information (RFIs), submittals, materials, changes and issues on the project.
- **Effective management of the inspection process:** We will maintain project milestones, including inspections with Dundee Community Schools facilities staff, the state fire marshal, the local police and fire departments, testing agencies and third-party commissioning agencies.
- **Communication with local community:** Your school is the heart of your community, and we want to be completely mindful of your surrounding neighborhoods. We will maintain open communication as directed by the district with neighborhood residents so they are aware of the construction plans and our efforts to minimize disruptions to their daily lives.
- **Renovations in occupied school buildings:** As the bond issue continues to develop, we understand it could include varying degrees of renovation on multiple district buildings. Our team's unmatched level of experience working in and adjacent to occupied environments will ensure student and staff safety is a constant priority. As much of the work scope could potentially take place throughout entire school buildings, it is vital for our construction operations to be separated from occupants.

During construction, Christman will collaborate with all project team members and stakeholders to ensure success. We provide the safest, most efficient workspaces, logistics and workflow for our trade contractors so their work can be completed cost-effectively and without incident.

Tools for Communication

Effective communication and extensive record-keeping are Christman standards. We assume the responsibility of keeping the project team completely informed from start to finish and beyond. Sharing the best possible cost and other data in a timely, real-time, manner is a trademark of every Christman project. We are committed to providing Dundee

CONSTRUCTION SERVICES

- Complete and Comprehensive Bidding Processes
- Proactive Safety Leadership
- Proactive Field Management
- Effective Management of Inspection Process
- Communication Leadership
- Implementation of Effective Schedules
- Budget Management
- Commitment to Quality
- Comprehensive Project Close-Out

Community Schools and the entire team with the most up-to-date and accurate project information at all times—with no surprises.

In addition to our standard communication methods, and in light of the COVID-19 pandemic, we are adjusting our approach to communication and collaboration as needed. This may include remote meetings or appropriately social distancing when working together on site. We can tailor our communications methods and tools to best meet the needs of the district. We will work closely with the superintendent, facilities director and other designated team members to tailor a communications plan that meets the information needs of building principals, district office administrators, members of the school board and other stakeholders in a way that makes the most sense for the district.

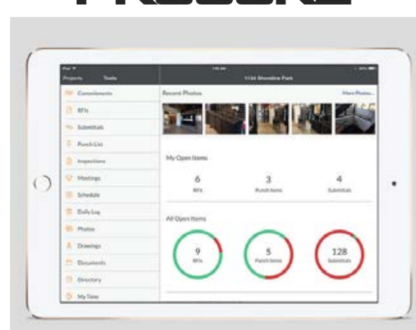
The following is an overview of the tools we typically use to keep the team informed throughout the project.

- **Procore:** An efficient, collaborative records management tool, providing enhanced information flow between all team members and increased overall efficiency through storage of all project-related information in a central, online database.
- **Viewpoint:** Used for all our financial and construction cost control needs. This tool tracks potential cost issues as soon as they arise, ensuring no surprises.
- **Monthly Reports:** We report progress through monthly construction management reports, team meetings and trade contractor meetings. We use every meeting with the project team as an opportunity to communicate important decision-aiding information.
- **Construction Management Reports:** This chronicles the cash flows and costs, schedule and noteworthy elements of the project. It provides a executive overview of the project that can be reviewed quickly and easily.
- **Owner Architect Contractor (OAC) Meetings:** Christman will conduct bi-weekly meetings with Dundee Community Schools, the design team and any other consultants. At these meetings, we inform the team of schedule status, review outstanding decisions remaining and resolve open issues.
- **Trade Contractor Coordination Meetings:** These weekly meetings will be used to coordinate daily work activities on site, gather information on potential upcoming impacts to owner activities, and review on site progress to date. This information will be used to effectively and efficiently manage the project.
- **Daily Report:** The field superintendent(s) will issue a daily report detailing that day's planning and construction activities of Christman, the architect, various consultants, and our trade contractors. These reports will include material deliveries, quantities installed and any problems encountered or decisions needed by noted parties.

Our use of technology in the field promotes efficiency and collaboration by ensuring all members of the team are working with the same information, and it is updated in real time for everyone.

Tools like Procore ensure project team members have the most current drawings, RFIs, submittals and other project documents at their fingertips in real time at all times. We provide detailed step-by-step instructions for each project so our onsite superintendents can write their own RFIs, eliminating the middleman when asking for clarification.

PROCORE®



- **Monthly Summary Report:** This outlines the current and forecasted activities along with photo documentation of progress on site to keep the team up to date regarding the ongoing work. We will also provide monthly cost reports and change management details at a cost control meeting.

If desired by the district, Christman can also provide or support other project communications for those impacted by the work but who are not directly involved in the project, such as building principals, the Board of Education, teachers and parents. This could include providing construction status information for websites, news bulletins, social media or other uses and providing site tours as requested.

Christman brings industry leadership and a strong commitment to safety to the Dundee Community Schools project. Our safety culture is one where everyone shares in the goal of no injuries, shortcuts or distractions so everyone makes it home safely every day. Safety: It's How We Live.

SAFETY IS OF UTMOST IMPORTANCE TO THE CHRISTMAN STAFF.

WE FOCUS NOT JUST ON THE SAFETY OF THE TRADE CONTRACTORS, BUT ALSO OF THE NEARBY STAFF, STUDENTS AND VISITORS.

Safety as Our Highest Priority

All Christman personnel receive extensive training and education on job site safety. In addition to our safety program, Christman requires that all trade contractors have safety programs that address the unique safety needs of the project.

Because of time-tested processes and procedures within our safety program, The Christman Company attracts and retains a high level of talent within the construction industry. For our projects to be successful, it will be imperative that we work with the administrators and principals to ensure that we have safe routes that are clearly marked during the construction phase. As construction sites are constantly evolving, we will communicate daily with the Dundee Community Schools staff to ensure all safety measures are in place.

In addition, we have several programs in place that support our employees. These include an on-boarding system for new hires; a mentor/mentee program; structured peer-to-peer support and networking; a training program that includes virtual, technical and in-house classroom learning and a continuing education tuition reimbursement program.

Preparation of the Project Safety Program begins during the planning phase with an identification of needs and requirements. The implementation of the program continues throughout the entire project.

Supervising all aspects of project site safety and compliance will be the responsibility of the project team. They will:

- Ensure careful coordination with Dundee Community Schools daily operations; safety of students, faculty and visitors is our top priority.
- Continuously monitor the job site for unsafe acts and conditions.
- Perform inspections of the work site both alone and in cooperation with the trade contractors' safety representatives and supervisors.
- Ensure that weekly safety meetings are conducted.
- Meet with new trade contractors coming on site to explain safety goals, the safety plan, and complete a site orientation.
- Prepare orientation and safety talks for the supervisors' safety and health meetings.

- Report the classifications of injuries most often occurring on the site, and identify any injury trends that need to be reversed.
- Prepare and distribute safety statistics, injury rates, and National Rates for comparison and evaluation.
- Arrange safety publicity, and coordinate safety incentive and achievement programs.
- Advise on the safety and health regulations, inspections and activities that require governmental compliance.
- Foster and maintain good relations with governmental and local safety officers.
- Provide safety coordination, leadership, and safety advice to line management and trade contractors, and organize training programs.
- Perform accident investigations on all incidents of sufficient gravity.
- Coordinate the accident reporting system.
- Exercise the authority to halt any operation being performed in a hazardous manner.
- Develop accident prevention and loss control methods, procedures, and programs.
- Maintain, monitor, analyze, and coordinate all accident reports.
- Compile, analyze, interpret, and disseminate reports on loss control activities.

WRAPPING UP: PROJECT CLOSE OUT

Christman understands that the completion and turnover phase of a project is just as important as the actual construction. As the memory of the construction process fades, it is the proper functioning and durability of the building components, and the operational understanding of those systems and their continuing maintenance needs, that quickly become one of the most important aspects of the facility to its users. We start our closeout process on day one.

The following list is a summary of the services we will provide to ensure the successful turnover and closeout of the project:

- Implement and maintain a rolling punch list process for each trade, minimizing the amount of items required on the final punch list.
- Finalize detailed commissioning plan and schedule.
- Identify all commissioning submittals and obtain them from the responsible party as early as possible.
- Integrate the owner Furniture, Fixtures and Equipment (FFE), and relocation of existing items.
- Compile warranties, maintenance and operations manuals, final as-built drawings, trade contractor guarantees, project directories, etc. into an organized and comprehensive manual. Walk through with the district to establish final master punch list and punch list completion schedule prior to material completion.
- Conduct training sessions for operation and maintenance of technical equipment to facilitate seamless move-in.
- Videotape start-up/maintenance instruction for the district's future use.
- Administer and coordinate individual warranties for equipment and materials.
- During break-in period, continuously monitor facility performance.
- Complete final project / bond issue accounting.
- Ten months (and twenty-two months for two-year warranties) after project completion, perform end-of-warranty inspection program
- Assist Dundee Community Schools with any manufacturer warranty problems and questions relating to materials and equipment.

THE CHRISTMAN ADVANTAGE: A PASSION FOR K-12

The Christman Company is the right choice as your bond program partner, because we put the priorities of Dundee Community Schools first and provide the following added value to the district:

- Comprehensive pre-bond services focusing on aligning the district's vision with community support by utilizing community engagement strategies, facility assessments, district visioning, and bond campaign support, with a track record of passing almost 100 percent of these bonds over the last five years
- Effective communication with project stakeholders, including parents and students
- Best-in-market pre-construction planning services, in-house mechanical, electrical and plumbing coordination and estimating and cost benchmarking as well as phasing, logistics and scheduling planning with a focus on adding value through systematic, performance-based planning, including:
  - Life-cycle cost analysis
  - Value analysis
  - Constructability and maintainability reviews
  - Sustainability
- A commitment to cost leadership, ensuring a well managed budget and a "no surprises" approach
- Locally-based knowledge and established relationships with building trades and community leaders to help Dundee Community Schools attract the best trade contractors to the project and build support and buy-in among influential members of the community
- Critical schedule maintenance and site utilization planning/ implementation, combined with the awareness of the K-12 school calendar and key needs throughout the academic year
- Uncompromised safety and a strong understanding of the sensitivity of providing construction operations in and around occupied educational facilities and campuses, including renovating occupied K-12 facilities
- A four-stage approach to ensuring quality, with checklists to review before, during, and after each major construction activity and a proactive approach to eliminate or minimize issues

Education construction accounts for $1.1 billion of Christman's overall volume. Recent K-12 projects include (Top to Bottom): Newaygo Public Schools Bond Program, Detroit Public Schools Amelia Earhart and Gompers Elementary-Middle Schools, and Sparta Area Schools Bond Program.

PROJECT EXPERIENCE

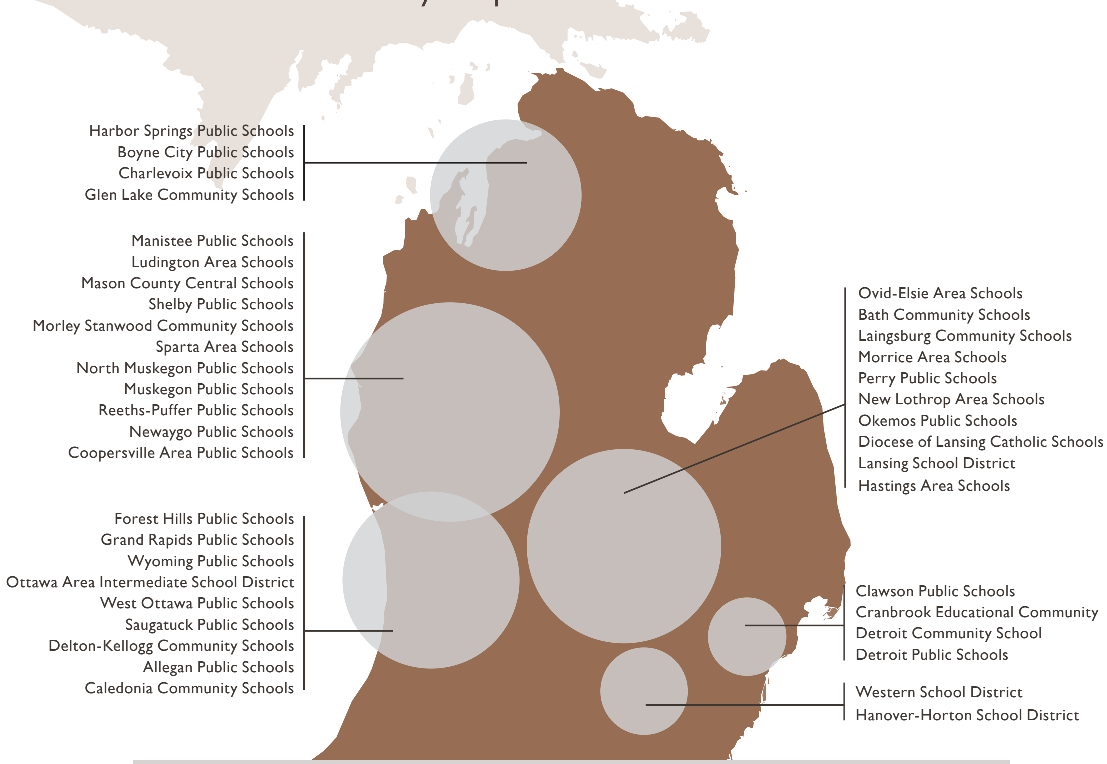
PROVEN K-12 PARTNERSHIPS

Christman is proud to partner with school districts in urban, rural and suburban environments across the state of Michigan. We eagerly embrace the unique characteristics of every community we work in, and readily share best practices and lessons learned with our K-12 partners. We strive to help district leaders create solutions that fit their students. Whether it be significant renovations to an existing campus, construction of a brand new building, improvements to athletic facilities, or critical infrastructure improvements, our project teams are passionate about making an impact in the schools and communities we live and work in. We recognize the importance of completing K-12 projects on time and within budget, and we are proud to have supported every partner on the map below in crossing the construction finish line in time for classes to begin while maintaining the project budget. On the following pages, please see detailed information about similar current or recently completed projects.

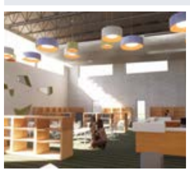
K-12 EDUCATIONAL FACILITIES ACCOUNT FOR OVER

$1.1 BILLION

OF CHRISTMAN'S VOLUME



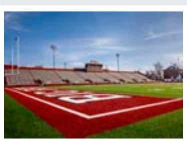
RECENT AND SIMILAR K-12 EXPERIENCE

		Project Size	Scope Highlights	Pre-Bond Support	Pre-Construction Services	Current Phase
	Bath Community Schools Bond Program	$15,000,000	▪ Additions to Three Schools ▪ Classrooms and Commons Upgrades ▪ New Offices and Athletic Spaces	✓ 73% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Completed August 2019
	Delton Kellogg Community Schools Bond Program	$23,000,000	▪ Rebuild of Administration ▪ Traffic Flow Improvements ▪ Technology Upgrades	✓ 63% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Under Construction
	Detroit Public Schools Amelia Earhart Elementary/ Middle School and Gompers Elementary/Middle School	$46,700,000	▪ 220,000 SF ▪ Demolition and New Construction ▪ Classrooms, Multipurpose Room, Gymnasium, Cafeteria	N/A	Managed Design (Design/Build Contract through GMP)	Completed August 2011
	Forest Hills Public Schools Bond Program	$55,000,000	▪ 2,062,231 SF ▪ Additions and Remodeling ▪ Improvements to All District Buildings	N/A	Schematic, Design Development and Construction Estimates	Completed September 2011
	Grand Rapids Public Schools City High/Middle School	$11,493,000	▪ 200,000 SF ▪ Multi-phased ▪ Renovations to Exterior, Classrooms, Windows, MEP systems	N/A	Cost Modeling, Schematic, Design Development and Construction Estimates	Completed March 2019
	Laingsburg Community Schools Bond Program	$17,800,000	▪ Additions and Renovations ▪ New Secured Entries ▪ 650-seat Performing Arts Center	✓ 65% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Under Construction
	Ludington Area Schools Bond Program	$101,000,000	▪ New Elementary School, Renovated Middle and High School ▪ HVAC Upgrades ▪ Athletic Improvements	✓ 55% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Under Construction

Continued on next page.

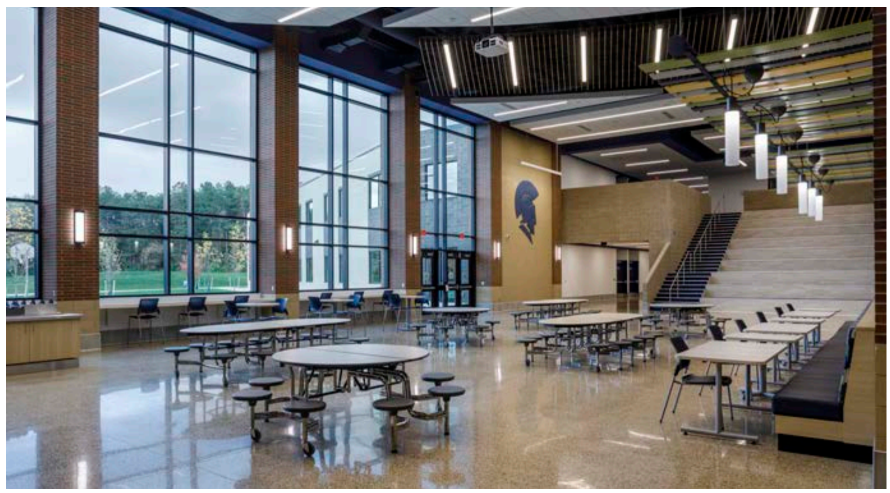
		Project Size	Scope Highlights	Pre-Bond Support	Pre-Construction Services	Current Phase
	Montabella Community Schools Bond Program	$21,000,000	■ 18,000 SF Connector Addition ■ New Auxiliary Gym, Admin Office ■ Secured Entries	✓ 60% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Under Construction
	Okemos Public Schools Bond Program	$10,200,000	■ Classroom Additions and Renovations ■ District-wide Infrastructure Improvements	N/A	Conceptual, Schematic, and Design Development Estimating for Two Phases	Phase I: Under Construction Phase 2: Planning and Design
	Clawson Public Schools Bond Program	$55,900,000	■ Middle School Addition ■ Technology and Furnishing Upgrades ■ Secured Entries ■ Athletics, Playgrounds, Robotics/STEAM Labs	✓ August 2021 Election	Facilities Assessment, Cost Modeling, Conceptual Estimating	Pre-Bond Planning
	Newaygo Public Schools Multiple Projects	$22,500,000	■ New Elementary School ■ Classrooms, Gym and Cafeteria Upgrades ■ Parking Lot Replacement, Bus Garage and Maintenance Building	N/A	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Completed May 2019
	Wyoming Public Schools Bond Program	$80,000,000	■ Two-Story, 30 Classroom Addition ■ Flexible Use Learning Areas ■ Athletic Upgrades ■ New Secured Entries	✓ 69% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Under Construction
	Lansing School District Bond Program	$120,000,000	■ Additions and Renovations to 12 Schools ■ New Soccer and Football Fields ■ Tennis and Softball Replacement ■ Technology, Security and Infrastructure Upgrades	✓ 60% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Under Construction
	Sparta Area Schools Bond Program	$58,000,000	■ New Middle School ■ New Football Stadium and Athletic Complex ■ Classroom Improvements ■ Improved Safety and Security	✓ 52% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Completed May 2021

Continued on next page.

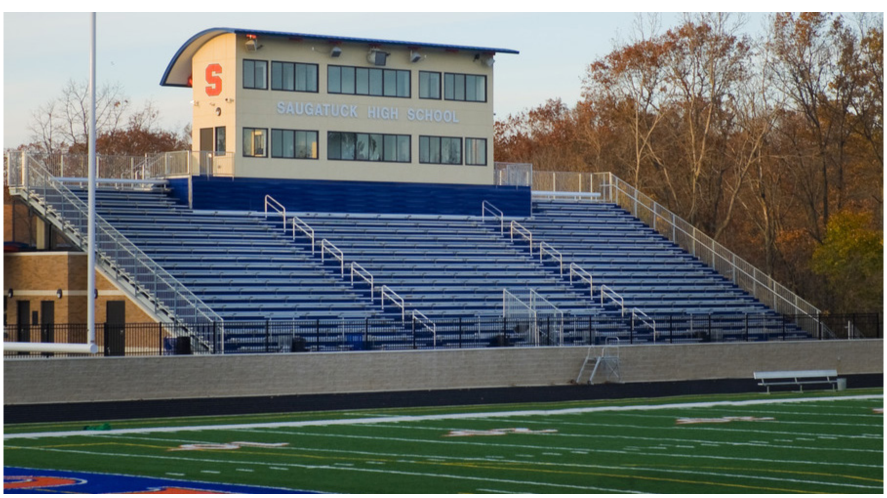
		Project Size	Scope Highlights	Pre-Bond Support	Pre-Construction Services	Current Phase
	Lansing School District Sinking Fund Projects	$14,000,000	■ Improvements to Multiple Schools ■ New Roofing and HVAC Systems ■ Security Enhancements	N/A	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Under Construction
	Manistee Area Public Schools Bond Program	$30,855,000	■ 21st Century Learning Facilities ■ Safety Improvements ■ Elementary School Consolidation and Renovation	✓ 52% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Planning and Design
	Allegan Public Schools Bond Program	$87,555,000	■ Updated Classrooms and Technology ■ New Flexible, Modern Furnishings ■ Auditorium Updates ■ Athletic Track and Surface Upgrades	✓ 54% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Planning and Design
	Mason County Central Schools Bond Program	$17,000,000	■ Performing Arts Center ■ Infrastructure Upgrades ■ Refresh of Learning Environments	✓ May 2022 Election	Facilities Assessment	Pre-Bond Planning
	Glen Lake Community Schools Bond Program / Multiple Projects	$6,000,000	■ New Tennis Facility ■ New Outdoor Athletic Field Team Rooms ■ New Bus Garage ■ Community Park / Playground ■ High School Addition	✓ November 2021 Election	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Phase 1 : Completed November 2020 Phase 2 + 3: Pre-Bond Planning
	Caledonia Community Schools Bond Program	$39,000,000	■ New Elementary School ■ Site and Infrastructure Improvements ■ Classroom Technology and Furniture Upgrades	N/A	Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Under Construction
	Muskegon Public Schools Bond Program	$104,700,000	■ New Middle School ■ Renovations to Elementary Schools ■ Critical Infrastructure Improvements ■ New Secured Entries	✓ 63% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Under Construction

Continued on next page.

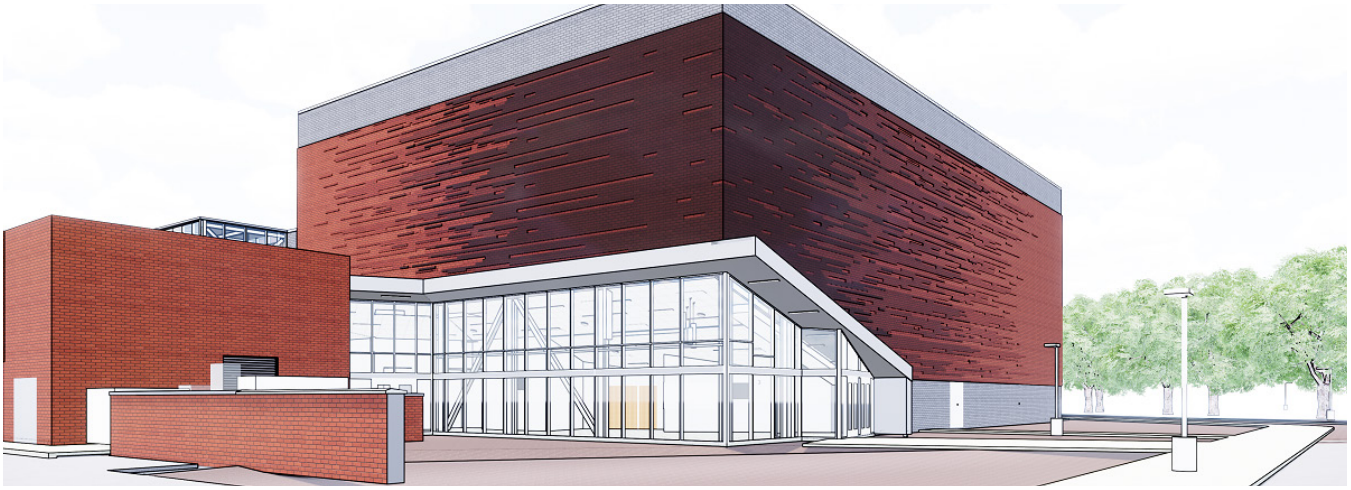
		Project Size	Scope Highlights	Pre-Bond Support	Pre-Construction Services	Current Phase
	Morley Stanwood Community Schools Bond Program	$21,000,000	■ New Secure Entries ■ Performing Arts Improvements ■ Building and Site Upgrades ■ Track Replacement	✓ 55% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Planning and Design
	Shelby Public Schools Bond Program	$33,000,000	■ New Elementary School ■ Middle and High School Renovations ■ Reconfigured Bus Loop and Parent Drop-Off ■ New Educational Technology	✓ 58% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Planning and Design
MASON PUBLIC SCHOOLS	Mason Public Schools Bond Program	$25,500,000	■ Elementary School Addition and Renovations ■ Middle and High School Renovations	N/A	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Under Construction
	New Lothrop Area Schools Bond Program	$6,000,000	■ Technology Infrastructure Upgrades ■ Athletic Improvements ■ Security and ADA Accessibility Upgrades	✓ 53% Passage	Facilities Assessment, Cost Modeling, Conceptual, Schematic, and Design Development Estimating	Under Construction



Sparta Area Schools | Athletic Complex and New Middle School

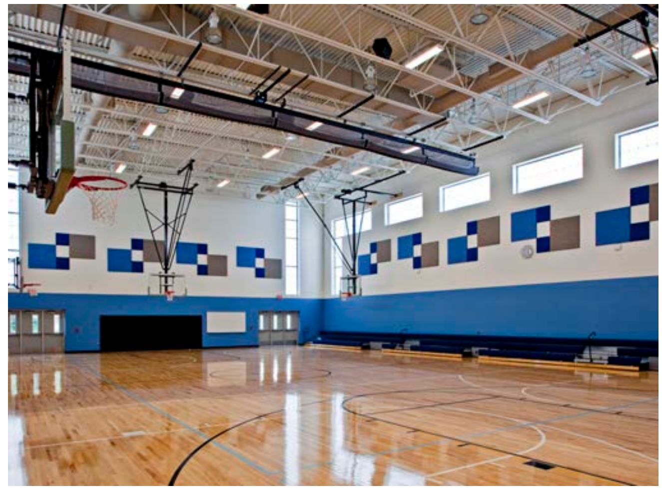


Saugatuck Public Schools | New Athletic Complex



Laingsburg Community Schools | New Performing Arts Center

Lansing School District | Athletic Complex, Performing Arts and Classrooms



Detroit Public Schools | Athletic and Play Spaces

Wyoming Public Schools | Classroom Renovations and Common Areas

REFERENCES

Clawson Public Schools
Jackie Johnston
Assistant Superintendent
248-655-4400 | jackie.johnston@clawsonschools.org

Bond Program

Okemos Public Schools
John Hood
Superintendent
517-706-5007 | john.hood@okemosk12.net

Bond Program

Lansing School District
Jon Laing
Chief Financial Officer
517-455-5856 | jon.laing@lansingschools.net

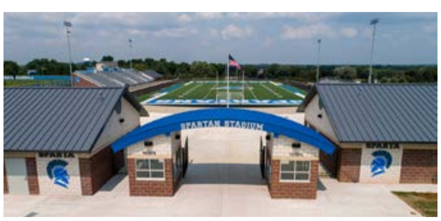
Bond Program

Newaygo Public Schools
Peg Mathis
Superintendent
231-652-6984 | pmathis@newaygo.net

Bond Program

Ludington Public Schools
Jason Kennedy
Superintendent
231-845-7303 | jkennedy@lasd.net

Bond Program



Sparta Area Schools
Pete Bush
Superintendent
616-887-8253 | pete.bush@spartaschools.org

Bond Program

Bath Community Schools
Paul Hartsig
Superintendent
517-641-6721 | paul.hartsig@bathschools.net

Bond Program

FEE PROPOSAL

DUNDEE COMMUNITY SCHOOLS 2022 BOND PROPOSAL

PRE-ELECTION / BOND CAMPAIGN SUPPORT SERVICES

The Christman Company does not charge for our pre-election/bond campaign support services.

CONSTRUCTION MANAGEMENT SERVICES FEE

Project Size	$5 - $10 Million	$10 - 20 Million	> $20 Million
Construction Management Fee	2.5%	2.25%	1.9%

Fees are calculated on the Cost of the Work and based on industry standard AIA contracts.

In addition to the CM fee shown above, we would be reimbursed for staff costs associated to execute your projects as well as general conditions/reimbursable costs. Typical costs associated with K-12 school based work include site office trailer (unless there is space available in Dundee Schools' facilities to set up a CM office), project signage, first aid supplies, portable toilets, document reproduction, technology charges, insurances, etc. We take a transparent, open-book approach to these costs and will seek approval from Dundee Community Schools prior to authorizing any expenditures.

At successful passage of the bond, The Christman Company will negotiate final fees, staff costs, general conditions, and reimbursables with Dundee Community Schools.

2022 SUMMER PROJECTS AND DELIVERABLES

Project #1 High School Parking Lot

- Provide an estimate for the scope or work as shown on drawings by Mannik Smith Group.
- Competitively bid and award trade contracts.
- Provide construction and closeout phase services.

Project #2 – Athletic Complex Phase 1, Synthetic Turf

- Provide a preliminary conceptual estimate for the scope as shown on concept drawings prepared by David Arthur Consultants.
- Identify scope for completion in summer of 2022 (field, underground utilities, etc.).
- Provide cost support / preconstruction phase services throughout design completion.

- Competitively bid and award trade contracts.
- Provide construction and closeout phase services.

Project #3 - Athletic Complex Phase 2, Remainder (Summer 2023)

- Provide cost support / preconstruction phase services throughout completion of design.
- Competitively bid and award trade contracts.
- Provide construction and closeout phase services.

Project #4 - MS Second Floor Air Conditioning

- Provide a concept estimate with multiple options for project team consideration.
- Work with project team to establish a project budget.
- Provide preconstruction phase services throughout completion of design.
- Provide a final estimate of bid documents.
- Competitively bid and award trade contracts.
- Provide construction and closeout phase services.

THE CHRISTMAN COMPANY'S FEES FOR 2022 SUMMER PROJECTS #1, #2, AND #4 ARE:

1. Preconstruction and Operations Planning Lump Sum: $32,000
2. Construction Management Fee: 3.0% of the Cost of the Work
3. Construction Staff Costs: $135,800
4. General Conditions/Reimbursables: $14,000-$20,000 (assuming CM offices are provided by Dundee Community Schools)

The above fees are based on the following assumptions:

- Construction costs of approximately $3,000,000
- A preconstruction/operations planning duration of 5 months (August 2021 – December 2021)
- A construction duration of 5 months (May 2022 – September 2022)

Project #3, Athletic Complex Phase 2 fees to be included as part of the fees for the 2022 Bond or negotiated at a later date with Dundee Community Schools.

HOURLY RATES

Staff Title	Hourly Rate
Project Director	$130
Senior Project Manager	$98
Project Manager	$85
Site Manager	$85
Superintendent	$89
Project Engineer	$70
Senior Director of Project Planning	$100
Lead Estimator	$80
MEP Estimator	$80
Safety Manager	$75
Accounting	$55
Clerical Support	$50
General Labor	$70

*Hourly rates are valid through 2022 with a 5% annual increase.

DUNDEE COMMUNITY SCHOOLS
MONROE COUNTY, MICHIGAN

A regular meeting of the Board of Education of Dundee Community Schools, County of Monroe, State of Michigan (the "District") was held on December 12, 2022, at 5:30 p.m., Local Time.

PRESENT: Members: ____

____

ABSENT: Members: ____

RESOLUTION AUTHORIZING ISSUANCE OF NOTE
<u>IN ANTICIPATION OF STATE SCHOOL AID</u>

The following preamble and resolution were offered by ________________________ and supported by ________________________________.

WHEREAS, under the terms of Section 1225 of Act 451, Public Acts of Michigan, 1976, as amended ("Act 451"), a school district is authorized to borrow money for school operations or to pay previous loans obtained for school operations and issue its note therefor, pledging for the payment thereon monies to be received by it pursuant to the State School Aid Act, Act 94, Public Acts of Michigan, 1979, as amended (the "State Aid Act"), which note shall be a full faith and credit obligation of the District; and

WHEREAS, the estimated amount of State School Aid appropriations to be allocated to the District pursuant to Section 20 of the State Aid Act for the fiscal year ending June 30, 2023 (from October 2022 through August 2023), is approximately $15,040,231 (the "2022/2023" State School Aid"); and

WHEREAS, the District has determined it is in its best interest to borrow an amount not to exceed $1,500,000 and issue a general obligation note of the District therefore; and

WHEREAS, the District must either be qualified or obtain prior approval for the issuance of the note from the Department of Treasury of the State of Michigan (the "Treasury"); and

WHEREAS, the District also deems it advisable to authorize an Authorized Officer (as defined below) to accept an offer to purchase the Note from the Purchaser (as defined below) and negotiate and approve terms, and execute documents in connection with the sale and delivery of the Note to the Purchaser.

THEREFORE, IT IS RESOLVED BY DUNDEE COMMUNITY SCHOOLS, COUNTY OF MONROE, STATE OF MICHIGAN THAT:

1. Designation of Authorized Officers. The President, Secretary and Treasurer of the Board of Education or the Chief Administrative Officer are each individually authorized and directed to take certain actions on behalf of the District as described below (each an "Authorized Officer").

2. Borrowing Authorized. Pursuant to Section 1225 of Act 451, the District shall borrow an amount not to exceed $1,500,000 for school operating purposes and/or to pay previous loans obtained for school operating purposes. The District shall issue a general obligation note for this purpose in anticipation of the 2022/2023 State School Aid (the "Note"). The final amount shall be determined by an Authorized Officer prior to the sale of the Note. As determined in consultation with Note Counsel (as defined below), the amount of the Note shall not exceed 70% of the difference between the total 2022/2023 State School Aid apportioned to the District and the portion of 2022/2023 State School Aid already received or pledged.

3. Terms and Conditions. The Note shall bear interest at the rate or rates determined by an Authorized Officer. The rate or rates shall not exceed the maximum rate permitted by law at the time of sale. The Note shall be dated and shall be due and payable on the date designated by an Authorized Officer. The Note shall not be outstanding for a period exceeding 372 days. The Note shall be payable in lawful money of the United States of America. The Note may or may not be subject to optional redemption prior to maturity.

4. Pledge of State School Aid. The District irrevocably pledges a portion of its 2022/2023 State School Aid equal to the outstanding balance of the Note including accrued interest thereon as security for repayment of the Note (the "Pledged State School Aid"). The District shall appropriate a sufficient amount of the Pledged State School Aid to repay the principal of and interest on the Note. In addition, the District irrevocably pledges its full faith and credit for payment of principal of and interest on the Note. In case of the insufficiency of the Pledged State School Aid, the District shall pay the Note as a first budget obligation from any funds legally available for such purposes.

5. Negotiated Sale, Approval of Sale and Execution of Note. The Note shall be sold pursuant to a negotiated sale. The Authorized Officer is authorized to accept an offer to purchase the Note from a bank, underwriter or other purchaser (the "Purchaser"), execute the Note and deliver the Note to the Purchaser upon receipt of the purchase price for the Note. The Authorized Officer is further authorized to negotiate, approve and execute required documents in connection with the sale and delivery of the Note to the Purchaser. A negotiated sale was chosen by the District instead of a competitive sale. The negotiated sale was chosen because it allows flexibility in timing the sale and structure of the Note in response to changing market conditions.

6. No Impermissible Uses of Note Proceeds. The District covenants, warrants and represents that none of the proceeds of the Note will be used to finance the purchase, construction, lease, or renovation of property owned, directly or indirectly, by any officer, board member or employee of the District.

7. Department of Treasury. An Authorized Officer is hereby authorized and directed to make application to Treasury for and on behalf of the District for qualified status or for an order approving the issuance of the Note, if applicable, and to pay any applicable fee, and to further do all things necessary on behalf of the District to obtain such Qualified Status or Order approving the issuance of the Note.

8. Retention of Note Counsel. The law firm of Collins & Blaha, P.C. is hereby appointed as note counsel for the District with reference to the issuance of the Note authorized by this Resolution ("Note Counsel"). The representation of the District by Collins & Blaha, P.C. as note counsel is hereby approved.

9. Tax Matters. If the Note is issued on a tax-exempt basis, the Board covenants to comply with existing provisions of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Note in order that the interest on the Note be or continue to be excluded from gross income for federal income taxation purposes, including, but not limited to, requirements relating to the rebate of arbitrage earnings, if applicable, and the expenditure and investment of Note proceeds and money deemed to be Note proceeds. The Note is not a "qualified tax exempt obligations" for purposes of the deduction of interest expense by financial institutions pursuant to Section 265(b)(3) of the Code.

[*Remainder of Page Intentionally Left Blank*]

10. Conflicting Resolutions. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Ayes: ____

____

Nays: ____

RESOLUTION DECLARED ADOPTED.

____
Jacey Carner
Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of the Dundee Community Schools hereby certifies that the foregoing is a true and complete copy of a resolution adopted by the Board at a regular meeting held on December 12, 2022, the original of which is a part of the Board's minutes and further certifies that notice of the meeting was given to the public pursuant to the provisions of the Open Meetings Act, Act 267, Public Acts of Michigan, 1976, as amended.

____
Jacey Carner
Secretary, Board of Education

OLD NATIONAL BANK

November 30, 2022

Dundee Community Schools
420 Ypsilanti St.
Dundee MI 48131

VIA EMAIL

RE: Term Sheet

Dear Mr. Leach:

Old National is pleased to offer the following proposal for your consideration:

ISSUER/BORROWER:	Dundee Community Schools
PURCHASER/LENDER:	Old National Bank
AMOUNT:	$1,500,000.00
SECURITY:	1- Limited tax full faith and credit pledge 2- State School Aid Pledge to run through August 2023 3- Agreement to authorize the intercept of state school aid
USE OF PROCEEDS:	Operating Expenses
BORROWER COUNSEL:	Robert Gavin of Collins & Blaha, P.C.
LENDER COUNSEL:	Jim Schriemer of Conlin, McKenney & Philbrick, P.C.
CLOSING DATE:	TBD
TAX STATUS:	Lender assumes tax exempt, bank qualified
FINAL MATURITY:	August 21, 2023

OLD NATIONAL BANK

INTEREST RATE: 5.30%

INTEREST PAYMENTS: Due at maturity

PRINCIPAL PAYMENTS: Due at maturity

PREPAYMENT: NA

TYPE OF FINANCING: General Obligation of Dundee Community Schools

DOCUMENTATION: Transaction documents shall be prepared by counsel acceptable and approved by Lender.

FEES: Issuer agrees to pay all transaction fees including those of Counsel.

PROPOSAL EXPIRATION: This proposal shall expire if the Lender has not received the Issuer's written acceptance within two weeks of the date of this term sheet and/or the closing has not occurred within 30 days of the date of this term sheet.

FINANCIAL STATEMENTS: Borrower agrees to supply such financial information relating to the ability of Borrower as may be reasonably requested by Lender.

This proposal is subject to final credit approval by Old National Bank and approval of the documents at Old National Bank's sole discretion.

It is a pleasure to offer this proposal to the Borrower and we look forward to working with you on this project.

Sincerely,

Troy Briggs

Troy Briggs
Senior Vice President
Old National Bank

OLD NATIONAL BANK

AGREED TO AND ACCEPTED BY:

(Name) ______________________________

(Title) ______________________________

(Date) ______________________________

Michigan Department of Treasury
4385A (Rev. 04-21)

Michigan Finance Authority

State Aid Note Loan Program Cash Flow Workbook– August Series 2022

Borrowing Summary Worksheet (Page 1 of 2)

School Code	Legal Name of Borrower (Applicant)
58050	Dundee Community Schools

1. Read the instructions below, as well as the 2022 Borrowing Parameters, before submitting your application and cash flow to the Authority.
   a. Click here for 2022 SAN Program Memo.
2. Applicants are strongly encouraged to participate in the Set-Aside Pool for all or part of their borrowing needs.
   a. Reflect the borrowing amount for each pool separately.
   b. Borrowing amounts must be in multiples of $1,000.
3. Enter **Borrowing Amounts** into the highlighted cells before proceeding to Cash Flow Worksheet (page 2).
   a. Note proceeds and monthly payments are automatically populated in the Cash Flow Worksheet.

	7 Set-Asides	5 Set-Asides	3 Set-Asides	No Set-Aside1	Total Borrowing2
b. Payment(s) Due	Jan. 2023 - July 2023	Mar. 2023 - July 2023	May 2023 - July 2023	August 2023	
c. **Borrowing Amount**	$0	$0	$0	$1,500,000	$1,500,000
d. **Estimated** Rate3	X 2.20%	X 2.20%	X 2.20%	2.20%	
e. Principal & Interest	$0	$0	$0	$1,533,000	$1,533,000
f. Payment Amount4	$0	$0	$0		
g. Estimated Annualized All-In Borrowing Cost5	2.63%	2.63%	2.63%	2.78%	

Notes:

1 No Set-Aside Borrowers: **Must demonstrate the ability to repay their note.** In other words, the ending balance in August 2023 must be positive after repayment of the note.

2 Borrowing amount is based on the lesser of actual FY 2022 or projected FY 2023 State School Aid (please see 2022 SAN Program Memo for additional information).

3 Rates do not include investment earnings on set-aside deposits. The actual borrowing rates will be determined at the time of pricing.

4 Each set aside payment amount cannot exceed 50% of the amount of state school aid to be received during the month.

5 Estimated all-in borrowing cost including estimated costs of issuance at the estimated rate.

4385A, Page 2

Michigan Finance Authority
State Aid Note Loan Program Projected Cash Flow Workbook– August Series 2022
Cash Flow Worksheet (Page 2 of 2)

School Code	Legal Name of Borrower (Applicant)				
58050	Dundee Community Schools				
Amount of August 2022 Note	1,500,000	**FY 2022 State Aid**	15,131,866	**Lesser of FY 2022 and Projected FY 2023 State Aid**	15,040,231
		Projected FY 2023 State Aid	15,040,231		

Weekly Cash Flow *Without* Note Proceeds		Month with *Greatest Weekly Deficit*	January 2023		
Week Ending	**01 Jan**	**08 Jan**	**15 Jan**	**22 Jan**	**29 Jan**
Beginning Balances	422,513	(677,487)	(1,162,487)	(249,987)	417,513
Receipts					
Taxes	0	0	0	500,000	0
Total State Aid	0	0	1,600,000	0	0
Other Grants	0	0		205,000	0
Other Revenue	0	115,000	0	0	0
Total Available Funds	422,513	(562,487)	437,513	455,013	417,513
Expenditures					
Payrolls	500,000	0	650,000	0	0
Other Expenditures	600,000	600,000	37,500	37,500	0
Other Liens/Loans	0	0	0	0	0
Total Expenditures	1,100,000	600,000	687,500	37,500	0
Ending Balance	(677,487)	(1,162,487)	(249,987)	417,513	417,513

Cash Flow Instructions

1. Identify the month with the greatest weekly deficit by choosing it from the orange highlighted drop-down menu in the Weekly Cash Flow (realizing this may not be the month in which the largest monthly deficit occurs).
2. Enter Beginning Balance into the blue highlighted cell for both Weekly and Monthly Cash Flow.
3. Each month with a note payment should show a positive ending balance.
4. If the August 2023 ending balance is negative, please state the source of the additional funds required to repay the note and REFLECT THE AMOUNT IN THE CASH FLOW.
5. Please submit Cash Flow Workbook in Excel.

Monthly Cash Flow		**Jul 2022**	**Aug 2022**	**Sep 2022**	**Oct 2022**	**Nov 2022**	**Dec 2022**	**Jan 2023**	**Feb 2023**	**Mar 2023**	**Apr 2023**	**May 2023**	**Jun 2023**	**Jul 2023**	**Aug 2023**
Beginning Balance *(Include Investments)*		2,367,561	2,397,814	3,263,896	2,142,046	2,174,602	2,204,469	1,922,513	1,917,513	2,801,513	2,969,513	2,924,513	3,895,513	3,813,513	4,118,524
Receipts															
2022 Note Proceeds	**Set-Asides**		0												0
	No Set-Aside		1,500,000												0
Total State Aid		1,365,834	1,413,079		1,305,822	1,643,867	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Taxes		0	0	0	0	0	0	500,000	640,000	660,000	450,000	800,000	0	0	0
Other Grants		16,440	50,000	814,784	342,839		89,044	205,000	214,000	0	100,000	200,000	0	0	0
Other Revenue		1,400	20,000	50,000	26,000	11,000	54,000	115,000	80,000	58,000	28,000	21,000	18,000	5,011	4,500
Total Available Funds		3,751,235	5,380,893	4,128,680	3,816,707	3,829,469	3,947,513	4,342,513	4,451,513	5,119,513	5,147,513	5,545,513	5,513,513	5,418,524	5,723,024
Expenditures															
2022 Note Repayment	**Set-Asides**	0	0					0	0	0	0	0	0	0	
	No Set-Aside	0	0												1,533,000
Payrolls		1,353,421	944,000	1,616,634	1,158,105	1,125,000	1,125,000	1,150,000	1,150,000	1,650,000	1,150,000	1,150,000	1,200,000	1,100,000	1,100,000
Other Expenditures		0	1,172,997	370,000	484,000	500,000	900,000	1,275,000	500,000	500,000	737,000	500,000	500,000	200,000	250,000
Other Liens/Loans (incl. SANs)		0	0	0	0	0	0	0	0	0	336,000	0	0	0	0
Total Expenditures		1,353,421	2,116,997	1,986,634	1,642,105	1,625,000	2,025,000	2,425,000	1,650,000	2,150,000	2,223,000	1,650,000	1,700,000	1,300,000	2,883,000
Estimated Ending Balance		2,397,814	3,263,896	2,142,046	2,174,602	2,204,469	1,922,513	1,917,513	2,801,513	2,969,513	2,924,513	3,895,513	3,813,513	4,118,524	2,840,024
Balance Without 2022 Note Proceeds		2,397,814	1,763,896	642,046	674,602	704,469	422,513	417,513	1,301,513	1,469,513	1,424,513	2,395,513	2,313,513	2,618,524	2,873,024

Dundee Community Schools

Vision Statement: "Students First" – Inspire, Educate, Innovate, Celebrate
Mission Statement: Dundee Community Schools is setting a course for student success. We will challenge and inspire every student, every day, in every class through innovation and dedication - promoting knowledgeable, responsible, and caring citizens.

Aaron Carner
aaron.carner@dundee.k12.mi.is
Middle School Principal

420 Ypsilanti Street
Dundee, MI 48131
Phone: 734-529-2350 Ext. 13000

TO: Board of Education
RE: Middle School Mud Hens Trip 2023
Cc: Scott Leach, Jenny Wilson, Gina Cress, Cindy Edelbrock
Date: December 07, 2022th

This is a request for Dundee Middle School Students grades 6-8 to attend a Toledo Mud Hens Game in Toledo Ohio, May 24th 2022. The game will be located at Fifth Third Field. The students qualify for this trip by earning a 3.0, demonstrating good citizenship and positive behaviors during the second and third marking periods.

Transportation will be provided via Dundee Community School buses with a minimum of two staff chaperones per bus. Buses would depart DMS approximately 8:40am. Five buses would be needed to transport the students.

Qualifying students will pay $20.00 to attend. This money includes the cost of transportation, ticket to the game and a meal ticket. (Hotdog, drink, chips) Any students facing hardship will be supported.

This activity is in line with the school improvement goal of maintaining a positive culture and excitement for learning at Dundee middle School.

Fifth Third Field is the name of a minor league baseball stadium in Toledo, Ohio. The facility is home to the Toledo Mud Hens, an International League team and the Triple-A affiliate of the Detroit Tigers. 406 Washington St, Toledo, OH 43604

Aaron Carner

DUNDEE COMMUNITY SCHOOLS
SUPERINTENDENT OF SCHOOLS
EMPLOYMENT AGREEMENT

THIS AGREEMENT made and entered into, this 11th day of July, 2022, by and between the Board of Education (the "Board") of Dundee Community Schools (the "School District"), a governmental entity organized and existing under the laws of the State of Michigan, and Scott Leach (the, "Superintendent") as follows:

1. **Employment:** The Board employs and appoints Scott Leach as the Superintendent of Dundee Community Schools for the duration of this Agreement. Scott Leach agrees to perform the duties and responsibilities of Superintendent of Dundee Community Schools during the term of this agreement in accordance with the terms, covenants and conditions set for within.

2. **Term:** Unless terminated pursuant to paragraph 14, this Agreement shall remain in full force and effect from August 1, 2022 through and including June 30, 2025.

3. **Duties:** As Superintendent of Dundee Community Schools, the Superintendent agrees to faithfully perform the duties and obligations in such capacity for the school district including, but not limited to, those duties as specified in the job description and as, from time to time adopted by the Board, as prescribed by the laws of the State of Michigan, the Revised School Code and by Board policy and guidelines and those as may be additionally assigned by the Board. Superintendent will act as an advisor to the Board on matters pertaining to the school administration or the School District, and will inform the Board of significant administrative action taken on its behalf. The Superintendent shall recommend, effect or cause to be effected, the policies, procedures and programs of the Board of Education as may be needed. The Superintendent agrees to devote his full time, attention, and skills to the responsibilities of the position of Superintendent of Dundee Community Schools.

4. **Qualifications:** Superintendent represents that he possesses, holds and will maintain all certificates, credentials and qualifications required by law, including the regulations of the Department of Education and those required by the Board to serve in the position assigned. Additionally, the Superintendent agrees, as a condition of his continued employment, to meet all continuing education requirements for the position assigned, and as may be required by law and/or by the State Board of Education. If at any time, the Superintendent fails to maintain all certificates, credentials, continuing education requirements and/or qualifications for the position assigned as required herein he shall be notified in writing of such deficiency and shall be granted a thirty (30) day grace period during which to remediate the deficiency. Failure to remediate any deficiency within the thirty (30) day grace period shall cause this Agreement to automatically terminate and the Board shall have no further obligation hereunder.

5. **Compensation**

   Base Salary: The Superintendent's base salary for the 2022-2023 school year shall be \$135,000. The Superintendent shall receive an additional 2% of the superintendent's salary to be added to his base salary if he has received an Effective or Highly Effective performance evaluation The Superintendent's base salary for the 2023-2024 school year shall be \$137,700 if he has received an Effective or Highly Effective performance evaluation for the 2022-2023 school year; otherwise, his base salary for 2023-2024 shall remain \$135,000. The payments are to be made in equal installments according to the rules, policies and practices governing the payment of 12-month administrative personnel. The Board retains the right to adjust the annual salary of the Superintendent during the term of this Agreement with the salary adjustment not to reduce the annual salary below the figure stated above. Any adjustment in salary made during the life of this Agreement shall be in the form of an amendment and shall become a part of this Agreement. Consistent with the provisions of Section 1250 of the Revised School Code, the Superintendent's job performance and job accomplishments will be significant factors in determining any adjustment to his compensation.

Longevity: A longevity raise shall be added to the annual base salary in the 3^{rd}, 5^{th}, 8^{th}, and 10^{th} years of continuous employment and every other year thereafter. At start up, only one longevity raise can attach per year; back incentives will be pushed forward. The longevity raises shall consist of a percentage increase of 1.5% of the base salary. A final evaluation rating of Ineffective or Minimally Effective shall preclude earning a longevity raise until an Effective final evaluation rating is achieved. Years in Ineffective or Minimally Effective status shall not qualify the superintendent to receive a longevity raise.

6. **Annuity:** Superintendent shall receive a contribution in the amount of 3.75% of his base salary to 403 (b)/401(a) of his choosing. The contribution will be a non-elective employer paid contribution with no cash option given. Contribution limits are not to exceed the IRC Section 415(c) limits of $61,000 in year 2022 as indexed.

7. **Medical Examinations**

The Superintendent shall submit to such medical examinations, supply such information, and execute such documents as may be required by an underwriter, policyholder, or third party administrator providing insurance programs specified under this Contract. Additionally, upon request of the Board, the Superintendent shall authorize the release of medical information necessary to determine if the Superintendent is capable of performing the essential job functions required by his assignment, with or without reasonable accommodation(s). Any physical or mental examination or disclosure of such information required of the Superintendent by the Board shall be job related and consistent with business necessity. Any medical or psychological examination under this section shall be at Board expense. Any information obtained for medical or psychological examinations or inquiries shall be considered and treated as confidential, as permitted by law.

8. **Insurance Benefits**

Upon proper application and acceptance for enrollment by the appropriate insurance underwriter, policyholder, and/or a third party administrator, the Board shall make benefit cost payments, as specified below, on behalf of the Superintendent and, with respect to medical insurance benefits, his eligible dependents:

a. **Medical Insurance Benefits.** The Board shall provide to the Superintendent full family medical, dental, vision and group long-term disability insurance as provided to other administrators of the School District.

The aforementioned insurance coverage (medical, dental, vision, and long-term disability) is subject to change at any time on the same basis as changed for full time administrative staff. The Board reserves the right to obtain coverage for the above insurance benefits through carriers appointed by the Board.

b. **Life Insurance.** The Board will provide, throughout the term of the contract, a $250,000 term life insurance policy payable to the Superintendent's named beneficiary, if the Superintendent is insurable. The Superintendent may elect to obtain, at his or own expense, additional term life insurance through any insurance plan offered to other district administrators.

c. **Short Term Disability.** The Board shall provide, at its expense, a short-term disability policy for the Superintendent, which begins on the 29th day of disability. The minimum coverage under the policy shall provide for payment of 66 2/3 % of the Superintendent's salary up to the limits of the current District policy and continuing until the onset of the LTD policy as provided in this Agreement.

The Superintendent agrees that the Board has the right to allocate to him responsibility for a portion of the medical benefit plan costs and premiums, as may be determined by the Board. The required contributions shall not be less than the amount determined by the Board to be necessary to comply with the Publicly Funded Health Insurance Contribution Act, 2011 PA 152. The Board will notify the Superintendent of the amounts for which he is responsible in excess of the Board-contributed medical benefit plan costs and premiums. To the extent that the medical benefit plan costs and premiums associated with the above plans and products exceed the level of the Board's contributions, the Superintendent hereby authorizes payroll deductions for all excess medical benefit plan costs and premium amounts required to maintain enrollment.

d. **Long Term Disability.** The Board shall provide, at its expense, a long-term disability policy, which, following the policy's elimination period, shall provide payments in the amount equal to 60% of the Superintendent's Covered Monthly Earnings as defined by the policy.

The Superintendent agrees that the Board has the right to allocate to him responsibility for a portion of the medical benefit plan costs and premiums, as may be determined by the Board. The required contributions shall not be less than the amount determined by the Board to be necessary to comply with the Publicly Funded Health Insurance Contribution Act, 2011 PA 152. The Board will notify the Superintendent of the amounts for which he is responsible in excess of the Board-contributed medical benefit plan costs and premiums. To the extent that the medical benefit plan costs and premiums associated with the above plans and products exceed the level of the Board's contributions, the Superintendent hereby authorizes payroll deductions for all excess medical benefit plan costs and premium amounts required to maintain enrollment.

e. **Insurance Carriers.** The Board reserves the right to change the identity of any insurance carrier, policyholder or third party administrator for all insurance coverages identified in this Agreement, provided that comparable coverage, as determined by the Board is maintained during the term of this Agreement. The Board shall not be required to remit costs of premiums for any insurance coverages for the Superintendent and [his/her] eligible dependents if enrollment or coverage is denied by the insurance underwriter, policyholder or third party administrator. The terms of any contract or policy issued by any insurance company or third-party administrator shall be controlling as to all matters concerning benefits, eligibility, coverage, termination of coverage, and all other related matters. The Superintendent is responsible for assuring completion of all forms and documents needed to receive insurance coverage. The Board, by remitting costs and premium contributions required under this Agreement to provide the described plans and products, shall be relieved from all liability with respect to insurance benefits.

9. **Other Benefits**

a. **Expenses.** The Board shall reimburse the Superintendent for reasonable and customary expenses incurred by the Superintendent in the performance of his duties, which occur. The Superintendent shall produce itemized receipts for such expenses in order to receive reimbursement. The Superintendent will be paid the Board approved rate for any mileage required in connection with the performance of his official duties as a Superintendent.

b. **Bereavement Days.** The Superintendent shall receive the same number of bereavement days as other district administrative staff, currently ten (10) days per fiscal year.

c. **Leave and Personal Days.** The Superintendent shall receive one leave day per full month of employment. Days may be used in advance of acquisition, but not from a future contract year. Days used in advance, but not yet earned, shall be deducted from the Superintendent's salary, if the full year is not worked. The Superintendent shall receive one personal day per three full months of employment, maximum of four (4) per fiscal year. The Superintendent may accumulate no more than ninety (90) unused leave and personal business days during his employment. The Board will reimburse the Superintendent for up to fifty (50) accumulated unused vacation, leave and personal business days at his per diem rate when this Agreement is terminated, unless the Board or District terminates this Agreement for reasons that are not arbitrary or capricious.

d. **Vacation.** The Superintendent may take up to fifteen (15) paid vacation days exclusive of legal holidays and Spring and Winter Breaks. The Superintendent shall provide notice to the Board President of his intent to take vacation time. Accrued vacation days must be used within thirty (30) days of the conclusion of the fiscal year in which they are earned. The Superintendent may elect to receive compensation on a per diem basis for up to 50% of his accrued unused vacation days. Payment for such days shall not be eligible for contribution to the Michigan Public School Employees Retirement System.

Recognizing the need for the Superintendent to honor commitments and/or to fulfill personal and professional commitments made prior to being selected Superintendent in Dundee, the Superintendent shall be provided a total of five (5) paid transition days during his first year of employment with the district.

e. **Holidays.** The Superintendent shall be entitled to the following holidays: Labor Day, Thanksgiving and the day after, Christmas Eve, Christmas Day, New Year's Eve, New Year's Day, Good Friday, Memorial Day, and Fourth of July. If additional holidays are added to district administrator contracts, the Superintendent shall be entitled to those additional days.

f. **Cell Phone.** The District will provide the Superintendent with a cellular phone to be used primarily for District business.

10. **Professional Development.** The Board expects the Superintendent to continue his professional development and expects him to participate in relevant learning experiences. The Superintendent shall file an itemized expense statement with the Business Office for all conferences. The Board will support the Superintendent's professional development by paying membership charges for professional organizations proposed by the Superintendent and approved by the Board. The Superintendent may attend appropriate professional meetings at the local, state, and with prior approval from the board, national levels and shall be reimbursed for any registration fees, tuition, travel, lodging, and/or meal expenses for himself in relation thereto not prepaid by the Board. The annual budget for such conferences shall be set by the Board.

11. **Disability.** During the term of this Agreement, the Superintendent's salary will be continued by the School District for the first thirty (30) days of absence from work for temporary incapacity due to illness or other disability and deducted from his accumulated sick leave. At any time the Superintendent has been incapacitated by illness or otherwise for a continuous period exceeding six (6) calendar months, the School District may terminate this Agreement by furnishing written notice to the Superintendent.

    As used herein, the term "incapacity" means inability to perform essential full-time duties as Superintendent with or without reasonable accommodation. The School District reserves the right to require satisfactory proof of any such incapacity, and in this connection to have the Superintendent examined by a physician of its choice and at its expense.

    The Superintendent agrees that the School District may require the Superintendent to provide appropriate documentation from a qualified health care provider for any illness or disability requiring his absence from work for more than three (3) consecutive days.

12. **Tenure.** The Superintendent agrees that he shall not be deemed to be granted continuing tenure in such capacity or in any other capacity other than that of a classroom teacher. Nor shall the decision of the Board not to continue or renew the employment of the Superintendent for any subsequent period in any capacity, other than a classroom teacher as may be required by tenure law, be deemed a breach of this Agreement or a discharge or demotion within the provisions of the Michigan Teachers' Tenure Act.

13. **Evaluation.** The Board shall evaluate the Superintendent, at least annually, in a manner consistent with Revised School Code requirements.

14. **Agreement Extension.** Annually, but no later than the last day of December of each year during the term of this contract, the Board of Education shall review with the Superintendent, his performance as Superintendent as required by MCL 380.1249 and MCL 380.1249b. The evaluation instrument to be used will be one that is mutually agreed upon by both parties, is in compliance with the above mentioned laws and includes a section that reports the progress that has been made by the Superintendent on established performance goals. Upon completion of the formal evaluation, the Board of Education shall consider a one-year renewal/extension of the contract and act on that consideration at the same board meeting where the evaluation is formally approved. If the board does not comply with this requirement, the superintendent's Agreement is

automatically renewed for an additional one (1) year period. Upon completion of the 2023 formal evaluation, the board shall extend the contract by 2 additional years unless a formal motion to not extend is voted on.

15. **Agreement Non-renewal.** The Board specifically reserves the right to not renew this Agreement or any extension of the Agreement regardless of cause or reason. Pursuant to Section 1229 of the Revised School Code, if the Board of Education intends to let the superintendent's Agreement expire, it must provide the superintendent with written notification of the board's decision not to renew the Agreement at least ninety (90) days prior to the Agreement's expiration date. If the board does not comply with this requirement, the superintendent's Agreement is automatically renewed for an additional one (1) year period.

16. **Termination.** The Board shall be entitled to terminate the Superintendent's Agreement at any time during the term of this Agreement when it, in its discretion, determines that the Superintendent has engaged in acts of moral turpitude, misconduct, dishonesty, fraud, insubordination, incompetence, inefficiency, if the Superintendent materially breaches the terms and conditions of this Agreement and fails to cure such breach within thirty (30) days after written notice from the Board or for other causes as determined by the Board which are not arbitrary and capricious. The Superintendent will be entitled to written notice of charges and an opportunity for a hearing before the Board if the Board undertakes dismissal of the Superintendent. In the event of termination of employment during the term of this Agreement, the Board shall have no further obligation hereunder, except that any monies earned prior to termination shall be paid to the Superintendent.

17. **Errors and Omissions Insurance.** The Board agrees to pay the premium amount for Errors and Omissions insurance covering the Superintendent while engaged in the performance of his duties. The policy limits for this coverage shall be not less than $1 Million Dollars. The terms of the Errors and Omissions insurance policy shall be controlling respecting defense and indemnity of the Superintendent. The sole obligation undertaken by the Board shall be limited to payment of premium amounts for the above Errors and Omissions coverage. If such insurance cannot be purchased in the above amounts and/or at a reasonable premium rate, the Board shall have the right to discontinue such coverage and shall so notify the Superintendent. In that event, the Board agrees on a case-by-case basis to consider providing legal defense and/or indemnification to the Superintendent as authorized under MCL 691.1408 and MCL 380.11a(3)(d).

18. **Dispute Resolution.** In the event of a dispute between the parties relating to any provision of this Agreement, or a dispute concerning any of the parties' rights or obligations to one another arising from the employment relationship described, the parties hereby agree to submit such to binding arbitration. Such arbitration shall be conducted under the labor arbitration rules of, and administered by, the American Arbitration Association. The arbitrator's fee and the expense of the American Arbitration Association shall be shared equally by the parties.

    All parties are entitled to representation of the own designation; however, each party shall be responsible for the costs of such respective representation.

The parties intend that this process of dispute resolution shall be inclusive of all contract, common law, and statutory claims arising from the Superintendent's employment and/or the termination thereof, including but not limited to claims of unlawful discrimination, and all claims for damages or other relief. However, this agreement to arbitrate does not restrict the Superintendent from filing a claim or charge with any state or federal agency (such as the Equal Employment Opportunity Commission or the Michigan Department of Civil Rights) and does not apply to any claims for unemployment compensation or workers' compensation which may be brought by the Superintendent. Instead, this agreement to arbitrate claims applies to those matters which would otherwise be subject to state or federal court proceedings.

19. **Waiver of Breach.** The Board and District will not waive any breach of any provision of this Agreement except in writing. Such a waiver shall not waive any future breaches.

20. **Entire Agreement.** This Agreement constitutes the sole and entire existing agreement between the parties. It supersedes and cancels all prior Agreements; all prior practices, whether oral or written, and expresses all obligations and restrictions imposed upon the Board and the School District. This Agreement is voidable pursuant to the provision of the Revised School Code pertaining to criminal history background checks and unprofessional conduct checks. In order to be valid and binding, all changes, modifications or amendments to the Agreement shall be in writing, approved by the Board of Education and signed by the Superintendent and the Board of Education.

21. **Governing Law.** This Agreement is governed by the laws of the state of Michigan.

22. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

23. **Assignment.** Neither this Agreement nor any interest herein may be assigned, transferred or encumbered by either party.

24. **Severability.** If any provision of this Agreement is prohibited by the laws of the United States or the state of Michigan, that provision shall be unenforceable without invalidating the remaining provisions of this Agreement.

25. **Authority.** Each party signing this agreement on behalf of either party individually warrants that he has full legal authority to execute this Agreement on behalf of the party for whom he is signing and to bind and obligate that party to all provisions within this Agreement.

IN WITNESS WHEREOF the parties hereto set their hand this 27th day of June, 2022

By: ______________________
Joshua Brink, President

By: ______________________
Scott Leach, Superintendent

By: ______________________
Jacey Carner, Secretary

DUNDEE COMMUNITY SCHOOLS
EXPENDITURES VS. BUDGET
11/30/2022

Account Title	YTD Expenses thru November 2021	New Year Budget 2022-2023	YTD Expenses thru November 2022	P.O.'s / Encumbrances	Balance Remaining	Percent Spent to Date	
Elementary	1,303,470.98	5,396,338.00	1,937,062.80	44,297.82	3,414,977.38	35.90%	
Middle School	535,156.29	2,222,031.00	823,808.40	2,196.21	1,396,026.39	37.07%	
High School	771,446.29	2,748,031.00	1,021,392.93	620.55	1,726,017.52	37.17%	
Riverside	123,692.72	426,913.00	171,407.52	0.00	255,505.48	40.15%	
Great Start Readiness Program	39,210.13	156,901.00	37,897.00	0.00	119,004.00	24.15%	
Special Education	199,527.37	784,947.00	258,828.39	0.00	526,118.61	32.97%	
Compensatory Education	208,824.82	499,366.00	374,048.57	0.00	125,317.43	74.90%	**Includes early year exp: summer school*
Vocational Education	10,776.75	144,796.00	122,337.32	14,151.69	8,306.99	84.49%	**Add'l CTE programs, budget amendment*
Guidance	80,444.62	319,997.00	101,413.75	0.00	218,583.25	31.69%	
Health Expense	17,598.64	45,989.00	16,880.23	4,629.00	24,479.77	36.70%	
Speech	0.00	0.00	0.00	0.00	0.00	0.00%	
Social Work	95,691.62	296,488.00	134,063.85	0.00	162,424.15	45.22%	
Noon Duty	13,650.59	70,179.00	25,641.63	0.00	44,537.37	36.54%	
Improvement of Instruction	9,357.54	26,965.00	0.00	0.00	26,965.00	0.00%	
Media Center	21,315.07	86,767.00	21,100.28	265.83	65,400.89	24.32%	
Academic Assessment	1,499.59	1,499.00	0.00	0.00	1,499.00	0.00%	
Board of Education	64,474.16	189,528.00	39,885.92	799.00	148,843.08	21.04%	
Superintendent's Office	188,036.73	527,225.00	203,569.46	165.89	323,489.65	38.61%	
Principal's Office	380,296.25	1,147,041.00	423,942.01	385.00	722,713.99	36.96%	
Business Office	119,011.68	292,951.00	111,837.49	0.00	181,113.51	38.18%	
Internal Services	34,978.23	64,200.00	17,731.56	0.00	46,468.44	27.62%	
Other Business Services	75,924.90	76,718.00	12,298.00	0.00	64,420.00	16.03%	
Custodial Services	695,160.61	4,063,039.00	1,998,515.31	43,169.02	2,021,354.67	49.19%	**Includes covid grant-funded exp: HVAC, etc.*
Security	18,321.77	106,118.00	12,340.40	0.00	93,777.60	11.63%	
Transportation	0.00	970,494.00	227,095.00	0.00	743,399.00	23.40%	
Communications	366,378.73	3,000.00	0	0.00	3,000.00	0.00%	
Staff Professional Development	0.00	23,188.00	20,607.75	1,592.00	988.25	88.87%	**Includes annual memberships paid 1st of year*
Technology	8,573.97	638,102.00	184,712.47	70,769.96	382,619.57	28.95%	
Pupil Activities	483,795.22	50,000.00	14,797.25	0.00	35,202.75	29.59%	
Athletics	11,817.83	575,838.00	236,397.42	17,336.60	322,103.98	41.05%	
Pool Expense	216,391.18	130,000.00	59,721.68	920.04	69,358.28	45.94%	
Virtual Learning Center	35,523.42	0.00	0.00	0.00	0.00	0.00%	
Latchkey	0.00	28,218.00	9,654.11	0.00	18,563.89	34.21%	
Fund Transfers	2,371.29	481,130.00	0.00	0.00	481,130.00	0.00%	
TOTALS	**$ 6,132,718.99**	**$ 22,593,997.00**	**$ 8,618,988.50**	**$ 201,298.61**	**$ 13,773,709.89**		
			(1,607,259.73)	**Salaries & Taxes Accrual to be Reversed in December.*			
Percent of Budget Spent to Date	*38%*		**$ 7,011,728.77**				

Important Note: The Timing/Cash Flow for school districts always causes the fund balance total to appear skewed during the year due to the nature of our school calendar. The revenue timetable (mainly state aid) and expenses timetable (accruals and end-of-year journal entries) are the primary reasons. The expenses to date typically exceed revenues to date every year until the second half of the fiscal year when the revenues eventually begin to even out the expenditures. That is why the true fund balance is not known until all of the year-end and adjusting entries from the audit are completed.

DUNDEE COMMUNITY SCHOOLS
DISTRICT DEBIT CARD PURCHASES
NOVEMBER 2022

DATE	AMOUNT	VENDOR	DESCRIPTION OF EXPENSE	CARDHOLDER	BUDGET CODE	ACCOUNT
11/1/2022	1,974.27	Michaels	Display table easel	DT		
11/8/2022	82.50	Jamf Software LLC	1 year software	TL		
11/9/2022	55.95	USPS	Bond expense - overnight fee to Thrun	JW		
11/10/2022	450.00	MASA	2023 MASA Conf - Scott Leach	JW		
11/15/2022	29.75	Canva	District Canva account for newsletter	JW		
11/15/2022	245.00	MAEDS	2022 MAEDS Fall Conf Registration	TL		
11/17/2022	100.85	DNH Domain Host	.ORG Domain Renewal	TL		
11/17/2022	105.98	Verizon	Screen Protector/Cell Phone Case-Scott	SL		
11/21/2022	312.90	Hampton	Girls Swim State hotel	JW		
11/21/2022	312.90	Hampton	Girls Swim State hotel	JW		
11/21/2022	312.90	Hampton	Girls Swim State hotel	JW		
11/21/2022	312.90	Hampton	Girls Swim State hotel	JW		
11/22/2022	91.90	The Lifeguard Store	Precut cable w ball shank	DT		
11/29/2022	900.00	Survey Monkey	Annual renewal	TL		
11/30/2022	1,512.00	Connect Wise/Screen Connect	Yearly software renewal	TL		
TOTAL	6,799.80					