

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION**

**Regular Meeting
October 20, 2025 - 6:30 PM
Board Room
15125 Farmington Road
Livonia, Michigan 48154**

AGENDA

- I. ROLL CALL: Madeline Acosta, Karen Bradford, Colleen Burton, Crystal Frank, Liz Jarvis, Mark Johnson, Dave MacFarland**
- II. PLEDGE OF ALLEGIANCE**
- III. COMMUNICATIONS**
 - A. Point of Pride - High School Peer Connections Programs 3**
 - B. District Update from the Superintendent**
 - C. Audience Communications (limited to 15 minutes, with remainder taking place prior to HEARING FROM BOARD MEMBERS)**
- IV. CONSENT AGENDA--Items marked with an "*" will be 4**
considered in one motion. These routine items have been individually reviewed by Board committees and were unanimously recommended for placing on this consent agenda. Any member of the Board may remove items from the consent agenda prior to voting.
- V. DISPOSITION OF MINUTES**
 - A. *Minutes of the Regular Meeting of September 22, 2025 5**
- VI. BUSINESS MATTERS**
 - A. Acceptance of Financial Statements 2024-2025 21**
 - B. Approval of Purchase of PA and Classroom Audio Systems 114**
 - C. Approval of Purchase of IT Network Server 117**
 - D. Approval of HVAC Repairs 120**
 - E. Approval of Purchase of Athletics Bleachers 121**
- VII. INSTRUCTION MATTERS**
 - A. Approval of 35M Grant Purchases 125**
- VIII. PERSONNEL MATTERS**
 - A. Teachers for Approval 129**
 - B. Teachers for Tenure 131**
 - C. Leave of Absence 132**
 - D. Retirement 133**
- IX. HEARING FROM BOARD MEMBERS**
 - A. Second Reading: Board Policy GAAA - 135**
Nondiscrimination Civil Rights and Title IX
 - B. Second Reading: Board Policy IDAC - Kindergarten 138**
 - C. Second Reading: Board Policy IDB - Health Education 139**
 - D. Second Reading: Board Policy IDBB - Substance Abuse 141**
Education

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X. ADJOURNMENT	



15125 FARMINGTON RD. LIVONIA, MI 48154

MEMO FROM: COMMUNICATIONS

734-744-2522 | COMMUNICATIONS@LIVONIAPUBLICSCHOOLS.ORG

Date: October 14, 2025

To: Board of Education and Superintendent Oquist

From: Stacy Jenkins

Re: Points of Pride item for October 20, 2025 Regular Meeting Agenda

Greetings,

This memo is to inform you that I will be bringing an exciting “Points of Pride” item for the Monday, October 20, 2025 Regular Board of Education meeting, under Communications.

We will have several high school students and staff from CHS, FHS and SHS, presenting on their programs that focus on peer-to-peer connections – specifically, upperclassmen mentoring freshmen. We will hear from seniors, freshmen and the staff members who are proudly shepherding these efforts at each school.

At SHS, the program is called Link Crew; at Franklin it is called Patriots Relate and at Churchill the program is called Charger Connection -- all three are quite impactful, as we will hear, in promoting a sense of belonging, friendship and positive role modeling between students. We are excited to hear about these outstanding efforts!

Thank you, and we’ll see you on Monday.

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

TOPIC: Consent Agenda

RECOMMENDATION:

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

V.A. *Minutes of Regular Meeting of September 22, 2025

RATIONALE:

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

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Andrea L. Oquist, Superintendent

EXHIBITS:

Attached

Off/Supt/tg

BOARD OF EDUCATION of the LIVONIA PUBLIC SCHOOLS SCHOOL DISTRICT

MINUTES of the Regular Meeting of September 22, 2025

President Bradford convened the meeting at 6:33 pm

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

Members Absent: None

District Update from the Superintendent	Superintendent Oquist shared school opening activities, staff professional development, athletics and robotics highlights and other District points of pride.
Point of Pride Presentation: Bond Summer 2025 Highlights	Mrs. Jenkins (LPS Communications) and Mr. Theriault (Plante Moran Realpoint) highlighted Bond renovation projects that took place over the summer of 2025 at Grant Elementary, Buchanan Elementary, Johnson Upper Elementary and ongoing renovations at Churchill high School.
Audience Communication	Three LPS Robotics Team Captains provided highlights of their most successful Robotics season to date, including awards won, district and state level events won, qualifications for World’s competitions, future outreach plans at Garfield and supporting Nigerian STEM initiatives. One Coolidge staff member and once Coolidge Noon Monitor addressed the Board sharing their concerns about recess at Coolidge.
Consent Agenda	It was moved by Mrs. Jarvis and supported by Mrs. Frank that the Board of Education of the Livonia Public Schools School District approve the following consent Agenda items: V. A. *Minutes of the Special Meeting of September 15, 2025 V.B. *Minutes of the Regular Meeting of August 18, 2025 Ayes: Acosta, Bradford, Burton, Frank, Jarvis, Johnson, MacFarland Nays: None
Approval of Purchase of Laptops	It was moved by Mr. MacFarland and supported by Mrs. Jarvis that the Board of Education of the Livonia Public Schools School District approve the purchase of 90 Dell Laptops,

including Pro Docks and storage upgrades, from People Driven Technology, Byron Center, MI for a total cost of \$71,411.90.

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

Nays: None

Teachers for Approval

It was moved by Mrs. Acosta and supported by Mrs. Burton that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Superintendent and offer employment for the 2025-2026 school year to the following teachers:

Name	FTE	Location
Jaime Claymore	1.0 FTE	Academic Services
Kaitlyn Fisher	1.0 FTE	Riley
Colleen Jraiche	0.26 FTE	Shared Time
Yuliya Mironova	1.0 FTE	Riley
Emily Mulvin	1.0 FTE	Frost
Sarah Nantambu	1.0 FTE	Grant
Abigail Parsons	1.0 FTE	Rosedale
Kerry Vanairsdale	1.0 FTE	Roosevelt
Natalie Vincent	1.0 FTE	Kennedy
RheaAnn Weber	1.0 FTE	Student Services

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

Nays: None

Teachers for Tenure

It was moved by Mr. Johnson and supported by Mrs. Jarvis that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Superintendent and acknowledge that tenure status has been granted for the following teachers, effective on their respective dates:

Name	Effective Date
BAKKEN, LINDSAY A	8/30/2025
BERMAN, AMANDA B	9/18/2025
BIGA, KEVIN J	8/30/2025
BILBEISI, RULA	9/11/2025
BISHOP, KELLI M	8/23/2025
BOARDMAN, SHANNON R	8/23/2025
BONE, CASEY A	9/22/2025
BURGER, REBECCA L	8/23/2025
CHAMBERS, KRISTINA M	9/27/2025
CHILDRESS, LINSEY R	8/23/2025
CLEVELAND, ELEANOR E	9/22/2025
CONLEY, TRACY J	9/22/2025
CULP, JACLYNN A	9/22/2025
CURRIE, SARA J	9/22/2025

DISHMON, MOLLY S	9/20/2025
DIXON, ZADA F	9/22/2025
DONOFRIO, KATHRYN R	9/22/2025
DORAZIO, MARISSA R	8/30/2025
ELWOOD, REBECCA A	9/22/2025
FLANNIGAN, MELISSA M	9/22/2025
FOY, LINDSAY M	9/22/2025
GALLAGHER, KRISTIN K	9/22/2025
GIACOMA, KEITH D	8/30/2025
GORDON, COURTNEY A	8/30/2025
GRAMMATICO, MEAGAN M	8/23/2025
GRIFFITH, KIMBERLY R	9/22/2025
HOCH, AMY M	9/22/2025
HOWARD, JILL S	8/23/2025
HUFF, REBECCA N	8/30/2025
JABLONSKI, JILLIAN C	9/22/2025
JORGENSEN, ASHLEY M	8/30/2025
KERNAN, KRISTINE E	9/22/2025
KOCZARA, MICHELLE M	8/30/2025
KOZLOWSKI, DANIEL C	9/21/2025
KREIMES, ANNA M	9/22/2025
LARGES, KELLY K	8/30/2025
MACKINNON, JULIE A	8/30/2025
MANNI, COLLEEN M	8/23/2025
MARSHALL, BRENNAM	9/22/2025
MCALLISTER, COLLEEN A	9/22/2025
MCCONNELL, JULIE L	8/23/2025
MCDUGALL, JORDAN M	8/30/2025
MELANCON, LAURA L	9/22/2025
MEZIGIAN, ALEXANDRA	9/22/2025
MIFSUD, LINDSEY A	9/22/2025
MIMNAUGH, TREVOR D	8/30/2025
NICHOLL, NICOLE L	9/15/2025
OKANO, ASAKO	9/11/2025
OTTENBREIT, SIENNA	9/13/2025
PAULUS, ALLISON A	8/30/2025
PIETRZAK, EMILY E	8/30/2025
RACHUY, DANIELLE M	8/23/2025
REITER, MICHELLE L	8/30/2025
RITCHIE, KRISTY M	9/22/2025
ROBERTSON, KAELEIGH C	8/30/2025
ROSBURY, BRETT J	9/22/2025
SALVIA, KATHRYN A	9/22/2025
SCHACHT, HAYLIE A	9/22/2025
SCHROEDER, KATELYN N	9/22/2025
SHARP, ERICA M	9/22/2025
SMITH, SUMMER L	8/30/2025
STABLER, KAITLYN M	8/30/2025
STEIMEL, JODI L	8/23/2025
STEMPKY, KILEY L	9/22/2025
STONE, KELLY G	9/22/2025
WAGNER, ADAM C	9/22/2025
WARD, SCOTT T	8/30/2025
WARNICK, MELISSA S	9/22/2025
WEISS, ALLISON E	9/22/2025
WIDNER, LILLIAN M	9/22/2025
WIKLANSKI, GREGORY S	8/30/2025
WILK, CHELSEA N	9/22/2025

WOODHALL, KAILA C	9/22/2025
YOST, HALEY M	9/22/2025
YOUNG, OLIVIA L	9/22/2025
ZAJAC, SARAH C	8/30/2025

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

Resignations

As authorized in the Board of Education motion of June 23, 2025, the following resignations have been accepted by the Superintendent. This list is provided for informational purposes only and do not require a vote.

<u>Name</u>	<u>Date Effective</u>
Sarah Nantambu	September 19, 2025
Kinberly Simon	August 27, 2025

Retirements

It was moved by Mrs. Frank and supported by Mrs. Jarvis that the Board of Education of the Livonia Public Schools School District adopt the resolutions of appreciation for services rendered by:

Christina Barnes

WHEREAS, It has been brought to the attention of the Board of Education of the Livonia Public Schools School District that Christina Barnes will retire from the district on September 30, 2025; and,
 WHEREAS, Christina Barnes has devoted 16.8 years of dedicated, loyal, and outstanding service to the Livonia Public Schools as a special education paraprofessional at Perrinville Early Childhood Center, Churchill High School, Riley Upper Elementary, Cooper Upper Elementary, Roosevelt Elementary and Frost Middle School; and,
 WHEREAS, She has given conscientious, careful, and loyal service to the students, staff, and community during her tenure with the Livonia Public Schools;
 NOW, THEREFORE, BE IT RESOLVED That the Board of Education does hereby express its deep appreciation to Christina Barnes for her countless contributions to our school system and extends best wishes for an enjoyable and rewarding retirement.

Kathryn Haro

WHEREAS, It has been brought to the attention of the Board of Education of the Livonia Public Schools School District that Kathryn Haro will retire from the district on September 26, 2025; and,
 WHEREAS, Kathryn Haro has devoted 19.1 years of dedicated, loyal, and outstanding service to the Livonia Public Schools as a general helper in the Central Kitchen, at Stevenson High School, Cooper Upper Elementary and Riley Upper Elementary; and,
 WHEREAS, She has given conscientious, careful, and loyal service to the students, staff, and community during her tenure with the Livonia Public Schools;
 NOW, THEREFORE, BE IT RESOLVED That the Board of Education does hereby express its deep appreciation to Kathryn Haro for her countless contributions to our school system and extends best wishes for an enjoyable and rewarding retirement.

Trace Leach

WHEREAS, It has been brought to the attention of the Board of Education of the Livonia

Public Schools School District that Trace Leach will retire from the district on December 2, 2025; and,
WHEREAS, Trace Leach has devoted 47 years of dedicated, loyal, and outstanding service to the Livonia Public Schools as a custodian at Kennedy Elementary, Riley Middle School, Emerson Middle School, Cooper Elementary, Hoover Elementary and the Livonia Career Technical Center; and,
WHEREAS, He has given conscientious, careful, and loyal service to the students, staff, and community during his tenure with the Livonia Public Schools;
NOW, THEREFORE, BE IT RESOLVED That the Board of Education does hereby express its deep appreciation to Trace Leach for his countless contributions to our school system and extends best wishes for an enjoyable and rewarding retirement.

Jose Manas

WHEREAS, It has been brought to the attention of the Board of Education of the Livonia Public Schools School District that Jose Manas will retire from the district on June 4, 2025; and,
WHEREAS, Jose Manas has devoted 23.3 years of dedicated, loyal, and outstanding service to the Livonia Public Schools as a bus driver in the Transportation Department; and,
WHEREAS, He has given conscientious, careful, and loyal service to the students, staff, and community during his tenure with the Livonia Public Schools;
NOW, THEREFORE, BE IT RESOLVED That the Board of Education does hereby express its deep appreciation to Jose Manas for his countless contributions to our school system and extends best wishes for an enjoyable and rewarding retirement.

Julie Rathgeber

WHEREAS, It has been brought to the attention of the Board of Education of the Livonia Public Schools School District that Julie Rathgeber will retire from the district on January 5, 2026; and,
WHEREAS, Julie Rathgeber has devoted 18.5 years of dedicated, loyal, and outstanding service to the Livonia Public Schools as a bus driver in the Transportation Department; and,
WHEREAS, She has given conscientious, careful, and loyal service to the students, staff, and community during her tenure with the Livonia Public Schools;
NOW, THEREFORE, BE IT RESOLVED That the Board of Education does hereby express its deep appreciation to Julie Rathgeber for her countless contributions to our school system and extends best wishes for an enjoyable and rewarding retirement.

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

Appointment of 2025
MASB Voting
Delegates

It was moved by Mrs. Burton and supported by Mrs. Frank that the Board of Education of the Livonia Public Schools School District approve Mark Johnson, Madeline Acosta, Liz Jarvis and Dave MacFarland as voting Delegates and Karen Bradford, Colleen Burton, and Crystal Frank as alternates for the MASB Delegate Assembly in Traverse City, MI on October 23, 2025.

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

Second Reading and Adoption of Board Bylaw BBBC – Board Member Expenses and Development Opportunities

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

**BYLAWS OF THE BOARD
BOARD OPERATIONS
BOARD MEMBER EXPENSE AND
DEVELOPMENT OPPORTUNITIES**

**BBBC
September 22, 2025**

The District may pay (through reimbursement or otherwise) the actual and necessary expenses incurred by its Board members in the discharge of their official duties or in the performance of functions authorized by the Board.

Board members are encouraged to attend educational, leadership, and developmental classes, workshops, conferences, and seminars that may assist them in the performance of their duties. Members may be reimbursed for their actual and necessary expenses, which include registration fees, costs of travel, lodging, and meals (not including alcoholic beverages).

The approval of Board expenses and reimbursements shall be conducted according to the following stipulations:

- Direct District expenditures must be approved by the Board at a voting Board meeting prior to the expenses being incurred.
- Individual Board member reimbursements must be approved at a voting Board meeting prior to payment of the reimbursement to the Board member.
- In order to facilitate the aforementioned approvals, the Board will bring forth an annual request for approval at the start of each school year with the intent of preapproving anticipated professional development expenditures.
- Any Board member expenditures associated with out-of-state events or travel, and/or any Board member expense that totals \$1,500 or above must be brought to a voting Board meeting, separate from the annual preapproval request, for approval prior to the expense being incurred.

Members shall be subject to the same per diem and mileage rates as employees of the District. The District's standard expense reporting procedure, appropriately adapted for the Board of Education, will be followed.

LEGAL REF: MCL 380.1254

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

Nays: None

Second Reading and Removal of Board Policy DFB – Federal and State Aid

It was moved by Mrs. Jarvis and supported by Mrs. Frank that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Policy Committee and remove Board Policy DFB – Federal and State Aid:

BOARD POLICY

DFB

FISCAL MANAGEMENT
FEDERAL AND STATE AID

APRIL 14, 2014

The Board of Education may accept federal funds and state categorical funds and administer them as directed by law.



LEGAL REF.: MCL 380.1297; 3.541; 3.542

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

Nays: None

Second Reading and
Removal of Board
Policy DJCA – Pay Day
Scheduled

It was moved by Mrs. Acosta and supported by Mrs. Frank that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Policy Committee and remove Board Policy DJCA – Pay Day Schedules:

BOARD POLICY

DJCA

FISCAL MANAGEMENT PAYDAY SCHEDULES

October 23, 2023

For payday schedules, see the individual master agreements on the district's website:

- AFSCME (American Federation of State, County & Municipal Employees)
- LEA (Livonia Education Association)
- LEADS (Livonia Educational Administrators)
- LPA (Livonia Paraprofessionals' Association)
- LSA (Livonia Secretarial Association)
- SEALS (Supervisory Employees' Association)



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

Second Reading and
Adoption of Board
Policy GAEA –
Discriminatory
Harassment of
Employees or
Applicants for
Employment

It was moved by Mr. Johnson and supported by Mrs. Jarvis that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Policy Committee and adopt Board Policy language for Board Policy GAEA-Discriminatory Harassment of Employees or Applicants for Employment:

BOARD POLICY **GAEA**
PERSONNEL
DISCRIMINATORY HARASSMENT OF EMPLOYEES
OR APPLICANTS FOR EMPLOYMENT **SEPTEMBER 22, 2025**

Discriminatory harassment of employees or applicants for employment by School District employees, Board members, vendors, contractors, students, parents, invitees, guests, volunteers, or others doing business with the School District, etc., will not be tolerated. "Discriminatory harassment" means unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct relating to an individual's sex (including harassment on the basis of sex stereotypes, sex characteristics, pregnancy or related conditions, sexual orientation, and gender identity), race, color, national origin, age, religion, height, weight, marital status, or disability, when (a) submission to the conduct is made a condition of obtaining employment; (b) submission to, or rejection of, the conduct is used as a factor in decisions affecting the individual's employment; or (c) such conduct or communication has the purpose or effect of substantially interfering with the

individual's employment, or creates an intimidating, hostile, or offensive work environment.

Any employee or applicant who believes that he or she has suffered discriminatory harassment should promptly report the incident(s) to the Director of Human Resources. In the event the employee or applicant cannot report to the Director of Human Resources, the employee should promptly report the incident(s) to the Superintendent. In the event that the employee or applicant is charging the Superintendent or a Board member with discriminatory harassment, he or she should promptly report the incident(s) to the Board President. In the event that the employee or applicant is charging the Board President with such harassment, he or she should promptly report the incident to the Vice President of the Board. In the event that the applicant or employee are charging both the Board President and Vice President with such harassment, he or she should promptly report the incident to the Title IX Coordinator. Any employee who has notice of discrimination or harassment on the basis of sex of an employee or applicant should promptly notify the Title IX Coordinator. Any member of administration who becomes aware of discriminatory harassment of an employee or applicant on the basis of a protected class other than sex should promptly notify the Director of Human Resources. Reports of discriminatory harassment may be made orally or in writing.

In determining whether the alleged conduct constitutes discriminatory harassment, the totality of their circumstances, the nature of the conduct, and the context in which the alleged incident(s) occurred will be investigated. The School District has the responsibility of investigating and resolving complaints of discriminatory harassment. The School District shall first determine whether the complaint concerns allegations of (a) discrimination on the basis of sex in the educational programs and activities which it operates; (including employment, admissions, recruitment, referrals, and collective bargaining), or (b) sexual harassment. If the allegations concern either of these matters, the Title IX Coordinator shall resolve the complaint in accordance with the Title IX grievance procedures of Administrative Procedure JAA. If the Title IX grievance procedures are not applicable based upon the conduct alleged, the allegations will be investigated in accordance with the procedures set forth Policy GAAA.

In cases where the alleged discriminatory harassment was committed by the Superintendent or a member of the Board of Education, the School District will appoint outside legal counsel to investigate the alleged incident(s). The results of an investigation and any action taken thereon will be communicated to the complainant.

The School District considers discriminatory harassment to be a major offense which will result in corrective action, regardless of the offender's position with the School District. Corrective action of a School District employee may include disciplinary action, up to and including, termination of employment. Corrective action of a student may include disciplinary action, up to and including, expulsion.

The School District will not tolerate any form of reprisal toward a complainant, and any such allegation should be immediately reported to the Director of Human Resources for investigation and appropriate action, if necessary.

LEGAL REF.: Civil Rights Act and Faragher v. City of Boca Raton, 524 US 775, 118 S Ct 2275
141 LE2d 662 (1998), Title IX of the Educational Amendments of 1972, 20 U.S.C. §§ 1681, et seq.

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

Second Reading & Adoption of Board Policy JAA – Equal Education Opportunities

It was moved by Mrs. Frank and supported by Mr. MacFarland that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Policy Committee and adopt Board Policy language for Board Policy JAA – Equal Educational Opportunities:

BOARD POLICY JAA SEPTEMBER 22, 2025
STUDENT
EQUAL EDUCATIONAL OPPORTUNITIES

Livonia Public Schools prohibits unlawful discrimination on the basis of race, color, religion, sex (including harassment on the basis of sex stereotypes, sex characteristics, pregnancy or related conditions, sexual orientation, and gender identity), national origin, age, height, weight, marital status, handicap, or disability in any of its education programs or activities.

Students and other persons will not be denied participation in or the benefit of any educational program or activity, or discriminated against in any manner that violates state or federal law, on the basis of race, color, religion, sex (including sex stereotypes, sex characteristics, pregnancy or related conditions, sexual orientation, and gender identity), national origin, age, height, weight, marital status, or handicap/disability.

The Director of Student Services is appointed the Civil Rights Coordinator regarding complaints of disability/handicap discrimination involving educational services, programs, and activities. The Director of Human Resources is appointed the Civil Rights Coordinator regarding all other complaints of discrimination. These individuals are responsible for coordinating the implementation of the School District's obligations under state and federal laws that prohibit conduct also prohibited by this policy. A student or other person who believes that the School District or its Board of Education has not complied with the law or this policy should promptly file an oral or written complaint with the School District's Civil Rights Coordinators. The assigned Coordinator will meet with the complainant and conduct a reasonable investigation into the facts and circumstances surrounding the complaint.

The complainant or respondent may appeal the Coordinator's determination to the Superintendent by so notifying the Superintendent within ten (10) calendar days of the Coordinator's determination. The Superintendent shall affirm or reverse the Coordinator's determination and, if warranted, implement the Coordinator's proposed resolution or a modification thereof. The Superintendent's decision shall be final.

LEGAL REF.: Civil Rights Act and Americans with Disabilities Act

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

Second Reading and Adoption of Board Policy JCED – Discriminatory Harassment of Students

It was moved by Mrs. Burton and supported by Mr. Johnson that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Policy Committee and adopt Board Policy language for Board Policy JCED – Discriminatory Harassment of Students:

**BOARD POLICY
PERSONNEL
DISCRIMINATORY HARASSMENT OF STUDENTS**

**JCED
SEPTEMBER 22, 2025**

Discriminatory harassment of students by School District employees, Board members, vendors, contractors, fellow students, parents, invitees, guests, volunteers, or others doing business with the School District, etc., will not be tolerated. “Discriminatory harassment” means unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct relating to an individual's sex (including harassment on the basis of sex stereotypes, sex characteristics, pregnancy or related conditions, sexual orientation, and gender identity), race, color, national origin, age, religion, height, weight, marital status or disability when (a) submission to the conduct is made a condition of utilizing or benefiting from the services, activities or programs of the School District; (b) submission to, or rejection of, the conduct is used as the basis for a decision to exclude, expel, or limit the student in terms, conditions, or privileges of the School District; or (c) the conduct has the purpose or effect of substantially interfering with the student's education, creates an intimidating, hostile or offensive educational environment. Any student who believes that he or she has suffered discriminatory harassment should promptly report the incident(s) to his or her counselor or building principal. In the event that the student is charging the building principal with such discriminatory harassment, he or she should promptly report the incident(s) to the Superintendent. In the event that the student is charging the Superintendent or a Board member with such discriminatory harassment, he or she should promptly report the incident(s) to the Board President. In the event that the student is charging the Board President with such discriminatory harassment, he or she should promptly report the incident to the Vice President of the Board.

In determining whether the alleged conduct constitutes discriminatory harassment, the totality of the circumstances, the nature of the conduct and the context in which the alleged incident(s) occurred will be investigated. The School District has the responsibility of investigating and resolving complaints of discriminatory harassment. In cases where the alleged discriminatory harassment was committed by the Superintendent or a member of the Board of Education, the School District will appoint outside legal counsel to investigate the alleged incident(s). The results of an investigation and any action taken thereon will be communicated to the complainant.

The School District considers discriminatory harassment to be a major offense which will result in corrective action, regardless of the offender's position with the School District. Corrective action of a School District employee may include disciplinary action; up to and including; termination of employment. Corrective action of a student may include disciplinary action; up to and including; expulsion.

The School District will not tolerate any form of reprisal toward a complainant, and any such allegation should be immediately reported to the Director of Human Resources for investigation and appropriate action, if necessary.

CROSS REF.: GAAA, GAEA, GAEAA

LEGAL REF.: Gebser v. Lago Vista Independent School District, 524 US 274 (1998);
Davis v. Monroe County Board of Education, 526 US 629 (1999)

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

First Reading Board
Policy GAAA -
Nondiscrimination

**BOARD POLICY
PERSONNEL
NONDISCRIMINATION
CIVIL RIGHTS AND TITLE IX**

**GAAA
UNE 6, 2016
October 20, 2025**

Livonia Public Schools It is the policy of the Board of Education that Livonia Public Schools School District will not discriminate against any person on the basis of sex (including harassment on the basis of sex stereotypes, sex characteristics, pregnancy or related conditions, sexual orientation, and gender identity), race, color, national origin, religion, height, weight, marital status, age, handicap, or disability. The District reaffirms its long-standing policy of compliance with all applicable federal and state laws and regulations prohibiting discrimination, including, but not limited to, Titles VI and VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d, ~~et seq.~~, and 42 U.S.C. §§ 2000e, ~~et seq.~~; Title IX of the Educational Amendments of 1972, 20 U.S.C. §§ 1681, ~~et seq.~~, ~~Age Discrimination Act of 1975, 42 U.S.C. §§ 6101 et seq.; Age Discrimination in Employment Act, 29 U.S.C. §§ 621 et seq.~~; Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; the Americans with Disabilities Act of 1990, 42 U.S.C §§ 12101, ~~et seq.~~, the Handicappers' Civil Rights Act, MCL §§ 37.1101, ~~et seq.~~; and the Elliott-Larsen Civil Rights Act, MCL §§ 37.2101, ~~et seq.~~

Civil Rights Complaints

The Director of Student Services is appointed the Civil Rights Coordinator regarding complaints of disability/handicap discrimination involving educational services, programs, and activities. The Director of Human Resources is appointed the Civil Rights Coordinator regarding all other complaints of discrimination.

The Civil Rights Coordinator is designated to receive and resolve complaints from any person who believes that he/she may have been discriminated against in violation of this policy. Any person who believes he/she has been discriminated against in violation of this policy should promptly file an oral or written complaint with the Civil Rights Coordinator within ten (10) calendar days of the alleged violation. The Civil Rights Coordinator will then be responsible for coordinating the District's response in a fair and equitable manner, consistent with relevant laws, District policies and administrative procedures. ~~take the following action:~~ First, commence an investigation of the complaint. Second, arrange for a meeting to occur with the complainant, which may include School District staff who are knowledgeable of the facts and circumstances of the particular complaint or who have particular expertise which will assist in resolving the complaint. Third, complete the investigation of the complaint and provide in writing a reply to the complainant.

- ~~Conduct a reasonable investigation into the facts and circumstances surrounding the complaint.~~
- ~~Arrange for a meeting to occur with the complainant, which may include School District staff who are knowledgeable of the facts and circumstances of the particular complaint or who have particular expertise which will assist in resolving the complaint.~~

- Provide due process to the respondent, including a meeting wherein the allegations are explained, relevant evidence is reviewed, and the accused is afforded the opportunity to respond.
- Complete the investigation of the complaint and provide in writing a reply to the complainant and respondent.

If the Coordinator determines that a violation has occurred, the Coordinator shall make a determination in writing, propose a fair resolution of the complaint, and deliver the determination to the complainant, respondent, and the Superintendent. ~~If the Civil Rights Coordinator determines that a violation has occurred, he/she shall propose a fair resolution of the complaint and deliver the determination to the complainant and the School District's Superintendent.~~ The complainant may appeal the Civil Rights Coordinator's determination to the Superintendent by so notifying the Superintendent in writing within ten (10) calendar days of receiving the the Civil Rights Coordinator's determination. The Superintendent may conduct additional investigation of the facts and circumstances surrounding the complaint. The Superintendent shall affirm or reverse the Civil Rights Coordinator's decision and, if warranted, implement the Civil Rights Coordinator's proposed resolution or a modification thereof. The Superintendent's decision shall be final.

A person is not required to use the procedure outlined above and may instead file a complaint directly with the U.S. Department of Education Office for Civil Rights, 600 Superior Avenue East, Suite 750, OH 44114-2611.

Title IX Sex Discrimination Complaints

Livonia Public Schools prohibits sex discrimination in all programs and activities that the District operates as required by Title IX and the Title IX regulations. Sex-based harassment is a form of sex discrimination, which means harassment on the basis of sex (including harassment on the basis of sex stereotypes, sex characteristics, pregnancy or related conditions, sexual orientation, and gender identity) that falls within one of the following categories:

- (1) **Quid pro quo harassment:** an employee, agent, or other person with authority to provide an aid, benefit, or service under the District's education program or activity explicitly or impliedly conditions the provision of such an aid, benefit, or service on a person's participation in unwelcome sexual conduct;
- (2) **Hostile environment harassment:** unwelcome sex-based conduct that, based on the totality of the circumstances, is subjectively and objectively offensive, and is so severe or pervasive that it limits or denies a person's ability to participate in or benefit from the District's education program or activity (i.e., creates a hostile environment).
- (3) **Specific offenses, including:** sexual assault, dating or domestic violence, and stalking.

Sex discrimination, including sex-based harassment, is covered by this Policy when it occurs under the District's education program or activities in the United States. Conduct occurs under the District's education program or activity when it is subject to the District's disciplinary authority. This includes conduct that occurs on school property; through use of school property (e.g., during online learning or when using the District's network or computer systems); at school-sponsored events or activities (e.g., field trips, athletic events, extracurricular activities); and in off-campus settings if the conduct is sufficiently serious or severe that it could contribute to a hostile environment within the District's education program or activities. ~~The District will address a sex-based hostile environment under its~~

~~education program or activities, even when some conduct alleged to be contributing to the hostile environment occurred outside the District's education program or activities.~~

Livonia Public Schools encourages anyone who believes they have been subjected to sex discrimination (or has knowledge of another person being subjected to sex discrimination) in connection with the District's programs or activities to promptly report their concerns directly to the LPS Title IX Coordinator. If an alleged Title IX violation has been first reported to a school administrator, or any other staff member in the District, the allegation must then be reported directly to the LPS Title IX Coordinator. When the Title IX Coordinator receives a report about conduct that may reasonably constitute sex discrimination, the Title IX Coordinator will be responsible for coordinating the District's response in a fair and equitable manner, consistent with Title IX and its regulations.

LEGAL REF.: Titles VI and VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d, et seq., and 42 U.S.C. §§ 2000e, et seq.; Title IX of the Educational Amendments of 1972, 20 U.S.C. §§ 1681, et seq., Age Discrimination Act of 1975, 42 U.S.C. §§ 6101 et seq.; Age Discrimination in Employment Act, 29 U.S.C. §§ 621 et seq.; Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; the Americans with Disabilities Act of 1990, 42 U.S.C §§ 12101, et seq., the Handicappers' Civil Rights Act, MCL §§ 37.1101, et seq.; and the Elliott-Larsen Civil Rights Act, MCL §§ 37.2101, et seq.

First Reading of Board
Policy IDAC -
Kindergarten

**BOARD POLICY
INSTRUCTIONAL PROGRAM
KINDERGARTEN**

**IDAC
~~JUNE 20, 1988~~
Reviewed 5/2014
OCTOBER 20, 2025**

~~Kindergarten education shall be provided for all students of the school district meeting the requirements as indicated in Policy JBA – Compulsory Attendance Ages and Placement of Students Transferring into Livonia Public Schools.~~

The Board of Education recognizes the importance of providing a Kindergarten education to students, even though it is not required by the State of Michigan. The School District shall offer a full-day kindergarten program to all eligible children residing within the District. The program will be designed to provide developmentally appropriate learning experiences that support students' social, emotional, and academic growth, and will align with state standards and requirements.

LEGAL REF.: MCL 380.1147

First Reading Board
Policy IDB – Health
Education

**BOARD POLICY
INSTRUCTIONAL PROGRAM
HEALTH EDUCATION**

**IDB
~~DECEMBER 18, 2017~~
OCTOBER 20, 2025**

~~It is the position of~~ The Board of Education **establishes** that the providing of consultative and preventive health services, e.g. **vision screening**, is generally the responsibility of county government, and that the treatment of individual children is a parental responsibility. **Wayne County Health and Human Services** is a resource the school district will utilize to provide support to staff, families and students, as needed. The school district will provide health education based on content standards and expectations from the Michigan Department of Education.

~~In accordance with this position, the Board of Education expects the school staff to cooperate with the Wayne County Department of Public Health and other governmental agencies. In addition to cooperating with the Wayne County Department of Public Health and it is the policy of the Board of Education to support programs of health education directed to both parents and teachers in regard to student health and to the health of staff members.~~

LEGAL REF.: MCL 380.1502
MCL 380.1170, 1170a, 1170b

First Reading Board
Policy IDBB – Drug
Education

**BOARD POLICY
INSTRUCTIONAL PROGRAM
~~DRUG~~ SUBSTANCE ABUSE EDUCATION**

**IDBB
~~JUNE 20, 1988~~
~~Reviewed 5/2014~~
OCTOBER 20, 2025**

The Board of Education recognizes that many health problems caused by substance abuse may be reduced through a comprehensive health education program dealing with the effects of **addictive substances, such as, nicotine, tobacco,** alcohol and narcotics. ~~upon the human system.~~

The school district shall provide educational opportunities through ~~appropriate programs~~ **Physical Education, Health and other courses** at ~~all appropriate~~ levels of schooling for learning about the physiological, hygienic and psychological effects of substance abuse.

LEGAL REF.: MCL 380.1170
MCL 380.1170a

Point of Privilege –
Approval of Board
Annual Professional
Development

Invoking Point of Privilege, it was moved by Mrs. Burton and supported by Mrs. Jarvis that the Board of Education of the Livonia Public Schools School District authorize the expenditures of up to \$18,000 for MASB trainings and other professional development throughout the 2025-2026 school year.

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

Hearing from Board
Members

Mrs. Jarvis congratulated and thanked the Robotics teams.

Adjournment

President Bradford adjourned the meeting at 8:16 pm.

Off./Supt./tg

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

TOPIC: Acceptance of Financial Statements for 2024-2025

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the 2024-2025 audit report as presented by the audit firm of Plante Moran.

RATIONALE:

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

BUDGETARY INFORMATION:

This is the final report of the school district finances for the 2024-2025 school year.

RESOURCE PERSONNEL:

Alison Smith, Chief Financial Officer

EXHIBITS:

Attached.

Livonia Public Schools

Report to the Board of Education

June 30, 2025

To the Board of Education
Livonia Public Schools

We have recently completed our audit of the basic financial statements of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2025. In addition to our audit report, we are providing the following results of the audit and informational items that impact the School District:

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

October 21, 2025

Results of the Audit

October 21, 2025

To the Board of Education
Livonia Public Schools

We have audited the financial statements of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2025 and have issued our report thereon dated **October 21, 2025**. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 15, 2025, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

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

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

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

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 10, 2025.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

No new accounting policies were adopted, and the application of existing policies was not changed during 2025 except for the adoption of GASB Statement No. 101, *Compensated Absences*. The adoption of the standard did not have a significant impact on the financial statements.

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

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

During our audit, we identified and designed audit procedures to respond to certain significant risks. Because management is in a unique position to perpetrate fraud due to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively, generally accepted auditing standards require that we always consider this to be a significant risk. In addition, we identified the following significant risk of misstatement:

Revenue Recognition Fraud Risk

In response to these identified significant risks, we performed the following:

- Testing of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
- We audited the School District's supporting documentation in order to verify that only funds meeting the criteria of having been earned are reported as revenue. Any amounts received but not yet earned should be reported as unearned revenue (liability).

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

The most sensitive estimates affecting the financial statements were the School District's share of the MPERS net liability for the pension and net asset for the other postemployment benefit (OPEB) plans recorded on the government-wide statements related to GASB Statement Nos. 68 and 75, respectively. The School District's estimates as of June 30, 2025 were a \$267 million liability and a \$46 million asset for the pension and OPEB plans, respectively, based on data received from the Office of Retirement Services. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was as follows:

The disclosure of the School District's participation in the Michigan Public Schools Employees' Retirement System in Note 10 to the financial statements.

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

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

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

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

We did not detect any misstatements as a result of audit procedures.

Significant Findings or Issues

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

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **October 21, 2025**.

Management Consultations with Other Independent Accountants

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

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

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

Very truly yours,

Plante & Moran, PLLC

Lisa M. Vargo, CPA

Informational Items

DRAFT

Managing the Changing Landscape

As fiscal year 2025/2026 kicked off, school districts were immediately faced with uncertainty, as the State did not deliver on its self-imposed deadline to complete the school aid budget by July 1. This left districts in the dark regarding expected funding levels and open to making their best guess as to what the per pupil funding will be when adopting initial budgets for fiscal year 2025/2026. While the May 2025 Consensus Revenue Estimating Conference resulted in upward revisions to the short- and long-term revenue growth projections for both the General Fund and School Aid Fund, there was also a cautionary undertone related to the potential impacts of macroeconomic events, such as the impact of the evolving federal trade policies on the Michigan economy. The revenue projections were further cast into doubt once the federal One Big Beautiful Bill Act was signed on July 4, 2025. It is estimated that the act will significantly reduce the amount of revenue the State takes in due to the impact the bill will have on tax revenue. The bill also makes changes to Medicaid, which may negatively impact the State's budget.

There are also many changes occurring at the federal level. The U.S. Department of Education is undergoing major changes in 2025 following an executive order to dismantle it, with its responsibilities being reassigned to other federal agencies. In addition, billions of dollars in education funding were initially frozen by executive order, affecting several federal programs that school districts annually receive, primarily related to Title I. Congress has not yet approved the fiscal year 2026 budget for the U.S. Department of Education; however, the president's budget proposal eliminates funding for programs such as Title 1-C, Title III, Title II, and Title IV-A. School districts that are accustomed to receiving revenue under these specific federal programs now have increased uncertainty as to their ability to fund programs that have already been put into place.

For many school districts, this is a level of uncertainty that has not been experienced since the start of the COVID-19 pandemic.

We understand the unique challenges school districts face within the changing funding landscape. We continue to work closely with state and federal decision-makers to both understand the changes and provide insight into potential implications. As a strategic partner and advocate for public education, we continue to meet with decision-makers before actions are finalized so that these groups can be well informed of the implications their actions will have on the students, your business office, and your financial statements. Our work continues with federal and state agencies as new or revised accounting and compliance guidance is developed so we can help school districts be better equipped to manage the new rules and requirements. As guidance is updated and opportunities are identified, we will continue to provide updates to aid the School District in managing changes and navigating complexities. We understand that the last several years have required substantial extra effort by the Board of Education, administration, teachers, and support staff to bring the School District through one of the most extraordinary times in education. We also understand that the work is not done, and we appreciate the opportunity to work side by side with your team during this next chapter.

School Funding - School Aid in Depth

2024/2025 School Funding

As fiscal year 2024/2025 began, many school districts were entering their first year, since the start of the pandemic, with little or no COVID-19 grant dollars remaining. For many school districts, this resulted in the budgeted use of fund balance to balance the budget as school districts began to grapple with the reality of needing funding to support additional programming and staff resources that had been added during the ESSER funding era of the past several years. From a state budget perspective, at the May 2024 Consensus Revenue Estimating Conference, it was predicted that there would be sufficient resources for current programs but suggested that the revenue growth in the School Aid Fund would continue at a slower pace than the previous two years. As a practical matter, the conference conclusions suggest the funding growth will mirror more closely the prepandemic growth levels. As schools entered the 2024/2025 fiscal year, the School Aid Bill was completed and signed into law. The bill provided for some funding increases and resources to fund new initiatives agreed to by the governor and Legislature. It also reduced the allocation for some one-time categoricals. It increased resources provided for retirement, and it did not provide a foundation allowance increase. Instead, changes were made to how categoricals related to the MPSERS, with the intent of providing approximately \$400 per pupil for each district to spend on operations. Based on the mechanics of the School Aid Bill, not every district realized a full \$400 benefit. Some key highlights of the School Aid Bill include the following:

- **Foundation Allowance:** The target foundation allowance stayed at \$9,608 per pupil for public schools. Public school academies received a 3.9 percent increase in their target foundation, estimated at \$9,983. The increase was due to the fact that most academies do not participate in the MPSERS and are funded using a separate categorical. While there was no increase in the foundation allowance, net state funding per pupil increased; however, it was primarily through changes related to MPSERS categoricals, as subsequently explained.
- **Pupil Count:** Continued the traditional blended pupil count methodology, with 90 percent weighting for the October 2024 count and 10 percent weighting for the February 2024 count. For declining enrollment districts, a provision continues to use a two-year blended count to slow the impact of the decline on current year revenue. A district qualified if its 2024 final membership count was lower than the 2023 final membership count. In this case, a school district received additional state funding through Section 29.
- **MPSERS Cost for 2024/2025:** There were several key changes related to existing and new MPSERS cost support provided to school districts as follows:
 - **Section 147a(4)** - The MPSERS OPEB and pension funding has been the focus of School Aid Fund discussions for many budget cycles. For years, the OPEB and pension plans have been underfunded and have had a large net liability (referred to as the "UAAL"). However, the OPEB plan is now considered fully funded, meaning that the plan now has sufficient assets to cover accrued health benefits for current and former employees' past services. State funding has historically provided a contribution to districts to cover the OPEB UAAL costs, which was about \$669 million, statewide. The 2024/2025 School Aid Bill redirected about \$598 million of the savings back to school districts. This was funded through a categorical, 147a(4), and represented approximately 5.75 percent of the School District's 2024 MPSERS-related payroll. For fiscal year 2024/2025, the total amount of 147a(4) funding the School District received was \$6,382,464.01, which equates to approximately \$483.29 on a per pupil basis.

- **Section 147c(2)** - For only the second time, similar to 2023, the budget appropriated \$250 million in additional, one-time payments to be made to the retirement system. Ultimately, there is no impact to fund balance of the School District. An allocation was made to the School District; however, the School District was then invoiced by the retirement system for the same amount that was received for this state aid categorical.
- **Section 147g** - This funding was new in 2024/2025 and was for reimbursing employees for their 3 percent employer contribution to the OPEB plan. School districts received this funding and were required to use it to reimburse employees; therefore, this funding did not provide additional resources to the School District for general operating purposes.
- **GSRP:** GSRP received an increase in funding and provided for more families to be eligible for free preschool. Now, families who are less than four times the federal poverty level will be eligible for free service.
- **At-risk:** At-risk funding is now over \$1 billion. Revisions to the program include new flexibility provisions to reduce teacher-student ratio and support retention and recruitment efforts.
- Categoricals continuing without substantive change include, but are not limited to, the following: Transportation, Future Educator Fellowship, Student Teacher Stipend, and ISD Operations support.
- Many smaller categoricals were eliminated or had reduced funding. However, the most significant funding reduction was for mental health and school safety, Section 31aa, which was reduced from \$328 million to initially only \$26.5 million. Additionally, school districts had to opt in to receive this funding; it was not automatically distributed. During the year, a supplemental bill was enacted that increased funding by \$125 million. However, school districts had to be cautious in how this funding was utilized. Any payroll costs covered by this funding in 2024/2025 would need to be funded from general school district resources in future years.

2025/2026 School Funding

The 2026 budget cycle was highly unusual because of significant delays and political impasses. Michigan's Legislature - split between a Republican-led House and a Democratic-led Senate - missed its July 1 statutory budget deadline for the first time in years. Months of negotiations stretched past the July 1, 2025 start of the 2026 fiscal year for schools in Michigan and even past the start of the State's fiscal year, October 1, 2025, forcing lawmakers to pass an emergency one-week stopgap measure to avert a partial government shutdown. Political disagreements centered on spending priorities (notably road funding) contributed to the gridlock. Economic conditions also made this cycle unique. A May 2025 revenue conference had initially projected healthy growth, but officials grew cautious due to inflationary pressures and other macroeconomic uncertainties. Furthermore, federal influences complicated the picture. A new federal tax package (nicknamed the "One Big Beautiful Bill Act") was signed in July 2025 and was expected to shrink Michigan's 2026 revenue by roughly \$677 million if the State adopted the changes to the federal tax rules for Michigan tax filers. At the same time, potential federal budget cuts (such as proposals to scale back U.S. Department of Education programs and changes to Medicaid) added extra uncertainty for state budget planners. These factors combined to make fiscal year 2026's budget process one of the most delayed and challenging in recent memory.

Fiscal Year 2026 Budget - K12 Education Impacts

Education and public safety remained top priorities alongside infrastructure - reflecting a bipartisan consensus to protect key services even as other areas saw belt-tightening. The school aid (education) budget is \$21.3 billion - about \$0.5 billion higher than last year - and includes record funding levels for K-12 schools. While schools will see record funding this year, it should also be noted that this budget continues to shift significant funding from the School Aid Fund (approximately \$1.3 billion in 2026) to colleges and universities, a trend that continues from previous budget cycles. Below is a summary of the key budget provisions affecting K-12 schools:

- **Per Pupil Foundation Allowance Increase:** The base funding for each student rises to \$10,050, up from \$9,608 - approximately a 4.6 percent increase per pupil, reaching the highest level ever in Michigan.
- **MPSERS Cost Offset (147a(1)) - Eliminated:** This was essentially a supplemental payment to help schools pay for retirement expenses. In an unanticipated change, this \$100 million offset was removed from the budget, which equated to approximately \$75 per student, on average across the State, that school districts will no longer receive.
- **MPSERS Cost Offset - Reduced UAAL Cap (147a(4)):** As expected, this line item was completely removed as compared to the 2025 budget, which equated to \$598 million or approximately \$400 per student. This funding was removed given the fiscal year 2026 statutory reduction in the MPSERS UAAL required contribution from 20.96 percent to 15.21 percent of covered payroll.
- **Universal Free School Meals (30d):** The budget continues to provide free breakfast and lunch for all K-12 students, dedicating about \$200 million to fund the Michigan School Meals program for another year. This ensures every student has access to meals at school at no charge, regardless of family income.
- **Expanded Support for At-risk and ELL Students:** Funding for at-risk students (Section 31a), which supports low-income and academically vulnerable children, was increased by 25 percent, adding roughly \$258 million to help districts improve outcomes for disadvantaged students. However, there is a new requirement that districts must provide a report to parents how the funding was used and allow parents to provide feedback. Likewise, English Language Learner grants (Section 41) received a 25 percent boost (to approximately \$62.7 million) to better support students for whom English is a second language.
- **Special Education (51e):** Funding saw a more modest uptick. Foundational special education grants grew by about 4 percent (an increase of roughly \$25 million statewide) to help serve students with disabilities.
- **New Class Size Reduction Initiative:** Lawmakers set aside \$65 million in one-time funds to help early elementary grades. This money is earmarked to reduce class sizes in grades kindergarten through third grade, particularly in high-poverty schools, by hiring more teachers or aides. The goal is to improve learning conditions for young students by ensuring smaller teacher-to-student ratios in critical early learning years.
- **Student Mental Health and Safety (31aa):** The budget maintains and increases support for student wellness. It provides over \$169 million for per pupil mental health and school safety grants - funding that schools can use for counselors, mental health programs, and security measures. This is a significant investment (an increase from roughly \$151.5 million allocated last year when including supplemental funds) and continues Michigan's postpandemic focus on mental health initiatives in schools. However, some of these dollars remain categorized as one-time funding, meaning the Legislature will need to revisit them in future budgets to ensure these services continue.

- **Infrastructure Grants:** Allocates \$100 million in one-time funding for districts to apply for competitive grants related to infrastructure needs.

Looking Forward to 2026 and Beyond

The State's budget for 2026 is approximately \$81 billion. The budget represents a shift in priorities. Lawmakers made a major investment in infrastructure, boosting road and bridge funding by approximately \$1.1 billion per year. To achieve this, the plan introduces a new 24 percent wholesale tax on marijuana, a \$420 million revenue source that became the linchpin of the roads deal. In addition, the Legislature agreed to reroute the 6 percent sales tax on gasoline into road funding by replacing it with a 20 cents per gallon fuel tax increase. These moves direct money away from other areas (like the School Aid Fund and local revenue sharing) toward Michigan's long-neglected transportation network, aligning with Governor Gretchen Whitmer's "fix the roads" campaign promise. To help fund these budget initiatives, the State has also decided to forego adopting many of the tax breaks introduced by the federal One Big Beautiful Bill Act of 2025. Opponents of this measure argue that this will drive business away from Michigan as companies look to invest in states that have adopted these tax savings measures. Eventually, the new tax measures and tax shifts are expected to generate over \$1.5 billion per year for infrastructure once fully implemented. The primary question for K-12 education is, "What further pressures will be placed on the School Aid Fund if these changes in revenue streams do not produce the future level of revenue that the State is anticipating?"

The May 2025 Consensus Revenue Estimating Conference provided a look into 2026 and 2027. Revenue estimates for the School Aid Fund were adjusted upward slightly from the previous January 2025 and May 2024 estimates. However, previous revenue estimates did not include any of the impacts that were introduced with the passing of the 2026 budget, and school districts will need to pay close attention to the January 2026 conference to see what impact these changes are projected to have on the School Aid Fund for future years.

School districts will also need to continue to monitor developments at the federal level, as efforts continue by the executive branch to dismantle the Department of Education. There is also continued scrutiny by the federal government regarding funding for certain programs that are provided by school districts, which has resulted in paused or delayed funding. The federal government is currently at an impasse with its budget and is currently in a shutdown, as it missed the October 1 deadline to pass a 2026 budget. What cuts will be made that impact education once a budget is finally passed? This adds a level of uncertainty for school districts for which it is difficult to plan.

Student enrollment also impacts the level of funding the School District receives. During the pandemic, most public schools across Michigan experienced a decline in enrollment. Statewide enrollment has historically been slightly under 1.5 million students. Prior to the pandemic, annual enrollment figures were declining annually by about 10,000 students per year. However, during the pandemic, statewide enrollment decreased in excess of 50,000 students. As part of the Consensus Revenue Estimating Conference process, total enrollment is tracked and estimated. A key consideration in the projections continues to be to what extent the 50,000 student reduction will recover. Current data suggests that some portion returned as the rate of decline slowed, but enrollment will not recover to prepandemic levels. While this data is important statewide, it is very important at the local district level. Since the foundation allowance is computed on a per pupil basis, a stable and predictable enrollment will have a substantial impact on the financial picture. As a practical example, on average, it takes about 10 students to fully fund a teacher position. As districts continue to operate in the postpandemic period, continued focus on recruiting and retaining students and families will be essential to improving student enrollment.

In turn, school districts will be required to adjust to changes in funding priorities and ultimately how resources will be used for local district operations. Some of those challenges include the following:

- The impact of a recession on school funding if it were to occur
- Continued uncertainty regarding the Department of Education and the impact on school districts if it is dismantled

- Federal trade policy and global, geopolitical conflicts
- Continued efforts at attracting and retaining students to the School District
- Pupil count trends and projections for school districts and school buildings to better plan staffing, infrastructure, and operational needs
- Assessing food service operations as entering the third year of the new state-funded free breakfast and lunch program
- Potential staffing cost increases, including fringe benefits such as health care
- Operating cost increases resulting from inflation
- Technology cost increases and access to technology learning tools
- Cost trends for the retirement system and the extent to which state support is used from the School Aid Fund

The next Consensus Revenue Estimating Conference will occur in January 2026. As districts move into the 2025/2026 school year, they will need to carefully plan for how best to use current resources as well as begin to plan for potential adjustments going forward.

Michigan School Meals

Since the launch of Michigan's state-funded free breakfast and lunch initiative in the 2023/2024 school year, the program has aimed to provide all students, regardless of income, with nutritious meals at no cost. Originating from amendments to the State Aid Act in 2023/2024, the initiative was designed to supplement the federal National School Lunch and National School Breakfast programs, delivering meals to students who would otherwise be ineligible for federally funded free meals. For the 2023/2024 and 2024/2025 school years, participating districts received state funding through Section 30d, which was allocated to the Food Service Fund. This support replaced previous revenue from student-paid meals, allowing districts to offer universal access to breakfast and lunch.

For 2024/2025, the School District received \$2,181,792.27 in state funding under Section 30d for this program. Some key observations include the following:

- Participation is not automatic. Districts apply using the Coordinated Application in the State's NexSys system.
- For a district to be eligible to participate, it had to do the following:
 - Be a public school, charter school, or intermediate school district
 - Participate in the National School Lunch Program
 - Serve breakfast and lunch
 - Serve all meals at no cost to pre-K through 12th grade students
 - Adopt Community Eligibility Provision (CEP) to maximize federal reimbursement. Note that not all schools qualify for this provision under the federal program. If a district qualifies, the meals will be funded using that federal program, and the state program is not needed.
 - Collect relevant family income information
 - Write off all outstanding student negative balances

- The program works alongside and supplements the current federal National School Lunch and National School Breakfast programs and does not replace them.
- Districts will need to track and claim meals served similar to what is done for the federal programs.
- As noted above, districts must eliminate negative student account balances. In doing so, the Food Service Fund is not allowed to absorb the write-off. That removal requires funding from sources outside the Food Service Fund. The MDE provides guidance for how this should be accomplished.
- Many school districts are experiencing an increase in fund balance in the Food Service Fund beyond the state limitations for this fund. School districts will need to monitor and ensure that there is a spenddown plan that strategizes utilizing the fund balance for allowable costs.

With this approach to access to school meals, the potential for continued high participation rates is likely. Many districts saw increased demand on food service operations, including staffing levels, timing of meals, cafeteria seating, menu planning, and food orders through 2024/2025. Although there have been efforts to make the school meals program a permanent part of state law, its authorization and funding are still determined annually through the State's School Aid Fund budget.

Funding for this program was continued in the 2026 state budget; however, additional provisions were added that allow the MDE to withhold 5 percent of the School District's state aid payments if the following provisions are not adhered to:

- Adherence to federal school meal rules
- Mandatory completion of the federal free and reduced-price meal application by all students

Food Service Fund - Fund Balance

We noted that the fund balance of the Food Service Fund continues to exceed the U.S. Department of Agriculture's maximum allowance of three months' worth of operating expenditures. The School District should continue to monitor its spenddown plan, entered into with the Michigan Department of Education, for reducing the balance to an acceptable level.

Prevailing Wage Requirements

When utilizing federal funding for projects that fall under the definition of construction in the Davis Bacon provisions, there are specific guidelines that may apply, such as the prevailing wage requirement. Prevailing wage requirements will apply when a school district utilizes federal funding for remodeling, renovation, repair, or construction contracts over \$2,000. The School District must ensure the contract terms include the requirement to comply with prevailing wages, as well as ensure that certified payrolls were completed and subsequently reviewed by the School District.

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

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

At September 30, 2024, the pension portion of the MPSERS plan for the State of Michigan had a net pension liability of approximately \$24.5 billion. This is a decrease of approximately 24 percent from the reported amount of \$32.4 billion on September 30, 2023. One of the primary reasons for the decrease in the net liability was the net investment returns. The pension plan's annual investment rate of return was 15.5 percent for the year ended September 30, 2024, compared to 8.3 percent for the year ended September 30, 2023.

At September 30, 2024, the retiree health care portion (OPEB) of the MPSERS plan had a net OPEB asset of approximately \$4.3 billion compared to the net OPEB asset of \$566 million at September 30, 2023. This is an increase of approximately 660 percent. One of the reasons for the increase in the net asset was the net investment returns as well as favorable differences between expected and actual experience. The pension plan's annual investment rate of return was 15.5 percent for the year ended September 30, 2024, compared to 8.3 percent for the year ended September 30, 2023.

Fund Balance

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

During the 2024/2025 school year, the School District's General Fund expenditures exceeded revenue by approximately \$4,600,000. This resulted in reducing the General Fund balance to approximately \$29,000,000 at June 30, 2025. Fund balance goals are often stated in terms of a percentage of total expenditures. As a point of reference, the statewide average for school districts at June 30, 2024 was approximately 24.7 percent of operating expenditures (excluding transfers). Fund balance at the statewide average would approximately equal the School District's average operating costs for an 11-week period. The School District's fund balance percentage is 15.1 percent and equals approximately 8 weeks of operation.

Upcoming Accounting Pronouncements

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

GASB Statement No. 103 - Financial Reporting Model Improvements

The objective of this standard is to make improvements to the financial reporting model, including GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*, and other reporting model-related pronouncements. A key change to this standard from the exposure draft is the removal related to the recognition in and the presentation of governmental funds. The standard's scope includes management's discussion and analysis (MD&A); proprietary fund financial statement presentation, particularly the operating/nonoperating classification; budgetary comparisons; major component unit information; and the presentation of unusual or infrequent items. This statement requires that the MD&A be limited to the five topics noted in the standard and provides further guidance on how the MD&A should be written. For proprietary fund financial reporting, the statement defines operating and nonoperating revenue and expense. It also requires a new subtotal for operating income (loss) and noncapital subsidies. The statement prescribes that the budgetary comparison be reported only in the required supplementary information section of the statements and dictates what variance information to be included. Next, the statement requires that major component unit information be presented separately in the statements of net position and activities, with a caveat for readability. Lastly, the statement describes unusual and infrequent transactions and outlines how they should be presented separately. This new standard will be effective for the School District's June 30, 2026 year end.

GASB Statement No. 104 - Disclosure of Certain Capital Assets

This standard is designed to provide users of governmental financial statements with essential information about certain types of capital assets. Although authoritative guidance prior to this standard requires governments to disclose detailed information about capital assets in notes to the financial statements, previously, there was inconsistency in practice for disclosure and presentation for certain capital asset classes. This new standard clarifies and expands disclosure requirements to improve consistency and comparability between governments. GASB Statement No. 104 will require certain classes of capital assets, including lease assets, intangible right-of-use assets, and subscription-based IT assets, to be disclosed separately in the capital assets note. In addition, the standard will require additional disclosures for capital assets that are held for sale; the new standard will impact the presentation of almost every governmental financial statement for entities that have capital assets that are in the process of being sold at fiscal year end, assuming certain conditions are met. This new standard will be effective for the School District's June 30, 2026 year end.

Sinking Fund Legislation

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

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

Bond Investment Earnings - Arbitrage Considerations

Arbitrage is not a new topic; however, in the current environment of raising interest rates, it is a topic that has recently received more attention. So, what is arbitrage? To summarize, arbitrage is the difference between the interest expense paid by the bond debt issuer (school district) and the earnings on the invested bond proceeds. School districts are tax-exempt organizations and, therefore, subject to federal arbitrage compliance rules. As a result, the School District may be limited to the amount of investment earnings that it is allowed to retain. The arbitrage calculations are quite complex, and, generally, the School District needs to work with its bond advisor to ensure this computation is completed on a recurring basis. Generally, at the five-year anniversary of the original bond sale, a computation is also completed and used to report to the federal government any investment earnings in excess of what is allowed to be retained and is generally due back to the federal government (Internal Revenue Service). The annual arbitrage calculations are also utilized to determine if the School District should report an arbitrage liability at June 30 in the full accrual set of financial statements. No amounts are recognized in the capital projects funds until the year of the final calculation. At June 30, the School District has unspent bond proceeds that are accruing investment earnings. The School District completed its analysis, and it was determined that there is an arbitrage liability in the amount of \$1,932,705 and the School District has reported this as a liability in the government-wide statement of net position at June 30, 2025.

Inflation Reduction Act (IRA)

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

OMB Revisions to the Uniform Guidance

In April 2024, the Office of Management and Budget (OMB) released revisions to the Uniform Guidance (UG) for federal grants and agreements. The guidance clarifies the applicability of requirements and terminology and includes some relaxation and clarification of certain requirements that required prior approval from federal regulators. Changes to certain award-level administrative requirements are effective for grants received on or after October 1, 2024. In addition to award-level changes, one key change to audit-level requirements relates to the increase of the single audit threshold from \$750,000 to \$1 million. The Type A threshold for federal programs also increases from \$750,000 to \$1 million. This audit-level change is effective for fiscal year ends starting on or after October 1, 2024 and, therefore, would be applicable for the School District's fiscal year ending June 30, 2026. In addition, beginning on July 1, 2025 and moving forward, there are new UG requirements that will impact federal grants. As such, beginning with the 2025-2026 school year, school districts will need to update their policies and procedures to conform to those new requirements.

Artificial Intelligence (AI)

AI is rapidly transforming the education landscape, bringing both opportunities and significant challenges. Districts are grappling with how to maintain academic integrity in an era where generative AI tools can produce essays, solve problems, and mimic human writing. Traditional assessment models are under pressure, and educators are being pushed to rethink how learning is measured and validated.

Beyond the classroom, districts face hurdles in preparing teachers and staff to effectively integrate AI into teaching, learning, and operations. Many lack the training or strategic frameworks needed to adopt AI responsibly. At the same time, the influx of AI tools raises serious concerns about data governance, privacy, and compliance with regulations. Without robust systems in place, institutions risk exposing sensitive student and operational data.

Key questions higher education leaders should consider are as follows:

1. Are we strategically aligned to leverage AI in ways that support our mission and values?
2. Do we have the right data governance and ethical frameworks in place?
3. Are our teachers, staff, and students equipped to use AI responsibly and effectively?
4. How will AI impact our operational model?

Plante & Moran, PLLC (Plante Moran) is uniquely positioned to help school districts navigate these challenges. Through our AI service offerings, our firm provides strategic guidance and hands-on support tailored to the sector. School districts can begin with Plante Moran's AI Readiness Workshops and Innovation Labs, which help assess current capabilities and chart a path forward. These sessions are designed to align AI adoption with district goals while identifying risks and opportunities. For those looking to implement AI across departments, Plante Moran offers technology strategy and execution services. These include organization-wide assessments, transformation planning, and support for emerging technologies. Our firm also brings deep expertise in data governance and analytics, helping institutions build secure, compliant frameworks for managing and leveraging data.

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Livonia Public Schools

**Financial Report
with Supplementary Information
June 30, 2025**

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Independent Auditor's Report

To the Board of Education
Livonia Public Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of June 30, 2025 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Board of Education
Livonia Public Schools

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

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

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

Required Supplementary Information

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

Supplementary Information

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

To the Board of Education
Livonia Public Schools

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2025 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

October 21, 2025

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This section of Livonia Public Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2025. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using This Annual Report

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

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

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

Schedule of OPEB Contributions

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

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

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

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

Reporting the School District's Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Custodial Funds and Trust Funds

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

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. The following table provides a summary of the School District's net position as of June 30, 2025 and 2024:

	Governmental Activities	
	2025	2024
	(in millions)	
Assets		
Current and other assets	\$ 193.9	\$ 150.5
Capital assets	405.7	382.4
Total assets	599.6	532.9
Deferred Outflows of Resources	91.9	122.6
Liabilities		
Current liabilities	46.3	58.7
Noncurrent liabilities	328.9	299.3
Net pension liability	267.3	350.2
Total liabilities	642.5	708.2
Deferred Inflows of Resources	151.8	112.4
Net Position (Deficit)		
Net investment in capital assets	133.5	120.8
Restricted	57.0	13.6
Unrestricted	(293.3)	(299.5)
Total net position (deficit)	\$ (102.8)	\$ (165.1)

The School District's net position improved significantly during fiscal year 2025, moving from a deficit of \$(165.1) million to \$(102.8) million. This improvement is primarily attributable to a reduction in the School District's share of the net pension liability, as well as investment in capital assets financed through voter-approved bonds. The net investment in capital assets of \$133.5 million reflects the School District's long-term commitment to facilities, infrastructure, and learning environments. Restricted net position of \$57.0 million represents resources that are subject to external restrictions on how they may be used, while the unrestricted net position of \$(293.3) million reflects the cumulative effect of past operational results and pension/OPEB liabilities.

The \$(293.3) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and the impact from adoption of GASB Statement Nos 68 and 75 (recording the School District's share of the net pension liability and OPEB asset from the state-managed retirement system). The negative unrestricted net position balance is attributed to the net pension liability arising from the underfunded MPSERS obligations. Unrestricted net position, when available, would enable the School District to meet working capital and cash flow requirements and to provide some fiscal stability for future uncertainties. The operating results of the General Fund and the change in the net pension/OPEB liabilities (assets) will have significant impacts on the change in unrestricted net position (deficit) from year to year.

Livonia Public Schools

Management's Discussion and Analysis (Continued)

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2025 and 2024:

	Governmental Activities	
	2025	2024
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 4.6	\$ 4.5
Operating grants	108.2	113.6
General revenue:		
Taxes	63.8	60.0
State aid not restricted to specific purposes	91.3	94.3
Other	7.7	9.6
Total revenue	275.6	282.0
Expenses		
Instruction	101.4	115.9
Support services	70.4	79.4
Athletics	2.5	1.9
Food services	5.2	5.2
Community services	2.3	2.7
Debt service	10.0	10.0
Depreciation expense (unallocated)	17.3	14.4
Total expenses	209.1	229.5
Change in Net Position	66.5	52.5
Net Position - Beginning of year	(165.1)	(217.6)
Change within Financial Reporting Entity	(4.2)	-
Net Position (Deficit) - Beginning of year	(169.3)	(217.6)
Net Position (Deficit) - End of year	\$ (102.8)	\$ (165.1)

As shown above, the School District's total cost of all of governmental activities for fiscal year 2025 was \$209.1 million. Program revenue, including charges for services and operating grants, covered \$112.8 million of these costs. The remaining \$96.3 million was financed through general revenue, such as property taxes, state foundation allowance, and other unrestricted revenue. This funding structure highlights the School District's reliance on state aid and local property tax revenue to support instructional and support services that are not fully funded through targeted grants or program fees.

The results of operations for fiscal year 2025 reflect a significant improvement in the School District's overall financial position. Total revenue decreased slightly by \$6.4 million, primarily due to lower state aid and operating grant revenue as one-time funding sources continued to wind down. Total expenses decreased by \$20.3 million compared to the prior year, largely driven by lower instructional and support service costs and a reduction in pension-related expenses. As a result, the School District's net position improved by \$66.5 million during the year, reducing the overall deficit from \$(169.3) million at the beginning of the year to \$(102.8) million at year end. While the net position remains negative due to the long-term impact of pension and OPEB liabilities, the improvement reflects a strong operational year.

The School District's Funds

The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to provide more detailed financial information. Examining fund balances and activity helps stakeholders evaluate how the School District manages resources for specific purposes and assess its short-term financial position and fiscal stewardship.

At the close of fiscal year 2025, the School District's governmental funds reported a combined ending fund balance of \$102.2 million, a decrease of \$15.4 million from the prior year. This planned decrease reflects continued use of bond proceeds to fund capital improvements outlined in the School District's long-term facilities plan. These capital investments are part of the multi-year strategy approved by voters to modernize and upgrade district buildings.

The General Fund, the School District's primary operating fund, ended the year with a fund balance of \$31.1 million, down from \$33.3 million (excluding Funded Projects Fund activity). This change reflects the strategic use of one-time revenue and a temporary shift of certain recurring expenditures to the Funded Projects Fund for one year. The year-end fund balance remains within the 15 percent - 20 percent range recommended by the Michigan School Business Officials, which provides a financial cushion to manage enrollment fluctuations, unexpected funding reductions, and rising costs without causing immediate program disruptions.

Special revenue fund balances increased modestly, reflecting stable operations in Food Service and Special Education programs and continued strong activity in the Student Activities Fund. The increase in Debt Service fund balance of \$2.5 million was primarily due to higher than anticipated tax collections and fewer tax write-offs than budgeted. Capital project fund balances increased by \$13.6 million. The increased fund balance is largely due to the sale of the third series of 2021 Bond Series III in May 2025 offset by capital investments completed this year as part of the multi-year strategy approved by voters to modernize and upgrade district buildings. During the 2024-2025 school year, the School District maintained four capital project funds: the 2021 Bond Series II Fund, the 2021 Bond Series III Fund, the 2021 Sinking Fund, and a general Capital Projects Fund funded by sale of properties and transfers from other funds.

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted in June 2025. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information of these financial statements.

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

There were significant revisions made to the 2024-2025 original budget as additional information become available after the adoption of the original budget. Budgeted revenue for the General Fund increased by \$7.7 million. The main driver of this increase was changes to Section 147 revenue from the prior year. Section 147 categorical funding in Michigan's School Aid Fund provides districts with state reimbursements to help cover a portion of required employer retirement (MPSERS) costs. Budgeted expenditures for the General Fund increased by \$9.1 million primarily due the same changes made to Section 147 categorical funding. Some of the Section 147 funding is flow through from the State to the Office of Retirement Services meaning if we receive \$2.6 million of Section 147c(2) funding we not only have to record the incoming revenue, we also have to record \$2.6 million of retirement expenses to capture the payment being made to the Office of Retirement Services. There were no significant variances between General Fund final budget and actual amounts.

The School District maintains a separate fund to track grants called the Funded Projects Fund. There were revisions made to the 2024-2025 original budget to account for new grants awarded after the start of the school year, such as the Filter First grant, Cybersecurity grant, Section 23h Mathematics grant, and Section 74b Clean School Bus grant.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2025, the School District had \$405.7 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of approximately \$23.3 million, or 6.1 percent, from last year:

	Governmental Activities	
	2025	2024
Land	\$ 6,220,906	\$ 6,220,906
Construction in progress	10,321,038	43,282,314
Buildings and improvements	357,788,655	303,060,313
Furniture and equipment	24,960,338	23,612,116
Buses and other vehicles	6,416,289	6,182,220
Total capital assets - Net of accumulated depreciation	\$ 405,707,226	\$ 382,357,869

This year's overall additions of \$23.3 million include building improvements funded by the 2021 Bond proposal, such as renovated media centers and kitchens, as well as the completion of the new Early Childhood Center. Significant Sinking Fund projects completed this year included roofing and paving projects completed throughout the School District. We present more detailed information about our capital assets in the notes to the financial statements.

Debt

At the end of this year, the School District had \$292.4 million in bonds outstanding versus \$268.4 million in the previous year - a change of 8.9 percent. Those bonds consisted of the following:

	2025	2024
General obligation bonds	\$ 292,415,000	\$ 268,420,000

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

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

Economic Factors and Next Year's Budgets and Rates

Our elected school board officials and administration considered many factors when setting the School District's 2025-2026 fiscal year budget. One of the most important factors affecting the budget is our student enrollment. The state foundation allowance revenue is determined by multiplying the blended student count by the foundation allowance per pupil. For fiscal year 2026, the blended pupil count for funding will be 90 percent of the October 2025 membership and 10 percent of the February 2025 membership. The 2025-2026 budget was adopted in June 2025 based on an estimate of students enrolled in September 2025. The School District budgeted for a decline in enrollment of 75 students, consistent with the decline the School District has seen in the past as a result of the number of incoming kindergartners being less than the number of graduating seniors. The School District will amend the budget during the year to reflect actual student enrollment. The School District will also amend projected revenue and expenditures as more information becomes available.

During the 2025-2026 fiscal year, the School District will continue to benefit from having two-voter approved revenue sources outside the General Fund to help complete the work outlined in the School District's 10-year facility plan and 10-year technology plan. These revenue sources are the 2021 Bond (approved by voters in 2021) and the 2021 Sinking Fund (a 10-year tax levy approved by voters in 2019). These revenue sources alleviate some of the burden on the General Fund so more General Fund dollars can go toward instructional and social/emotional support for the students.

Contacting the School District's Management

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

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June 30, 2025

	<u>Governmental Activities</u>
Assets	
Cash and investments (Note 4)	\$ 48,905,918
Receivables:	
Other receivables	115,688
Due from other governments	30,347,532
Inventory	175,123
Prepaid expenses and other assets	276,514
Restricted assets - Cash and investments (Note 5)	67,653,459
Net OPEB asset (Note 10)	46,371,234
Capital assets - Net (Note 7)	<u>405,707,226</u>
Total assets	599,552,694
Deferred Outflows of Resources	
Deferred pension costs (Note 10)	79,047,861
Deferred OPEB costs (Note 10)	<u>12,859,863</u>
Total deferred outflows of resources	91,907,724
Liabilities	
Accounts payable	7,413,014
Due to other governmental units	11,399,822
Accrued liabilities and other	23,250,215
Unearned revenue (Note 6)	4,199,993
Noncurrent liabilities:	
Due within one year: (Note 9)	
Compensated absences	676,072
Current portion of bonds and related premiums	16,838,139
Due in more than one year (Note 9)	311,399,328
Net pension liability (Note 10)	<u>267,321,967</u>
Total liabilities	642,498,550
Deferred Inflows of Resources	
Revenue in support of pension contributions made subsequent to the measurement date (Note 10)	14,406,959
Deferred pension cost reductions (Note 10)	76,307,477
Deferred OPEB cost reductions (Note 10)	<u>61,057,177</u>
Total deferred inflows of resources	<u>151,771,613</u>
Net Position (Deficit)	
Net investment in capital assets	133,544,026
Restricted:	
Debt service	4,838,120
Capital projects	5,753,893
Net OPEB asset	46,371,234
Unrestricted	<u>(293,317,018)</u>
Total net position (deficit)	<u>\$ (102,809,745)</u>

Year Ended June 30, 2025

Functions/Programs	Program Revenue			Governmental
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Primary government - Governmental activities:				
Instruction	\$ 101,404,966	\$ 22,211	\$ 90,218,040	\$ (11,164,715)
Support services	70,424,923	113,161	11,618,417	(58,693,345)
Athletics	2,487,310	512,929	-	(1,974,381)
Food services	5,155,221	292,770	6,387,029	1,524,578
Community services	2,320,577	3,630,734	-	1,310,157
Interest	9,158,810	-	-	(9,158,810)
Other debt costs	843,148	-	-	(843,148)
Depreciation expense (unallocated) (Note 7)	17,255,395	-	-	(17,255,395)
Total primary government	\$ 209,050,350	\$ 4,571,805	\$ 108,223,486	(96,255,059)
General revenue:				
Taxes:				
Property taxes levied for general purposes				30,803,577
Property taxes levied for debt service				23,866,484
Property taxes levied for capital projects				9,095,751
State aid not restricted to specific purposes				91,303,791
Interest and investment income				4,196,100
Penalties, interest, and other taxes				23,878
Gain on disposal of capital assets				148,241
Other:				
Student activities				2,787,572
Other				499,178
Total general revenue				162,724,572
Change in Net Position				66,469,513
Net Position - Beginning of year, as previously reported				(165,081,361)
Adoption of GASB 101 (Note 2)				(4,197,897)
Net Position (Deficit) - Beginning of year				(169,279,258)
Net Position (Deficit) - End of year				<u><u>\$(102,809,745)</u></u>

June 30, 2025

	General Fund	Special Education Fund	2021 Bond Series III Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments (Note 4)	\$ 48,902,802	\$ -	\$ -	\$ 3,116	\$ 48,905,918
Receivables:					
Other receivables	115,688	-	-	-	115,688
Due from other governments	30,281,942	-	-	65,590	30,347,532
Due from other funds (Note 8)	1,084,667	13,052,348	-	8,444,176	22,581,191
Inventory	103,310	-	-	71,813	175,123
Prepaid expenses and other assets	258,683	1,155	-	-	259,838
Restricted assets (Note 5)	-	-	38,021,386	29,632,073	67,653,459
Total assets	\$ 80,747,092	\$ 13,053,503	\$ 38,021,386	\$ 38,216,768	\$ 170,038,749
Liabilities					
Accounts payable	\$ 706,561	\$ 11,281	\$ 36,350	\$ 6,567,623	\$ 7,321,815
Due to other governmental units	3,930,219	7,469,603	-	-	11,399,822
Due to other funds (Note 8)	22,532,037	-	-	1,084,667	23,616,704
Accrued liabilities and other	19,447,621	1,654,866	-	3,166	21,105,653
Unearned revenue (Note 6)	2,828,235	1,277,889	-	93,869	4,199,993
Total liabilities	49,444,673	10,413,639	36,350	7,749,325	67,643,987
Deferred Inflows of Resources - Unavailable revenue (Note 6)	191,630	-	-	-	191,630
Total liabilities and deferred inflows of resources	49,636,303	10,413,639	36,350	7,749,325	67,835,617
Fund Balances					
Nonspendable - Inventory and prepaid expense	361,993	1,155	-	71,813	434,961
Restricted:					
Debt service	-	-	-	6,634,578	6,634,578
Capital projects	-	-	37,985,036	16,857,003	54,842,039
Food service	-	-	-	1,931,066	1,931,066
Committed - Student activities	-	-	-	1,842,142	1,842,142
Assigned:					
Subsequent year's budget	1,946,281	-	-	-	1,946,281
Capital projects	-	-	-	3,130,841	3,130,841
Center programs	-	2,638,709	-	-	2,638,709
Unassigned	28,802,515	-	-	-	28,802,515
Total fund balances	31,110,789	2,639,864	37,985,036	30,467,443	102,203,132
Total liabilities, deferred inflows of resources, and fund balances	\$ 80,747,092	\$ 13,053,503	\$ 38,021,386	\$ 38,216,768	\$ 170,038,749

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2025

Fund Balances Reported in Governmental Funds	\$ 102,203,132
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
Cost of capital assets	630,115,513
Accumulated depreciation	<u>(224,408,287)</u>
Net capital assets used in governmental activities	405,707,226
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	191,630
Bonds payable and unamortized premiums are not due and payable in the current period and are not reported in the funds	(319,318,641)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,796,458)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(6,594,163)
Severance liabilities	(1,068,030)
Net pension liability and related deferred inflows and outflows	(264,581,583)
Net OPEB asset and related deferred inflows and outflows	(1,826,080)
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	(14,406,959)
Other long-term liabilities, consisting of arbitrage rebate liabilities, do not present a claim on current financial resources and are not reported as fund liabilities	(1,932,705)
Internal service funds are included as part of governmental activities	<u>612,886</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (102,809,745)</u></u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2025

	General Fund	Special Education Fund	Formerly Major - 2021 Bond Series II Fund	2021 Bond Series III Fund	Nonmajor Funds	Total Governmental Funds
Revenue						
Local sources	\$ 36,327,928	\$ -	\$ -	\$ -	\$ 36,054,804	\$ 72,382,732
State sources	144,624,838	10,211,400	-	-	3,900,664	158,736,902
Federal sources	6,668,067	-	-	-	3,608,874	10,276,941
Interdistrict sources	11,339,989	11,220,517	-	-	-	22,560,506
Investment income	2,292,957	-	-	151,725	1,751,418	4,196,100
Total revenue	201,253,779	21,431,917	-	151,725	45,315,760	268,153,181
Expenditures						
Current:						
Instruction	119,839,153	10,393,985	-	-	-	130,233,138
Support services	77,378,788	7,888,113	-	67,309	3,046,451	88,380,661
Athletics	2,785,717	-	-	-	-	2,785,717
Food services	-	-	-	-	5,699,876	5,699,876
Community services	3,042,595	-	-	-	-	3,042,595
Debt service:						
Principal	-	-	-	-	12,170,000	12,170,000
Interest	-	-	-	-	10,396,372	10,396,372
Other debt costs	-	-	-	294,007	3,750	297,757
Capital outlay	1,641,850	223,615	-	-	36,317,584	38,183,049
Total expenditures	204,688,103	18,505,713	-	361,316	67,634,033	291,189,165
Excess of Revenue (Under) Over Expenditures	(3,434,324)	2,926,204	-	(209,591)	(22,318,273)	(23,035,984)
Other Financing Sources (Uses)						
Face value of debt issued	-	-	-	36,165,000	-	36,165,000
Proceeds from sale of capital assets	-	-	-	-	235,258	235,258
Premium on debt issued	-	-	-	2,029,627	-	2,029,627
Transfers in (Note 8)	2,200,000	-	-	-	1,000,000	3,200,000
Transfers out (Note 8)	(1,000,000)	(1,900,000)	-	-	(300,000)	(3,200,000)
Total other financing sources (uses)	1,200,000	(1,900,000)	-	38,194,627	935,258	38,429,885
Net Change in Fund Balances	(2,234,324)	1,026,204	-	37,985,036	(21,383,015)	15,393,901
Fund Balances - Beginning of year, as previously reported	33,345,113	1,613,660	31,245,567	-	20,604,891	86,809,231
Change within Financial Reporting Entity (Note 2)	-	-	(31,245,567)	-	31,245,567	-
Fund Balances - Beginning of year, as adjusted or restated	33,345,113	1,613,660	-	-	51,850,458	86,809,231
Fund Balances - End of year	<u>\$ 31,110,789</u>	<u>\$ 2,639,864</u>	<u>\$ -</u>	<u>\$ 37,985,036</u>	<u>\$ 30,467,443</u>	<u>\$ 102,203,132</u>

Governmental Funds

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

Year Ended June 30, 2025

Net Change in Fund Balances Reported in Governmental Funds	\$ 15,393,901
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capitalized capital outlay	40,691,769
Depreciation expense	(17,255,395)
Net book value of assets disposed of	(87,017)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	101,630
Revenue in support of pension contributions made subsequent to the measurement date	7,116,811
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(38,194,627)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt); amortization of premium/discounts and inflows related to bond refundings are not expenses in the governmental funds	13,586,658
Interest expense is recognized in the government-wide statements as it accrues	(179,096)
Some employee costs (pension, OPEB, severance, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	46,771,109
Arbitrage rebate costs that do not use current financial resources are not reported as expenditures in the governmental funds	(1,613,421)
Internal service funds are included as part of governmental activities	137,191
Change in Net Position of Governmental Activities	\$ 66,469,513

**Proprietary Funds
Statement of Net Position**

June 30, 2025

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

Assets

Current assets:

Due from other funds (Note 8)

Prepaid expenses and other assets

Total assets

Liabilities - Claims payable (Note 11)

Net Position - Unrestricted

\$	994,500
	<u>16,676</u>
	1,011,176
	<u>398,290</u>
\$	<u>612,886</u>

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

Year Ended June 30, 2025

	<u>Internal Service Fund - Health and Welfare Fund</u>
Operating Revenue	
Employee contributions	\$ 2,989,662
Employee contributions - Purchased insurance	394,585
Charges for services	<u>20,221,251</u>
Total operating revenue	23,605,498
Operating Expenses	
Cost of insurance claims (Note 11)	563,048
Other operating and maintenance costs	356,775
Billing and administrative costs	<u>22,548,484</u>
Total operating expenses	<u>23,468,307</u>
Change in Net Position	137,191
Net Position - Beginning of year	<u>475,695</u>
Net Position - End of year	<u><u>\$ 612,886</u></u>

**Proprietary Funds
Statement of Cash Flows**

Year Ended June 30, 2025

	Internal Service Fund - Health and Welfare Fund
Cash Flows from Operating Activities	
Receipts from interfund services and reimbursements	\$ 23,162,373
Claims, premium, and administrative fees paid	(23,162,373)
Net Change in Cash - Net cash provided by (used in) operating activities	-
Cash - Beginning of year	-
Cash - End of year	\$ -
Reconciliation of Change in Net Position to Net Cash from Operating Activities	
Change in net position	\$ 137,191
Adjustments to reconcile change in net position to net cash from operating activities -	
Changes in assets and liabilities:	
Due to and from other funds	(443,125)
Prepaid expenses and other assets	224,423
Claims payable	81,511
Net cash provided by (used in) operating activities	\$ -

**Fiduciary Funds
Statement of Fiduciary Net Position**

June 30, 2025

	<u>Scholarship</u>
Assets - Due from other funds (Note 8)	\$ 41,013
Liabilities - Due to other funds	<u>1,000</u>
Net Position - Restricted for endowments	<u><u>\$ 40,013</u></u>

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Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	<u>Scholarship</u>
Additions - Local sources	\$ 8,101
Deductions - Scholarships awarded	<u>11,001</u>
Change in Net Position	(2,900)
Net Position - Beginning of year	<u>42,913</u>
Net Position - End of year	<u><u>\$ 40,013</u></u>

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Note 1 - Nature of Business

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

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

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

Reporting Entity

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

Report Presentation

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

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

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

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

Basis of Accounting

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

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

Note 2 - Significant Accounting Policies (Continued)

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

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

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

Fund Accounting

Governmental Funds

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

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

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

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

Note 2 - Significant Accounting Policies (Continued)

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

Proprietary Fund

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

Fiduciary Funds

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

Interfund Activity

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. The other supplementary information combining balance sheet presenting the General Fund and Funded Projects Fund combined includes \$1,363,939 of interfund balances due from the General Fund to the Funded Projects Fund, which is eliminated within the combined General Fund presented on the governmental funds balance sheet. Eliminated transfers from the Funded Projects Fund to the General Fund were \$158,681 for the year ended June 30, 2025.

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

Specific Balances and Transactions

Cash and Investments

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

Note 2 - Significant Accounting Policies (Continued)

Inventories and Prepaid Items

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

Restricted Assets

The following amounts are reported as restricted assets:

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

Capital Assets

Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$20,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

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

Long-term Obligations

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

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

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

Deferred Outflows/Inflows of Resources

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

Note 2 - Significant Accounting Policies (Continued)

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

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

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

Net Position

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

Note 2 - Significant Accounting Policies (Continued)

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

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

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

Property Tax Revenue

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

Grants and Contributions

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

Pension and Other Postemployment Benefit (OPEB) Plans

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

Note 2 - Significant Accounting Policies (Continued)

Employee-related Liabilities

The employment-related liabilities reported in the government-wide statements consist of earned but unused accumulated vacation and sick leave benefits. A liability for these amounts is reported in governmental funds as it comes due for payment. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

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

Use of Estimates

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

Accounting Changes

Adoption of New Accounting Pronouncement

During the current year, the School District adopted GASB Statement No. 101, *Compensated Absences*. The new accounting standard impacted the measurement of the compensated absences liability that is included in the statement of net position. The standard was required to be adopted retroactively, and, as such, the School District’s compensated absences liability and net position as of July 1, 2024 have been restated in order to adopt GASB Statement No. 101. The effects of this adoption of a new accounting pronouncement are shown in the table below.

Changes to or within the Financial Reporting Entity

Change in Major Funds

The 2021 Bond Series II Fund was previously reported as a major fund but is now reported as a nonmajor fund for fiscal year 2025. The effects of this change in major funds are shown in the table below:

	<u>June 30, 2024</u>		<u>June 30, 2024</u>
	As Previously Reported	Adoption of New Accounting Pronouncement	Change to or within the Financial Reporting Entity
			As Restated
Government-wide - Governmental activities	\$ (165,081,361)	\$ (4,197,897)	\$ -
			<u>\$ (169,279,258)</u>
Governmental funds:			
Major funds:			
General Fund	\$ 33,345,113	\$ -	\$ -
Special Education Fund	1,613,660	-	-
2021 Bond Series II Fund	31,245,567	-	(31,245,567)
Nonmajor funds	20,604,891	-	31,245,567
			<u>51,850,458</u>
Total governmental funds	<u>\$ 86,809,231</u>	<u>\$ -</u>	<u>\$ -</u>
			<u>\$ 86,809,231</u>

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

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

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2026.

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

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

The budget for funded projects was adopted separately, and a separate budget for these activities has been presented accordingly.

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

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

Excess of Expenditures Over Appropriations in Budgeted Funds

The School District did not have significant expenditure budget variances.

Note 4 - Deposits and Investments

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

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

Note 4 - Deposits and Investments (Continued)

At year end, the School District had \$108,217,213 in investment pools in the Michigan Liquid Asset Fund, which is recorded at amortized cost. There are no limitations or restrictions on participant withdrawals. Additionally, \$108,217,213 of investments may not be redeemed for at least 14 calendar days, with the exception of direct investments of funds distributed by the State of Michigan. Redemptions made prior to the applicable 14-day period are subject to a penalty equal to 15 days' interest on the amount redeemed.

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At year end, the School District had bank deposits of \$8,296,688 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The School District believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. At June 30, 2025, there were no investment securities that were uninsured and unregistered.

Interest Rate Risk

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

Credit Risk

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

Investment	Carrying Value	Rating	Rating Organization
Michigan Liquid Asset Fund - MAX Class	\$ 108,217,213	AAAm	S&P

Concentration of Credit Risk

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

June 30, 2025

Note 4 - Deposits and Investments (Continued)

Foreign Currency Risk

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

Note 5 - Restricted Assets

At June 30, 2025, restricted assets are composed of the following:

Description	Governmental Activities
Unspent bond proceeds and related interest	\$ 48,495,945
Unspent sinking fund property taxes levied	12,887,877
Unspent debt service property taxes levied	6,269,637
Total	<u>\$ 67,653,459</u>

Note 6 - Unavailable/Unearned Revenue

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

At June 30, 2025, the various components of unavailable and unearned revenue were as follows:

	Governmental Funds	
	Deferred Inflow - Unavailable	Liability - Unearned
Unavailable grant revenue	\$ 191,630	\$ -
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	4,106,124
Other	-	93,869
Total	<u>\$ 191,630</u>	<u>\$ 4,199,993</u>

Note 7 - Capital Assets

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

	Balance July 1, 2024	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 6,220,906	\$ -	\$ -	\$ -	\$ 6,220,906
Construction in progress	43,282,314	(43,092,593)	10,131,317	-	10,321,038
Subtotal	49,503,220	(43,092,593)	10,131,317	-	16,541,944
Capital assets being depreciated:					
Buildings and improvements	482,008,488	43,092,593	23,928,515	-	549,029,596
Furniture and equipment	47,111,431	-	5,535,915	-	52,647,346
Buses and other vehicles	11,072,532	-	1,096,022	(271,927)	11,896,627
Subtotal	540,192,451	43,092,593	30,560,452	(271,927)	613,573,569
Accumulated depreciation:					
Buildings and improvements	178,948,175	-	12,292,766	-	191,240,941
Furniture and equipment	23,499,315	-	4,187,693	-	27,687,008
Buses and other vehicles	4,890,312	-	774,936	(184,910)	5,480,338
Subtotal	207,337,802	-	17,255,395	(184,910)	224,408,287
Net capital assets being depreciated	332,854,649	43,092,593	13,305,057	(87,017)	389,165,282
Net governmental activities capital assets	<u>\$ 382,357,869</u>	<u>\$ -</u>	<u>\$ 23,436,374</u>	<u>\$ (87,017)</u>	<u>\$ 405,707,226</u>

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

Construction Commitments

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

	Spent to Date	Remaining Commitment
Capital Projects Fund	\$ 115,680	\$ 66,254
2021 Sinking Fund	4,903,115	3,892,965
2021 Bond Series II Fund	5,302,243	8,431,449
Total	<u>\$ 10,321,038</u>	<u>\$ 12,390,668</u>

June 30, 2025

Note 8 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From	
	General Fund	Nonmajor Funds
General Fund	\$ -	\$ 1,084,667
Special Education Fund	13,052,348	-
Nonmajor funds	8,444,176	-
Private Purpose Trust Fund	41,013	-
Internal service fund - Health and Welfare Fund	994,500	-
Total	\$ 22,532,037	\$ 1,084,667

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

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
Special Education Fund	General Fund	\$ 1,900,000
Nonmajor governmental funds	General Fund	300,000
General Fund	Nonmajor governmental funds	1,000,000
	Total	\$ 3,200,000

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

Note 9 - Long-term Debt

Long-term debt activity for the year ended June 30, 2025 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Other debt - General obligations	\$ 268,420,000	\$ 36,165,000	\$ (12,170,000)	\$ 292,415,000	\$ 15,320,000
Unamortized bond premiums	26,290,672	2,029,627	(1,416,658)	26,903,641	1,518,139
Total bonds payable	294,710,672	38,194,627	(13,586,658)	319,318,641	16,838,139
Compensated absences*	6,508,403	85,760	-	6,594,163	676,072
Severance liability	937,300	130,730	-	1,068,030	-
Arbitrage liability	1,387,314	545,391	-	1,932,705	-
Total governmental activities long-term debt	\$ 303,543,689	\$ 38,956,508	\$ (13,586,658)	\$ 328,913,539	\$ 17,514,211

*The beginning balance of compensated absences was restated for the implementation of GASB Statement No. 101, *Compensated Absences*.

Note 9 - Long-term Debt (Continued)

The School District recognizes a liability for severance benefits when the criteria for eligibility are met. Under the School District’s terminal leave pay policy, employees are eligible for severance benefits upon voluntary termination if they have completed at least 10 consecutive years of full-time service within the School District and are eligible for benefits under the Michigan School Employees Retirement Fund. Qualified employees receive \$200 per year for each year of full-time service. As of June 30, 2025, the School District has recognized a severance liability of \$1,068,030

General Obligation Bonds and Contracts

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The School District’s qualified bonds are fully guaranteed by the State of Michigan. The primary source of any required repayment is from the School District’s property tax levy; however, the State of Michigan may withhold the School District’s state aid funding in order to recover amounts it has paid on behalf of the School District. General obligations outstanding at June 30, 2025 are as follows:

Purpose	Remaining Annual Installments	Interest Rates	Maturing May 1	Outstanding
\$76,180,000 qualified school building and site bonds	\$2,175,000 - \$4,175,000	5%	2045	\$ 62,925,000
\$90,770,000 unqualified refunding bonds	\$4,285,000 - \$4,710,000	1.16% - 3.01%	2043	80,350,000
\$65,925,000 qualified school building and site bonds	\$2,760,000 - \$3,400,000	3.00% - 5.00%	2041	52,435,000
\$62,015,000 qualified school building and site bonds	\$1,655,000 - \$4,850,000	5.00%	2043	60,540,000
\$36,165,000 unqualified school building and site bonds	\$810,000 - \$6,120,000	5.00%	2045	36,165,000
Total governmental activities				<u>\$ 292,415,000</u>

Debt Service Requirements to Maturity

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

Years Ending June 30	Governmental Activities		
	Principal	Interest	Total
2026	\$ 15,320,000	\$ 11,770,480	\$ 27,090,480
2027	16,290,000	11,304,514	27,594,514
2028	17,815,000	10,648,555	28,463,555
2029	12,940,000	9,908,010	22,848,010
2030	13,445,000	9,407,143	22,852,143
2031-2035	74,295,000	38,676,414	112,971,414
2036-2040	83,195,000	23,154,546	106,349,546
2041-2045	59,115,000	6,588,134	65,703,134
Total	<u>\$ 292,415,000</u>	<u>\$ 121,457,796</u>	<u>\$ 413,872,796</u>

In previous years, the School District defeased certain bonds by completing an advance refunding. As of June 30, 2025, there are no bonds outstanding that are considered defeased.

Note 10 - Michigan Public School Employees' Retirement System

Plan Description

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

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

Benefits Provided

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

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

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

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

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

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

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

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

Contributions

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

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

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

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

The ranges of rates are as follows:

	Pension	OPEB
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%
October 1, 2024 - September 30, 2025	20.96% - 30.11%	0.00% - 1.25%

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

The School District's required and actual pension contributions to the plan for the year ended June 30, 2025 were \$47,947,874, which includes the School District's contributions required for those members with a defined contribution benefit. For the year ended June 30, 2025, the School District's required and actual pension contributions include an allocation of \$14,406,959 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate as well as \$2,688,254 of a one-time state payment received and remitted to the System for the purpose of contributing additional assets to the System.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2025 were \$4,196,007, which includes the School District's contributions required for those members with a defined contribution benefit.

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

Net Pension Liability

At June 30, 2025, the School District reported a liability of \$267,321,967 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023, which used update procedures to roll forward the estimated liability to September 30, 2024. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2024 and 2023, the School District's proportion was 1.09 and 1.08 percent, respectively, representing a change of 0.92 percent.

Net OPEB Asset

At June 30, 2025, the School District reported an asset of \$(46,371,234) for its proportionate share of the net OPEB asset. The net OPEB asset for fiscal year 2025 was measured as of September 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2023, which used update procedures to roll forward the estimated asset to September 30, 2024. The School District's proportion of the net OPEB asset was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2024 and 2023, the School District's proportion was 1.08 and 1.10 percent, respectively, representing a change of (1.82) percent.

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

For 2025, the School District recognized pension expense of \$20,779,593, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,252,633	\$ (2,904,490)
Changes in assumptions	27,869,899	(19,586,246)
Net difference between projected and actual earnings on pension plan investments	-	(51,016,363)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	3,644,795	(2,800,378)
The School District's contributions to the plan subsequent to the measurement date	40,280,534	-
Total	<u>\$ 79,047,861</u>	<u>\$ (76,307,477)</u>

The \$14,406,959 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2026	\$ (8,874,909)
2027	2,350,885
2028	(18,038,546)
2029	(12,977,580)
Total	<u><u>\$8 (37,540,150)</u></u>

June 30, 2025

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

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

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

For the year ended June 30, 2025, the School District recognized OPEB recovery of \$17,062,993.

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (49,139,347)
Changes in assumptions	10,128,145	(1,164,146)
Net difference between projected and actual earnings on OPEB plan investments	-	(8,778,606)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	1,680,229	(1,975,078)
Employer contributions to the plan subsequent to the measurement date	1,051,489	-
Total	<u>\$ 12,859,863</u>	<u>\$ (61,057,177)</u>

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

<u>Years Ending</u>	<u>Amount</u>
2026	\$ (16,091,342)
2027	(9,986,850)
2028	(9,399,298)
2029	(8,331,832)
2030	(4,550,597)
Thereafter	<u>(888,884)</u>
Total	<u>\$ (49,248,803)</u>

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

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2024 are based on the results of an actuarial valuation as of September 30, 2023 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.00%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75 percent
Health care cost trend rate - OPEB	6.5% - 7.25%	Year 1 graded to 3.5 percent in year 15, 3.0 percent in year 120
Mortality basis		PubT-2010 Male and Female Employee Mortality Tables, scaled 100 percent (retirees: 116 percent for males and 116 percent for females) and adjusted for mortality improvements using projection scale MP-2021 from 2010
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

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

Significant assumption changes since the prior measurement date, September 30, 2023, for the OPEB plans include a decrease in the health care cost trend rate of 0.25 percentage points for members under 65 and an increase of 0.25 percentage points for members over 65. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2023.

Discount Rate

The discount rate used to measure the total pension liability and OPEB liability was 6.00 percent as of September 30, 2024 depending on the plan option. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

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

June 30, 2025

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.00 %	5.30 %
Private equity pools	16.00	9.00
International equity pools	15.00	6.50
Fixed-income pools	13.00	2.20
Real estate and infrastructure pools	10.00	7.10
Absolute return pools	9.00	5.20
Short-term investment pools	10.00	6.90
Real return/opportunistic pools	2.00	1.40
Total	100.00 %	

Long-term rates of return are net of administrative expense and inflation of 2.3 percent.

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

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

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net pension liability of the School District	\$ 391,896,875	\$ 267,321,967	\$ 163,589,387

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

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

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB asset of the School District	\$ (35,836,072)	\$ (46,371,234)	\$ (55,479,995)

June 30, 2025

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

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

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

	<u>1 Percentage Point Decrease</u>	<u>Current Rate</u>	<u>1 Percentage Point Increase</u>
Net OPEB asset of the School District	\$ (55,480,094)	\$ (46,371,234)	\$ (36,602,032)

Pension Plan and OPEB Plan Fiduciary Net Position

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

Payable to the Pension Plan and OPEB Plan

At June 30, 2025, the School District reported a payable of \$11,371,241 and \$302,399 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2025.

Note 11 - Risk Management

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

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

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

	<u>2025</u>	<u>2024</u>
Estimated liability - Beginning of year	\$ 316,779	\$ 445,153
Estimated claims expense (recovery), including changes in estimates	563,048	(86,797)
Claim payments	<u>(481,537)</u>	<u>(41,577)</u>
Estimated liability - End of year	<u>\$ 398,290</u>	<u>\$ 316,779</u>

Note 12 - Tax Abatements

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

Note 12 - Tax Abatements (Continued)

For the fiscal year ended June 30, 2025, the School District's property tax revenue was reduced by approximately \$1,557,215 under these programs.

The School District is reimbursed for lost revenue caused by tax abatements on the operating millage of nonhomestead properties from the State of Michigan under the School Aid formula. The School District received approximately \$1,290,000 in reimbursements from the State of Michigan. The School District is not reimbursed for lost revenue from the 2021 Sinking Fund or debt service millages. There are no abatements made by the School District.

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Required Supplementary Information

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

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue				
Local sources	\$ 36,988,778	\$ 35,607,000	\$ 36,238,982	\$ 631,982
State sources	123,518,185	131,606,786	131,961,460	354,674
Federal sources	58,785	93,071	93,071	-
Interdistrict sources	11,533,996	11,535,863	11,167,072	(368,791)
Net realized/unrealized investment earnings	<u>1,200,000</u>	<u>2,179,400</u>	<u>2,292,957</u>	<u>113,557</u>
Total revenue	173,299,744	181,022,120	181,753,542	731,422
Expenditures				
Current:				
Instruction:				
Basic programs	86,155,722	89,460,295	89,454,125	(6,170)
Added needs	16,806,673	17,716,122	17,712,306	(3,816)
Support services:				
Pupil	10,221,549	11,466,878	11,462,671	(4,207)
Instructional staff	8,472,690	8,912,470	8,908,934	(3,536)
General administration	985,999	970,139	928,069	(42,070)
School administration	11,641,112	11,635,933	11,633,424	(2,509)
Business	2,005,815	1,853,556	1,851,458	(2,098)
Operations and maintenance	20,099,747	21,556,491	21,532,512	(23,979)
Pupil transportation services	9,036,151	9,411,594	9,162,575	(249,019)
Central	5,526,820	6,863,782	6,756,137	(107,645)
Athletics	2,630,293	2,791,803	2,787,587	(4,216)
Community services	<u>2,952,783</u>	<u>2,983,668</u>	<u>2,965,118</u>	<u>(18,550)</u>
Total expenditures	<u>176,535,354</u>	<u>185,622,731</u>	<u>185,154,916</u>	<u>(467,815)</u>
Excess of Expenditures Over Revenue	(3,235,610)	(4,600,611)	(3,401,374)	1,199,237
Other Financing Sources (Uses)				
Transfers in	2,350,000	2,300,000	2,358,681	58,681
Transfers out	<u>(500,000)</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Total other financing sources	<u>1,850,000</u>	<u>1,300,000</u>	<u>1,358,681</u>	<u>58,681</u>
Net Change in Fund Balance	(1,385,610)	(3,300,611)	(2,042,693)	1,257,918
Fund Balance - Beginning of year	<u>33,345,113</u>	<u>33,345,113</u>	<u>33,345,113</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 31,959,503</u></u>	<u><u>\$ 30,044,502</u></u>	<u><u>\$ 31,302,420</u></u>	<u><u>\$ 1,257,918</u></u>

Required Supplementary Information
Budgetary Comparison Schedules
General Fund - Funded Projects

Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 54,542	\$ 100,197	\$ 88,946	\$ (11,251)
State sources	13,543,353	13,451,823	12,663,378	(788,445)
Federal sources	7,859,629	7,606,012	6,574,996	(1,031,016)
Interdistrict sources	-	271,944	172,917	(99,027)
Total revenue	<u>21,457,524</u>	<u>21,429,976</u>	<u>19,500,237</u>	<u>(1,929,739)</u>
Expenditures				
Current:				
Instruction	14,622,023	13,481,065	12,958,811	(522,254)
Support services	6,447,006	7,620,519	6,496,899	(1,123,620)
Community services	127,597	104,650	77,477	(27,173)
Total expenditures	<u>21,196,626</u>	<u>21,206,234</u>	<u>19,533,187</u>	<u>(1,673,047)</u>
Excess of Revenue Over (Under)				
Expenditures	260,898	223,742	(32,950)	(256,692)
Other Financing Uses - Transfers out	<u>(260,898)</u>	<u>(223,742)</u>	<u>(158,681)</u>	<u>65,061</u>
Net Change in Fund Balance	-	-	(191,631)	(191,631)
Fund Balance (Deficit) - Beginning of year	-	-	-	-
Fund Balance (Deficit) - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (191,631)</u>	<u>\$ (191,631)</u>

Livonia Public Schools

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

Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>(Under) Over Final Budget</u>
Revenue				
Local and interdistrict sources	\$ 14,908,426	\$ 14,908,426	\$ 11,220,517	\$ (3,687,909)
State sources	10,757,731	10,989,339	10,211,400	(777,939)
Total revenue	25,666,157	25,897,765	21,431,917	(4,465,848)
Expenditures				
Current:				
Instruction	14,006,643	13,450,506	10,393,985	(3,056,521)
Support services	9,640,104	9,636,910	7,888,113	(1,748,797)
Facility improvements	800,507	1,431,476	223,615	(1,207,861)
Total expenditures	24,447,254	24,518,892	18,505,713	(6,013,179)
Excess of Revenue Over Expenditures	1,218,903	1,378,873	2,926,204	1,547,331
Other Financing Uses - Transfers out	(2,000,000)	(2,000,000)	(1,900,000)	100,000
Net Change in Fund Balance	(781,097)	(621,127)	1,026,204	1,647,331
Fund Balance - Beginning of year	1,613,660	1,613,660	1,613,660	-
Fund Balance - End of year	<u>\$ 832,563</u>	<u>\$ 992,533</u>	<u>\$ 2,639,864</u>	<u>\$ 1,647,331</u>

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

Last Ten Plan Years
Plan Years Ended September 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	1.09191 %	1.08200 %	1.07427 %	1.09088 %	1.11055 %	1.10382 %	1.10966 %	1.10839 %	1.11646 %	1.14578 %
School District's proportionate share of the net pension liability	\$ 267,321,967	\$ 350,200,637	\$ 404,017,312	\$ 258,269,636	\$ 381,486,236	\$ 365,547,134	\$ 333,583,678	\$ 287,231,919	\$ 278,547,083	\$ 279,856,068
School District's covered payroll	\$ 112,706,038	\$ 108,805,548	\$ 102,180,226	\$ 96,640,061	\$ 98,377,074	\$ 95,654,243	\$ 94,116,658	\$ 92,678,036	\$ 93,062,218	\$ 95,140,276
School District's proportionate share of the net pension liability as a percentage of its covered payroll	237.19 %	321.86 %	395.40 %	267.25 %	387.78 %	382.15 %	354.44 %	309.92 %	299.31 %	294.15 %
Plan fiduciary net position as a percentage of total pension liability	74.44 %	65.91 %	60.77 %	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %

Livonia Public Schools

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

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 46,858,622	\$ 45,118,353	\$ 49,300,354	\$ 36,227,182	\$ 32,726,136	\$ 30,130,286	\$ 29,162,712	\$ 28,273,165	\$ 26,551,658	\$ 26,167,534
Contributions in relation to the statutorily required contribution	46,858,622	45,118,353	49,300,354	36,227,182	32,726,136	30,130,286	29,162,712	28,273,165	26,551,658	26,167,534
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 115,627,688	\$ 112,102,854	\$ 107,472,751	\$ 100,463,576	\$ 96,512,832	\$ 97,419,463	\$ 95,355,911	\$ 93,813,172	\$ 95,901,095	\$ 92,940,215
Contributions as a Percentage of Covered Payroll	40.53 %	40.25 %	45.87 %	36.06 %	33.91 %	30.93 %	30.58 %	30.14 %	27.69 %	28.16 %

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

	Last Eight Plan Years							
	Plan Years Ended September 30							
	2024	2023	2022	2021	2020	2019	2018	2017
School District's proportion of the net OPEB (asset) liability	1.07730 %	1.09516 %	1.05717 %	1.07353 %	1.11338 %	1.09716 %	1.10760 %	1.10567 %
School District's proportionate share of the net OPEB (asset) liability	\$ (46,371,234)	\$ (6,195,296)	\$ 22,391,457	\$ 16,386,164	\$ 59,646,548	\$ 78,751,350	\$ 88,042,409	\$ 97,912,644
School District's covered payroll	\$ 112,706,038	\$ 108,805,548	\$ 102,180,226	\$ 96,640,061	\$ 98,377,074	\$ 95,654,243	\$ 94,116,658	\$ 92,678,036
School District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	(41.14)%	(5.69)%	21.91 %	16.96 %	60.63 %	82.33 %	93.55 %	105.65 %
Plan fiduciary net position as a percentage of total OPEB liability	143.08 %	105.04 %	83.09 %	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

Livonia Public Schools

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

**Last Eight Fiscal Years
Years Ended June 30**

	2025	2024	2023	2022	2021	2020	2019	2018
Statorily required contribution	\$ 3,442,814	\$ 8,732,655	\$ 8,322,800	\$ 7,903,024	\$ 7,807,388	\$ 7,703,526	\$ 7,413,228	\$ 6,728,930
Contributions in relation to the statorily required contribution	3,442,814	8,732,655	8,322,800	7,903,024	7,807,388	7,703,526	7,413,228	6,728,930
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 115,627,688	\$ 112,102,854	\$ 107,472,751	\$ 100,463,576	\$ 96,512,832	\$ 97,419,463	\$ 95,355,911	\$ 93,813,172
Contributions as a Percentage of Covered Payroll	2.98 %	7.79 %	7.74 %	7.87 %	8.09 %	7.91 %	7.77 %	7.17 %

Pension Information

The required contributions for the year ended June 30, 2025 include a one-time contribution of \$2,688,254, referred to as 147c(2), related to funding received from the State and remitted to the System for the purpose of contributing additional assets to the System.

Benefit Changes

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

Changes in Assumptions

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

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

OPEB Information

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

Benefit Changes

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

Changes in Assumptions

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

- 2024 - The health care cost trend rate used in the September 30, 2024 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 0.25 percentage points for members over 65.
- 2023 - The health care cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.

June 30, 2025

- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.
- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points. This, in addition to actual per person health benefit costs being lower than projected, reduced the plan's total OPEB liability by an additional \$1.8 billion in 2020.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

Supplementary Information

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Livonia Public Schools

**Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds**

June 30, 2025

	Special Revenue Funds			Capital Project Funds			Total
	Food Service	Student Activities	Debt Service	Capital Projects	2021 Sinking	2021 Bond Series II	
Assets							
Cash and investments	\$ 3,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,116
Receivables - Due from other governments	65,590	-	-	-	-	-	65,590
Due from other funds	1,959,560	1,842,142	364,941	4,001,993	275,540	-	8,444,176
Inventory	71,813	-	-	-	-	-	71,813
Restricted assets	-	-	6,269,637	-	12,887,877	10,474,559	29,632,073
Total assets	\$ 2,100,079	\$ 1,842,142	\$ 6,634,578	\$ 4,001,993	\$ 13,163,417	\$ 10,474,559	\$ 38,216,768
Liabilities							
Accounts payable	\$ 165	\$ -	\$ -	\$ 871,152	\$ 3,412,923	\$ 2,283,383	\$ 6,567,623
Due to other funds	-	-	-	-	-	1,084,667	1,084,667
Accrued liabilities and other	3,166	-	-	-	-	-	3,166
Unearned revenue	93,869	-	-	-	-	-	93,869
Total liabilities	97,200	-	-	871,152	3,412,923	3,368,050	7,749,325
Fund Balances							
Nonspendable - Inventory and prepaid expenses	71,813	-	-	-	-	-	71,813
Restricted:							
Debt service	-	-	6,634,578	-	-	-	6,634,578
Capital projects	-	-	-	-	9,750,494	7,106,509	16,857,003
Food service	1,931,066	-	-	-	-	-	1,931,066
Committed - Student activities	-	1,842,142	-	-	-	-	1,842,142
Assigned - Capital projects	-	-	-	3,130,841	-	-	3,130,841
Total fund balances	2,002,879	1,842,142	6,634,578	3,130,841	9,750,494	7,106,509	30,467,443
Total liabilities and fund balances	\$ 2,100,079	\$ 1,842,142	\$ 6,634,578	\$ 4,001,993	\$ 13,163,417	\$ 10,474,559	\$ 38,216,768

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

Year Ended June 30, 2025

	Special Revenue Funds			Capital Project Funds			Total
	Food Service	Student Activities	Debt Service	Capital Projects	2021 Sinking	2021 Bond Series II	
Revenue							
Local sources	\$ 292,770	\$ 2,787,542	\$ 23,875,333	\$ -	\$ 9,099,159	\$ -	\$ 36,054,804
State sources	2,778,155	-	881,664	-	240,845	-	3,900,664
Federal sources	3,608,874	-	-	-	-	-	3,608,874
Net realized/unrealized investment earnings	-	-	300,844	-	433,133	1,017,441	1,751,418
Total revenue	6,679,799	2,787,542	25,057,841	-	9,773,137	1,017,441	45,315,760
Expenditures							
Current:							
Support services	-	2,726,789	-	-	-	319,662	3,046,451
Food services	5,699,876	-	-	-	-	-	5,699,876
Debt service:							
Principal	-	-	12,170,000	-	-	-	12,170,000
Interest	-	-	10,396,372	-	-	-	10,396,372
Other debt costs	-	-	2,000	-	-	1,750	3,750
Capital outlay	218,336	-	-	3,052,845	8,211,316	24,835,087	36,317,584
Total expenditures	5,918,212	2,726,789	22,568,372	3,052,845	8,211,316	25,156,499	67,634,033
Excess of Revenue Over (Under) Expenditures	761,587	60,753	2,489,469	(3,052,845)	1,561,821	(24,139,058)	(22,318,273)
Other Financing Sources (Uses)							
Proceeds from sale of capital assets	-	-	-	235,258	-	-	235,258
Transfers in	-	-	-	1,000,000	-	-	1,000,000
Transfers out	(300,000)	-	-	-	-	-	(300,000)
Total other financing (uses) sources	(300,000)	-	-	1,235,258	-	-	935,258
Net Change in Fund Balances	461,587	60,753	2,489,469	(1,817,587)	1,561,821	(24,139,058)	(21,383,015)
Fund Balances - Beginning of year, as previously reported (Note 2)	1,541,292	1,781,389	4,145,109	4,948,428	8,188,673	-	20,604,891
Change within Financial Reporting Entity (Note 2)	-	-	-	-	-	31,245,567	31,245,567
Fund Balances - Beginning of year, as adjusted or restated	1,541,292	1,781,389	4,145,109	4,948,428	8,188,673	31,245,567	51,850,458
Fund Balances - End of year	\$ 2,002,879	\$ 1,842,142	\$ 6,634,578	\$ 3,130,841	\$ 9,750,494	\$ 7,106,509	\$ 30,467,443

**Supplementary Information
Combining Balance Sheet
General Fund**

June 30, 2025

	General Fund	Funded Projects Fund	Total
Assets			
Cash and investments	\$ 48,902,802	\$ -	\$ 48,902,802
Receivables:			
Other receivables	115,688	-	115,688
Due from other governments	27,512,701	2,769,241	30,281,942
Due from other funds	1,084,667	1,363,939	2,448,606
Inventory	103,310	-	103,310
Prepaid expenses	253,036	5,647	258,683
	<u>\$ 77,972,204</u>	<u>\$ 4,138,827</u>	<u>\$ 82,111,031</u>
Total assets			
Liabilities			
Accounts payable	\$ 642,770	\$ 63,791	\$ 706,561
Due to other governmental units	3,930,219	-	3,930,219
Due to other funds	23,895,976	-	23,895,976
Accrued liabilities and other	18,158,798	1,288,823	19,447,621
Unearned revenue	42,021	2,786,214	2,828,235
	<u>46,669,784</u>	<u>4,138,828</u>	<u>50,808,612</u>
Total liabilities			
Deferred Inflows of Resources - Unavailable revenue	-	191,630	191,630
	<u>46,669,784</u>	<u>4,330,458</u>	<u>51,000,242</u>
Total liabilities and deferred inflows of resources			
Fund Balances			
Nonspendable - Inventory and prepaid expenses	356,346	5,647	361,993
Assigned - Subsequent year's budget	1,946,281	-	1,946,281
Unassigned	28,999,793	(197,278)	28,802,515
	<u>31,302,420</u>	<u>(191,631)</u>	<u>31,110,789</u>
Total fund balances			
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 77,972,204</u>	<u>\$ 4,138,827</u>	<u>\$ 82,111,031</u>

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

Year Ended June 30, 2025

	General Fund	Funded Projects Fund	Total
Revenue			
Local sources	\$ 36,238,982	\$ 88,946	\$ 36,327,928
State sources	131,961,460	12,663,378	144,624,838
Federal sources	93,071	6,574,996	6,668,067
Interdistrict sources	11,167,072	172,917	11,339,989
Net realized/unrealized investment earnings	2,292,957	-	2,292,957
Total revenue	181,753,542	19,500,237	201,253,779
Expenditures			
Current:			
Instruction:			
Basic programs	89,443,470	1,953,998	91,397,468
Added needs	17,712,306	10,466,035	28,178,341
Adult/Continuing education	-	263,344	263,344
Support services:			
Pupil	11,462,671	2,527,132	13,989,803
Instructional staff	8,908,934	2,055,582	10,964,516
General administration	928,069	-	928,069
School administration	11,633,424	7,183	11,640,607
Business	1,851,458	17,746	1,869,204
Operations and maintenance	21,379,420	1,398,211	22,777,631
Pupil transportation services	9,132,475	113,241	9,245,716
Central	5,758,706	204,536	5,963,242
Athletics	2,785,717	-	2,785,717
Community services	2,965,118	77,477	3,042,595
Capital outlay	1,193,148	448,702	1,641,850
Total expenditures	185,154,916	19,533,187	204,688,103
Excess of Expenditures Over Revenue	(3,401,374)	(32,950)	(3,434,324)
Other Financing Sources (Uses)			
Transfers in	2,358,681	-	2,358,681
Transfers out	(1,000,000)	(158,681)	(1,158,681)
Total other financing sources (uses)	1,358,681	(158,681)	1,200,000
Net Change in Fund Balances	(2,042,693)	(191,631)	(2,234,324)
Fund Balances - Beginning of year	33,345,113	-	33,345,113
Fund Balances - End of year	<u>\$ 31,302,420</u>	<u>\$ (191,631)</u>	<u>\$ 31,110,789</u>

Supplementary Information
Schedule of Bonded Indebtedness

June 30, 2025

Years Ending June 30	2016 Bond Series II Principal	2020 Refunding Principal	2021 Bond Series I Principal	2021 Bond Series II Principal	2021 Bond Series III Principal	Total
2026	\$ 2,175,000	\$ 4,285,000	\$ 2,760,000	\$ 1,655,000	\$ 4,445,000	\$ 15,320,000
2027	2,275,000	4,300,000	2,885,000	1,830,000	5,000,000	16,290,000
2028	2,375,000	4,315,000	3,055,000	1,950,000	6,120,000	17,815,000
2029	2,475,000	4,335,000	3,165,000	2,155,000	810,000	12,940,000
2030	2,575,000	4,355,000	3,275,000	2,385,000	855,000	13,445,000
2031	2,675,000	4,370,000	3,375,000	2,665,000	890,000	13,975,000
2032	2,775,000	4,385,000	3,375,000	3,045,000	935,000	14,515,000
2033	2,875,000	4,405,000	3,375,000	3,325,000	980,000	14,960,000
2034	2,975,000	4,420,000	3,375,000	3,475,000	1,005,000	15,250,000
2035	3,075,000	4,435,000	3,395,000	3,625,000	1,065,000	15,595,000
2036	3,175,000	4,470,000	3,400,000	3,775,000	1,115,000	15,935,000
2037	3,275,000	4,510,000	3,400,000	3,925,000	1,175,000	16,285,000
2038	3,375,000	4,545,000	3,400,000	4,075,000	1,230,000	16,625,000
2039	3,475,000	4,580,000	3,400,000	4,225,000	1,290,000	16,970,000
2040	3,600,000	4,615,000	3,400,000	4,375,000	1,390,000	17,380,000
2041	3,725,000	4,645,000	3,400,000	4,525,000	1,455,000	17,750,000
2042	3,850,000	4,670,000	-	4,680,000	1,525,000	14,725,000
2043	3,950,000	4,710,000	-	4,850,000	1,600,000	15,110,000
2044	4,075,000	-	-	-	1,640,000	5,715,000
2045	4,175,000	-	-	-	1,640,000	5,815,000
Total remaining payments	\$ 62,925,000	\$ 80,350,000	\$ 52,435,000	\$ 60,540,000	\$ 36,165,000	\$ 292,415,000
Principal payments due	May	May	May	May	May	
Interest payments due	May and November	May and November	May and November	May and November	May and November	
Interest rate	5.00%	1.16% - 3.01%	3.00% - 5.00%	5.00%	5.00%	
Original issue	\$ 76,180,000	\$ 90,770,000	\$ 65,925,000	\$ 62,015,000	\$ 36,165,000	

Livonia Public Schools

Federal Awards Supplemental Information
June 30, 2025

Independent Auditor's Reports

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

Independent Auditor's Report

To the Board of Education
Livonia Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2025 and have issued our report thereon dated October 21, 2025, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to October 21, 2025.

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

October 21, 2025

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

Independent Auditor's Report

To Management and the Board of Education
Livonia Public Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools (the "School District") as of June 30, 2025 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 21, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

To Management and the Board of Education
Livonia Public Schools

Purpose of this Report

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

October 21, 2025

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

Independent Auditor's Report

To the Board of Education
Livonia Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Livonia Public Schools' (the "School District") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2025. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

To the Board of Education
Livonia Public Schools

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Livonia Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Livonia Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Livonia Public Schools' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

To the Board of Education
Livonia Public Schools

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

October 21, 2025

DRAFT

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Agency Name/Pass-through Agency/Federal Program Title	Grant/Project Number	Assistance Listing Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2025	Current Year Cash Transferred to Subrecipients
Clusters:										
Child Nutrition Cluster - U.S. Department of Agriculture - Passed through the Michigan Department of Education:										
Noncash assistance (commodities) - National School Lunch Program:										
Entitlement commodities 2024-2025	N/A	10.555	\$ 355,677	\$ -	\$ -	\$ -	\$ 355,677	\$ 355,677	\$ -	\$ -
Bonus commodities 2024-2025	N/A	10.555	120	-	-	-	120	120	-	-
Noncash assistance (commodities) subtotal			355,797	-	-	-	355,797	355,797	-	-
Cash assistance:										
National School Breakfast Program September 2024-2025	241970	10.553	99,200	-	-	-	99,200	99,200	-	-
National School Breakfast Program October thru June 2024-2025	251970	10.553	747,788	-	-	-	747,788	747,788	-	-
School Breakfast subtotal			846,988	-	-	-	846,988	846,988	-	-
National School Lunch Program September 2024-2025	241960	10.555	319,083	-	-	-	319,083	319,083	-	-
National School Lunch Program October thru June 2024-2025	251960	10.555	2,087,006	-	-	-	2,087,006	2,087,006	-	-
National School Lunch Program (incl. commodities) subtotal			2,761,886	-	-	-	2,761,886	2,761,886	-	-
Total Child Nutrition Cluster			3,608,874	-	-	-	3,608,874	3,608,874	-	-
Special Education Cluster - U.S. Department of Education:										
Passed through Wayne County RESA:										
Special Education Grants to States - IDEA Flowthrough:										
IDEA Flowthrough - Regular 2425	250450	84.027A	3,477,370	-	-	-	3,477,370	3,477,370	-	-
IDEA Flowthrough CPE - Regular 2425	250450	84.027A	505,302	-	-	-	505,302	505,302	-	-
Special Education Preschool - IDEA Preschool 2425	250460	84.173A	210,934	-	-	-	210,934	210,934	-	-
IDEA - Passed through Wayne County RESA subtotal			4,193,606	-	-	-	4,193,606	4,193,606	-	-
Passed through Marquette-Alger RESA - IDEA, Part B - IDEA Grant Funded Initiatives	250470	84.027A	6,336	-	-	-	6,336	6,336	-	-
Total Special Education Cluster			4,199,942	-	-	-	4,199,942	4,199,942	-	-
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through Wayne County RESA - Medicaid Outreach 2425										
Total cluster programs			93,071	-	-	-	93,071	93,071	-	-
			7,901,887	-	-	-	7,901,887	7,901,887	-	-
Other federal programs:										
U.S. Department of Education - Passed through Michigan Department of Education:										
Title I Grants to Local Educational Agencies:										
Title I, Part A 2324	241530	84.010	1,543,382	1,515,965	164,036	-	164,036	-	-	-
Title I, Part A 2425	251530	84.010	1,587,755	-	-	-	1,142,090	1,386,345	244,255	-
Total Title I, Part A			3,131,137	1,515,965	164,036	-	1,306,126	1,386,345	244,255	-
Title II - Supporting Effective Instruction State Grants:										
Title II, Part A Supporting Effective Instruction 2324	240520	84.367	321,544	296,350	15,260	-	15,260	-	-	-
Title II, Part A Supporting Effective Instruction 2425	250520	84.367	328,240	-	-	-	278,013	278,324	42,311	-
Total Title II, Part A			649,784	296,350	15,260	-	251,273	278,324	42,311	-

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2025

Federal Agency Name/Pass-through Agency/Federal Program Title	Grant/Project Number	Assistance Listing Number	Approved Grant Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2024	Adjustments and Transfers	Federal Funds/Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2025	Current Year Cash Transferred to Subrecipients
Other federal programs (continued):										
U.S. Department of Education - Passed through Michigan Department of Education (continued):										
Title III, English Language Acquisition State Grants:										
Title III, Immigrant Students 2023-2024	240570	84.365A	\$ 22,587	\$ 17,988	\$ 8,205	\$ -	\$ 8,205	\$ -	\$ -	\$ -
Title III, Immigrant Students 2024-2025	250570	84.365A	19,816	-	-	-	5,805	6,115	310	-
Title III, Limited English Proficient Students 2024-2025	250580	84.365A	82,547	-	-	-	41,200	58,992	17,792	-
Total Title III, English Language Acquisition State Grants			124,950	17,988	8,205	-	55,210	65,107	18,102	-
Title IV, Part A SSAE - Title IV, Part A Student Support and Academic Enrichment 2024-2025	250750	84.424A	118,169	-	-	-	116,631	116,631	-	-
Career and Technical Education - Basic Grants to States:										
Federal General Instruction 2023-2024	241130	84.002A	185,876	95,586	7,993	-	7,993	-	-	-
Federal General Instruction 2024-2025	251130	84.002A	195,000	-	-	-	111,445	115,454	4,009	-
Total Adult Education - Basic Grants to States			380,876	95,586	7,993	-	119,438	115,454	4,009	-
Education Stabilization Fund - COVID-19 Section 111 Equalization Funds	213723	84.425U	5,538,520	3,200,430	1,185,287	-	1,185,287	-	-	-
U.S. Department of Education - Passed through Wayne County RESA:										
Carl D. Perkins Career and Technical Education Program - Carl D. Perkins Grant 2024-2025	253520	84.048A	283,852	-	-	-	251,796	273,193	21,397	-
IDEA Part C Infant and Toddler - Formula Grant - Early on Federal 2024/2025	251340	84.181A	140,000	-	-	-	140,000	140,000	-	-
CSLFRF - U.S. Department of Agriculture - Passed through EGLE - Coronavirus State and Local Fiscal Recovery Funds		21.027	502,755	-	-	-	-	60,424	60,424	-
Department of Homeland Security/ FEMA - State & Local Cybersecurity Grant Program	EMW-2022-CY-00003	97.137	147,936	-	-	-	-	131,206	131,206	-
Total U.S. Department of Education noncluster programs			11,017,979	5,126,319	1,380,781	-	3,425,761	2,566,684	521,704	-
Total federal awards			\$ 18,919,866	\$ 5,126,319	\$ 1,380,781	\$ -	\$ 11,327,648	\$ 10,468,571	\$ 521,704	\$ -

Livonia Public Schools

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

Year Ended June 30, 2025

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 10,276,941
Deferred revenue not reported for year ended June 30, 2025	<u>191,630</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 10,468,571</u>

DRAFT

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Livonia Public Schools (the "School District") under programs of the federal government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The pass-through entity identifying numbers are presented where available.

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

Note 3 - Grant Auditor Report

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

Note 4 - Noncash Assistance

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

Schedule of Findings and Questioned Costs

DRAFT

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
84.027, 84.173 84.010	IDEA - Special Education Cluster Title I, Part A	Unmodified Unmodified

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

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

TOPIC: Approval of PA and Classroom Audio Systems

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District approve the recommendation to replace the District's current school PA and classroom audio system with the EPIC platform from VSC, Novi, Michigan in the amount of \$4,141,312 which includes a \$200,000 contingency.

RATIONALE:

The purchase of EPIC will replace the district's decade old Public Address and classroom audio system. This upgrade will improve audio clarity, enhance safety features, and allow for centralized control and instant communication across the district.

BUDGETARY INFORMATION:

2021 Bond Funds

RESOURCE PERSONNEL:

William Green, Assistant Superintendent of Operations and District Services

EXHIBITS:

Attached.

October 2, 2025

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

Project Name: Livonia Public Schools
 District-Wide Public Address and Sound Systems Upgrades
 Livonia, Michigan

IDS Project No.: 21191-1000 BP T11 - Technology

Dear Mr. Green,

Bid specifications and drawings for the District-Wide Public Address and Sound Systems Upgrades project were issued on August 11, 2025. The bid scope includes the replacement of all existing paging and classroom audio systems for all district buildings. All existing systems will be removed. The primary criteria is a transition from the legacy life safety systems (Paging/bells/emergency alerts) and individual classroom audio, without disruption to the normal daily building operations. A Mandatory Alternate was requested to provide for the replacement of all existing classroom speakers for classroom audio. Voluntary Alternates were encouraged, based on the scope of the project. A Construction Allowance of \$300,000.00 was included in the bid specifications to all bidders, and included in their total bid submissions.

A "Basis of Design" was established for all potential bidders, utilizing the solution provided for the Livonia Early Childhood Center for both Paging and Classroom Audio Systems, as approved by the District.

A pre-bid conference was conducted on August 18, 2025. The pre-bid conference was not mandatory.

Three (3) bids were received on September 3, 2025, as follows:

Bidder	Bid Bond	Required Affidavits	Base Bid	MA 1 Alternate New Classroom Speakers
Soundcom (Ametek)	Yes	Yes	\$3,379,000.00	\$249,500.00
VSC, Inc.	Yes	Yes	\$3,400,326.00	\$367,004.00
Digital Age Technologies (DAT)	Yes	Yes	\$4,029,199.00	\$564,567.00

All three bidders were invited to attend a post-bid conference to evaluate their bid submissions.

As the low-apparent bidder, Soundcom's submission did not meet the criteria for the "Basis of Design". A post-bid interview was conducted to evaluate their alternate solution, and the bid was summarily rejected.

The bid submitted by VSC, Inc. was evaluated and contained a calculation error for their classroom audio installation cost that was noted. IDS made the adjustment, based on their submitted Bill of Materials and unit pricing supplied. This adjustment was confirmed in the post bid interview and accepted by the district. The adjustment was an increase of \$195,308.00, revising their base bid amount to \$3,574,308.00. VSC's submission for Mandatory Alternate #1 was accepted by the District for \$367,004.00. VSC was determined to be compliant with specifications and has previously worked with the district extensively during the current and last bond initiative on a variety of technology projects with a favorable work record.

IDS recommends award of the District-Wide Public Address and Sound Systems Upgrades project to VSC, Inc, for the revised base bid of \$3,574,308.00 and acceptance of the Mandatory Alternate #1 in the additional amount of \$367,004.00 for an award total in the amount of \$3,941,312.00. In addition to the award amount, IDS is recommending a construction contingency be established in the amount of \$200,000.00.

5211 cascade road se, ste. 300
 grand rapids, mi 49546

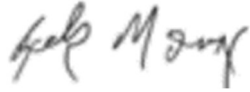
1441 w. long lake road, ste. 200
 troy, mi 48098

248-823-2100 www.ids-michigan.com

Mr. William Green
IDS Project No. 21191-1000 BP T11
October 2, 2025
Page 2

Sincerely,

Integrated Design Solutions, LLC

A handwritten signature in black ink, appearing to read "Rock Morey". The signature is written in a cursive, slightly slanted style.

Rock Morey
Project Manager

ec: T. Klan, LPS
B. Weber, PMR
File

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

TOPIC: Approval of IT Network Server

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District approve the recommendation to award the IT Network Server Project to CDW, Inc., located in Chicago, Illinois, in the total amount of \$125,550, based on REMC bid pricing.

RATIONALE:

These updated servers will ensure reliable performance, secure communication, and smooth integration with existing network infrastructure, helping maintain consistent schoolwide operations and ongoing vendor support.

BUDGETARY INFORMATION:

Technology Fund

RESOURCE PERSONNEL:

William Green, Assistant Superintendent of Operations and District Services

EXHIBITS:

Attached



Thank you for choosing CDW. We have received your quote.

QUOTE CONFIRMATION

TIM KLAN,

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

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

Convert Quote to Order

ACCOUNT MANAGER NOTES: Please inspect all product within 15 days of delivery. CDW has a strict 15 day return policy for anything damaged, and a 30 day return policy on standard product.

Thank you!

Wes
877.874.9063

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
PPWQ346	9/24/2025	DELL AZURE STACK	1271134	\$125,550.00

QUOTE DETAILS

ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
DELL CTO AX-760 AZURE STACK	3	8468187	\$41,850.00	\$125,550.00

Mfg. Part#: 3000193006324

Contract: REMC Technology & Furniture 2025 (01)

SUBTOTAL	\$125,550.00
SHIPPING	\$0.00
SALES TAX	\$0.00
GRAND TOTAL	\$125,550.00

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



Sales Contact Info

Wes Farrell | (877) 874-9063 | wesfar@cdw.com

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Support



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This order is subject to CDW's Terms and Conditions of Sales and Service Projects at

<http://www.cdw.com/content/terms-conditions/product-sales.aspx>

For more information, contact a CDW account manager.

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**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

TOPIC: HVAC Repairs

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District authorize emergency repairs to resolve air conditioning failures caused by design issues, at a cost not to exceed \$1,100,000.

RATIONALE:

These HVAC emergency repairs are/were necessary to ensure comfortable and safe working environments for our students and staff, to prevent distractions caused by water drips, and to avoid any further damage from leaks originating from our newly installed air conditioning units. The district is working closely with legal counsel and will be seeking reimbursement for these costs.

BUDGETARY INFORMATION:

General Fund

RESOURCE PERSONNEL:

William Green, Assistant Superintendent of Operations and District Services

EXHIBITS:

None

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

TOPIC: **Approval of Bleachers – Practice Field**

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District approve the recommendation to purchase two sets of bleachers for Stevenson High School's practice field, from Southern Bleacher Company, Inc., located in Graham, Texas for a total amount of \$35,850.

RATIONALE:

The newly constructed practice field at Stevenson High School currently lacks spectator seating. The addition of these bleachers will provide essential accommodations for students, families, and community members attending practice and competitive events.

BUDGETARY INFORMATION:

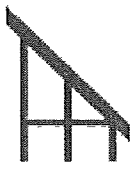
General Fund

RESOURCE PERSONNEL:

William Green, Assistant Superintendent of Operations and District Services

EXHIBITS:

Attached



Southern Bleacher Company, Inc.

P 800 433 0912 | F 940 549 1365

P O Box One | 801 Fifth St | Graham, TX 76450

www.SouthernBleacher.com

[Facebook](#) | [Twitter](#) | [Instagram](#) | [LinkedIn](#)

QUOTE

October 3, 2025

Harry C Lau
Administrator Facilities and Operations
Livonia Public Schools
15125 Farmington Rd.

RE: Livonia Stevenson High School – New Practice Field Bleachers

Southern Bleacher Company is pleased to offer the following quotation for the above referenced project. Cost includes freight and Installation to: Livonia, MI

- **Provide Two (2) Bleachers:**
- **Provide Code Compliant Non-Elevated Angle Frame Bleacher (Silver Edition)**
- **5 rows x 33' long**
- **8" Rise/24" Treads**
- **Aisles w/handrails**
- **Perimeter Black Vinyl Chain Link Guard Railings.**
- **Wheelchair Spaces per code**
- **Anodized Extruded Aluminum Bench Seats.**
- **Extruded Aluminum Risers.**
- **Mill finish extruded aluminum footboards.**

Delivered and Installed onto contractor supplied concrete pad designed to accommodate the bleacher: \$35,850 .00*

- **ADD for painted risers: \$1,470.00***
- **ADD for Prevailing Wage Installation: \$7,075.00***

*Pricing reflects **Competitive Pricing for BUY BOARD – GOVERNMENT PURCHASE PROGRAM**: Email a PO in pdf format that lists the Contract Number #679-22 to David.ricketts@buyboard.com(913)424-5758 and darrow@southernbleacher.com)

Includes:

- Galvanized Steel Understructure
- Freight
- Applicable MI Taxes

- Unloading and Installation by Southern Bleacher (non-union, non-prevailing wages) by Factory Certified Technicians.
- Engineered Drawings stamped by a Professional Engineer in the State of Michigan

Excludes:

- Concrete pad or pathways to and from exit locations flatwork beneath the exit ramp and stairs.
- Any state or local, permits, fees, etc.
- Any bonds.
- Seat Numbers
- Allowances
- Onsite restoration
- Any item not listed in above inclusions.

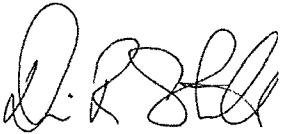
Lead Times:

- **Engineer Stamped Shop Drawings – 3-4 weeks from Notice to Proceed**
- **Material Delivery after Returned APPROVED Shop Drawings – 90 - 120Calendar Days**
- **Installation – 1 week**

NOTE: Southern Bleacher requires adequate site access to perform our work.

The above price is valid for 30 days.

Respectfully submitted,



David Southwell
Field Sales Manager



To: William Green, Asst. Superintendent District Services
From: Harry Lau, Administrator of Facilities & Operations
Date: October 7, 2025
Re: Recommendation Letter -SHS Bleachers

I am requesting and seeking approval to purchase two sets of bleachers for Stevenson High School practice field. Each bleacher will seat 60 occupants. The Southern Bleacher Company will provide two, 33ft long x five rows high, bleachers at a cost of \$35,850.00. This purchase will be out of General Fund with contract government pricing (Contract Number 679-22). This is not a Prevailing Wage project, nor do I recommend painting risers.

Thank you for considering this purchase.

Cc: A. Sutton

HL/pb

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

TOPIC: **Approval of HMH Purchase Utilizing 35m Grant**

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District approve the recommendation to purchase *Into Reading 2025*, print and digital materials for fifth grade students and teachers, professional development on the new materials and small group instruction books for K-4 and 5-6 bookrooms from Houghton Mifflin Harcourt, in Chicago, IL a total cost, not to exceed, \$733,960.00.

RATIONALE:

We applied for and were awarded \$733,960 through the 35m State of Michigan grant aimed at improving literacy for students K-5. The 2025 version of *Into Reading*, that we currently use at fifth grade, is approved under the Tier I curriculum materials of the grant. The following items to purchase have a maximum amount for each: digital and print materials for teachers and students for \$451,155.00, professional development from Houghton Mifflin Hardcore for \$16,500.00 and Lexile leveled readers for \$266,305.00.

BUDGETARY INFORMATION:

The fund for this purchase is the State of Michigan 35m grant.

RESOURCE PERSONNEL:

Theresa O'Brien, Chief Academic Officer

EXHIBITS:

Attachment



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

GRETCHEN WHITMER
GOVERNOR

MICHAEL F. RICE, Ph.D.
STATE SUPERINTENDENT

September 22, 2025

GRANT AWARD NOTIFICATION

Mrs. Andrea Oquist
Livonia Public Schools School District
15125 FARMINGTON RD
LIVONIA, MI 48154-5413

Dear Mrs. Oquist:

This letter is to inform you that the application for 2025 Section 35m The Committee for Literacy Achievement/HQ Literacy Materials Grant for Livonia Public Schools School District has been approved.

The details of this award can be found in the grant award notification form(s), included with this document.

On behalf of the department, I congratulate you on the success of your application. Questions regarding this grant program may be directed to the Office of Educational Supports at (517) 241-6970 or MDE-NexSys-Applications@michigan.gov.

Sincerely,

Michael F. Rice, Ph.D.
State Superintendent

Enclosure

STATE BOARD OF EDUCATION

PAMELA PUGH — PRESIDENT • EILEEN COGEN LIPTON / TIFFANY D. TILLEY — CO-VICE PRESIDENTS
JUDITH PRITCHETT — SECRETARY • MARSHALL BULLOCK II — TREASURER
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608 WEST ALLEGAN STREET • P. O. BOX 30008 • LANSING, MICHIGAN 48909
WWW.MICHIGAN.GOV/MDE • 833-633-5788

MICHIGAN DEPARTMENT OF EDUCATION
608 W. Allegan PO Box 30008 LANSING, MICHIGAN
48909
GRANT AWARD NOTIFICATION

Recipient Entity Name and Address:

Livonia Public Schools School District, 15125 FARMINGTON RD, LIVONIA, MI 481545413

Agreement Number:

82095

DUNS Number:

UEI Number:

Indirect Cost Rate:

2.79

Recipient Business Contact:

Theresa O'Brien

Award Information

Grant Title: 35m Committee For Literacy Achievement HQ Literacy Materials

Fiscal Year: 2025

Program Number:

Project Number:

Funding Source: State Aid

Subaward Type: Formula

Grant Code:

Expenditure Period:

Beginning Date:

10/1/2024

Ending Date:

9/30/2026

Authorized Funds:

	Date:	Amount:
Original Approval Amount	9/22/2025	\$733,960 00
Amendments		\$0 00
Current Authorized Amount		\$733,960 00

Report Due Dates:

Final Expenditure Report: N/A

Final Performance Report: N/A

Method of Obtaining Payment:

Payment Contact:

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

TOPIC: Approval of Teachers

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Superintendent and offer employment for the 2025-26 school year to the teachers listed on the attached document.

RATIONALE:

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

BUDGETARY INFORMATION:

The positions listed are within the 2025-26 budget.

RESOURCE PERSONNEL:

Phillip Francis, Deputy Superintendent
Anthony Abbate, Director of Human Resources

EXHIBIT:

Attached

ljn

**2025-26 School Year
New Teachers for Board of Education Approval
October 20, 2025**

NAME	DEGREE/SCHOOL	FTE	ASSIGNMENT	MOST RECENT EXPERIENCE	TOTAL YEARS OF EXPERIENCE	STEP
Bartley, Shannon	Bachelor of Science Eastern Michigan University	1.0	Elementary Support Teacher Roosevelt Elementary October 3, 2025	Elementary Student Success Specialist Plymouth-Canton Community Schools Grade 2 Classroom Teacher Plymouth Canton Community Schools	21 years	Step 13 - BA 2 years probation
Schneyer, Kelly	Master of Education Oakland University Bachelor of Science - Elementary Education Oakland University	1.0	Student Assistance Provider Livonia Early Childhood Center October 6, 2025	Early Learning & Transing Support Coordinator Detroit Public Schools Early Childhood Specialist Oakland Schools Great Start Readiness Teacher	8 years	Step 13 - MA 2 years probation

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

TOPIC: Granting of Tenure Status to Specified Teachers

RECOMMENDATION:

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

<u>Name</u>	<u>Date</u>
Ian Boynton	October 30, 2025
Marla Kepsel	October 9, 2025
Lori Thome	August 23, 2025
Howard Weiner	October 9, 2025

RATIONALE :

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

RESOURCE PERSONNEL:

Phillip Francis, Deputy Superintendent
Anthony Abbate, Director of Human Resources

EXHIBIT:

None

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

TOPIC: Leave of Absence

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Superintendent and approve the request for a leave of absence as listed below:

<u>Name</u>	<u>Date effective</u>
Samantha Shoemake	2025-26 school year

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Phillip Francis, Deputy Superintendent
Anthony Abbate, Director of Human Resources

EXHIBIT:

None

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

TOPIC: Resolution of Appreciation for an Employees Who is Retiring

RECOMMENDATION:

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

Beth Lebowsky

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Phillip Francis, Deputy Superintendent
Anthony Abbate, Director of Human Resources

EXHIBIT:

Attached resolution

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

RESOLUTION

Beth Lebowsky

WHEREAS, It has been brought to the attention of the Board of Education of the Livonia Public Schools School District that Beth Lebowsky will retire from the district on October 24, 2025; and,

WHEREAS, Beth Lebowsky has devoted 27 years of dedicated, loyal, and outstanding service to the students of Emerson Middle School, Holmes Middle School, Stevenson High School, Riley Upper Elementary and Frost Middle School a teacher; and,

WHEREAS, She has made many contributions to the educational profession and has touched the lives of countless students during her tenure with the Livonia Public Schools;

NOW, THEREFORE, BE IT RESOLVED That the Board of Education does hereby congratulate Beth Lebowsky on her years of service to the educational profession and expresses publicly its sincere appreciation and offers its best wishes for her retirement.

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2025**

TOPIC: Second Reading & Adoption of Board Policy

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Board Policy Committee and adopt Board Policy language per the attached document, for:

Board Policy GAAA – Nondiscrimination of Civil Rights and Title IX

RATIONALE:

The Board Policy Committee has met with staff to review proposed language for the above policy and is recommending approval by the entire Board. This language was submitted for first reading at the Board meeting of September 22, 2025.

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Phillip Francis, Deputy Superintendent
Anthony Abbate, Director of Human Resources

EXHIBITS:

Attached Policy

Off/Supt/tg

BOARD POLICY

GAAA

**PERSONNEL
NONDISCRIMINATION
CIVIL RIGHTS AND TITLE IX**

October 20, 2025

Livonia Public Schools will not discriminate against any person on the basis of sex (including harassment on the basis of sex stereotypes, sex characteristics, pregnancy or related conditions, sexual orientation, and gender identity), race, color, national origin, religion, height, weight, marital status, age, handicap, or disability. The District reaffirms its long-standing policy of compliance with all applicable federal and state laws and regulations prohibiting discrimination.

Civil Rights Complaints

The Director of Student Services is appointed the Civil Rights Coordinator regarding complaints of disability/handicap discrimination involving educational services, programs, and activities. The Director of Human Resources is appointed the Civil Rights Coordinator regarding all other complaints of discrimination.

The Civil Rights Coordinator is designated to receive and resolve complaints from any person who believes that he/she may have been discriminated against in violation of this policy. Any person who believes he/she has been discriminated against in violation of this policy should promptly file an oral or written complaint with the Civil Rights Coordinator. The Civil Rights Coordinator will then be responsible for coordinating the District's response in a fair and equitable manner, consistent with relevant laws, District policies and administrative procedures.

If the Coordinator determines that a violation has occurred, the Coordinator shall make a determination in writing, propose a fair resolution of the complaint, and deliver the determination to the complainant, respondent, and the Superintendent. The complainant may appeal the Civil Rights Coordinator's determination to the Superintendent by so notifying the Superintendent in writing within ten (10) calendar days of receiving the determination. The Superintendent may conduct additional investigation of the facts and circumstances surrounding the complaint. The Superintendent shall affirm or reverse the Civil Rights Coordinator's decision and, if warranted, implement the Civil Rights Coordinator's proposed resolution or a modification thereof. The Superintendent's decision shall be final.

A person is not required to use the procedure outlined above and may instead file a complaint directly with the U.S. Department of Education Office for Civil Rights.

Title IX Sex Discrimination Complaints

Livonia Public Schools prohibits sex discrimination in all programs and activities that the District operates as required by Title IX and the Title IX regulations. Sex-based harassment is a form of sex discrimination, which means harassment on the basis of sex (including harassment on the

basis of sex stereotypes, sex characteristics, pregnancy or related conditions, sexual orientation, and gender identity) that falls within one of the following categories:

- (1) **Quid pro quo harassment:** an employee, agent, or other person with authority to provide an aid, benefit, or service under the District's education program or activity explicitly or impliedly conditions the provision of such an aid, benefit, or service on a person's participation in unwelcome sexual conduct;
- (2) **Hostile environment harassment:** unwelcome sex-based conduct that, based on the totality of the circumstances, is subjectively and objectively offensive, and is so severe or pervasive that it limits or denies a person's ability to participate in or benefit from the District's education program or activity (i.e., creates a hostile environment).
- (3) **Specific offenses, including:** sexual assault, dating or domestic violence, and stalking.

Sex discrimination, including sex-based harassment, is covered by this Policy when it occurs under the District's education program or activities in the United States. Conduct occurs under the District's education program or activity when it is subject to the District's disciplinary authority. This includes conduct that occurs on school property; through use of school property (e.g., during online learning or when using the District's network or computer systems); at school-sponsored events or activities (e.g., field trips, athletic events, extracurricular activities); and in off-campus settings if the conduct is sufficiently serious or severe that it could contribute to a hostile environment within the District's education program or activities.

Livonia Public Schools encourages anyone who believes they have been subjected to sex discrimination (or has knowledge of another person being subjected to sex discrimination) in connection with the District's programs or activities to promptly report their concerns directly to the LPS Title IX Coordinator. If an alleged Title IX violation has been first reported to a school administrator, or any other staff member in the District, the allegation must then be reported directly to the LPS Title IX Coordinator. When the Title IX Coordinator receives a report about conduct that may reasonably constitute sex discrimination, the Title IX Coordinator will be responsible for coordinating the District's response in a fair and equitable manner, consistent with Title IX and its regulations.

LEGAL REF.: Titles VI and VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d, et seq., and 42 U.S.C. §§ 2000e, et seq.; Title IX of the Educational Amendments of 1972, 20 U.S.C. §§ 1681, et seq., Age Discrimination Act of 1975, 42 U.S.C. §§ 6101 et seq.; Age Discrimination in Employment Act, 29 U.S.C. §§ 621 et seq.; Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; the Americans with Disabilities Act of 1990, 42 U.S.C §§ 12101, et seq., the Handicappers' Civil Rights Act, MCL §§ 37.1101, et seq.; and the Elliott-Larsen Civil Rights Act, MCL §§ 37.2101, et seq.

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2025**

TOPIC: Second Reading & Adoption of Board Policy

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Board Policy Committee and adopt Board Policy language per the attached document, for:

Board Policy IDAC - Kindergarten

RATIONALE:

The Board Policy Committee has met with staff to review proposed language for the above policy and is recommending approval by the entire Board. This language was submitted for first reading at the Board meeting of September 22, 2025.

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Theresa O'Brien, Chief Academic Officer

EXHIBITS:

Attached Policy

Off/Supt/tg

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2025**

TOPIC: Second Reading & Adoption of Board Policy

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Board Policy Committee and adopt Board Policy language per the attached document, for:

Board Policy IDB – Health Education

RATIONALE:

The Board Policy Committee has met with staff to review proposed language for the above policy and is recommending approval by the entire Board. This language was submitted for first reading at the Board meeting of September 22, 2025.

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Theresa O'Brien, Chief Academic Officer

EXHIBITS:

Attached Policy

Off/Supt/tg

BOARD POLICY

IDB

INSTRUCTIONAL PROGRAM HEALTH EDUCATION

OCTOBER 20, 2025

The Board of Education establishes that the providing of consultative and preventive health services, e.g. vision screening, is generally the responsibility of county government, and that the treatment of individual children is a parental responsibility. Wayne County Health and Human Services is a resource the school district will utilize to provide support to staff, families and students, as needed. The school district will provide health education based on content standards and expectations from the Michigan Department of Education.

LEGAL REF.: MCL 380.1502
MCL 380.1170, 1170a, 1170b

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 17, 2025**

TOPIC: Second Reading & Adoption of Board Policy

RECOMMENDATION:

Move that the Board of Education of the Livonia Public Schools School District accept the recommendation of the Board Policy Committee and adopt Board Policy language per the attached document, for:

Board Policy IDBB – Substance Abuse Education

RATIONALE:

The Board Policy Committee has met with staff to review proposed language for the above policy and is recommending approval by the entire Board. This language was submitted for first reading at the Board meeting of September 22, 2025.

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Theresa O'Brien, Chief Academic Officer

EXHIBITS:

Attached Policy

Off/Supt/tg

**LIVONIA PUBLIC SCHOOLS
BOARD OF EDUCATION MEETING
October 20, 2025**

TOPIC: First Reading of Board Policies

RECOMMENDATION:

The Board Policy Committee has reviewed changes for the following Bylaws of the Board: Section A – School District Organization

Bylaws of the Board:

- **Bylaw AA – District Legal Name**
- **Bylaw ABB – Board Powers and Duties**
- **Bylaw ABCA – Number of Board Members**
- **Bylaw ABCB – Board Member Qualifications and Oath of Office**
- **Bylaw ABCC – Board Member Method of Election**
- **REMOVAL of Bylaw ABCD – Board Member Method of Election**
- **Bylaw AC – School Grade Configuration**

RATIONALE:

These are the first readings of these policies and are provided for Board review and possible adoption at a future meeting.

BUDGETARY INFORMATION:

None

RESOURCE PERSONNEL:

Andrea L. Oquist, Superintendent,
Colleen Burton, Trustee of the Board of Education

EXHIBITS:

Attached

Off/Supt/tg

BYLAWS OF THE BOARD

AA

DISTRICT ORGANIZATION
DISTRICT LEGAL STATUS **NAME**

~~DECEMBER 1997~~
Reviewed 11/2013
NOVEMBER 17, 2025

The official name of the school district shall be ~~the~~ Livonia Public Schools School District. ~~and~~
The school district shall be organized and conducted as a general powers school district as
presented in The Revised School Code, **as amended**.

LEGAL REF.: Constitution of the State of Michigan, Art. 8, Sec. 2; MCL 380.1131

BYLAWS OF THE BOARD

ABB

DISTRICT ORGANIZATION BOARD POWERS AND DUTIES

~~JANUARY 21, 2014~~
NOVEMBER 17, 2025

The Board of Education exercises its powers and duties only in properly called meetings, where a majority of the Board constitutes a quorum to transact business. Except when performing a specific duty as ~~ordered~~ **directed** by the Board, the decisions, **speech** and actions of a single member of the Board are not **reflective of nor** binding on the entire Board or school district.

The mandatory and implied granted powers and duties of the Board are defined by law. ~~This~~ **The** Board considers that its most important functions fall into the following categories:

- 1. **Hiring and Evaluating the Superintendent:** The Board is responsible for hiring the Superintendent to carry out the operations of the school district. The Board is responsible for evaluating the Superintendent according to the goals set by the Board in collaboration with the Superintendent and in accordance with State law.
- 4.2. ~~Legislative or p~~ **Policy Making:** The Board is responsible for the development **and revision** of Board policy. ~~These policies shall be carried out by the administration. The Board shall evaluate the effectiveness of its policies and their implementation.~~
- 2.3. ~~Educational planning and appraisal.~~ **Goal Setting and Strategic Planning:** ~~Strategic Planning and Goal Setting: The Board is responsible for requiring and acquiring reliable information from responsible sources which will enable it and the staff to work toward the continuing improvement of the educational program. The Board is responsible for visionary strategic planning and goal setting and does so in conjunction with the Superintendent.~~
- 3-4. ~~Provision~~ **Allocation and Oversight of Financial Resources:** ~~The Board has major responsibilities~~ **is responsible** for the adoption of a budget **based on allocated funding and acquisition of funds necessary for personnel expenditures, salaries, buildings, school facilities and operations,** staff materials, and equipment to enable the district to carry out the educational program. The Board is responsible for ~~exercising proper control over all district funds.~~ **to ensure a proper audit is completed annually.**
- 5. **Personnel:** The Board shall ~~employ~~ **see ensure that the District employs** the staff necessary to carry out the ~~instructional~~ **educational** program. The Board shall approve negotiated **bargaining agreements which include** salaries and salary schedules, **and** other terms and conditions of employment, ~~and shall establish personnel policies.~~
- 4-6. **School Facilities:** The Board is responsible for determining school ~~housing~~ **facility** needs,

for communicating these needs to the community, for purchasing, leasing or selling sites, for approving building sites and approving building plans **and renovations** that will support and enhance the educational **and extra-curricular** programs.

~~5. Judicial. The Board is responsible for interpreting policies to school staff members, students and the public when issues involve Board policies and their fair implementation.~~

~~6~~ **7. Communication With the Public:** The Board is responsible for providing adequate and direct means for keeping local citizens informed about the schools and ~~keeping itself informed about the wishes of the public~~ **for being available to receive feedback from the public.**

LEGAL REF.: MCL 380.1201, *et seq.*

BYLAWS OF THE BOARD

ABCA

DISTRICT ORGANIZATION
NUMBER OF BOARD MEMBERS

~~MARCH 16, 2015~~
NOVEMBER 17, 2025

The Board of Education shall consist of seven members elected or appointed according to provisions contained in Michigan general school laws ~~The Revised School Code, as amended.~~

LEGAL REF.: ~~MCL 380.11a~~ **MCL 380.384**

BYLAWS OF THE BOARD

ABCB

DISTRICT ORGANIZATION BOARD MEMBER QUALIFICATIONS and OATH of OFFICE

~~JANUARY 21, 2014~~
NOVEMBER 17, 2025

~~A school elector is eligible for election or appointment to the Board of Education.~~ An Individual is eligible for election to the School Board if the individual is a citizen of the United States and is a qualified and registered elector (registered voter, 18 years of age or older, and residing in Livonia Public Schools School District boundaries).

Acceptance of Office; Constitutional Oath

Within five business days after an election, each member-elect shall be notified of the election. Within ten business days after notification of election or appointment to the Board, each person shall file with the Secretary of the Board an acceptance of the office to which the person has been elected or appointed.

Each person elected or appointed to the Board shall take and subscribe the following oath or affirmation: "I do solemnly swear (or affirm) that I will support the Constitution of the United States and the Constitution of this state, and that I will faithfully discharge the duties of the office of member of the Board of Education according to the best of my ability."

LEGAL REF.: MCL 168.302; 168.492; 380.11a

BYLAWS OF THE BOARD

ABCC

DISTRICT ORGANIZATION
BOARD MEMBER TERM OF ~~ELECTION TO OFFICE~~
METHOD OF ELECTION

~~NOVEMBER 13, 2017~~
NOVEMBER 17, 2025

Members of the Board of Education shall be elected biennially during even year general elections (the first Tuesday after the first Monday in November) to serve for a term of four years on a ~~rotation~~ rotating basis. The term shall commence on January 1 of the year immediately following the election and continue through December 31 of the fourth year.

The school district shall conduct the election of School Board members as detailed above and special elections as deemed necessary by the Board of Education in accordance with the provisions of law and by resolutions adopted by the Board.

Buildings and facilities of the school district may be made available to the City of Livonia and to the City of Westland at such times as the cities conduct elections. School election precincts may be revised as necessary based on the needs of the District or upon consideration of requests from the City of Livonia or the City of Westland.

BYLAWS OF THE BOARD

ABCD

DISTRICT ORGANIZATION BOARD MEMBER METHOD OF ELECTION

June 4, 2012

~~Reviewed 11/2013~~

NOVEMBER 17, 2025

The school district shall conduct the election of School Board members every other year in even years and special elections as deemed necessary by the Board of Education in accordance with the provisions of law and by resolutions adopted by the Board.

~~The Board shall cooperate with the City of Livonia and the City of Westland officials in conducting all elections. Buildings and facilities of the school district shall **may** be made available to the City of Livonia and to the City of Westland at such times as the cities shall conduct elections. When necessary, School election precincts shall **may** be revised to conform to **as necessary based on the needs of the District or upon consideration of requests from the** City of Livonia and **or the** City of Westland precinct revisions.~~

LEGAL REF.: Public Acts 232 and 233 of 2011; MCL 168.758(c)

BOARD POLICY

AC

DISTRICT ORGANIZATION PLAN
LEVELS OF INSTRUCTION
SCHOOL GRADE CONFIGURATION

APRIL 23, 2007
~~Reviewed 11/2013~~
NOVEMBER 17, 2025

The ~~levels of instruction~~ ~~school grade configuration~~ ~~are~~ is organized as follows:

Pre-K

Lower Elementary Schools - Grades Kindergarten through Four

Upper Elementary Schools - Grades Five and Six

Middle Schools - Grades Seven and Eight

Senior High Schools - Grades Nine, Ten, Eleven, and Twelve

~~Post-Secondary~~ ~~Grade 14~~

The district reserves the right to have different grade configurations for magnet schools.

LEGAL REF.: MCL 388.684; 380.1277; 380.1282