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**REGULAR MEETING
OF THE BOARD OF EDUCATION
Maxfield Education Center
32789 W. Ten Mile Rd.
Farmington, MI 48336
Tuesday, October 12, 2021
6:00 PM**

AGENDA

- I. **CALL TO ORDER**
 - A. Roll Call
 - B. Pledge of Allegiance
- II. **ITEMS FROM THE PRESIDENT**
 - A. Approval of the Agenda
 - B. Announcements
 - C. Board Goals
- III. **ITEMS FROM THE SECRETARY**
 - A. Correspondence
- IV. **LEGISLATIVE UPDATE**
- V. **DISTRICT UPDATES**
 - A. Recognition: Student Leadership - Alyssa Peek
 - B. Recognition: NEF/NAWIC High School State CAD/Design/Drafting Competition Award Winner - Madelyn Newton
 - C. Recognition: Observance of Principals' Month
 - D. Superintendent's District Update
 - E. DEI Update
 - F. Quarterly Bond Update
- VI. **REPORTS FROM BOARD COMMITTEES**
 - A. Finance/Facilities Committee
- VII. **DISCUSSION ITEMS**
 - A. FPS Bid Pack #3 - Farmington HS - Bid and Award Recommendation
 - B. Plante Moran Annual Audit Review
 - C. 2022/2023 Section 105 School of Choice
- VIII. **PUBLIC COMMENTS**
- IX. **ACTION ITEMS**
 - A. FPS Bid Pack #3 - Farmington HS - Bid and Award Recommendation

- B. 2022/2023 Section 105 School of Choice
- C. February 2022 Board Meeting Schedule Change
- X. **CONSENT AGENDA**
 - A. Approval of Minutes
 - 1. September 28, 2021 Regular Meeting
 - B. Resolution in Compliance with 2011 Public Act 152 (Funded Health Insurance)
 - C. Unification of Boys' High School Lacrosse
- XI. **REPORTS FROM BOARD REPRESENTATIVES**
- XII. **RECOMMENDATIONS FOR FUTURE AGENDA ITEMS**
- XIII. **GOOD AND WELFARE**
- XIV. **ADJOURNMENT**

**PUBLIC COMMENTS is intended to provide individuals an opportunity to address the Board of Education. In the interest of fairness, the Board requests each speaker to limit his or her comments to three (3) minutes.*

ANY PERSON with a disability who needs accommodation for participation in this meeting should contact the Superintendent's office at 248-489-3338 at least three (3) business days in advance of the meeting to request assistance.

ALL MEETINGS, with the exception of closed sessions, are open to the public. Regular Board of Education meetings and most pre-meetings of the Board of Education are cablecast live on TV10.

The official minutes of the Board of Education are stored and available for inspection in the Lewis Schulman Administration Building of the Farmington Public School District.

October 12, 2021

Regular Meeting of the Board of Education

III. ITEMS FROM THE SECRETARY.

The Board has received communications regarding the Home Language and Race-Ethnicity Survey. Communications are acknowledged and, when appropriate, a response is provided. A list of correspondents can be found in the Board packet, which is available on the FPS website.

October 12, 2021

Regular Meeting of the Board of Education

III. ITEMS FROM THE SECRETARY.

A. Correspondence.

1. Bhardwaj: Home Language and Race-Ethnicity Survey



Christopher Delgado <christopher.delgado@fpsk12.net>

Legislative Update - October 8, 2021

1 message

Peter Spadafore + Athena Antonis <masagov@gomasa.org>
Reply-To: Peter Spadafore + Athena Antonis <masagov@gomasa.org>
To: christopher.delgado@fpsk12.net

Fri, Oct 8, 2021 at 12:29 PM

[View this email in your browser](#)



October 8, 2021

In This Update

- Summary
- [Senate Education Committee](#)
- [House Education Committee](#)
- [AASA Memo on New OSERS Guidance](#)
- [ICYMI: U.S. AG Says Authorities Will Target Those Who Threaten School Boards, Staff](#)

Summary

This week in Lansing we saw **action on SB 664, a bill that allows for some pupil accounting flexibility around the pandemic**, and both education committees met for deliberations. We continue to work with state and federal

authorities on **clarity surrounding ESSER III equalization** and hope to have a resolution very soon. Many members have reached out wondering about **masking in Michigan schools**, recent data indicate that 222 districts, covering, 748,181 kids (59.72%), have some form of mask mandate, whether through the local health department or the school district itself. **Congress continues deliberation** on the federal stimulus package and negotiations on the debt ceiling are heating up, placing the infrastructure package on the back burner while lawmakers decide whether the United States will default or not... stay tuned.

As always, please [contact MASA](#) with any questions or concerns.

Senate Education Committee

In a contentious hearing on Tuesday the Senate Education Committee met to discuss [SB 460](#), legislation sponsored by Chairwoman Sen. Lana Theis (R-Brighton).

SB 460 would **require the board of a district to ensure that the curriculum provided to all pupils enrolled in the district did not include critical race theory, the 1619 Project, or any of the following theories:**

- That any race is inherently superior or inferior to any other race.
- That the United States is a fundamentally racist country.
- That the Declaration of Independence or the U.S. Constitution are fundamentally racist documents.
- That an individual's moral character or worth is determined by his or her race.
- That an individual, by virtue of his or her race, is inherently racist or oppressive, whether
- consciously or unconsciously.

Under the proposed bill, "critical race theory" is defined as anti-American and racist theories, reading guides, lesson plans, activities, guided discussions, and other resources that promote that the United States is a fundamentally racist document, and that certain races are fundamentally oppressive or oppressed.

Further, **any district that is found by MDE to have included the above prohibited items in their curriculum will be subject to a 5% state aid penalty.**

A constant question throughout Tuesday's hearing was **whether there is any evidence that Critical Race Theory is incorporated into the Common Core Standards.** Supporters of SB 460 did not have Michigan specific examples when explaining their positions on the bill. Several of those speaking in support of the bill were affiliated with higher education institutions and national think tanks. Additionally, several individuals testified on their own personal opinions and experiences about topics named in the bill.

No vote was taken on SB 460.

The committee did act on [SB 664](#) – **the seat time flexibility legislation.** As captured in last week's Legislative Update, this bill **would allow for pupils in quarantine to be counted as “actually enrolled and in regular daily attendance” for the 2021-22 school year only.** There was a [S-1 substitute](#) to the bill, below are two substantial changes:

- Expands the definition of quarantine to include students residing in a household with someone who tests positive.
- Expands the list of mechanisms a local health department can issue a quarantine to include an order, notice, recommendation, instruction, or directive. The first version of the bill only permitted a notice from a health department.

On Thursday, **the Senate unanimously passed SB 664.** The bill still needs some work, but it's moving forward and that's a good thing. Please visit [this link](#) to see the most up-to-date version of the bill. We continue to appreciate member feedback as we work with lawmakers to tweak the language in the bill to hopefully address as many concerns as possible before this bill makes it to Gov. Whitmer's desk.

House Education Committee

On Tuesday, the committee heard testimony on [HB 4953.](#) This legislation is sponsored by Rep. David Martin (R-Davison) and **would require MDE to develop and make available information packets on dual enrollment and college and career opportunities.** This information packet would be made

available to all districts and the bill requires the following information to be covered:

- Information, disaggregated by prosperity region, regarding dual enrollment opportunities under state or federal law for 8th- to 12th-grade students.
- Information, disaggregated by prosperity region, regarding early/middle college programs available under state or federal law for 8th- to 12th-grade students.
- Information regarding the average tuition and average fees associated with attendance at each public university and community college in Michigan for the immediately preceding calendar year.
- The six-year graduation rate for each public university and community college in Michigan.
- Information regarding the average amount of student loans incurred by individuals attending a postsecondary institution in Michigan.
- A list of at least 10 postsecondary vocational training opportunities for individuals who have been awarded a high school diploma or awarded a high school equivalency certificate and the average costs associated with certification through those vocational training opportunities.
- A list of at least 20 of the most in-demand occupations in Michigan, as determined by MDE, for the immediately preceding calendar year, and a breakdown of the average salary and required educational level for each profession.
- A list of public and private resources designed to aid students and parents and legal guardians in navigating postsecondary education, including public and private scholarship opportunities.
- A list of public service opportunities for high school graduates, including information concerning opportunities available in the public safety sector such as the U.S. military, police departments, and fire departments.

HB 4953 would impose an undetermined cost to MDE, as some of this information is available and compiled already and other items would require additional resources to fulfill what is required. There also may be some administrative costs to districts in distributing the materials. The bill was unanimously voted to the House Floor.

The committee also reported [HB 4199](#) on a 9-2 vote, both no votes were from Northern Michigan Republican committee members. As summarized in last week's Legislative Update, **the bill would repeal the prohibition on starting school before Labor Day.**

AASA Memo on New OSERS Guidance

Last week, the U.S. Department of Education (Department), Office of Special Education and Rehabilitative Services (OSERS) **released a [major new guidance document](#) clarifying that, regardless of the COVID-19 pandemic, or the mode of instruction, children with disabilities are entitled to FAPE.** OSERS has sought to clarify and re-interpret IDEA in some unique ways in this document and Superintendents should closely read the guidance, as well as the AASA memo below.

First, the Department recommends that IEP Teams utilize contingency planning to ensure that regardless of whether a child is educated in-person, remotely or via hybrid that the IEP outlines can how the special education and related services included in a child's IEP can be provided in changing circumstances.

Second, the Department cautions schools to avoid routinely using discipline to address a child's behaviors that may arise when students return to school and consider developing or revising, or ensuring the provision of, positive behavioral interventions and supports and other strategies, as appropriate. The Department also gives examples of social, emotional, behavioral, and mental health supports related to the COVID-19 pandemic that could be included in a child's IEP. The guidance also describes the steps the IEP Team should take when considering behavioral supports for children with disabilities as they return to in-person instruction. Specifically, if new or different social, emotional, behavioral, or mental health needs arise after a child has been determined to be eligible for special education and related services and an IEP has been developed, the IEP Team must reconvene to consider these needs, including whether there is a need for additional related services and positive behavioral interventions and supports to ensure the child's access to FAPE.

Third, the guidance outlines who should be included on a child's IEP Team when a child with a disability has one or more underlying medical conditions that puts them at increased risk of severe illness if they contract COVID-19. Further, they reaffirm that LEAs must address the school-related health needs

of eligible children with disabilities who are at increased risk of severe illness from COVID-19 infection. Specifically, if a parent or other member of the IEP Team believes that COVID-19 prevention strategies are necessary for the provision of FAPE to the child, the IEP Team must consider whether and to what extent such measures are necessary, based on child-specific information, which may include medical or health records, diagnostic or other evaluative data, or information documented by medical or health professionals. In a direct rebuttal to states that have limited masking or other COVID mitigation strategies, the Department reaffirms that “state or local laws, rules, regulations, or policies that have the effect of improperly limiting the ability of the IEP Team to address the school-related health needs of a child with a disability, or the ability of the group of knowledgeable persons to propose an appropriate placement in the least restrictive environment for children with disabilities who have school-related health needs, would be a violation of IDEA.”

Fourth, when it comes to determining extended school year services, the Department does explicitly permit the IEP Team to determine that a child’s ESY service needs could be met through participation, with appropriate supports, in some or all the additional services the LEA provides to all students.

Fifth, the Department also answers whether an LEA is obligated to provide special education and related services through virtual instruction upon the parent’s request. They note that if virtual is provided to all students than students with disabilities must also be given this option, but that IDEA also includes a “home instruction” provision in the continuum of alternative placements an LEA must make available to ensure FAPE is available to children with disabilities, which could mean virtual/hybrid.

The final and most troubling section of the guidance focuses on learning loss during the pandemic and associated revisions to the IEP as well as a need to provide compensatory services for students who have been denied FAPE. The Department clarifies that the IEP team should discuss what new or different needs a child has including lost skills or lack of progress towards attaining IEP goals and all areas of need, whether commonly related to the child’s disability category. However, it then proceeds to recommend that IEP teams convene to determine what “compensatory educational services” should be provided to a child. This is a total misread of the provision of compensatory educational services. Since compensatory services were first outlined in IDEA regulation, they have strictly been a legal remedy that Courts have ordered to address a student’s needs after the district’s failure or inability

to provide FAPE over a given period. In this guidance, the Department suggests that any district can and should consider what compensatory services a child is owed and outlines a step-by-step process for IEP teams to determine whether a child should be given compensatory services that includes the child's present level of academic achievement, the child's previous rate of progress towards IEP goals and the documented frequency and duration of special education services provided prior to the pandemic.

The guidance also states that the Department's longstanding position has been that IEP Teams are the appropriate vehicle for addressing the need for, and extent of, compensatory services to address the child's needs based on any failure or inability to provide appropriate services due to circumstances such as teacher strikes, natural disasters, and pandemics. And the Department believes that IEP Teams are already empowered under IDEA to make individualized determinations regarding the special education and related services that a child needs. AASA takes great issue with this interpretation and disagrees that there is no statutory or regulatory evidence to account for this view.

Furthermore, the Department cautions that any attempts by districts and states to provide "recovery services" or "COVID mitigation services" would not be considered "compensatory services" as defined by the Department unless they utilize a process "identified under IDEA for making individualized determinations about these services based on each child's unique needs and circumstances." Therefore, efforts to provide recovery services to all students, including students with disabilities, would not suffice. The Department also says that students who have graduated or who have exceeded the age of eligibility for IDEA services can also be granted compensatory services. This is yet another interpretation of IDEA with which AASA disagrees.

ICYMI: U.S. AG Says Authorities Will Target Those Who Threaten School Boards, Staff

One issue that is becoming all too common for districts across our state and country involves threats of violence toward school staff and board members. Earlier this week, **Attorney General Merrick B. Garland directed the FBI and U.S. Attorneys' Offices to meet in the next 30 days with federal, state, Tribal, territorial, and local law enforcement leaders to**

discuss strategies for addressing this increasing problem in communities nationwide.

The Justice Department will **launch a series of additional efforts in the coming days designed to address the rise in criminal conduct directed toward school personnel.** Those efforts are expected to include the creation of a task force, consisting of representatives from the department's Criminal Division, National Security Division, Civil Rights Division, the Executive Office for U.S. Attorneys, the FBI, the Community Relations Service, and the Office of Justice Programs, to determine how federal enforcement tools can be used to prosecute these crimes, and ways to assist state, Tribal, territorial, and local law enforcement where threats of violence may not constitute federal crimes.

The Justice Department will also **create specialized training and guidance for local school boards and school administrators.** This training will help school board members and other potential victims understand the type of behavior that constitutes threats, how to report threatening conduct to the appropriate law enforcement agencies, and how to capture and preserve evidence of threatening conduct to aid in the investigation and prosecution of these crimes.

You can find the full [memo](#) here.



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October 12, 2021

Regular Meeting of the Board of Education

V. DISTRICT UPDATES

- A. RECOGNITION: STUDENT LEADERSHIP – ALYSSA PEEK.**
Presenter: Chris Delgado, Superintendent
- B. RECOGNITION: NEF/NAWIC HIGH SCHOOL STATE CAD/DESIGN/
DRAFTING COMPETITION AWARD WINNER – MADELYN NEWTON.**
Presenter: Chris Delgado, Superintendent
- C. RECOGNITION: OBSERVANCE OF PRINCIPALS’ MONTH.**
Presenter: Chris Delgado, Superintendent
- D. SUPERINTENDENT’S DISTRICT UPDATE.**
Presenter: Chris Delgado, Superintendent
- E. DEI UPDATE.**
Presenter: Bobbie Goodrum, Assistant Superintendent-DEI
- F. QUARTERLY BOND UPDATE.**
Presenter: Ahmed Beasley, Plante Moran CRESA

NFHS senior, Alyssa Peek, creates a Diversity and Social Justice Library at Kenbrook Elementary School

Farmington, MI -- Alyssa Peek, senior at North Farmington High School (NFHS), held a ribbon-cutting ceremony at Kenbrook Elementary School on Thursday, September 24 to showcase the Diversity and Social Justice library she created for the school.

Due to her strong leadership skills, last spring Alyssa was honored with a leadership award through the Farmington/Farmington Hills Optimist Club. In conjunction with the award, she received a \$250 stipend to “do something good for the community.” It did not take long for her to determine what she wanted to do.

“I knew that the \$250 wasn't going to cut it for my plans,” stated Alyssa.

Therefore, she created an Amazon Wish List of books and solicited donations from family and friends. After weeks of receiving books, posters, and puzzles, she had gathered more than 250 books about racial injustice, equality, diversity, the importance of civic engagement, and climate change, with a total value of more than \$4,500.

Since her sophomore year at NFHS, Alyssa has been on a mission to reboot a pretty inactive Diversity Club. The re-energized Club reads books and holds talks about race and the significance of teaching younger children about diversity and change.

“I believe that the earlier we reach children and teach them about acceptance, diversity, equity, and social justice the more likely they will become responsible and active citizens who are loving, kind, and accepting of others,” said Alyssa.

That is why she decided to start a Diversity and Social Justice Library at her former school, Kenbrook Elementary School.

“This project is really important to me, because when I was younger, I did not see myself, my family, or other races or ethnic groups represented in books. Now, there are so many more books available. Unfortunately, some kids never get to see them, because these books are not



DATE: September 27, 2021
CONTACT: Kendra Montante
248.489.3349
FOR RELEASE: IMMEDIATE

[REDACTED]

in their schools, media centers, or even community libraries. I am thankful to be part of a community that is inclusive that promotes activism,” said Alyssa.

“I hope that this initiative can serve as a pilot program for other mini-libraries in other schools across the District and beyond,” stated Alyssa.

Alyssa states that she could not have done it without the help of several District administrators including Dr. Bobbie Goodrum, assistant superintendent of diversity, equity, and inclusion; Joe Greene, principal of NFHS; Tonya Corbitt, assistant principal at NFHS; Dr. Julie Kaminski, principal of Kenbrook Elementary School; and Amy Simpson, media aide for Kenbrook Elementary School.

Congratulations, Alyssa! Farmington Public Schools is grateful for your leadership and kindness. To learn more about Farmington Public Schools, visit www.farmington.k12.mi.us.

Maddie Newton, FHS senior, wins first place in the NEF/NAWIC High School State CAD/Design/Drafting Competition

Farmington, MI -- Maddie Newton, senior at Farmington High School (FHS), won first place in the NEF/National Association of Women in Construction (NAWIC) 2021 CAD/Design/Drafting State High School Competition. She was honored with \$150 and a plaque.

Each year, students in Christine Trent's Architectural Design class enter the NEF/(NAWIC) High School Competition as a component of the class. This year, students were asked to design a townhome in New York City (NYC) for a family with three children. Competitors were asked to follow very specific competition design requirements and NYC building restrictions.

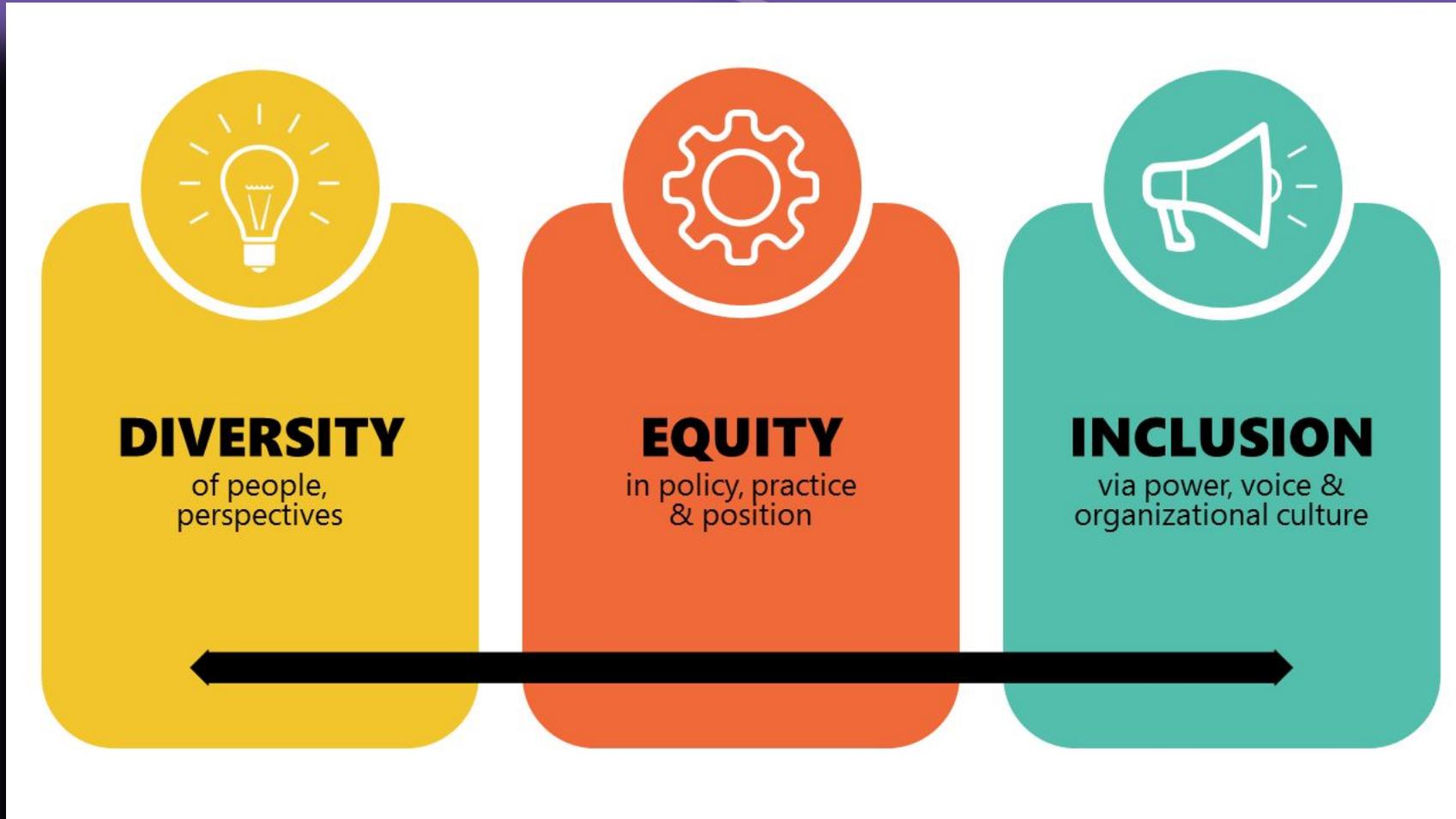
Maddie created a cost-effective, eco-friendly, and sustainable five-story NYC townhome. Her townhome included solar panels, a garden on the roof to grow your own food, and recycled furniture, doors, and windows. Her submission included 10 drawings including electrical and plumbing plans, elevation views, renderings, and section views.

Winners were evaluated based on their creative design, successful problem solving, and craftsmanship in preparing architectural drawings. All entries were evaluated by industry professionals for detail, accuracy, and originality of work.

In 2020, Maddie won a Gold Key in Scholastic Art & Writing Awards for Architecture by creating a pocket neighborhood. In 2019, she won a Silver Key in Scholastics for her modern house, as well as first place for her Interior Design Board at the Annual Michigan Industrial Technology Education Society (MITES) Competition.

Maddie states that when she won the Gold Key she was able to design what she wanted. This year, the competition had numerous design specifications and requirements which required a lot of additional work.

DEI Update



An Invitation to Brave Space

Together we will create brave space. Because there is no such thing as a “safe space” — We exist in the real world. We all carry scars and we have all caused wounds. In this space We seek to turn down the volume of the outside world, We amplify voices that fight to be heard elsewhere,

We call each other to more truth and love. We have the right to start somewhere and continue to grow.

We have the responsibility to examine what we think we know. We will not be perfect. This space will not be perfect. It will not always be what we wish it to be.

But

It will be our brave space together, and We will work on it side by side.

by Micky Scott Bey Jones

Educational Equity

when educational policies, practices, interactions, and resources are representative of constructed by and responsive to all people so that each person has access to, meaningfully participates in and has positive outcomes from high-quality learning experiences, regardless of individual characteristics and group memberships (Fraser, 2008; Great Lakes Equity Center 2012).



How do you
encourage
and support a
JEDI
Mindset?



Justice
Equity
Diversity
Inclusion

**ALL Children
ALL Staff
ALL Families
All the Time!**

Educational Equity Audit Next Steps

- Meet with each principal and identify strengths and opportunities.
- Share results on District website.
- School administrators share audit information with school teams and begin working on action plans focused on the critical practices as follows:

Focus Areas of the Audit:

- Representation/Policies & Procedures
- Culture
- Family & Community Engagement
- Teacher Leadership
- Instruction/Pedagogy
- Curriculum

Representation/Policies and Procedures

- Representation is an essential component of JEDI (justice, equity, diversity, inclusion) work.
- Within representation, we evaluated programs, personnel, and curriculum – recognizing that what students are exposed to shapes their perspective and future core beliefs.

Culture - 5 Critical Practices

- **Honoring Student Experience** is developed when teachers provide safe spaces where students are seen, valued, cared for, and respected. It is important that students have opportunities to learn from one another's varied experiences and perspectives.
- **Thoughtful Classroom Setup and Structure** without saying a word sends message about diversity, relationship building, communication, and the roles of teachers and students.
- **Shared Inquiry and Dialogue** build upon our differences and how it shapes who we are and what we know. Life, history, society, and power cannot be understood from a single perspective; we need multiple viewpoints to truly see the world.
- **Social and Emotional Safety** allows students to feel both physically and emotionally safe to learn. This includes safety from stereotype threat, harassment, and exclusion
- **Values-Based Behavior Management** includes ensuring support for safe, inclusive communities by enforcing high standards for respectful interaction; incorporating student-generated discipline policies; teaching conflict resolution; and actively addressing all instances of bias, bullying, exclusion, or disrespect.

Family & Community Engagement - 5 Critical Practices

- **Culturally Sensitive Communication** is strong communication between school staff and families. It also demonstrates respect for families with a diverse range of backgrounds and structures.
- **Inclusion of Family and Community Wisdom** enhances student learning. Students possess tremendous experiential wisdom on issues related to identity, culture, history, and justice. Parents, grandparents, aunts, uncles, friends, cousins, neighbors, and community leaders frequently have stories to share about their lives and perspectives.
- **Increased Connections Among Families** helps build strong connections and gives families the opportunity to support one another in nurturing their children's identity and values.
- **Use of Local Resources** allows schools to better utilize resources surrounding them and build a strong network of support.
- **Engagement with Community Issues and Problems** highlights taking action against exclusion, prejudice, and discrimination.

Teacher Leadership - 5 Critical Practices

- **Self-Awareness and Cultural Competency** is the ability to work effectively-and sensitively-across cultural contexts. It involves learning, communicating, and connecting respectfully with others regardless of differences.
- **Speaking Up and Responding to Prejudice, Bias, and Stereotypes** are taught by educators as much by example as by following a curriculum. Role-modeling proactive responses to bias, discrimination, exclusion, and bullying is one of the most important ways teachers can exercise leadership.
- **Building Alliances** is about working together, giving and receiving support, and creating a sounding board for anti-bias curriculum planning.
- **Leading Beyond the Classroom** is about educators conducting this work beyond the classroom and embodying the principles of being a socially aware person.
- **Ongoing Reflection and Learning (Professional Development)** in the social justice educational arena means embracing the opportunity for ongoing reflection and growth. Teachers can employ both formal and informal as well as both individual and collective strategies to stay current on social justice issues.

Instruction/ Pedagogy - 5 Critical Practices

- **Critical Engagement with Material** requires questioning, forming and challenging opinions, and feeling outrage or inspiration. It is about helping individuals find their voices and learn to trust their instincts. Finally, it is about teaching the value of what students know and encouraging them to use their knowledge in the service of their academic, personal, social, and political lives.
- **Differentiated Instruction** supports student success while maintaining the cognitive demand of the curriculum. Additionally, it can normalize differences and highlight diversity as a positive aspect of the learning process.
- **Cooperative and Collaborative Learning** is utilized through working in small groups, which can help students achieve collaborative goals, deepen their understanding, and foster intergroup relationships. This practice crosses lines of social identity and academic achievement, supports equitable access to content knowledge, and broadens participation.
- **Real-World Connections** help students connect what they learn to their lives and to the world around them.
- **Values-Based Assessment, Evaluation and Grading** shape both academic opportunities and student identities. Practices that support collaboration, authentic engagement, and equal opportunity value diverse student learning styles and challenge the widespread tracking of students from different backgrounds.

Curriculum - Social Justice Standards

Identity: Within Identity, the focus is on helping students answer the question, “Who am I?” Within this concept, intersectionality (multiple identities combined making us who we are) and pride is addressed as well as helping students recognize how traits of the dominant culture impact their own identity. The five standards within Identity are:

- Students will develop positive social identities based on their membership in multiple groups in society.
- Students will develop language and historical and cultural knowledge that affirm and accurately describe their membership in multiple identity groups.
- Students will recognize that people’s multiple identities interact and create unique and complex individuals.
- Students will express pride, confidence, and healthy self-esteem without denying the value and dignity of other people.
- Students will recognize traits of the dominant culture, their home culture, and other cultures and understand how they negotiate their own identity in multiple spaces.

Curriculum - Social Justice Standards

Diversity: Within Diversity, the focus is on helping students answer the question, “How are we alike and different?” Within this concept, empathy as well as curiosity and moving beyond superficial and oversimplified contexts is emphasized. The five standards within Diversity are:

- Students will express comfort with people who are both similar to, and different from, them and engage respectfully with all people.
- Students will develop language and knowledge to accurately and respectfully describe how people (including themselves) are both similar to, and different from, each other and others in their identity groups.
- Students will respectfully express curiosity about the history and lived experiences of others and will exchange ideas and beliefs in an open-minded way.
- Students will respond to diversity by building empathy, respect, understanding and connection.
- Students will examine diversity in social, cultural, political, and historical contexts rather than in ways that are superficial or oversimplified

Curriculum - Social Justice Standards

Justice: Within Justice, the focus is on helping students answer the question, “Why are some people treated differently?” Within this concept, privilege/power as well as oppression (at both the individual and systemic levels) are emphasized. The five standards within Justice are:

- Students will recognize stereotypes and relate to people as individuals rather than representatives of groups.
- Students will recognize unfairness on the individual level (e.g., biased speech) and injustice at the institutional or systemic level (e.g., discrimination).
- Students will analyze the harmful impact of bias and injustice on the world, historically and today.
- Students will recognize that power and privilege influence relationships on interpersonal, intergroup, and institutional levels and consider how they have been affected by those dynamics.
- Students will identify figures, groups, events, and a variety of strategies and philosophies relevant to the history of social justice around the world.

Curriculum - Social Justice Standards

Action: Within Action, the focus is on helping students answer the question, “What can I do about unfairness?” Within this concept, recognizing self-responsibility in carrying out collective action is emphasized. The five standards within Action are:

- Students will express empathy when people are excluded or mistreated because of their identities and concern when they themselves experience bias.
- Students will recognize their own responsibility to stand up to exclusion, prejudice, and injustice.
- Students will speak up with courage and respect when they or someone else has been hurt or wronged by bias.
- Students will make principled decisions about when and how to take a stand against bias and injustice in their everyday lives and will do so despite negative peer or group pressure.
- Students will plan and carry out collective action against bias and injustice in the world and will evaluate what strategies are most effective.

Other Activities

- MSAN Intersectional Social Justice Collaborative for Middle and High School Students
- MASA Beyond Equity Training (Every 2 weeks, 2 hours a session)
- Equity Facilitator Training with Paul Gorski and the Equity Literacy Institute
- Midwest and Plains future PD:
 - Increasing and Sustaining a Culturally Responsive Diverse Educator Workforce
 - Centering Equity in Curriculum & Instruction Planning
- REIDBS (all elementary teachers are invited - 2 year training. 18 hours)

Other Activities

- Education Research and Development Institute Fall Leadership Symposium: Systems Leadership for Equity
- Community Support Services - Parent University
- Diversity Clubs
 - One at each school K-12
 - Book Studies
 - District Club - Farmington IDEA
 - Farmington's Diversity Conference in Spring
- Community Trainings on Equity Audit Results
- Mental Health Awareness in Fall and Spring

Other Activities

- Collaboration:
 - Strategic Planning
 - Centering Equity in Recruitment and Retention of Staff
 - Diverse Texts
- Etc.

21 Day Equity Challenge

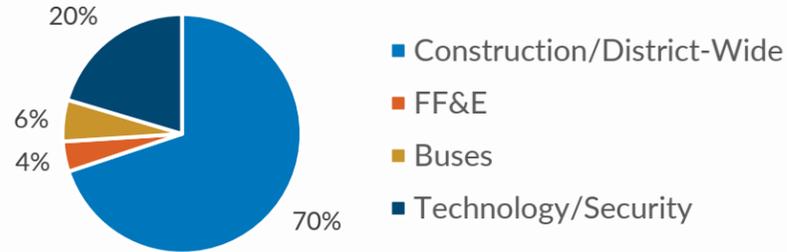
- The FPS Sponsored Farmington/Farmington Hills Community 21 Day Equity Challenge will begin on November 1 and run through November 21.
- We will begin promotion and registration by October 18.
- The challenge will include a weekly reflection forum and opportunities for people to post reflections in a padlet.
- There will be reflection questions along with a reading or video activity every day.
- The challenge is centered around OUR community and the findings from the Educational Equity Audit

Thank you!!!

Bobbie Hayes Goodrum, PhD
bobbie.goodrum@fpsk12.net



\$98M Bond Budget Breakdown



Upcoming Projects Currently in Design & Planning

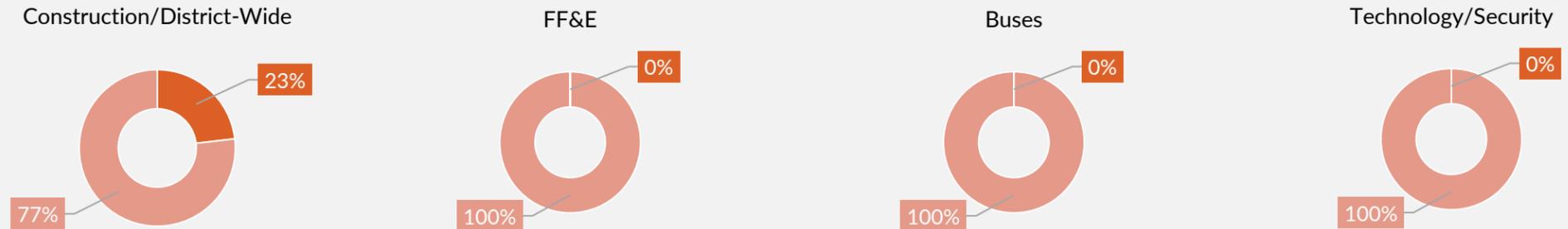
- Bid Package #3 – Farmington High School
 - »Project has been bid and board recommendation presented 10/12/21.
 - »Construction to commence February 2022 with the majority of work to occur Summer 2022. Pool work to start April 2022.
- Bid Package #4 – Hillside Elementary School
 - »Project is currently out for bids with bids due 10/21/21. Board recommendation will be November 2021.
 - »Construction to commence April 2022 with the majority of work to occur Summer 2022.
- Bid Package #4 – Longacre Elementary School
 - »Project is currently out for bids with bids due 10/21/21. Board recommendation will be November 2021.
 - »Construction to commence April 2022 with the majority of work to occur Summer 2022.
- Bid Package #4 – Wood Creek Elementary School
 - »Project is currently out for bids with bids due 10/21/21. Board recommendation will be November 2021.
 - »Construction to commence April 2022 with the majority of work to occur Summer 2022.
- Bid Package #5– Power Middle School
 - »Project is in the final stages of design with bidding to occur in November 2021 and award December 2021
 - »Construction to commence April 2022 with the majority of work to occur Summer 2022.
- Bid Package #6– Districtwide Signage Replacement
 - »Project is in the final stages of design with bidding to occur in November 2021 and award December 2021
 - »Construction to commence upon availability of signs as coordinated w/ FPS.

Cost to Complete Through 09.30.2021

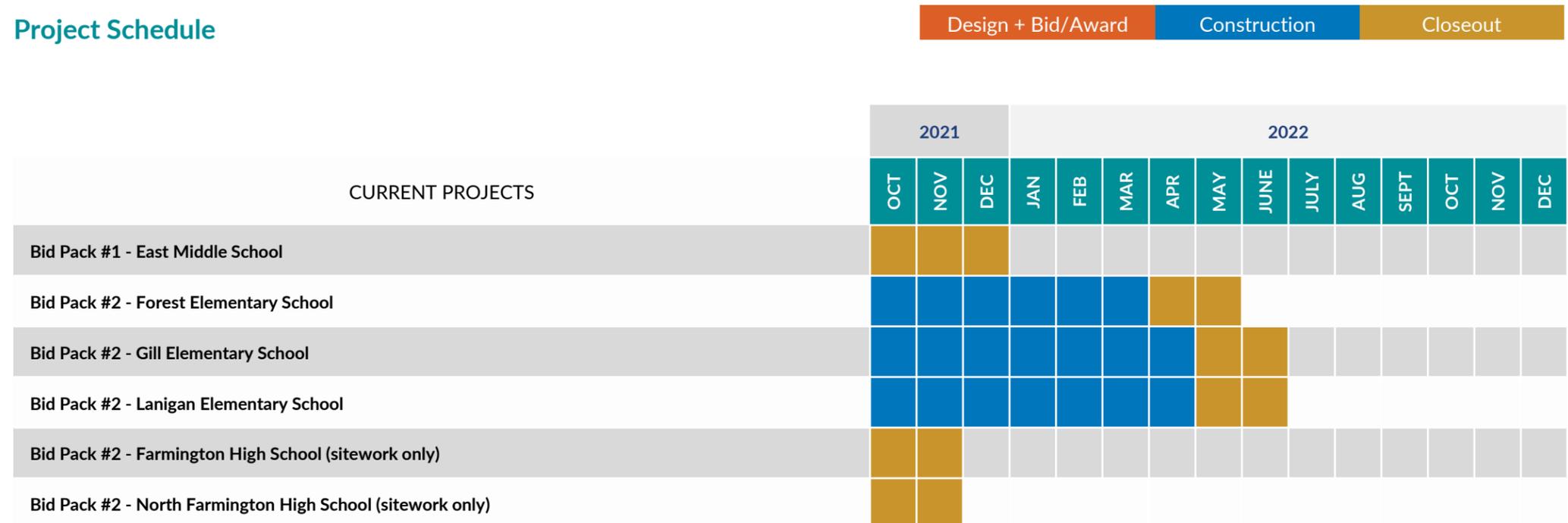
FUNDING ALLOCATION:	Budget	Commitments / Projected Commitments	Actuals Approved	Actual Cost To Complete	Forecasted Commitments	Reserve / Owner Contingency	Estimate At Completion	Forecasted Over/(Under)
Construction/District-Wide	\$68,500,000	\$15,854,615	\$5,632,542	\$10,222,073	\$50,286,008	\$2,359,377	\$68,500,000	\$0
FF&E	\$4,000,000	\$0	\$0	\$0	\$4,000,000	\$0	\$4,000,000	\$0
Buses	\$5,500,000	\$0	\$0	\$0	\$5,500,000	\$0	\$5,500,000	\$0
Technology/Security	\$20,000,000	\$0	\$0	\$0	\$20,000,000	\$0	\$20,000,000	\$0
OVERALL TOTALS:	\$98,000,000	\$15,854,615	\$5,632,542	\$10,222,073	\$79,786,008	\$2,359,377	\$98,000,000	\$0

All Owner costs are included and reconciled through August 31, 2021.

Committed Cost by Category Through 09.30.2021



Project Schedule



Note - Numbers and dates on this report are subject to change

October 12, 2021

Regular Meeting of the Board of Education

VII. DISCUSSION ITEMS

- A. FPS BID PACK #3 – FARMINGTON HS – BID AND AWARD RECOMMENDATION.**
Presenters: Chris Delgado, Superintendent; Jennifer Kaminski, Assistant Superintendent-Business Services; Scott Smith, Plante Moran CRESA; Aaron Phillips, McCarthy Smith
- B. PLANTE MORAN ANNUAL AUDIT REVIEW.**
Presenters: Chris Delgado, Superintendent; Jennifer Kaminski, Assistant Superintendent-Business Services; Nevra Kreger, Jenny Kolbow and Lindsey Orwat, Plante Moran
- C. 2022/2023 SECTION 105 SCHOOLS OF CHOICE.**
Presenters: Chris Delgado, Superintendent and Bobbie Goodrum, Assistant Superintendent-DEI

October 12, 2021

Mr. Jon Barth, Director of Operations
Farmington Public Schools
32500 Shiawassee St.
Farmington, MI 48336

RE: 2020 Bond - Contract Award Recommendation for Construction Bids
Bid Pack #3 – Farmington High School Improvements

Dear Mr. Barth:

This letter transmits an update from Plante Moran Cresa (PMC) as it relates to the assignment to assist and advise Farmington Public Schools (FPS) in its selection of Prime Contractors for the 2020 Bond Project listed above. This update represents the mutual efforts of PMC, Wakely Associates, Peter Basso & Associates, McCarthy & Smith and FPS administration and staff (Project Team) to present a framework in order to identify, evaluate and recommend Prime Contractors for this Project.

The Project Team has diligently worked to continuously validate the project scope sheet for the Project listed above, reviewed proposed drawings and performance specifications, met with district personnel, and aligned the release and bid due dates to ensure good bid coverage for the District.

On September 9, 2021, an advertisement for bids was posted to the required State of Michigan website. In addition, the advertisement was posted to the District's website as well as a local newspaper. Construction Documents and Specifications were formally issued and made available to interested bidders via web-based portals.

Relative to Bid Pack #3 – Farmington High School Improvements, seventy-three (73) bid proposals were received and publicly opened on September 23, 2021 (and September 29, 2021 for the Specialty Foundations, Hard Tile, Carpet/Resilient, Athletic Equipment, and Telescoping Stands bid categories). During the next week, bid proposals were reviewed to determine the scope, schedule, budget, and other financial implications. Interviews were held with the recommended bidders and were attended by various members of the Project Team.

Upon completion of the interviews, and after subsequent clarifications and discussions, the Project Team is recommending the firms listed in McCarthy & Smith's Award Recommendation Letter for Bid Pack #3 – Farmington High School Improvements for contract award. The recommendation includes the acceptance of a voluntary alternate proposed by the recommended bidder in Bid Division 109 – Roofing. The recommendation also includes the acceptance of a combined bid savings for Bid Divisions 140 – Plumbing and 142 – HVAC. Both are further described in McCarthy & Smith's recommendation letter. The recommendation also includes the acceptance of the following bid alternates:

Alternate #1: New Scoreboards for Auxiliary Gym	\$ 18,460.00
Alternate #3: Art Room Display Wall	\$ 34,660.00
Alternate #4: Production Technology Room Improvements	\$ 58,050.00
Alternate #7: New Diving Board	\$ 6,752.00
Alternate #8: New Pool Rail Goods	\$ 9,706.00
Alternate #9: New Pool Starting Blocks	\$ 19,400.00
<u>Alternate #10: New Pool Perimeter Gutter Grating</u>	<u>\$ 24,423.00</u>
TOTAL:	\$171,451.00

Including hard construction of \$4,599,190.00 and construction contingency of \$459,919.00, this Project award recommendation equals \$5,059,109.00.

For the Prime Contractors, the cost for the Work will be detailed in AIA Contract A132 – 2019 Standard Form of Agreement between Owner and Contractor, as modified pending final review and approval of terms by district legal counsel.

Prior to the acceptance of the bid alternates, the recommendation for Bid Pack #3 – Farmington High School Improvements, is within 6% of the established budget for the Project and is within the overall bond budget without sacrificing bond dollars currently allocated to future projects. The majority of the work contained in this bid package will be performed during the summer school recess in 2022, however some improvements such as the pool area will commence in the spring of 2022.

The Project Team is available at the Board's convenience to answer any questions regarding bidding, the proposals, interview process, or the recommendation of the Project Team.

Sincerely,

PLANTE MORAN CRESA



Scott Smith, LEED AP
Vice President



Paul R. Wills, AIA, LEED AP
Partner

Copy: Jennifer Kaminski – Farmington Public Schools
Paul Wills – Plante Moran Cresa
File

Enclosures:

- McCarthy & Smith, Inc. - Bid Pack #3 – Farmington High School Improvements letter dated October 12, 2021



BID PACK #3: FARMINGTON HIGH SCHOOL - COST SUMMARY

	Hard Construction		
Building	Budget	Actual	Variance
Farmington High School	\$ 4,179,175	\$ 4,599,190	\$ (420,015)
Totals	\$ 4,179,175	\$ 4,599,190	\$ (420,015)

	Construction Contingency (10%)		
Building	Budget	Actual	Variance
Farmington High School	\$ 417,918	\$ 459,919	\$ (42,002)
Totals	\$ 417,918	\$ 459,919	\$ (42,002)

	Total Project Costs		
Building	Budget	Actual	Variance
Farmington High School	\$ 4,597,093	\$ 5,059,109	\$ (462,017)
Totals	\$ 4,597,093	\$ 5,059,109	\$ (462,017)



October 12, 2021

Mr. Jon Barth
Director of Operations
Farmington Public Schools
32500 Shiawassee Street
Farmington, Michigan 48336

RE: 2020 Bond Issue
Bid Package #3 Site & Building Improvements to Farmington High School

SUBJ: Contract Award Recommendation

Mr. Barth,

On Thursday, September 23, 2021 at 11:00 AM and Wednesday, September 29, 2021 at 1:00 PM (extended categories), sealed bids were received and publicly opened for the work pertaining to the above referenced project. In attendance for the bid openings were representatives from Farmington Public Schools, Plant Moran CRESA, Wakely Associates, McCarthy & Smith, Inc., and interested Bidders. Bids were opened, recorded, and tabulated.

The project team has conducted post bid interviews with the following low, qualified Bidders, for each bid division of work. During the post bid interview, the project team reviewed the Contractor's qualifications, scope of work, project schedule, manpower requirements, and specified materials. Based upon the project team's review of the proposals and bidders, we propose the following companies to Farmington Public Schools for contract award:

Bid Division 103: Selective Demolition

Blue Star, Inc.

Mr. Scott Krall
21950 Hoover Road
Warren, MI 48089

Base Bid	\$	89,000.00
PLM Bond (Hudson Insurance Company)	\$	1,070.00
Alternate 3: Art Room Display Wall	\$	1,000.00
Alternate 4: Production Tech Remodel	\$	750.00
Total	\$	91,820.00

Bid Division 104A: Specialty Foundations

CI Contracting

Mr. Marc Messina
7135 Dan McGuire Drive
Brighton, MI 48116

Base Bid	\$	23,900.00
PLM Bond (N/A)	\$	0.00
Total	\$	23,900.00



Bid Division 105: Concrete Flatwork

McCarthy Construction Company, Inc. *

Mr. Michael McCarthy
1033 Rig Street
Commerce Township, MI 48390

Base Bid	\$	57,574.00
PLM Bond (Merchants Bonding Company)	\$	1,151.00
Total	\$	58,725.00

* Second Low Bid. Low Bidder had an estimating error and respectfully asked for their bid to be withdrawn.

Bid Division 106: Masonry

Navetta Mason Contractors, Inc. *

Mr. Steve Dudek
12264 Emerson Drive
Brighton, MI 48116

Base Bid	\$	79,000.00
PLM Bond (Merchants Bonding Company)	\$	715.00
Alternate 3: Art Room Display Wall	\$	1,000.00
Alternate 4: Production Tech Remodel	\$	1,000.00
Total	\$	81,715.00

* Second Low Bid. Acceptance of Alternates yielded Low Bid.

Bid Division 107: Steel

Judd Industrial Contracting, Inc.

Mr. Ronald Pawlak
17900 Ryan Road
Detroit, MI 48212

Base Bid	\$	52,900.00
PLM Bond (Merchants National Bonding, Inc.)	\$	1,058.00
Total	\$	53,958.00

Bid Division 108: Carpentry & General Trades

Clark Contracting Services

Mr. David Reece
2660 Superior Court
Auburn Hills, MI 48326

Base Bid	\$	270,000.00
PLM Bond (Federal Insurance Company)	\$	2,700.00
Alternate 3: Art Room Display Wall	\$	5,000.00
Alternate 4: Production Tech Remodel	\$	4,300.00
Total	\$	282,000.00



Bid Division 109: Roofing

Superior Services, RSH, Inc.

Mr. Robert Heins
5411 W. Grand River Avenue
Lansing, MI 48906

Base Bid	\$	18,000.00
PLM Bond (N/A)	\$	0.00
Voluntary Alternate (Additional Roof Flashing)	\$	7,800.00
Total	\$	25,800.00

Bid Division 114: Aluminum Entrances, Glass, & Glazing

Modern Mirror & Glass Co. *

Mr. Eric Babler
20809 Kraft Boulevard
Roseville, MI 48066

Base Bid	\$	453,700.00
PLM Bond (Western Surety)	\$	9,300.00
Alternate 3: Art Room Display Wall	\$	21,800.00
Total	\$	484,800.00

* Second Low Bid. Low Bidder had an estimating error and respectfully asked for their bid to be withdrawn.

Bid Division 116: Hard Tile

Continental Contracting Co., LLC

Mr. Franko Sallaku
23450 Telegraph Road
Southfield, MI 48033

Base Bid	\$	129,500.00
PLM Bond (Granite, Re., Inc.)	\$	1,600.00
Total	\$	131,100.00

Bid Division 117: Acoustical Treatment

ANM Construction Co. Inc. *

Mr. Matt Kulie
55331 Lyon Industrial Drive
Lyon Charter Township, MI 48165

Base Bid	\$	154,350.00
PLM Bond (Merchants Bonding Co.)	\$	1,000.00
Alternate 3: Art Room Display Wall	\$	2,410.00
Total	\$	157,760.00

* Second Low Bid. Low Bidder had an estimating error and respectfully asked for their bid to be withdrawn.



Bid Division 118: Carpet & Resilient Flooring

Continental Interiors, Inc.

Mr. Alexander Moll
 1210 East Maple Road
 Troy, MI 48083

Base Bid	\$	24,950.00
PLM Bond (N/A)	\$	0.00
Alternate 3: Art Room Display Wall	\$	2,750.00
Alternate 4: Production Tech Remodel	\$	4,500.00
Total	\$	32,200.00

Bid Division 120: Painting

R&G Painting Home Improvement LLC *

Mr. Aldo Foto
 28221 Beck Road, Suite A15
 Wixom, MI 48393

Base Bid	\$	56,820.00
PLM Bond (RLI Insurance Company)	\$	1,250.00
Alternate 3: Art Room Display Wall	\$	700.00
Alternate 4: Production Tech Remodel	\$	9,000.00
Total	\$	67,770.00

* Second Low Bid. Low Bidder had an estimating error and respectfully asked for their bid to be withdrawn.

Bid Division 131: Athletic Equipment

Bareman & Associates, Inc.

Mr. Mitch Bareman
 2197 Pine Ridge Drive
 Jenison, MI 49428

Base Bid	\$	87,378.00
PLM Bond (Western National Mutual Insurance Co.)	\$	813.00
Alternate 1: New Auxiliary Gym Scoreboards	\$	16,960.00
Total	\$	105,151.00

Bid Division 133: Pool & Natatorium Equipment

Aquatic Source LLC

Mr. Nick Shelton
 190 Summit Street
 Brighton, MI 48116

Base Bid	\$	162,000.00
PLM Bond (CNA)	\$	6,700.00
Alternate 7: New Diving Board	\$	6,752.00
Alternate 8: New Pool Rail Goods	\$	9,706.00
Alternate 9: New Pool Starting Blocks	\$	19,400.00
Alternate 10: New Pool Perimeter Gutter Draining	\$	24,423.00
Total	\$	228,981.00



Bid Division 136: Telescoping Stands

Southern Bleacher Company, Inc.

Mr. Lincoln Darrow
5727 E. CD Avenue
Kalamazoo, MI 49004

Base Bid	\$	56,260.00
PLM Bond (Fidelity & Deposit Company of Maryland)	\$	250.00
Total	\$	56,510.00

Bid Division 140 Plumbing & 142 HVAC (Combined Bid)

Professional Thermal Systems *

Mr. Zachary Martin
734 S. Michigan Avenue
Howell, MI 48843

Base Bid (Combined Bid 140 & 142)	\$	1,952,000.00
PLM Bond (American Fire Insurance Company)	\$	21,000.00
Alternate 4: Production Tech Remodel (Plumbing)	\$	6,500.00
Alternate 4: Production Tech Remodel (HVAC)	\$	8,000.00
Total	\$	1,987,500.00

* Combined Bid yielded Low Bidder between
140 and 142

Bid Division 143: Electrical

Max Electric

Mr. Joseph Viviano
34133 Schoolcraft Road
Livonia, MI 48150

Base Bid	\$	694,000.00
PLM Bond (Western Surety Company)	\$	10,000.00
Alternate 1: New Auxiliary Gym Scoreboards	\$	1,500.00
Alternate 4: Production Tech Remodel	\$	24,000.00
Total	\$	729,500.00

AWARD RECOMMENDATION AMOUNT: \$4,599,190.00

The Bid Summary and Bid Tabulation are included in this package.

I trust the above recommendations meet the approval of the administration and the Board of Education. McCarthy & Smith representatives will be in attendance at the October 12, 2021 Board of Education meeting to address any concerns.

Please contact me with any questions.

Sincerely,



Aaron A. Phillips
Senior Project Manager
McCarthy & Smith, Inc.

CC: Paul Wills, Plante Moran CRESA
Scott Smith, Plante Moran CRESA
Brian Smilnak, Wakely Associates
Bill McCarthy, McCarthy & Smith, Inc.

Bid Award Summary

Bid Division / Description	Apparent Low Bidder	BASE BID				ALTERNATES										SUMMARY ITEMS				
		BASE BID	PLM Bond	Accepted VE/VA	Total Base Bid	ALT. 1 Aux. Gym New Scoreboards	ALT. 2 Coach's Shower Renovations	ALT. 3 Art Room Display Wall	ALT. 4 Production Tech Remodel	ALT. 5 Exhaust Fans R&R	ALT. 6 Wrestling Room Mechanical	ALT. 7 New Diving Board	ALT. 8 New Pool Rail Goods	ALT. 9 New Pool Starting Blocks	ALT. 10 New Pool Perimeter Gutter Grating	Total Accepted Alternates	Total Award Recommendation	Number of Bidders	Low	High
103 Selective Demolition	Blue Star, Inc.	\$89,000.00	\$1,070.00		\$90,070.00		\$400.00	\$1,000.00	\$750.00		\$1,150.00				\$1,750.00	\$91,820.00	7	\$89,000.00	\$309,700.00	
104A Specialty Foundations	CI Contracting	\$23,900.00	\$0.00		\$23,900.00										\$0.00	\$23,900.00	1	\$23,900.00	\$23,900.00	
105 Concrete	McCarthy Construction Co. *	\$57,574.00	\$1,151.00		\$58,725.00										\$0.00	\$58,725.00	4	\$28,600.00	\$117,421.00	
106 Masonry	Navetta Mason Contractors, Inc. **	\$79,000.00	\$715.00		\$79,715.00			\$1,000.00	\$1,000.00						\$2,000.00	\$81,715.00	15	\$74,000.00	\$130,400.00	
107 Steel & Miscellaneous Steel	Judd Industrial Contracting, Inc.	\$52,900.00	\$1,058.00		\$53,958.00										\$0.00	\$53,958.00	4	\$52,900.00	\$88,063.00	
108 Carpentry / General Trades	Clark Contracting Services	\$270,000.00	\$2,700.00		\$272,700.00		\$6,500.00	\$5,000.00	\$4,300.00						\$9,300.00	\$282,000.00	4	\$270,000.00	\$398,000.00	
109 Roofing	Superior Services	\$18,000.00	\$0.00	\$7,800.00	\$25,800.00										\$0.00	\$25,800.00	2	\$18,000.00	\$86,900.00	
114 Aluminum Entrances / Glass & Glazing	Modern Mirror & Glass Co. *	\$453,700.00	\$9,300.00		\$463,000.00			\$21,800.00							\$21,800.00	\$484,800.00	3	\$328,000.00	\$499,715.00	
116 Hard Tile	Continental Contracting Co., LLC	\$129,500.00	\$1,600.00		\$131,100.00		\$5,000.00								\$0.00	\$131,100.00	2	\$129,500.00	\$159,600.00	
117 Acoustical Treatments	ANM Construction Co. *	\$154,350.00	\$1,000.00		\$155,350.00			\$2,410.00			\$12,000.00				\$2,410.00	\$157,760.00	7	\$124,500.00	\$203,000.00	
118 Carpet & Resilient Flooring	Continental Interiors, Inc.	\$24,950.00	\$0.00		\$24,950.00			\$2,750.00	\$4,500.00						\$7,250.00	\$32,200.00	2	\$24,950.00	\$30,250.00	
120 Painting	R&G Painting Home Improvement LLC *	\$56,820.00	\$1,250.00		\$58,070.00		\$400.00	\$700.00	\$9,000.00						\$9,700.00	\$67,770.00	5	\$38,098.00	\$97,081.00	
131 Athletic Equipment	Bareman & Associates	\$87,378.00	\$813.00		\$88,191.00	\$16,960.00									\$16,960.00	\$105,151.00	1	\$87,378.00	\$87,378.00	
133 Pool & Natatorium Equipment	Aquatic Source LLC	\$162,000.00	\$6,700.00		\$168,700.00						\$6,752.00	\$9,706.00	\$19,400.00	\$24,423.00	\$60,281.00	\$228,981.00	1	\$162,000.00	\$162,000.00	
136 Telescoping Stands	Southern Bleacher Company, Inc.	\$56,260.00	\$250.00		\$56,510.00										\$0.00	\$56,510.00	1	\$56,260.00	\$56,260.00	
140 Plumbing	Included with HVAC Below								\$6,500.00									4	\$171,400.00	\$214,750.00
142 HVAC	Professional Thermal Systems ***	\$1,952,000.00	\$21,000.00		\$1,973,000.00		\$1,000.00		\$8,000.00	\$122,000.00	\$72,000.00				\$14,500.00	\$1,987,500.00	5	\$1,796,000.00	\$2,080,000.00	
143 Electrical	Max Electric	\$694,000.00	\$10,000.00		\$704,000.00	\$1,500.00	\$2,000.00		\$24,000.00	\$20,000.00					\$25,500.00	\$729,500.00	5	\$694,000.00	\$1,375,422.00	
TOTALS		\$4,361,332.00	\$58,607.00	\$7,800.00	\$4,427,739.00	\$18,460.00	\$15,300.00	\$34,660.00	\$58,050.00	\$142,000.00	\$85,150.00	\$6,752.00	\$9,706.00	\$19,400.00	\$24,423.00	\$171,451.00	\$4,599,190.00	73	\$4,168,486.00	\$6,119,840.00

* Indicates 2nd Low Bid. Low Bidder had an estimating error and respectfully asked for their bid to be withdrawn.
 ** Indicates 2nd Low Bid. Acceptance of alternates yielded Low Bid.
 *** Bidder indicated a Combined Bid Lump Sum on the Bid Pricing Form as an attachment, yielding Low Bid.

BUDGET SUMMARY		
FHS CONSTRUCTION BUDGET		\$4,179,175.00
BASE BID, PLM BOND, VA TOTAL		\$4,427,739.00
ALTERNATES	Cost	Accepted
ALT. 1 Aux. Gym New Scoreboards	\$18,460.00	\$18,460.00
ALT. 2 Coach's Shower Renovations	\$15,300.00	
ALT. 3 Art Room Display Wall	\$34,660.00	\$34,660.00
ALT. 4 Production Tech Remodel	\$58,050.00	\$58,050.00
ALT. 5 Exhaust Fans R&R	\$142,000.00	
ALT. 6 Wrestling Room Mechanical	\$85,150.00	
ALT. 7 New Diving Board	\$6,752.00	\$6,752.00
ALT. 8 New Pool Rail Goods	\$9,706.00	\$9,706.00
ALT. 9 New Pool Starting Blocks	\$19,400.00	\$19,400.00
ALT. 10 New Pool Perimeter Gutter Grating	\$24,423.00	\$24,423.00
ACCEPTED ALTERNATES TOTAL		\$171,451.00
TOTAL WITH ACCEPTED ALTERNATES		\$4,599,190.00
CONSTRUCTION VARIANCE		(\$420,015.00)

#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shiawassee Street, Farmington, MI 48336, United States of America

BD 103: Existing Conditions

Generated October 4, 2021

Leveled Bid

Base Bid

LINE ITEMS

Lump Sum Bid for Selective Demolition
Cost for Performance and Labor & Material
Payment Bonds, to be added to the Base Bid

ALTERNATES

Alternate 2: Coaches Shower Renovations
Alternate 3: Art Room Display Wall Renovations
Alternate 4: Production Tech Renovations
Alternate 6: Wrestling Room Renovations

FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID

Bidder has uploaded the Bid Security in the amount of five (5%) percent (Bid Bond or Certified Check)
Bidder has signed and uploaded the Familial Disclosure Affidavit Form
Bidder has signed and uploaded the Iran Linked Business Affidavit Form
Bidder has signed and uploaded the Criminal Background Check Affidavit Form

Blue Star, Inc. Submitted by Sierra Accettura			
\$91,820			
\$90,070			
Original Proposal, September 22, 2021			
Unit	Qty	Unit Cost	Total Cost
			\$90,070
			\$99,900
			\$89,000
			\$1,900
			\$1,750
			\$400
			\$1,000
			\$750
			\$1,150
			\$0
			\$0
		YES	
Leveled Bid Total			\$91,820

DKI, International Inc. Submitted by Fred Yacoub			
\$103,500			
\$99,900			
Original Proposal, September 22, 2021			
Unit	Qty	Unit Cost	Total Cost
			\$99,900
			\$111,000
			\$2,200
			\$10,500
			\$3,500
			\$3,500
			\$7,000
			\$4,000
			\$0
			\$0
		YES	
Leveled Bid Total			\$103,500

Applied Construction Services Submitted by Jack Luther			
\$123,700			
\$113,200			
Original Proposal, September 23, 2021			
Unit	Qty	Unit Cost	Total Cost
			\$113,200
			\$132,986
			\$964
			\$2,550
			\$1,200
			\$1,800
			\$750
			\$1,200
			\$0
			\$0
		YES	
Leveled Bid Total			\$123,700

Christman Constructors, Inc. Submitted by Andrew Holman			
\$136,500			
\$133,950			
Original Proposal, September 23, 2021			
Unit	Qty	Unit Cost	Total Cost
			\$133,950
			\$153,060
			\$2,000
			\$2,950
			\$700
			\$1,450
			\$1,500
			\$1,500
			\$0
			\$0
		YES	
Leveled Bid Total			\$136,500

Great Lakes Construction Services Submitted by Dan Husek			
\$158,010			
\$155,060			
Original Proposal, September 23, 2021			
Unit	Qty	Unit Cost	Total Cost
			\$155,060
			\$153,060
			\$2,000
			\$2,950
			\$700
			\$1,450
			\$1,500
			\$1,500
			\$0
			\$0
		YES	
Leveled Bid Total			\$158,010

DTS Contracting, Inc. Submitted by Joe Stanaj			
\$259,200			
\$240,900			
Original Proposal, September 22, 2021			
Unit	Qty	Unit Cost	Total Cost
			\$240,900
			\$235,000
			\$5,900
			\$18,300
			\$2,300
			\$11,700
			\$6,600
			\$5,600
			\$0
			\$0
		YES	
Leveled Bid Total			\$259,200

Reese Contracting, Inc. Submitted by isabella avitia			
\$327,100			
\$314,500			
Original Proposal, September 23, 2021			
Unit	Qty	Unit Cost	Total Cost
			\$314,500
			\$309,700
			\$4,800
			\$12,600
			\$8,700
			\$5,400
			\$7,200
			\$8,900
			\$0
			\$0
		YES	
Leveled Bid Total			\$327,100

#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shiawassee Street, Farmington, MI 48336, United States of America

BD 104A: Specialty Foundations

Generated September 30, 2021

Leveled Bid

Base Bid

LINE ITEMS

Lump Sum Bid for Concrete Work
 Cost for Performance and Labor & Material
 Payment Bonds, to be added to the Base Bid

INCLUSIONS

FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID

Bidder has uploaded the Bid Security in the amount of five (5%) percent (Bid Bond or Certified Check)
 Bidder has signed and uploaded the Familial Disclosure Affidavit Form
 Bidder has signed and uploaded the Iran Linked Business Affidavit Form
 Bidder has signed and uploaded the Criminal Background Check Affidavit Form

Leveled Bid Total

CI Contracting

Submitted by Marc Messina

\$24,400

\$24,400

Revision #1, September 29, 2021

Unit	Qty	Cost	Total Cost
			\$24,400
			\$23,900
			\$500
			\$0
			\$0
			YES
			\$24,400

#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shiawassee Street, Farmington, MI 48336, United States of America

BD 105: Concrete Forming & Accessories

Generated September 23, 2021

Base Bid

LINE ITEMS

Unit	Qty	Cost	Total Cost
Lump Sum Bid for Concrete Flatwork			\$28,000
Cost for Performance and Labor & Material			
Payment Bonds, to be added to the Base Bid			\$600

INCLUSIONS

FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID

Bidder has uploaded the Bid Security in the amount of five (5%) percent (Bid Bond or Certified Check)	YES
Bidder has signed and uploaded the Familial Disclosure Affidavit Form	YES
Bidder has signed and uploaded the Iran Linked Business Affidavit Form	YES
Bidder has signed and uploaded the Criminal Background Check Affidavit Form	YES

Base Bid Total

Grit Services

Submitted by Joanne LaGraff

\$28,600

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$28,600
Lump Sum Bid for Concrete Flatwork			\$28,000
Cost for Performance and Labor & Material			
Payment Bonds, to be added to the Base Bid			\$600

	\$0
	\$0

	YES
	YES
	YES
	YES

\$28,600

Mccarthy Construction Company

Submitted by Carrie McCarthy

\$58,725

Original Proposal, September 22, 2021

Unit	Qty	Cost	Total Cost
			\$58,725
Lump Sum Bid for Concrete Flatwork			\$57,574
Cost for Performance and Labor & Material			
Payment Bonds, to be added to the Base Bid			\$1,151

	\$0
	\$0

	YES
	YES
	YES
	YES

\$58,725

Clark Contracting Services

Submitted by Laura Ottman

\$75,470

Revision #1, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$75,470
Lump Sum Bid for Concrete Flatwork			\$74,720
Cost for Performance and Labor & Material			
Payment Bonds, to be added to the Base Bid			\$750

	\$0
	\$0

	YES
	YES
	YES
	YES

\$75,470

DSP Constructors

Submitted by Victor Ferrini

\$119,769

Revision #1, September 23, 2021

Unit	Qty	Cost	Total Cost
			119769
Lump Sum Bid for Concrete Flatwork			117421
Cost for Performance and Labor & Material			
Payment Bonds, to be added to the Base Bid			2348

	0
	0

	YES
	YES
	YES
	YES

\$ 119,769.00

#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shawassee Street, Farmington, MI 48336, United States of America

DTS Contracting, Inc. Submitted by Joe Stanai			HMC Mason Contractors Submitted by Julie Gentile			Brothers and Bricks, LLC Submitted by Cody Muirhead			DAlouisio Masonry & Construction, Inc. Submitted by Lisa Dalouisio			D.C. Byers Company, Inc. Submitted by Chris Vanover			Leidal & Hart Mason Contractors, Inc. Submitted by Michael Millello			Albaugh Masonry Submitted by Jim Burnand			Boss Construction Inc Submitted by Ronald Hill		
\$99,500			\$108,100			\$108,733			\$125,000			\$126,449			\$128,874			\$132,275			\$132,850		
Original Proposal, September 22, 2021			Original Proposal, September 22, 2021			Original Proposal, September 23, 2021			Original Proposal, September 23, 2021			Original Proposal, September 23, 2021			Original Proposal, September 22, 2021			Original Proposal, September 23, 2021			Original Proposal, September 22, 2021		
Unit	Qty	Cost	Unit	Qty	Cost	Unit	Qty	Cost	Unit	Qty	Cost	Unit	Qty	Cost	Unit	Qty	Cost	Unit	Qty	Cost	Unit	Qty	Cost
		\$99,500			\$108,100			\$108,733			\$125,000			\$126,449			\$128,874			\$132,275			\$132,850
		\$97,000			\$106,800			\$105,733			\$122,000			\$124,589			\$127,599			\$130,000			\$130,400
		\$2,500			\$1,300			\$3,000			\$3,000			\$1,860			\$1,275			\$2,275			\$2,450
		\$0			\$0			\$0			\$0			\$0			\$0			\$0			\$0
		\$3,800			\$0			\$2,000			\$3,500			\$0			\$0			\$2,400			\$1,375
		\$3,400			\$0			\$5,000			\$5,000			\$4,500			\$0			\$4,500			\$4,650
		\$0			\$0			\$0			\$0			\$0			\$0			\$0			\$0
		\$0			\$0			\$0			\$0			\$0			\$0			\$0			\$0
		0			0			0			0			0			0			0			0
		YES			YES			YES			YES			YES			YES			YES			YES
		YES			YES			YES			YES			YES			YES			YES			YES
		YES			YES			YES			YES			YES			YES			YES			YES
		YES			YES			YES			YES			YES			YES			YES			YES
		99500			108100			108733			125000			126449			128874			132275			132850

#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shiawassee Street, Farmington, MI 48336, United States of America

BD 108: Wood, Plastics, And Composites

Generated September 23, 2021

Base Bid

LINE ITEMS

Lump Sum Bid for Carpentry / General Trades
Cost for Performance and Labor & Material
Payment Bonds, to be added to the Base Bid

ALTERNATES

Alternate 2: Coaches Shower Renovations

Alternate 3 Art Room Display Wall Renovations
Alternate 4 Production Tech Renovations

INCLUSIONS

FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID

Bidder has uploaded the Bid Security in the amount of five (5%) percent (Bid Bond or Certified Check)
Bidder has signed and uploaded the Familial Disclosure Affidavit Form
Bidder has signed and uploaded the Iran Linked Business Affidavit Form
Bidder has signed and uploaded the Criminal Background Check Affidavit Form

Base Bid Total

Clark Contracting Services

Submitted by Laura Ottman

\$272,700

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$272,700

			\$270,000
			\$2,700

			\$0
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			\$6,500
			\$5,000
			\$4,300

			0
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			\$0
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	YES		

			272700
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City Contracting Services

Submitted by seth Hellman

\$337,000

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$337,000

			\$334,000
			\$3,000

			\$0
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			\$2,000
			\$11,000
			\$20,000

			0
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			\$0
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	YES		

			337000
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BJ Construction Services, Inc.

Submitted by Nick Murray

\$339,900

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$339,900

			\$335,100
			\$4,800

			\$0
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			\$7,445
			\$8,240
			\$4,450

			0
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			\$0
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	YES		

			339900
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The Spieker Company

Submitted by SanTanna Gomez

\$402,000

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$402,000

			\$398,000
			\$4,000

			\$0
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			\$8,000
			\$21,000
			\$7,000

			0
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			\$0
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	YES		

			402000
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#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shiawassee Street, Farmington, MI 48336, United States of America

BD 114: Entrances, Storefronts & Curtain Walls

Generated September 23, 2021

Base Bid

LINE ITEMS

Lump Sum Bid for Aluminum Entrances / Storefront / Glass & Glazing
 Cost for Performance and Labor & Material Payment Bonds, to be added to the Base Bid

ALTERNATES

Alternate 3: Art Room Display Wall Renovations

INCLUSIONS

FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID

Bidder has uploaded the Bid Security in the amount of five (5%) percent (Bid Bond or Certified Check)
 Bidder has signed and uploaded the Familial Disclosure Affidavit Form
 Bidder has signed and uploaded the Iran Linked Business Affidavit Form
 Bidder has signed and uploaded the Criminal Background Check Affidavit Form

Base Bid Total

Aalcor Inc.

Submitted by Rich Bacholzky

\$332,000

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$332,000
			\$328,000
			\$4,000
			\$0
			\$0
			0
			YES
			332000

Modern Mirror & Glass Co.

Submitted by Eric Babler

\$463,000

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$463,000
			\$453,700
			\$9,300
			\$21,800
			\$0
			0
			YES
			463000

Daniels Glass Inc.

Submitted by Chris Mandelka

\$507,211

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$507,211
			\$499,715
			\$7,496
			\$22,558
			\$0
			0
			YES
			507211

#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shiawassee Street, Farmington, MI 48336, United States of America

BD 116: Tiling

Generated September 30, 2021

Leveled Bid Base Bid

LINE ITEMS

Lump Sum Bid for Hard Tile
Cost for Performance and Labor & Material
Payment Bonds, to be added to the Base Bid

ALTERNATES

Alternate 2: Coaches Shower Renovations

INCLUSIONS

FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID

Bidder has uploaded the Bid Security in the amount of five (5%) percent (Bid Bond or Certified Check)
Bidder has signed and uploaded the Familial Disclosure Affidavit Form
Bidder has signed and uploaded the Iran Linked Business Affidavit Form
Bidder has signed and uploaded the Criminal Background Check Affidavit Form

Leveled Bid Total

Continental Contracting Co., LLC

Submitted by Franko Sallaku

\$131,100

\$131,100

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$131,100
			\$129,500
			\$1,600
			\$5,000
			\$0
			0
			YES
			131100

R&G Painting Home Improvement LLC

Submitted by Gentian Nonaj

\$162,600

\$162,600

Original Proposal, September 29, 2021

Unit	Qty	Cost	Total Cost
			\$162,600
			\$159,600
			\$3,000
			\$3,500
			\$0
			0
			YES
			162600

#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America
 Bid Package Lead: Aaron Phelps (apl@mcsmith.com)
 Project Location: 32000 Shawsheen Street, Farmington, MI 48335, United States of America

BD 117: Acoustical Ceilings
 Submitted September 23, 2021

Base Bid

LINE ITEMS	Qty	Cost	Total Cost
Lump Sum Bid for Acoustical Treatment			\$124,000
Cost for Performance and Labor & Material			
Payment Bonds, to be added to the Base Bid		\$1,200	\$1,200
ALTERNATES		\$0	\$0
Alternate 3: Art Room Display Wall Renovations		\$1,000	\$1,000
Alternate 4: Waiting Room Renovations		\$10,000	\$10,000
INCLUSIONS			
FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID	0	0	0
SECURITY IN THE AMOUNT OF THE 5% percent (Bid Bond or Certified Check)	YES	YES	YES
THE FARMINGTON SCHOOLS AGREEMENT Form	YES	YES	YES
THE FARMINGTON SCHOOLS AGREEMENT Form	YES	YES	YES
THE CONTRACT MANAGEMENT CRISIS Mitigation Form	YES	YES	YES
Base Bid Total			125,200

Clark Contracting Services
 Submitted by: Leahy, Clinton

\$125,700

Original Proposal: September 23, 2021

Unit	Qty	Cost	Total Cost
			\$125,700
ALTERNATES		\$0	\$0
Base Bid Total			125,700

ANM Construction Co., Inc.
 Submitted by: Catherine Steinhilber

\$155,350

Original Proposal: September 23, 2021

Unit	Qty	Cost	Total Cost
			\$154,350
			\$1,000
ALTERNATES		\$0	\$0
Base Bid Total			155,350

Acoustical Ceiling & Partition
 Submitted by: Jeff Hildner

\$180,136

Original Proposal: September 23, 2021

Unit	Qty	Cost	Total Cost
			\$178,000
			\$2,136
ALTERNATES		\$0	\$0
Base Bid Total			180,136

City Contracting Services
 Submitted by: Jeff Hildner

\$196,000

Original Proposal: September 23, 2021

Unit	Qty	Cost	Total Cost
			\$194,000
			\$2,000
ALTERNATES		\$0	\$0
Base Bid Total			196,000

The Albert M. Haley Co
 Submitted by: Neil Mizdal

\$198,423

Original Proposal: September 22, 2021

Unit	Qty	Cost	Total Cost
			\$196,423
			\$2,000
ALTERNATES		\$0	\$0
Base Bid Total			198,423

R.E. Leosette Co.
 Submitted by: David Boyer

\$198,423

Original Proposal: September 23, 2021

Unit	Qty	Cost	Total Cost
			\$196,423
			\$2,000
ALTERNATES		\$0	\$0
Base Bid Total			198,423

DTS Contracting, LLC
 Submitted by: Joe Stone

\$208,100

Original Proposal: September 22, 2021

Unit	Qty	Cost	Total Cost
			\$203,000
			\$5,100
ALTERNATES		\$0	\$0
Base Bid Total			208,100

#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shiawassee Street, Farmington, MI 48336, United States of America

BD 118: Flooring

Generated September 30, 2021

Leveled Bid Base Bid

LINE ITEMS

Lump Sum Bid for Carpet / Resilient Tile Flooring
Cost for Performance and Labor & Material
Payment Bonds, to be added to the Base Bid

ALTERNATES

Alternate 3: Art Room Display Wall Renovations
Alternate 4: Production Tech Renovations

INCLUSIONS

FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID

Bidder has uploaded the Bid Security in the amount of five (5%) percent (Bid Bond or Certified Check)
Bidder has signed and uploaded the Familial Disclosure Affidavit Form
Bidder has signed and uploaded the Iran Linked Business Affidavit Form
Bidder has signed and uploaded the Criminal Background Check Affidavit Form

Leveled Bid Total

Continental Interiors, Inc.

Submitted by Alexander Moll

\$34,700

\$27,450

Original Proposal, September 29, 2021

Unit	Qty	Cost	Total Cost
			\$27,450
			<hr/>
			\$24,950
			<hr/>
			\$2,500
			<hr/>
			\$7,250
			<hr/>
			\$2,750
			<hr/>
			\$4,500
			<hr/>
			0
			<hr/>
			0
			<hr/>
			YES
			<hr/>
			YES
			<hr/>
			YES
			<hr/>
			YES
			<hr/>
			34700

Cohns Commercial Floor Covering, Inc.

Submitted by Lucas Beiswanger

\$36,500

\$30,500

Revision #1, September 27, 2021

Unit	Qty	Cost	Total Cost
			\$30,500
			<hr/>
			\$30,250
			<hr/>
			\$250
			<hr/>
			\$6,000
			<hr/>
			\$2,500
			<hr/>
			\$3,500
			<hr/>
			0
			<hr/>
			0
			<hr/>
			YES
			<hr/>
			YES
			<hr/>
			YES
			<hr/>
			YES
			<hr/>
			36500

#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shiawassee Street, Farmington, MI 48336, United States of America

BD 120: Painting

Generated September 23, 2021

Base Bid

LINE ITEMS

Lump Sum Bid for Painting
Cost for Performance and Labor & Material
Payment Bonds, to be added to the Base Bid

ALTERNATES

Alternate 2: Coaches Shower Renovations
Alternate 3: Art Room Display Wall Renovations
Alternate 4: Production Tech Renovations

INCLUSIONS

FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID

Bidder has uploaded the bid security in the amount of five (5%) percent (Bid Bond or Certified Check)
Bidder has signed and uploaded the Familial Disclosure Affidavit Form
Bidder has signed and uploaded the Iran Linked Business Affidavit Form
Bidder has signed and uploaded the Criminal Background Check Affidavit Form

Base Bid Total

Trio Painting Company
Submitted by Ervyn Osmani

\$38,838

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$38,838

			\$38,098
		\$740	

			\$0
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			\$710
		\$1,600	
		\$6,710	

			0
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			\$0
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	YES		

			38838
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R&G Painting Home Improvement LLC
Submitted by Gerislan Nonai

\$58,070

Revision #1, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$58,070

			\$56,820
		\$1,250	

			\$0
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			\$600
		\$700	
		\$9,000	

			0
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			\$0
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	YES		

			58070
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GV Painting LLC
Submitted by Josh Vusha

\$86,345

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$86,345

			\$82,945
		\$3,400	

			\$0
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			\$300
		\$400	
		\$37,095	

			0
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			\$0
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	YES		

			86345
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Seven Brothers Painting
Submitted by Samuel Fortuna

\$92,550

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$92,550

			\$90,950
		\$1,600	

			\$0
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			\$500
		\$1,055	
		\$42,850	

			0
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			\$0
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	YES		

			92550
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Niles Construction Services
Submitted by William Johnston

\$98,091

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$98,091

			\$97,081
		\$1,010	

			\$0
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			\$120
		\$225	
		\$97,829	

			0
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			\$0
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	YES		

			98091
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#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shiawassee Street, Farmington, MI 48336, United States of America

BD 131: Athletic Equipment

Generated September 30, 2021

Leveled Bid

Base Bid

LINE ITEMS

Lump Sum Bid for Athletic Equipment
 Cost for Performance and Labor & Material
 Payment Bonds, to be added to the Base Bid

ALTERNATES

Alternate 1: Auxiliary Gym New Scoreboard

INCLUSIONS

FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID

Bidder has uploaded the Bid Security in the amount of five (5%) percent (Bid Bond or Certified Check)

Bidder has signed and uploaded the Familial Disclosure Affidavit Form

Bidder has signed and uploaded the Iran Linked Business Affidavit Form

Bidder has signed and uploaded the Criminal Background Check Affidavit Form

Leveled Bid Total

Bareman & Associates, Inc.

Submitted by Chad Huttinga

\$88,191

\$88,191

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$88,191
			\$87,378
			\$813
			\$16,960
			\$0
			0
		YES	
			88191

#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shiawassee Street, Farmington, MI 48336, United States of America

BD 133: Pool and Natatorium Equipment

Generated September 23, 2021

Base Bid

LINE ITEMS

Lump Sum Bid for Pool and Natatorium Equipment
 Cost for Performance and Labor & Material Payment Bonds, to be added to the Base Bid

ALTERNATES

Alternate 7: New Diving Board
 Alternate 8: New Pool Rail Goods
 Alternate 9: New Pool Starting Blocks
 Alternate 10: New Pool Perimeter Gutter Grating

INCLUSIONS

FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID

Bidder has uploaded the Bid Security in the amount of five (5%) percent (Bid Bond or Certified Check)
 Bidder has signed and uploaded the Familial Disclosure Affidavit Form
 Bidder has signed and uploaded the Iran Linked Business Affidavit Form
 Criminal Background Check Affidavit Form

Base Bid Total

Aquatic Source LLC

Submitted by Nick Shelton

\$168,700

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$168,700
			<hr/>
			\$162,000
			<hr/>
			\$6,700
			<hr/>
			\$0
			<hr/>
			\$6,752
			<hr/>
			\$9,706
			<hr/>
			\$19,400
			<hr/>
			\$24,423
			<hr/>
			\$0
			<hr/>
			\$0
			<hr/>
			YES
			<hr/>
			YES
			<hr/>
			YES
			<hr/>
			YES
			<hr/>
			\$168,700

#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shiawassee Street, Farmington, MI 48336, United States of America

BD 136: Telescoping Stands

Generated September 30, 2021

Leveled Bid Base Bid

LINE ITEMS

Lump Sum Bid for Telescoping Stands
Cost for Performance and Labor & Material
Payment Bonds, to be added to the Base Bid

INCLUSIONS

FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID

Bidder has uploaded the Bid Security in the amount of five (5%) percent (Bid Bond or Certified Check)

Bidder has signed and uploaded the Familial Disclosure Affidavit Form

Bidder has signed and uploaded the Iran Linked Business Affidavit Form

Bidder has signed and uploaded the Criminal Background Check Affidavit Form

Leveled Bid Total

Southern Bleacher Company, Inc.

Submitted by Shawna Carter

\$56,510

\$56,510

Original Proposal, September 23, 2021

Unit	Qty:	Cost	Total Cost
			\$56,510
			\$56,260
			\$250
			\$0
			\$0
		YES	
			\$56,510

#1100-21: Farmington Public Schools BP#3 Farmington High School Site & Building Improvements

Prepared by McCarthy & Smith, Inc. - 24317 Indoplex Circle, Farmington Hills, MI 48335, United States of America

Bid Package Lead: Aaron Phillips (aphillips@mccarthysmith.com)

Project Location: 32000 Shiawassee Street, Farmington, MI 48336, United States of America

BD 140: Plumbing

Generated September 23, 2021

Base Bid

LINE ITEMS

Unit	Qty	Cost	Total Cost
Lump Sum Bid for Plumbing			\$171,400
Cost for Performance and Labor & Material			
Payment Bonds, to be added to the Base Bid			\$1,600

ALTERNATES

Unit	Qty	Cost	Total Cost
Alternate 4: Production Tech Renovations			\$5,000

INCLUSIONS

FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID

Unit	Qty	Cost	Total Cost
Bidder has uploaded the Bid Security in the amount of five (5%) percent (Bid Bond or Certified Check)			\$0
Bidder has signed and uploaded the Familial Disclosure Affidavit Form			0
Bidder has signed and uploaded the Iran Linked Business Affidavit Form			
Bidder has signed and uploaded the Criminal Background Check Affidavit Form			

Base Bid Total

Contrast Mechanical, Inc.

Submitted by Paul Bowers

\$173,000

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$173,000

Unit	Qty	Cost	Total Cost
Lump Sum Bid for Plumbing			\$171,400
Cost for Performance and Labor & Material			
Payment Bonds, to be added to the Base Bid			\$1,600

Unit	Qty	Cost	Total Cost
Alternate 4: Production Tech Renovations			\$5,000

Unit	Qty	Cost	Total Cost
FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID			\$0
			0

Unit	Qty	Cost	Total Cost
Bidder has signed and uploaded the Familial Disclosure Affidavit Form			YES
Bidder has signed and uploaded the Iran Linked Business Affidavit Form			YES
Bidder has signed and uploaded the Criminal Background Check Affidavit Form			YES

Unit	Qty	Cost	Total Cost
Base Bid Total			173000

Long Mechanical, Inc.

Submitted by Jim Ballantine

\$181,869

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$181,869

Unit	Qty	Cost	Total Cost
Lump Sum Bid for Plumbing			\$178,969
Cost for Performance and Labor & Material			
Payment Bonds, to be added to the Base Bid			\$2,900

Unit	Qty	Cost	Total Cost
Alternate 4: Production Tech Renovations			\$15,200

Unit	Qty	Cost	Total Cost
FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID			\$0
			0

Unit	Qty	Cost	Total Cost
Bidder has signed and uploaded the Familial Disclosure Affidavit Form			YES
Bidder has signed and uploaded the Iran Linked Business Affidavit Form			YES
Bidder has signed and uploaded the Criminal Background Check Affidavit Form			YES

Unit	Qty	Cost	Total Cost
Base Bid Total			181869

Professional Thermal Systems

Submitted by Andrew Hocking

\$186,000

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$186,000

Unit	Qty	Cost	Total Cost
Lump Sum Bid for Plumbing			\$183,000
Cost for Performance and Labor & Material			
Payment Bonds, to be added to the Base Bid			\$3,000

Unit	Qty	Cost	Total Cost
Alternate 4: Production Tech Renovations			\$6,500

Unit	Qty	Cost	Total Cost
FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID			\$0
			0

Unit	Qty	Cost	Total Cost
Bidder has signed and uploaded the Familial Disclosure Affidavit Form			YES
Bidder has signed and uploaded the Iran Linked Business Affidavit Form			YES
Bidder has signed and uploaded the Criminal Background Check Affidavit Form			YES

Unit	Qty	Cost	Total Cost
Base Bid Total			186000

Tempco Mechanical Contractors, inc.

Submitted by Jim Jagodzinski

\$218,950

Original Proposal, September 23, 2021

Unit	Qty	Cost	Total Cost
			\$218,950

Unit	Qty	Cost	Total Cost
Lump Sum Bid for Plumbing			\$214,750
Cost for Performance and Labor & Material			
Payment Bonds, to be added to the Base Bid			\$4,200

Unit	Qty	Cost	Total Cost
Alternate 4: Production Tech Renovations			\$5,400

Unit	Qty	Cost	Total Cost
FOLLOWING DOCUMENTS MUST BE UPLOADED WITH BID			\$0
			0

Unit	Qty	Cost	Total Cost
Bidder has signed and uploaded the Familial Disclosure Affidavit Form			YES
Bidder has signed and uploaded the Iran Linked Business Affidavit Form			YES
Bidder has signed and uploaded the Criminal Background Check Affidavit Form			YES

Unit	Qty	Cost	Total Cost
Base Bid Total			218950

**FARMINGTON PUBLIC SCHOOLS
MEMORANDUM**

TO: Board of Education

FROM: Jennifer F. Kaminski, Assistant Superintendent for Business Services

SUBJECT: 2020-21 Annual Comprehensive Financial Report

DATE: October 12, 2021

Please find enclosed the Annual Comprehensive Financial Report for the fiscal year end June 30, 2021. The report has been prepared in compliance with the Association of School Business Official's Certificate of Excellence in Financial Reporting. Also included in your packet is a copy of the Federal Awards Supplemental Information Report, the Report to the Board of Education and Plante Moran's Board of Education slide presentation. The slide presentation will be presented by Nevra Kreger, Jenny Kolbow and Lindsey Orwat from Plante Moran.

Plante Moran has issued an unmodified opinion which means that the financial statements present fairly, in all material respects, the respective financial position of the Farmington Public School District as of June 30, 2021.

The financial statements contain both government-wide statements as well as statements for all of the Governmental Funds of the district. Farmington has two major funds; the General Fund, which is always reported as a major fund, and the 2020 Building and Site Fund. The other funds of the district are grouped together and included in one column of the fund financial statements as nonmajor. The District used to maintain an Agency Fund, the Student Activity Fund, to record the transactions of student and community groups for school and school-related purposes. For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 84, Fiduciary Activities, which changed how these funds are accounted for and reported. They are now reported as a special revenue fund in the statements. In addition, the district maintains a Proprietary Fund which is an Internal Service Fund for Benefit Stabilization. This fund maintains the cost of the self-insured medical coverage and tracks the charges for the insurance costs for both the employee and employer. It also includes the costs for dental, vision, life and long-term disability benefits.

Total General Fund revenue was \$144,453,376 and total expenditures were \$134,612,717. The total General Fund fund balance is \$31,231,563 or 23.20 percent of expenditures and other uses. Page 25 in the report describes the categories of fund balance and page 14 reflects these categories on the face of the balance sheet of the General Fund.

On a government-wide basis, Farmington has a negative net position of approximately \$195 million. This negative net position is similar to all school districts in Michigan. This does not affect the fund level statements, which is the level that is budgeted and monitored continually throughout the year. If the retirement obligation was removed from the statements, The District would have a positive net position of approximately \$120 million.

Thanks to Kim Pincheck, Karla Swanson and the entire business office staff for their efforts in completing this audit.

If you have any questions about the financial statements, please feel free to contact me.



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Wealth Management.

Farmington Public School District

Board Presentation
June 30, 2021



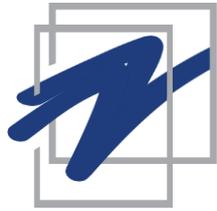
Farmington Public Schools

Key Audit Highlights:

- 2020-2021 Audit Results
 - Basic Audit
 - Federal Programs – Coronavirus Relief Fund
 - Bond program compliance
- Awarded 2020 Certificate of Excellence in Financial Reporting award from Association of School Business Officials International
- Precise budget to actual results

Public Education Funding 2021 – 2022

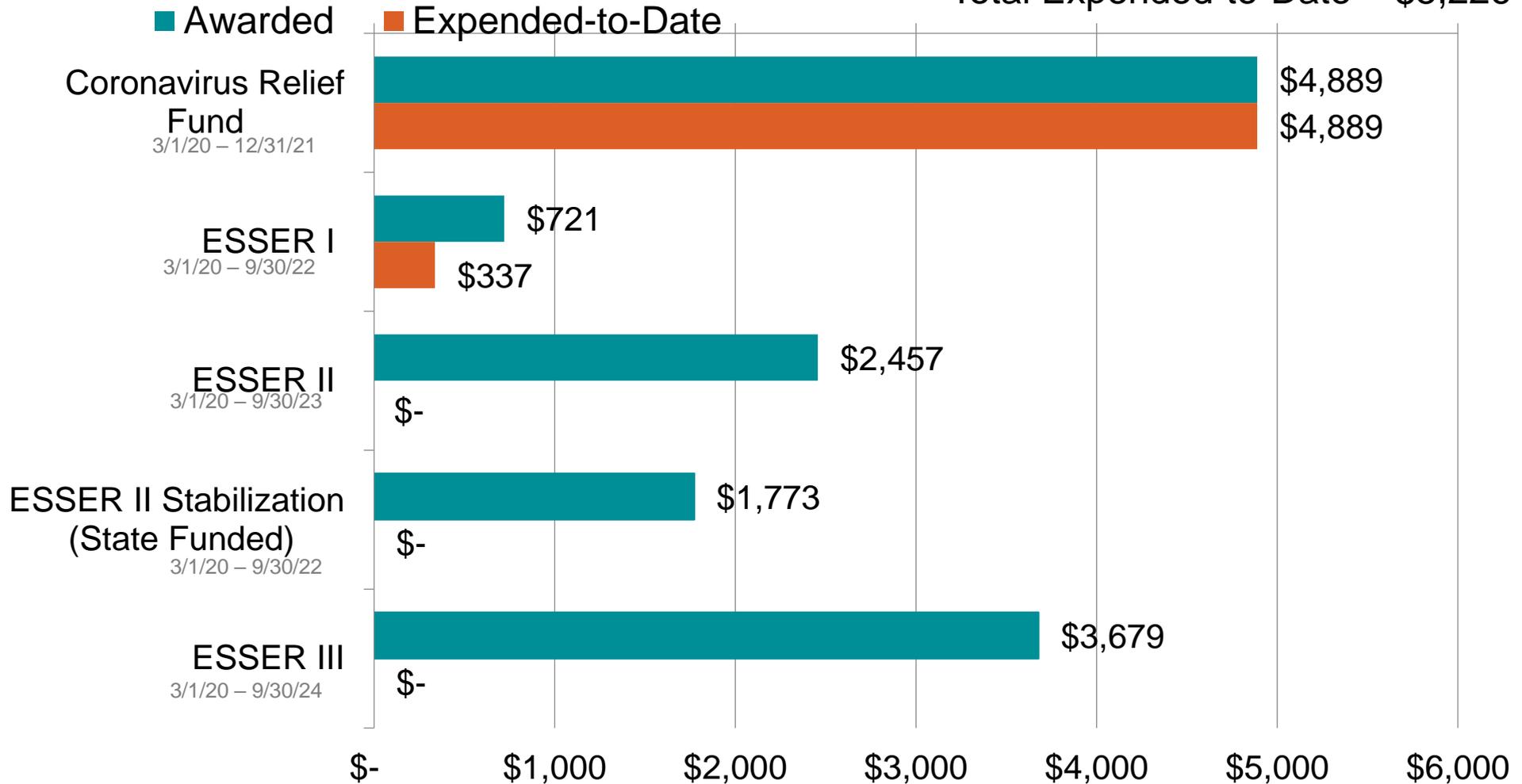
- Budgeting challenges
- Significant increase in federal funding



Non-recurring COVID-19 Relief Funding Awards & Expenditures as of June 30, 2021

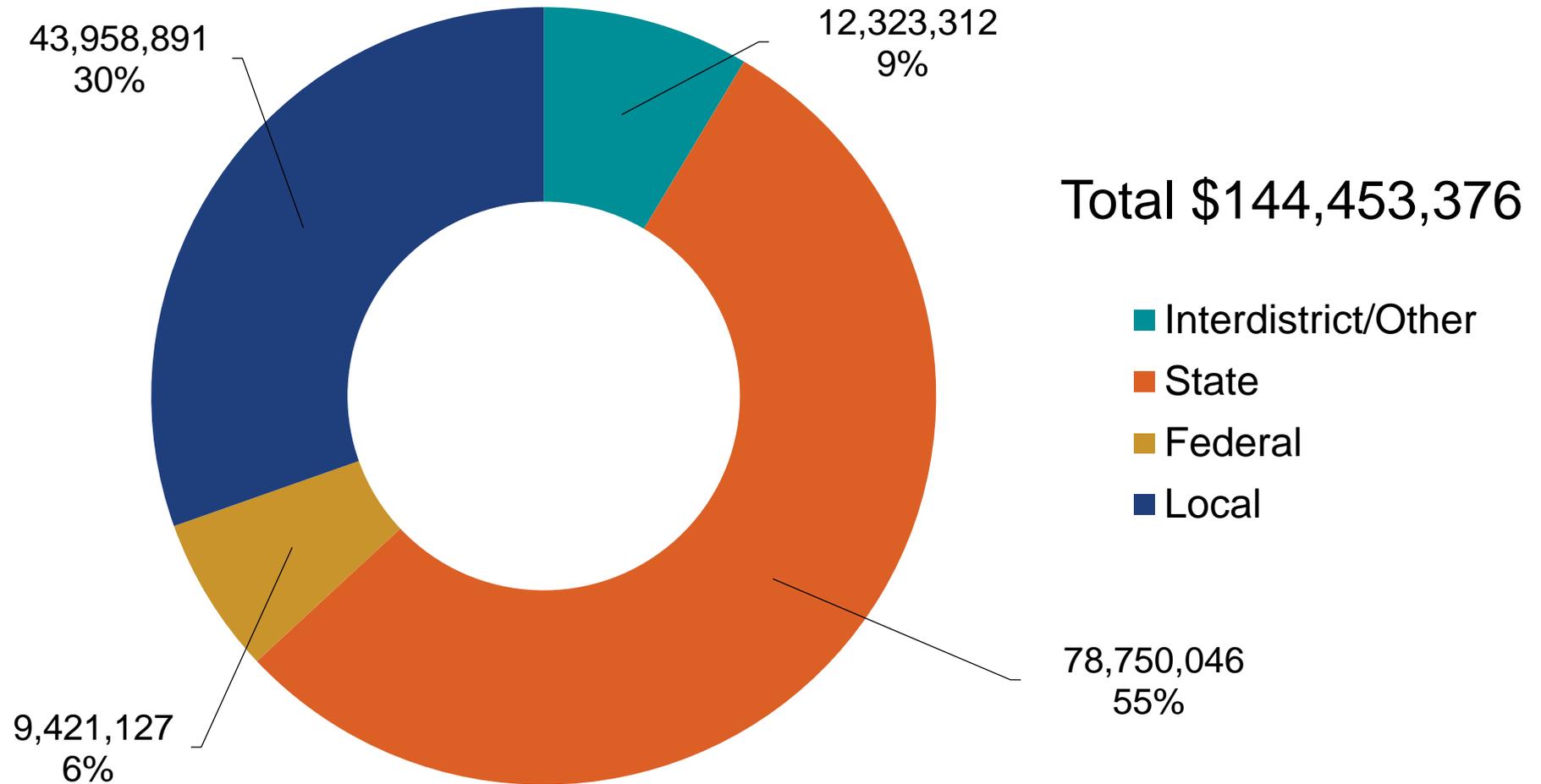
(in thousands)

Total Awarded = \$15,358
Total Expended-to-Date = \$5,226



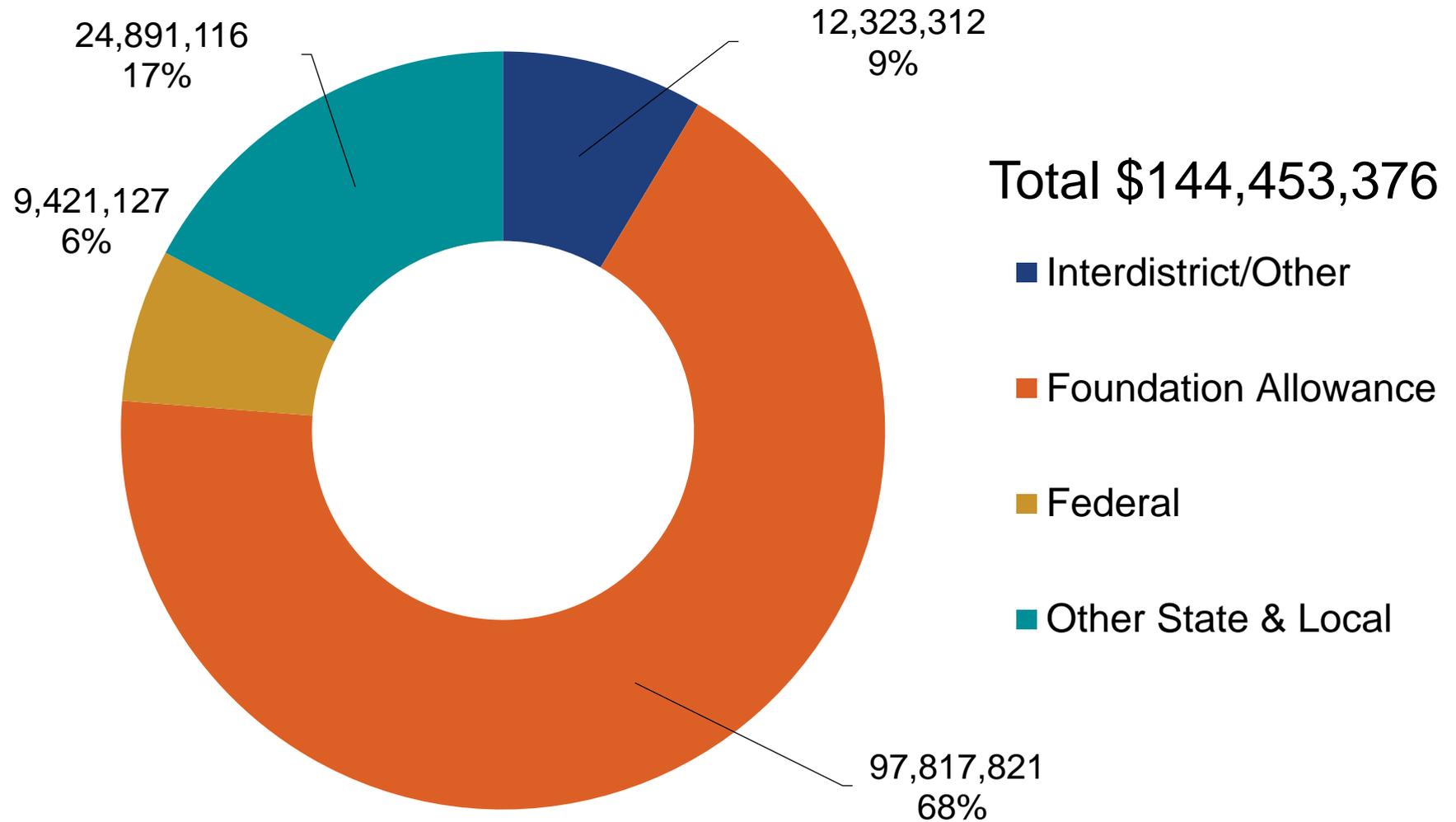


General Fund Revenue and Other Sources



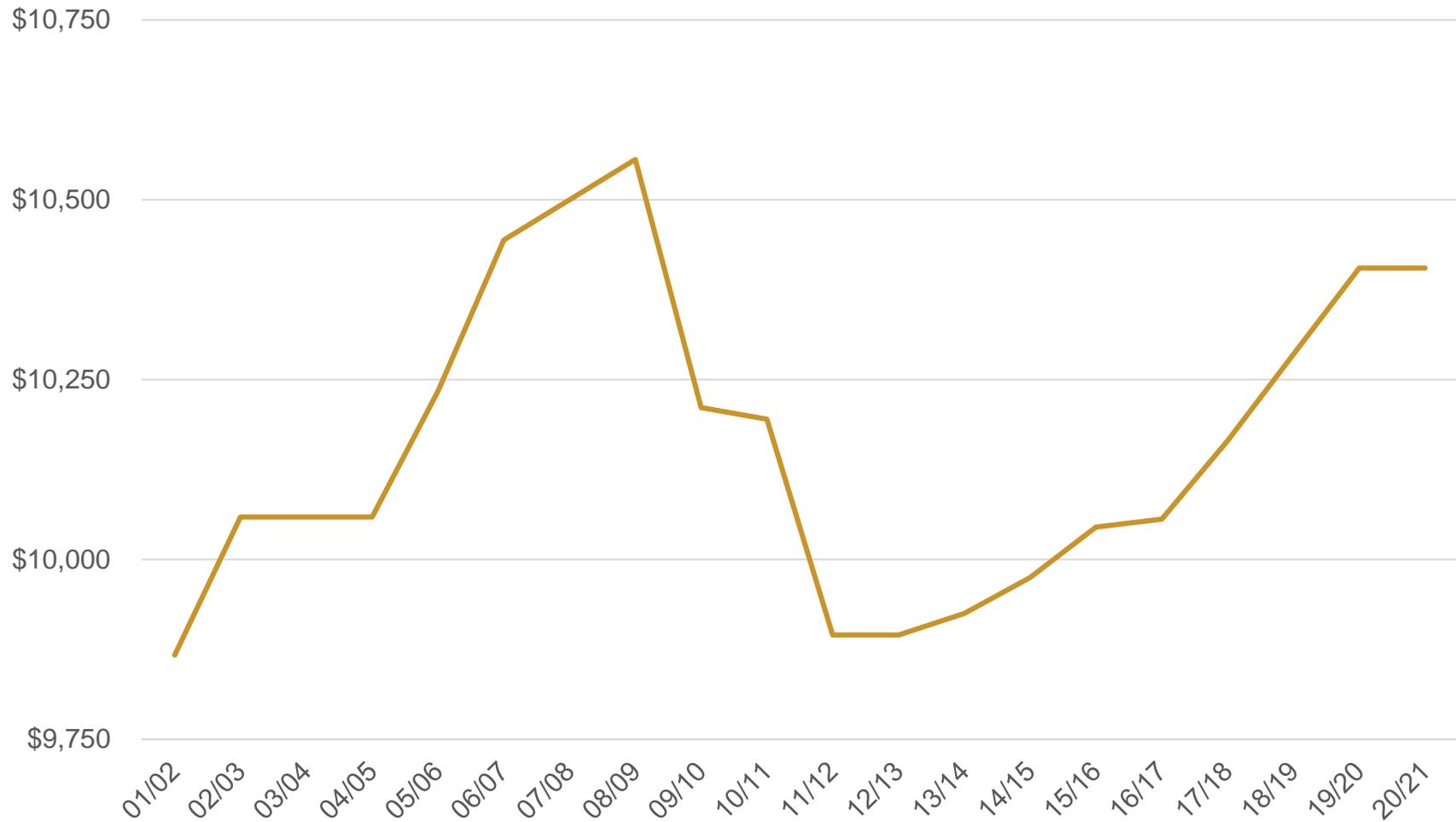


General Fund Revenue – Foundation Allowance





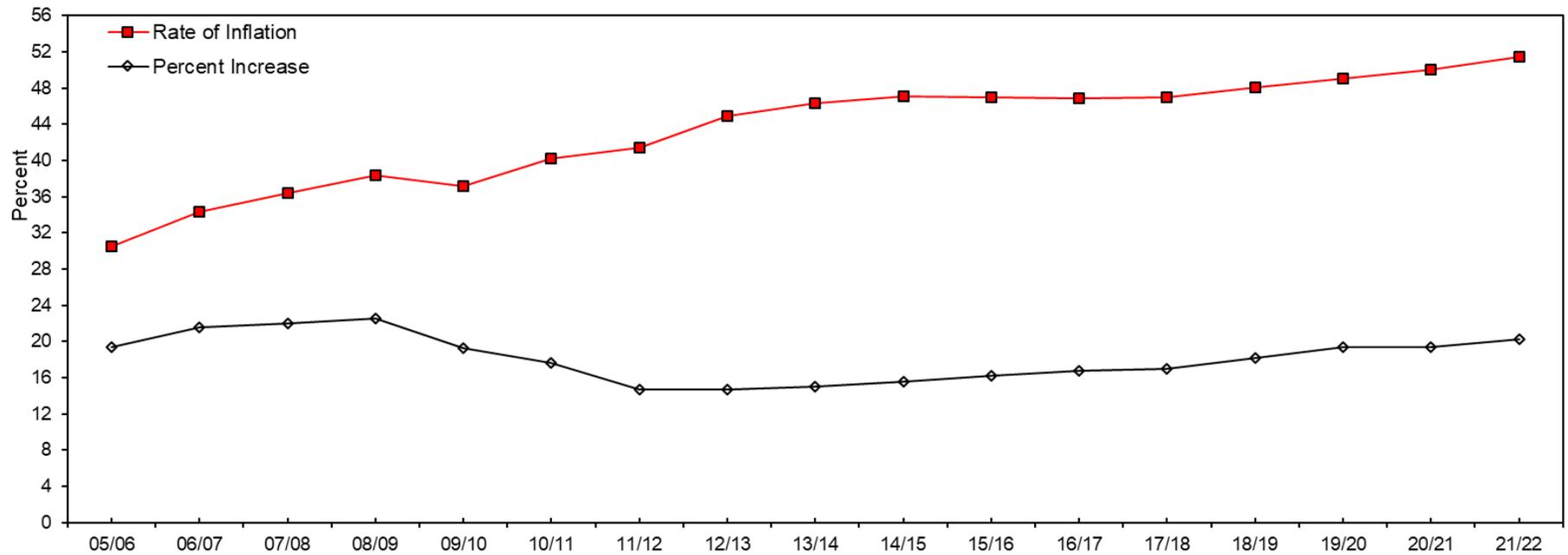
Foundation Allowance History





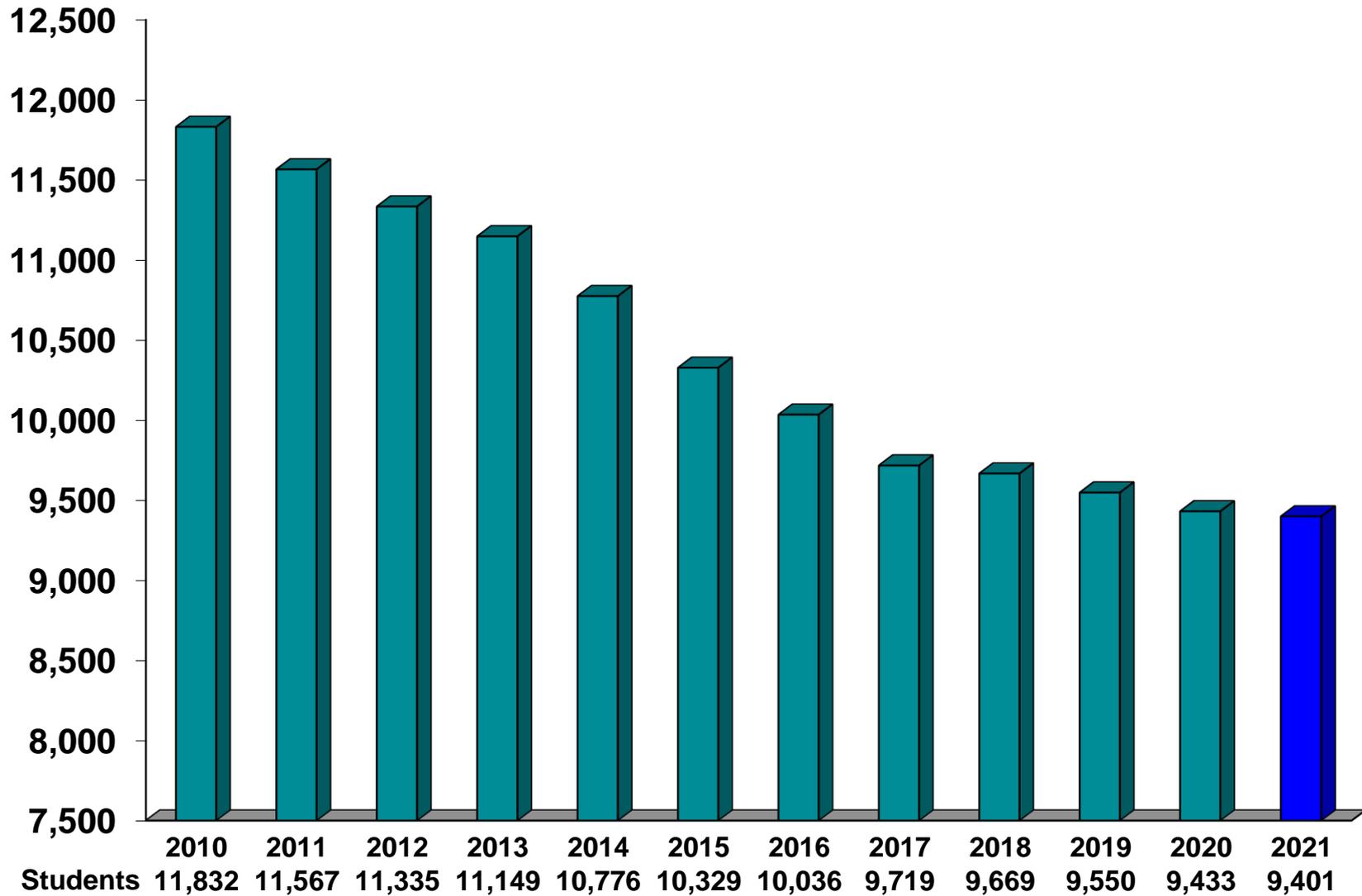
Cumulative Rate of Inflation and Cumulative Per Pupil Funding

Farmington Public School District
Cumulative Rate of Inflation vs Percent Increase
Per Pupil Foundation Funding 2005/06 to 2021/22



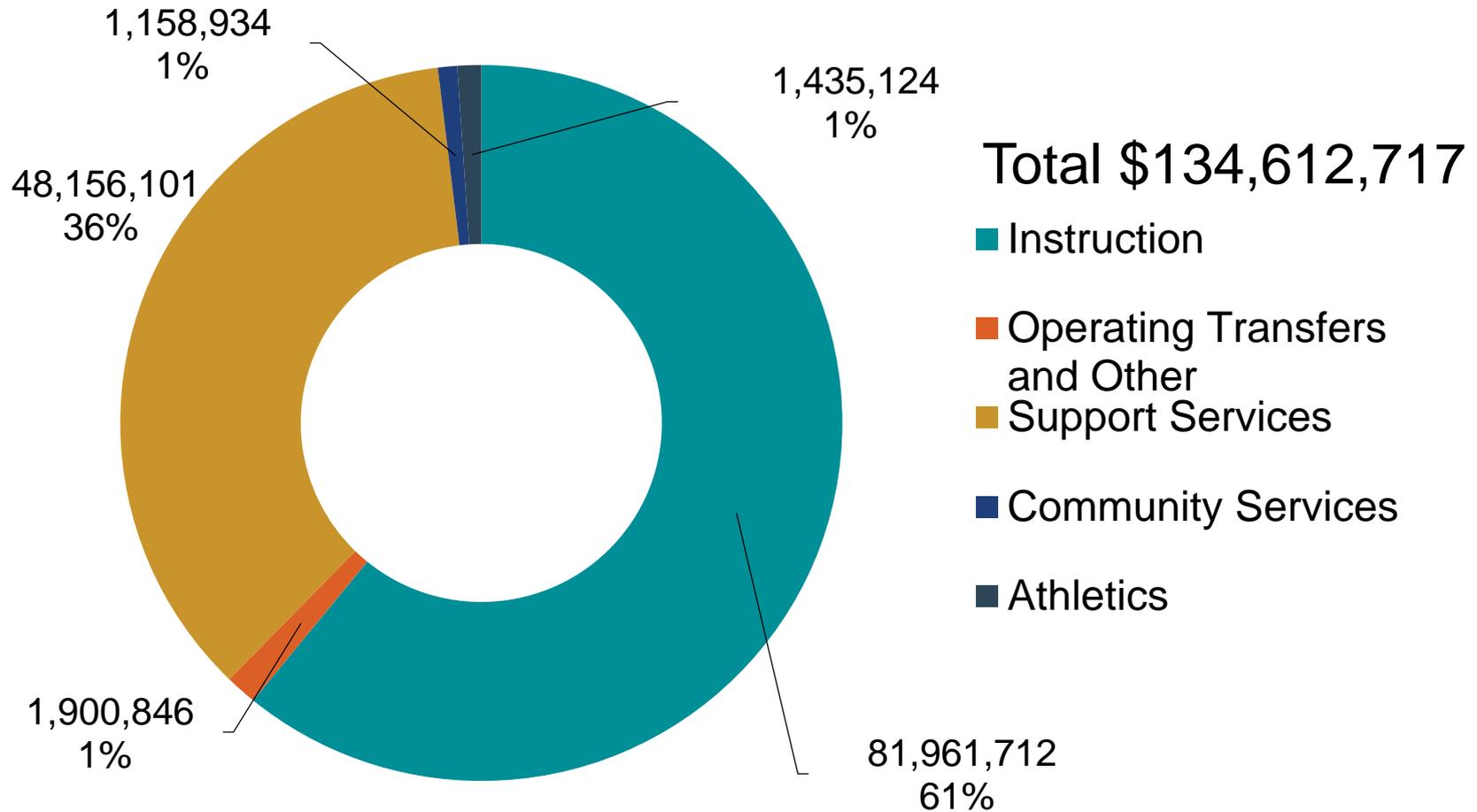


Blended Student Population



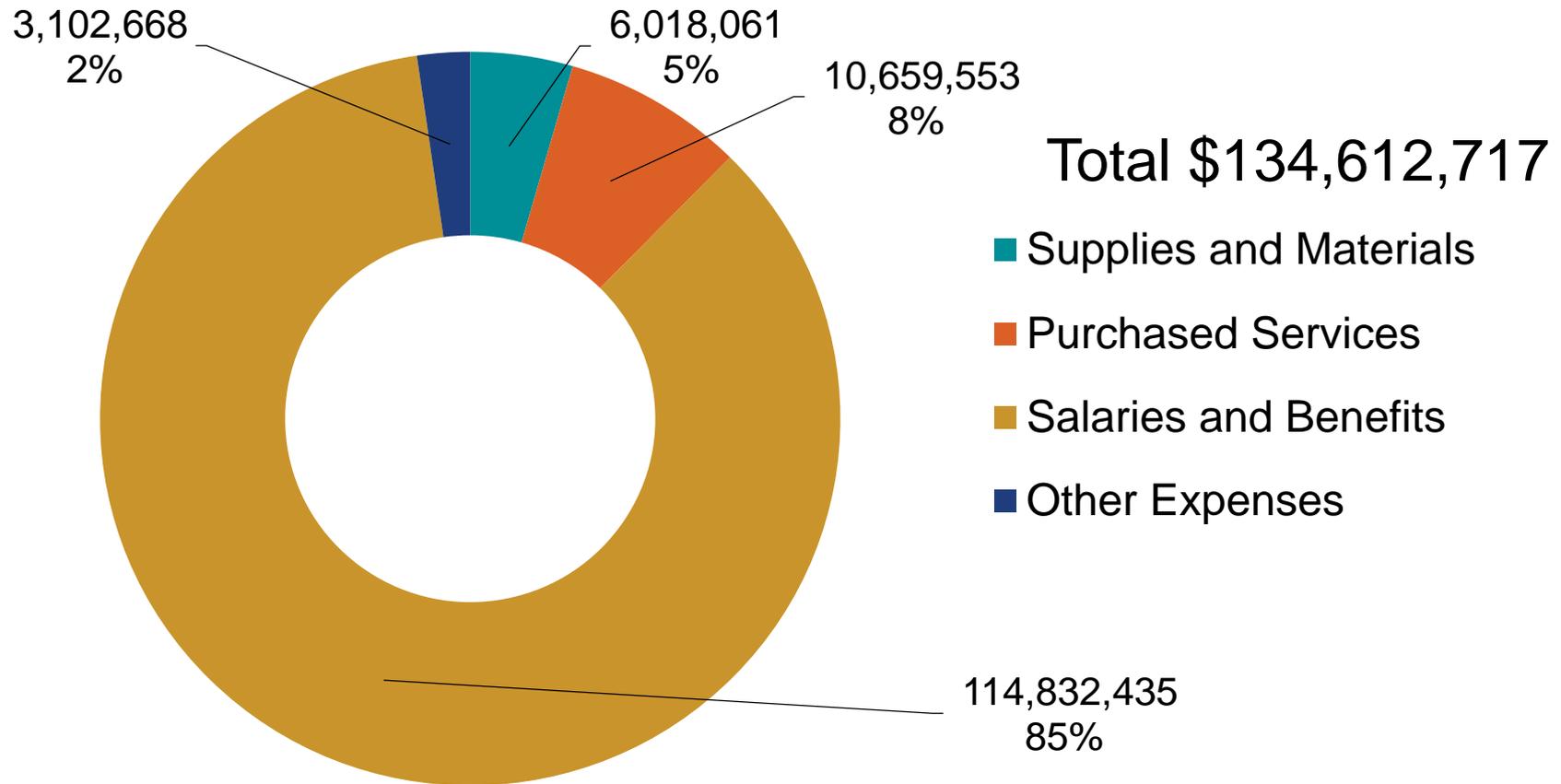


General Fund Expenditures and Other Uses



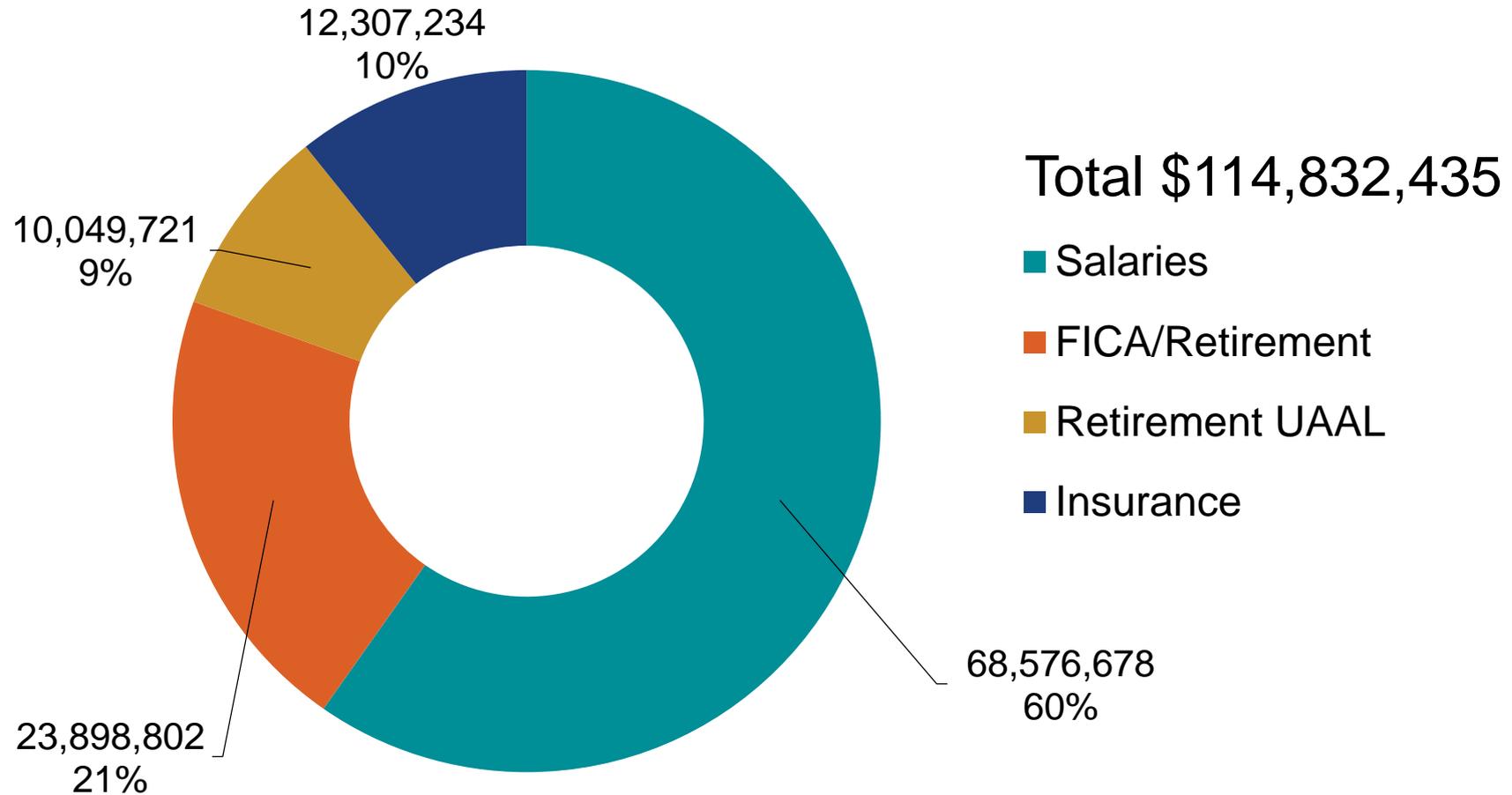


Analysis of General Fund Expenditures and Other Uses



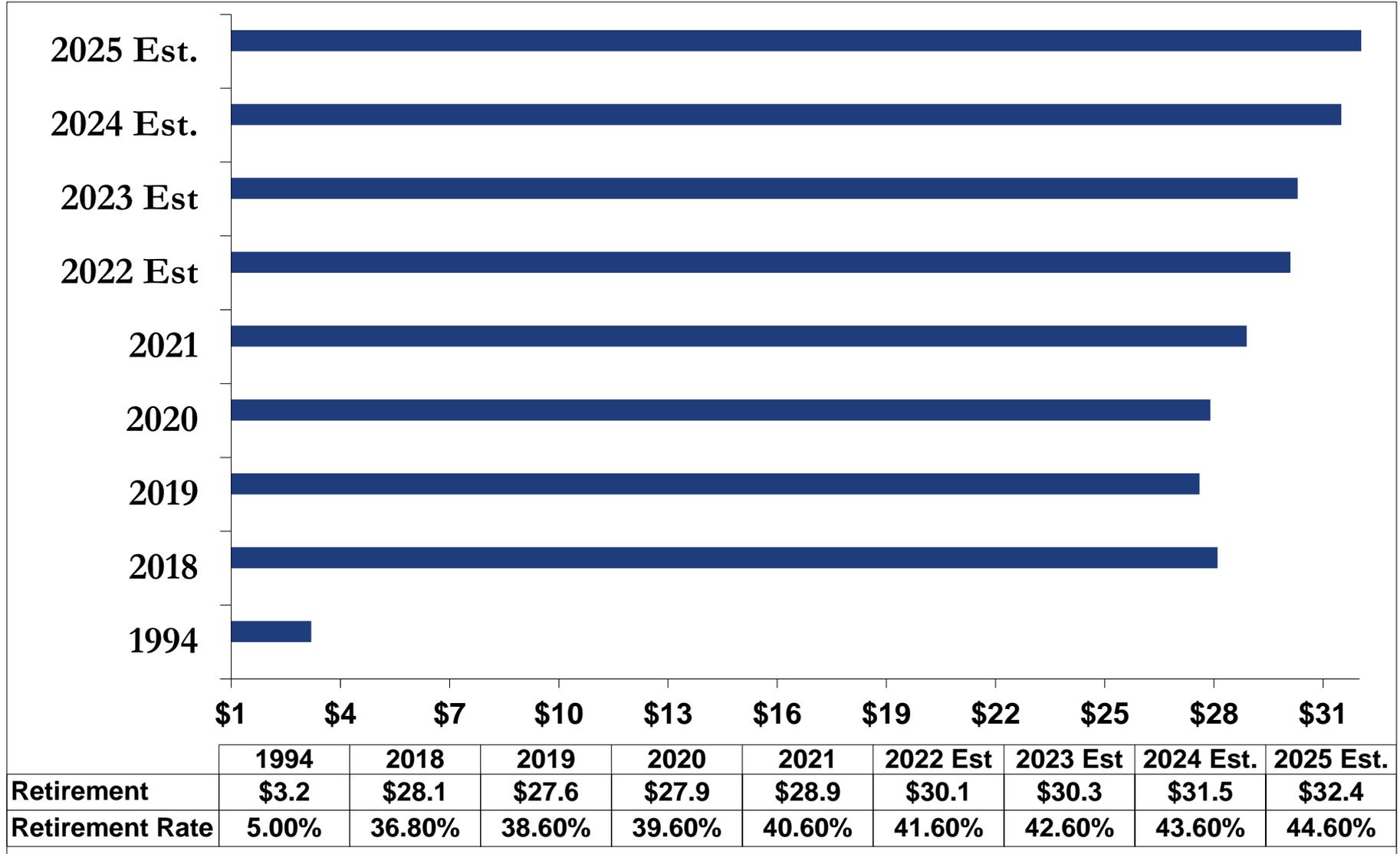


Analysis of General Fund Expenditures and Other Uses – Salaries and Wages





Retirement Funding Expense Michigan Public School Employee Retirement System





General Fund Fund Balance versus State Averages

	<u>FPS</u>	<u>State Average</u>	<u>Oakland County</u>
Total Fund Balance/Expenditures	23.20%	15.90%*	15.21%*
Less: Nonspendable, Restricted, Committed and Assigned Fund Balance	<u>(10.97%)</u>		
Unassigned Fund Balance for future funding shortfalls and working capital	<u>12.23%</u>		
Equivalent Days Based on “shortfalls and working capital” designation:			
180-day School Year	22.0 Days		

* Fund balance is as of June 30, 2020



Importance of Fund Balance

- Minimize need to borrow to meet cash flow, average monthly payroll is approximately \$8.5 million
- Prevents operating in a deficit
- Flexibility in adjusting spending during the school year (many unknowns)
- Helps with maintaining credit ratings
- Needed funds for reimbursable federal expenditures
- MSBO recommends fund balance at 15% of total expenditures
- GFOA recommends no less than two months of operating expenditures (~ 16-17%)
- FPS Fund Balance Target is 8 – 12%



Statement of Net Position (in millions)

Assets

Current and other assets	\$	141.7
Capital assets		172.9
Total Assets		314.6

Deferred outflows of resources

Total assets and deferred outflows of resources		388.0
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Liabilities

Current liabilities		38.6
Long-term liabilities		171.4
Net pension liability		273.7
Net OPEB liability		41.6
Total Liabilities		525.3

Deferred inflows of resources

Total liabilities and deferred inflows of resources		583.2
---	--	-------

Net Position

Net investment in capital assets		68.0
Restricted		3.3
Unrestricted		(266.5)
Total Net Position	\$	(195.2)



Thank you for the opportunity to serve as auditors for the Farmington Public School District

For more information contact:
Nevra Kreger
Education Services
Plante & Moran, PLLC
(248) 223-3366
Nevra.Kreger@plantemoran.com

Farmington Public School District

Report to the Board of Education

June 30, 2021

To the Board of Education
Farmington Public School District

We have recently completed our audit of the basic financial statements of Farmington Public School District (the "School District") as of and for the year ended June 30, 2021. In addition to our audit report, we are providing the following results of the audit, summary of unrecorded possible adjustments, other recommendations, and informational items that impact the School District:

	Page
Results of the Audit	1-4
Other Recommendations	5-7
Informational Items	8-20

We are grateful for the opportunity to be of service to Farmington Public School District. We would also like to extend our thanks to Dr. Christopher Delgado, Ms. Jennifer Kaminiski, Ms. Kim Pincheck, Ms. Karla Swanson 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 5, 2021

Results of the Audit

October 5, 2021

To the Board of Education
Farmington Public School District

We have audited the financial statements of Farmington Public School District (the "School District") as of and for the year ended June 30, 2021 and have issued our report thereon dated October 5, 2021. 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 April 8, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

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

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

Our audit of the School District's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the School District, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated October 5, 2021 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 June 30, 2021.

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.

As described in Note 2, the School District adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Accordingly, the accounting change has been retrospectively applied to July 1, 2020, as required by the standard.

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

We noted no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were the School District's share of the MPSERS net liabilities for the pension and other postemployment benefit (OPEB) plans recorded on the government-wide statements related to GASB Statement Nos. 68 and 75, respectively. The School District's estimates as of June 30, 2021 were \$273,709,279 and \$41,618,029 for the pension and OPEB plans, respectively, based on data received from the Office of Retirement Services. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

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

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

Corrected and Uncorrected Misstatements

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

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

Significant Findings or Issues

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

As required by 2 CFR Part 200, we have also completed an audit of the federal programs administered by the School District. The results of that audit are provided to the Board of Education in our report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with 2 CFR Part 200 dated October 5, 2021.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 5, 2021.

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.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the entity's financial statements and report does not extend beyond the financial statements. We do not have an obligation to determine whether or not such other information is properly stated. However, we read the introductory section and statistical tables, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information or manner of its presentation appearing in the financial statements.

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

Nevra Kreger, CPA
Partner

Other Recommendations

CARES ACT Employer FICA Tax Deferrals

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) allowed employers to defer the deposit and payment of the employer's share of FICA taxes for the majority of 2020 (commencing for any payroll paid between March 27, 2020 and December 31, 2020). The School District took advantage of this deferral opportunity.

As a reminder, 50 percent of the deferred employer payroll taxes from March through December of 2020 are required to be paid on December 31, 2021 and the remaining 50 percent on December 31, 2022. These payments must be made separately from normal payroll tax deposits and generally should be made through EFTPS with the payroll tax deferral selected as the tax that the payment is being applied to.

Guidance from the IRS will allow employers until January 3 after each due date to make the required payments, due to weekends and holidays. The IRS also concluded that the 10 percent penalty for failure to deposit payroll taxes applies to the entire deferred amount if there is any shortfall in the repayment. We encourage the School District to plan ahead to ensure the repayments are made timely to avoid penalty.

A Year Like No Other

The past year has been challenging for everyone, particularly those who have continued to keep our schools running throughout this pandemic. While some businesses and employees were able to seamlessly transition to the work-from-home environment, educators and administrators faced a number of hurdles. The School District has faced a continuously changing environment during the pandemic. New federal grants and targeted state funding have placed new accounting and compliance requirements on the School District. Planning will become increasingly important to put the School District in the best position to take advantage of the substantial new, nonrecurring resources provided.

We have worked closely with state and federal decision-makers throughout the pandemic. As the School District's strategic partner, our goal has been to advocate for school districts by meeting with these decision-makers before actions are finalized so that these groups can be well-informed of the implications their actions will have on the School District, your business office, and your financial statements. New or revised accounting and compliance guidance continues to be released from numerous agencies, and school districts are left with the task of deciphering this information to ensure adherence to these new requirements. To that end, as guidance is updated and opportunities are identified, we will continue to work with the School District in navigating the complexities and make sure that your team is always aware of the most current information that impacts the School District. We want to recognize the hard work that everyone at the School District has put in over the past year. We appreciate all that you have done for the students in your communities, and we want to thank you for the opportunity to work side by side with your team during these difficult times.

Nutrition Services Fund Balance

Over the last few years, the School District has been running a financially successful food service program. One of the difficulties of a program that is generating net revenue is that federal requirements cap the amount of fund equity that the fund should maintain. As the fund continues to generate net revenue from operations, the School District will need to continue to monitor and plan for uses of resources to both improve program operations and keep fund equity within prescribed requirements.

Fund Balance

This past school year, more than ever, highlighted the importance of having adequate fund balance due to the uncertainty of the state budget and the impact on the foundation allowance. While fund balance for many School Districts ultimately increased during the 2020-2021 school year due to COVID-19 relief funding, that uncertainty a year ago led many districts to initially budget for a significant decline in fund balance. The School District benefited from having sufficient fund balance because it allowed the School District to continue to provide an adequate level of programming for the year. It also provided peace of mind by avoiding the need for sudden or drastic reactions to the adverse circumstances.

The 2021-2022 school year will face many challenges that will have a direct effect on the School District's fund balance. The Consumer Price Index (CPI) continues to grow, which will put inflationary pressures on nearly all school districts. Couple that with the budgeting pressures faced with how to spend the COVID-19 relief funds, and business offices will have a lot to consider and plan for when projecting out fund balance for the upcoming school year.

During the 2020-2021 school year, the School District's General Fund revenue exceeded expenditures by approximately \$9,800,000. This resulted in increasing the General Fund fund balance to approximately \$31,000,000 at June 30, 2021. 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, 2020 was approximately 15.90 percent of expenditures. The School District's fund balance percentage is 23.2% percent and equals approximately 4 weeks of operation.

Renaming the Comprehensive Annual Financial Report

It has been recently pointed out that the acronym for the comprehensive annual financial report sounds like a word which is a profoundly offensive term directed at Black South Africans. As a result, the June 30, 2021 report has been renamed to the Annual Comprehensive Financial Report.

Informational Items

State Aid Funding

Background

From 18 Months of Financial Uncertainty to Projected Stability: Since the winter of 2020, the factors surrounding school funding have been uncertain, difficult to predict, and even more difficult to manage.

- **Pre-pandemic:** Prior to the onset of the pandemic, the State's financial resources were stable, predictable, and suggested a predictable, improving financial picture for Michigan schools.
- **Financial Concerns during the Onset of the Pandemic:** During the spring of 2020, predictions were made that there would be significant negative impacts to the State's School Aid Fund and the potential for substantial proration of state aid for school districts due to the grinding halt that the pandemic placed on Michigan's economy. The specific impact was difficult to predict, resulting in two Revenue Estimating Conferences: the normally scheduled one in May 2020 and an additional conference in August 2020. The May conference suggested substantial proration would need to occur (estimated at \$685 per pupil), and many districts adopted a final budget amendment in 2020 to reflect this estimate. By August 2020, the economic impacts of the pandemic were slightly clearer, and the result was a proration of \$175 per pupil for the 2019-2020 fiscal year. While significant, it was much less than what was predicted in May 2020.
- **Federal Resources:** Beginning in March 2020, the federal government initiated financial assistance that directly impacted school districts, with the funding being provided in several waves throughout 2020 and 2021. As is the case with most federal resources, unique spending requirements were attached; however, the guidance and stipulations continued to evolve and change. This resulted in significant uncertainty throughout the year in terms of how and when to expend the available funds. Ultimately, the COVID-19 relief funds did provide more flexibility in spending than traditional federal grants.
- **2020/2021 State Funding:** With a more predictable revenue stream into the School Aid Fund, sustainable school funding was put in place. The foundation allowance was held at the 2019-2020 level, no prorations were required, and a \$65 one-time per pupil payment was provided to school districts. The State also provided additional funding to those districts that did not receive a minimum threshold of per pupil funding from the new Educational Stabilization Fund federal program.

2021/2022 State Funding: Stability within the School Aid Fund continues to improve, and the fund was predicted to have a surplus for the fiscal year ended 2021 and would have sustainable revenue looking out the next few years. This provided the governor and Legislature an opportunity to increase the State's investments in public education. The most significant outcome from their efforts was improved equity in the foundation allowance funding. All schools will be at the target foundation allowance of \$8,700 per pupil. This means the equity gap between the base foundation and the target foundation has finally been eliminated. In addition, all schools, including hold harmless districts, will receive at least a \$171 per pupil increase. In addition, funding progress was made related to recommendations resulting from the School Finance Research Collaborative, which includes increased funding levels for special education; At-Risk; wraparound services, such as nurses and counselors; and Great Start School Readiness (GSRP).

- **Looking Forward:** The most recent Revenue Estimating Conference estimates that the School Aid Fund will remain healthy when projecting out the financial picture over the next few years. Based on the current facts and circumstances, it is expected there will be room for continued foundation allowance funding increases over time, in addition to the ability to invest in specific programming or educational support. However, the key funding lesson from the last 18 months is that predictions are a best estimate based on the current facts and circumstances, and those estimates can be significantly impacted by subsequent events.

2021 Funding Implications for the School District

2020-2021 Foundation: Due to pandemic-related funding concerns, foundation allowance levels were maintained at 2019-2020 levels. The target foundation allowance (formerly known as the basic foundation allowance) was \$8,529. The minimum foundation allowance remained at \$8,111; however, the School District did receive a one-time per pupil payment of \$65. This was not added to the foundation allowance formula and was not retained for 2021-2022.

A Unique 2020-2021 Pupil Count: In order to smooth the impacts of reduced pupil counts during the remote learning period, a temporary one-year change was made to the pupil count method used for the purpose of the foundation allowance formula. For 2020-2021, a super blend was used, combining the pupil counts from the 2019-2020 school year and the 2020-2021 school year. The 2019-2020 count was weighted at 75 percent, and the 2020-2021 count was weighted at 25 percent. This blended pupil count was multiplied by the foundation allowance per pupil to determine the School District's total foundation allowance funding for the year.

MPSERS Cost Support: Amounts contributed by the School District to the retirement system are computed as a percentage of payroll. The required contribution rate applicable for all school districts continues to increase. The estimated contribution rate for 2020-2021 ranged from 35.47 to 42.72 percent, with the rate, net of state funding support, paid directly by the employer, ranging from 20.96 to 28.21 percent. The State's funding support is provided in three separate sections of the State Aid Act: Sections 147a, 147c, and 147e. The School District received a total of \$923,069 in 147a1, \$1,742,961 in 147a2, \$10,049,721 in 147c1, and \$150,164 of 147e. In general terms, this means the total cost of the retirement system contributions in 2020-2021, representing approximately 42 percent of covered payroll, is recognized as an expenditure in the School District's financial statements, along with related revenue that was previously considered state support to the system. The net effect is that the School District is responsible for approximately a 28 percent contribution to the retirement system.

Coronavirus Relief Fund (CRF): At the close of the 2019-2020 school year, there was significant confusion regarding availability and use of CRF. In the summer of 2020, approximately \$362 per pupil was provided to school districts from the Michigan Department of Education through the summer state aid payments. The total available for the School District was \$3,417,589. Even though these funds were received with the final state aid payments for the 2019-2020 school year, since the funding was not approved until July 2020, the funds were required to be deferred at June 30, 2020 and not recognized as revenue until fiscal year 2021. Similar to other federal grants, there were requirements for how the funds can be used, and the School District would determine usage by applying the guidelines. For the year ended June 30, 2021, the School District fully expended the award and recognized the related federal revenue.

Pandemic-related Federal Funding: Since March 2020, several iterations of federal funding impacting school districts have occurred. Two key funding sources include the Education Stabilization Fund (ESF) and the Coronavirus Relief Fund (CRF). Each fund provides resources under multiple programs. The principal programs under ESF are the Elementary and Secondary School Emergency Relief (ESSER) Fund and the Governor's Education Emergency Relief (GEER) Fund. CRF programs include the \$362 per pupil passed through by the MDE in addition to some school districts receiving certain funding made available from other nonfederal entities. The common elements to all these revenue sources are that the funds are designed to assist with pandemic relief and the School District must have a specific plan for use of the funds. In general, reimbursement claims could reach back to costs incurred as early as March 2020. Program end dates vary depending on when funds were provided and will require school districts to carefully plan for their use.

ESSER: School districts are being awarded ESSER grants in three different waves: ESSER I, ESSER II (further divided between phase 1 and 2), and ESSER III. The School District's ESSER I award amount was \$626,951, ESSER II was \$1,071,279 and III estimates are not currently known. School districts awarded ESSER I funds were able to recognize the revenue during fiscal year 2021 to the extent allowable expenditures were incurred to claim for reimbursement in alignment with the federal requirements. Due to the timing of when award letters were issued to school districts for phase 1 of ESSER II, school districts were eligible to recognize this revenue during fiscal year 2021 to the extent that a grant award letter was received by June 30, 2021. Many school districts did not receive their grant award letter by June 30, 2021, and, therefore, the revenue from phase 1 of ESSER II can be recognized no earlier than fiscal year 2022. Phase 2 of ESSER II and ESSER III awards will be made available during fiscal year 2022.

The allocation of ESSER funds is based on the Title I allocation model. The allocation model uses economically disadvantaged demographics to determine the level of funding to be provided to each school district. As a result, some school districts were provided substantial funding from ESSER, while others received substantially less. The Legislature and the governor concluded districts should receive a minimum amount per pupil, and if ESSER did not provide at least that amount per pupil, then funding from the State should provide an equalization payment to bring a district up to the minimum amount. These state funds would follow similar usage requirements as ESSER Fund. The floor amount of funding was \$450 per pupil related to ESSER II. Based on the School District's level of ESSER II funding, the School District qualified for an equalization payment of \$1,773,407 which was received by the School District over the May through August 2021 state aid payments. School districts had the option of recognizing the equalization payment as revenue during fiscal year 2021, but only to the extent that allowable expenditures were being allocated to this restricted state funding source or deferring the revenue and recognizing it during fiscal year 2022. The School District deferred the revenue at June 30, 2021 and will recognize it as revenue in fiscal year 2022.

2022 Funding Implications for the School District

The May 2021 Revenue Estimating Conference provided an optimistic view of the School Aid Fund's financial picture for 2022, 2023, and 2024. The School Aid Fund is predicted to complete the State's 2021 fiscal year with a fund balance and is expected to continue to generate funding growth from nonfederal sources for the next few years. As a result, amendments to the State Aid Act for the 2022 fiscal year included several additions to the school funding picture. These included:

- **2021-2022 Foundation Allowance:** With the goal of improving equity among school districts, all districts receive at least a minimum level of funding, which was established as the target foundation allowance. Any school district that was not at the target level in 2021 was increased to the new target foundation of \$8,700 per pupil. For districts already at the target, they received a \$171 per pupil increase from the former target level of \$8,529. For the few school districts in the state above the target, those school districts also received the \$171 per pupil increase. Based on these changes, the School District's foundation allowance per pupil is going to be \$10,576, representing an increase of \$171 from the 2021 funding level.

- **ESSER:** As previously noted, the School District will receive certain ESSER awards during fiscal year 2022. Similar to the ESSER II floor of \$450 per student, the State also set a funding floor of \$1,093 per student for ESSER III. These funds follow the same restrictions on allowable use as compared to the ESSER III federal funds. The expectation was that this state-funded equalization payment would be received during fiscal year 2022; however, in recent announcements, it has become known that the federal government is now questioning the legality of this payment, putting this anticipated funding source into question.
- **Pupil Membership Blend for 2021-2022:** Pupil count determinations return to the pre-fiscal year 2021 super blend method for 2021-2022. As it is expected students will be returning to the classroom, it was concluded there was little need for a super blend that was in effect during 2020-2021. As defined in the School Aid Act, the district is required to complete its calendar year spring and fall counts for 2021. The weighting of those counts continues to be at 90 percent of the fall count and 10 percent of the spring count. The computed pupil count will be used to determine the total foundation allowance paid to the School District. Since schools will be transitioning to in-class instruction in the fall, it may be difficult to predict what enrollments might be. Clearly the level of student attendance will have a significant impact on total revenue generated from the foundation allowance.
- **Summer School and Learning Assistance:** As part of the process to return to in-person learning in the fall of 2021, significant emphasis was placed on summer school. As a result, significant resources were made available to school districts for the summer of 2021 to assist in this effort. Resources included federal funding for summer programming, credit recovery, and before- and after-school programming as part of the Elementary and Secondary School Emergency Relief II Fund. In addition, state aid funding was appropriated for innovative summer programming or credit recovery programs. School districts were required to establish a plan to use these funds for supplemental programming.
- **MPSERS Cost for 2021-2022:** The basic structure, including cost support provided by the School Aid Fund, will continue. For 2022, the overall contribution rate is expected to increase to 43 percent from 42 percent, with the net cost to the School District approximating 28 percent. While the net cost to the School District changes marginally, the overall contribution rate increases significantly from 2021. The School Aid Fund implication is that more resources are redirected from the funding of operations to the support of the retirement system funding requirement. As School Aid Fund's health has improved, there is renewed interest within the Legislature to provide additional resources to reduce the net cost of school district contributions to the retirement system.

Looking Forward to 2023 and Beyond

The May 2021 Revenue Estimating Conference provided a look into 2023 and 2024. 2021 has a projected surplus to carry over to 2022, and surpluses are expected for 2023 and 2024. These surpluses are uncharted territory for school funding in Michigan. In the short term, two supplemental funding measures were put in place. Most of the funds provided were related to appropriating federal funds provided to the State for the benefit of school districts. Other elements of the funding measures leveraged state resources, with the principal element being the ESSER equalization payments tied to ESSER II and ESSER III funding. As we have learned from the past, the Revenue Estimating Conferences provide projections based on the best facts in hand. Experience has told us that those facts can change with the potential for both a positive or negative impact on the projections. Factors to monitor as we look into the future include the following:

- The extent of a continuing economic “bounce back” currently experienced by the State
- The impact as federal stimulus provided tails off during the next two years and the extent of state funding to assist in replacing those resources for recurring services
- The success of returning to in-class instruction

- Extent and duration of resources needed to address learning loss resulting from the pandemic
- Short-term and longer-term student enrollment changes resulting from the pandemic
- Personnel shortages and the impact on providing learning related services
- Potential staffing cost increases
- Cost trends for the retirement system and the extent to which state support is used from the School Aid Fund

The next Revenue Estimating Conference will occur in January 2022. School districts will need to carefully monitor those results and compare projections to the May 2021 conference results. That information will allow school districts to better project the longer-term implications for school funding.

New Federal Funding Considerations - 2021 and 2022

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

- *Elementary and Secondary School Emergency Relief Fund* - ESSER has four release periods. ESSER I was made available in the spring of 2020. However, guidance was limited, and few school districts elected to spend ESSER I funding until the start of the 2020-2021 school year. Due to political issues within the state government, ESSER II was released in two phases. The first phase was awarded to districts in the summer of 2021, and the second phase will follow in fiscal year 2022. ESSER III, which is about four times the size of the total ESSER II funding, will be made available beginning in August 2021. Several compliance requirements are applicable for all the ESSER awards, and ESSER III is more narrowly targeted at addressing learning loss in students. Planning how best to use each set of the funds awarded will be important for each school district.
- *Coronavirus Relief Fund* - The CRF funds are designed to help school districts cover the supplemental costs related to their response to COVID-19 and were provided to districts in July and August 2020. In addition, Michigan CRF funds were provided support to eligible child care providers, including those operated by school districts. Three broad requirements pertained to payments from the Coronavirus Relief Fund; the funds may be used only to cover expenses that:
 1. Are necessary expenditures incurred due to the public health emergency with respect to the coronavirus disease pandemic
 2. Were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government
 3. Were incurred during the period from March 1, 2020 through December 30, 2021

Clarifying guidance provided flexibility: “as an administrative convenience, the U.S. Department of the Treasury will presume expenses of up to \$500 per elementary and secondary school student to be eligible expenditures, such that schools do not need to document the specific use of funds up to that amount.” While the treasury guidance provides flexibility relative to the tracking of costs that can be applied to CRF funds, there remains a presumption that use of the funds complies with the allowability parameters outlined above. One area of confusion that impacted many school districts was related to funding received related to child care. These payments labeled the School District as a “beneficiary”, a term not typically used in grants management. Ultimately, it was concluded that funds received with this label are not considered federal awards, simplifying compliance requirements for the School District related to these funds.

- *Governor’s Education Emergency Relief Fund* - GEER funds were awarded in two waves, GEER I in the fall of 2020 and GEER II in the spring of 2021. These funds were awarded to school districts that are determined to be most significantly impacted by COVID-19. This covered high-need student groups, including those that are economically disadvantaged, special education students, and English language learners. GEER funds are used to support connectivity and out-of-school learning time; address learning loss and student mental health; provide for remote learning materials and professional development; provide a portion summer school compensation to address learning loss; and provide for other health, safety, and wellness needs identified, required, or recommended in the MI Safe Schools Return to School Roadmap.

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

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

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

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

Grants Management

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

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

Each of these areas has been significantly impacted by the new grants and the expanded grants management process. Clearly, the reach and implications of pandemic-related funding are extensive. With that reach comes a significant challenge for the School District to ensure that resources, processes, and controls are in place. Most school districts have not been able to add staffing and have been asked to accomplish much of their response while working remotely for at least a portion of the 2021 fiscal year. As the School District moves into the 2022 fiscal year, we suggest performing a risk assessment of its key processes and controls. This assessment and related action items can help ensure the School District has the pieces in place for an effective and efficient response to the grants management challenges.

Budgeting Considerations

The pandemic will have a substantive impact on district budgeting considerations for years to come. This includes both state and federal funding sources.

As we have seen, funding from the School Aid Fund has varied widely over the last 18 months. Fortunately, School Aid Fund projections suggest funding stability through 2024. However, that stability presumes a continually improving financial picture for the State of Michigan. If assumptions do not hold, there is a risk for continued variability in school funding. Any variability would have a direct impact on funds made available for school operations.

Federal funds have been made available in waves since March 2020. As of June 30, 2021, pandemic-related funding has been substantial, but school districts have yet to access all the funds being made available. Primarily, these funds are provided as grants with program end dates laddered through 2024. The terms and conditions of the different grant funding streams are unique. This means schools must plan carefully for the use of funds to both optimize the value received and ensure compliance with the grant requirements. Also, these resources are not recurring, so school districts should carefully consider their use. If funds are used for recurring activities, the School District will need to redirect other revenue once the grant is complete to continue the activity or discontinue the program. Understanding the full value of the resources received through 2024 will have a dramatic impact on the School District's strategic planning efforts and related budget projections.

Another key variable impacting district budgets is enrollment. Since foundation allowance payments are computed using a per pupil allocation, the pupil count will drive the total funding provided for school operations. As schools begin to return to in-class instruction, tracking enrollment will be an important step in estimating total state aid revenue. Clearly, the hope and expectation are that students will return to the School District. Tracking attendance and comparing it to expectations will be essential in determining whether budget adjustments may be necessary if total enrollment is not consistent with expectations.

Budget management in 2021-2022 and beyond includes many new challenges, many not seen previously within school finance. In summary, some key budget focus items school districts should be building into the budget management process include the following:

- Understanding the specifics of pandemic-related federal aid and strategically planning for their use
- Understanding the specifics of pandemic-related state aid provided and strategically planning for their use
- Crafting a multiyear revenue forecast for recurring school operating revenue, including foundation allowance and recurring categorical aid funding
- Projecting and carefully monitoring pupil counts and adjusting budget projections for significant variations
- Assessing payroll-related costs in two categories: recurring payroll costs based on contractual agreements and variable payroll costs resourced with pandemic-related resources
- Identifying and budgeting for one-time uses of federal and state pandemic-related assistance

In summary, plan for 2021-2022 and beyond but understand there are still many moving parts. Continue to be flexible, and plan to adapt to a potentially changing financial and operational landscape.

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

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, districts have been reporting their share of the MPSERS plan funded status in the government-wide financial statements of the district.

At September 30, 2020, the pension portion of the MPSERS plan had a net pension liability of approximately \$35 billion. This is an increase from the reported amount of \$33.8 billion at September 30, 2019, an increase of approximately 3.5 percent. This increase meant that, for the year ended June 30, 2021, districts reported a higher net pension liability than they had in the previous year, despite the fact that districts continued to make their required contributions to the plan during fiscal year 2021. One of the primary reasons for the increase in the liability was due to a less than favorable actuarial experience compared to the actuarial assumptions.

At September 30, 2020, the retiree health care portion (OPEB) of the MPSERS plan had a net OPEB liability of approximately \$5.4 billion. This is a decrease from the reported amount of \$7.3 billion at September 30, 2019, a decrease of approximately 26 percent. The valuation of the OPEB liability included a reduction of the health care cost trend rate from 7.5 percent to 7.0 percent and the plan also experienced a favorable plan experience adjustment related to lower than projected health benefit costs, which had a positive impact by reducing the total liability.

Significant Changes in the Future to the GASB Financial Reporting Model

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

This project kicked off in August 2013. An exposure draft was issued in June 2020 titled “Financial Reporting Model Improvements.” The exposure draft comment period ended during February 2021, and, as a firm, Plante & Moran, PLLC provided comments to the GASB on our thoughts of the proposed standards. The GASB’s goal is to have final standards issued by June 2022.

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

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

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

A separate but somewhat related project is also ongoing. In June 2020, the GASB released its preliminary views titled "Revenue and Expense Recognition." The objective of this project is to develop a comprehensive, principles-based model that would establish categorization, recognition, and measurement guidance applicable to a wide range of revenue and expense transactions. When the new standard is issued and adopted, it could result in revenue and expense transactions being reported either earlier or later than they currently are in school district financial statements. The GASB's current work plan anticipates that this new standard could be issued during 2025.

GASB Statement No. 87 - Leases

This statement is effective for the School District's June 30, 2022 financial statements. The statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on payment provisions of the lease. The statement was issued to improve accounting and financial reporting for leases by governments. The statement establishes a single model for lease accounting for both lessees and lessors based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-of-use lease asset on the lessee's government-wide financial statements, and a lessor is required to recognize a lease receivable and a deferred inflow of resources on the lessor's government-wide financial statements. Furthermore, there are additional financial statement disclosures required for the lessee and lessor as a result of the standard.

To adopt the standard, the School District will have to identify and analyze all significant lease contracts to determine the lease asset and lease liability or deferred inflow or outflow of resources that will be required to be recognized upon implementation of the standard. This review should include all existing lease agreements and other contracts that may have embedded lease arrangements that were not previously considered. Other departments outside of the business office may need to be involved in order to properly identify and locate all agreements subject to the new leasing standard. It is important to begin the process of inventorying lease agreements early on to then determine the financial impact upon adoption.

Significant Changes Coming to the Auditor's Report Letter Next Year

In May 2019, the AICPA Auditing Standards Board (ASB) issued Statement on Auditing Standards (SAS) No. 134, *Auditor Reporting and Amendments, including Amendments Addressing Disclosures in the Audit of Financial Statements*. The update, which is the first significant change to auditor's reports in years, requires changes in the form and content of the auditor's report issued as a result of an audit of financial statements in order to provide financial statement users with more meaningful information about the audit process and meaning of auditor opinions. The statement also introduces the potential for auditors to be engaged to report on key audit matters within the opinion letter. These changes will take effect for the first time in your June 30, 2022 audited financial statements.

The significant key changes that you can expect to see in the auditor's report letter next year include the following:

- Revised order for elements of the opinion letter, including moving the auditor's opinion to the top of the letter
- Expansion of information to be included within a basis of opinion section, as well as notification to the user that the auditor is required to be independent of the entity and meet other ethical responsibilities

- Explanation of how misstatements to financial statements are determined to be material
- Addition of definition of reasonable assurance and identifying that the risk of material misstatement due to fraud is greater than the risk due to error
- Enhanced reporting related to going concern, including a description of management’s responsibilities when required by the applicable reporting framework
- Description of the auditor’s responsibilities, including responsibilities relating to professional judgment and professional skepticism, internal controls, identification of risks of material misstatement to the financial statements, evaluation of accounting policies used, conclusion on the entity’s ability to continue as a going concern, and the auditor’s communications with those charged with governance
- Introduction of the concept of key audit matters and clarification of the relationship between communication of key audit matters and the use of an emphasis of matter or other matter paragraph
- Alignment of reporting requirements when the audit is conducted under both generally accepted auditing standards (GAAS) and another set of auditing standards or when the auditor’s opinion is other than an unmodified opinion

Understanding and Managing Potential Threats to Your Data

Education continues to be one of the top targets for ransomware attacks. Legislation called the “Enhancing K-12 Cybersecurity Act” was introduced in the House in June 2021 and would appropriate \$10M yearly for two years to fund a program to improve cybersecurity in school districts.

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

When it comes to cybersecurity, the human element is still the weakest link and most targeted, as passwords like “August2021” can be easily guessed, and emails continue to trick people into clicking links and opening attachments. Information security is a district-wide issue, not just an IT department responsibility, requiring a combination of people, processes, and technology to effectively secure student, employee, and financial data. Now is the time to take a step back and assess exactly where your data is and the controls surrounding it. Key questions to ask include the following:

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

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

Taking Advantage of Data Analytics within K-12 School Districts

The School District collects more data than ever before, but has it helped you take meaningful action? The complexity of drawing actionable insight from larger disparate data sources often stands in the way of making better data-driven decisions. The landscape of opportunity within advanced analytics can create order from the chaos and transform your data into actions that make a difference. Understanding the right approach is based on an assessment of the goals of the School District. Based on our experience, we suggest school districts begin considering a few initial questions:

1. How can we better understand the needs of our student population?

It has become increasingly important to develop a deeper understanding of individual student, school, and district-wide performance. Actionable insight into your student population to create data-driven strategies is achievable through advanced analytics.

2. Where might we be overspending?

When faced with tighter budgets in an evolving and fiercely competitive funding environment, schools are relying more heavily on their data than their instinct to detect leakages and eliminate inefficiencies in their operations. Leveraging advanced analytics can optimize your in-district delivery model and identify opportunities to reduce operational costs.

3. How can we develop a data-driven strategy?

A staggering volume of education data is underutilized by school districts. Asking meaningful questions about the alignment of your data vision, people, processes, technology, and data governance is the first step toward preparing a data-driven strategy.

Farmington Public School District

**Annual Comprehensive Basic Financial Statements
with Supplemental Information
June 30, 2021**

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Independent Auditor's Report

To the Board of Education
Farmington Public School District

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Farmington Public School District (the "School District") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Farmington Public School District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the basic 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 Farmington Public School District as of June 30, 2021 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the basic financial statements, as of July 1, 2020, the School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

To the Board of Education
Farmington Public School District

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise Farmington Public School District's basic financial statements. The other supplemental information, as identified in the table of contents, and introductory section and statistical section schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2021 on our consideration of Farmington Public 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 Farmington Public School District's internal control over financial reporting and compliance.

October 5, 2021

This section of Farmington Public School District's (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2021. Please read it in conjunction with the School District's basic 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 Farmington Public School District 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, and the 2020 Building and Site Fund - with all other funds presented in one column as nonmajor funds.

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Basic Financial Statements

Required Supplemental Information

Budgetary Information for Major Fund

Schedules of Proportionate Share of the Net Pension and OPEB Liabilities

Schedules of Pension and OPEB Contributions

Other Supplemental Information

In addition, the School District has added the introductory section and the statistical section to compile its Comprehensive Annual Financial Report.

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.

Farmington Public School District

Management's Discussion and Analysis (Continued)

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 nutrition 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 Nutrition Services Fund is an example) 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). The governmental funds of the School District use the following accounting approach:

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 provided to other funds. The School District established a proprietary fund, specifically the Internal Service Fund, to finance specific services provided to other funds of the School District on a cost reimbursement basis. The specific services represent health insurance benefits.

Farmington Public School District

Management's Discussion and Analysis (Continued)

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, 2021 and 2020:

	Governmental Activities	
	2021	2020
	(in millions)	
Assets		
Current and other assets	\$ 141.7	\$ 137.5
Capital assets	172.9	170.6
Total assets	314.6	308.1
Deferred Outflows of Resources	73.5	90.3
Liabilities		
Current liabilities	30.4	24.6
Noncurrent liabilities	495.0	519.5
Total liabilities	525.4	544.1
Deferred Inflows of Resources	57.9	55.6
Net Position		
Net investment in capital assets	68.0	71.2
Restricted	3.3	3.5
Unrestricted	(266.5)	(276.0)
Total net position	\$ (195.2)	\$ (201.3)

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was \$(195.2) million at June 30, 2021. Net investment in capital assets totaling \$68.0 million compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position (\$(266.5) million) was unrestricted.

The \$(266.5) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The unrestricted net position balance enables the School District to meet working capital and cash flow requirements and to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

As required by the Governmental Accounting Standards Board (GASB), the School District adopted GASB Statement No. 84, Fiduciary Activities, as of July 1, 2020. This standard provides guidance on the identification and reporting of fiduciary activities and required the district to evaluate activities to determine if they were fiduciary in nature. The standard also changed the reporting and presentation requirements of fiduciary activities. The effect of the adoption on the governmental activities was to increase July 1, 2020 beginning net position by \$895,370, which represents the activities that used to be reported as fiduciary but are now reported as governmental under GASB 84. The governmental statement of net position at June 30, 2021 and statement of activities for the year ended June 30, 2021 include all the balances and transactions for those activities that used to be reported as fiduciary, but for which are now reported as governmental. All school districts were required to adopt this new standard.

Farmington Public School District

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, 2021 and 2020:

	Governmental Activities	
	2021	2020
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 0.9	\$ 3.6
Operating grants	46.2	41.4
General revenue:		
Taxes	54.2	53.3
State aid not restricted to specific purposes	57.0	55.1
Other	0.5	0.8
Total revenue	158.8	154.2
Expenses		
Instruction	85.1	89.7
Support services	52.8	52.9
Athletics	1.4	1.5
Nutrition services	2.3	3.2
Community services	1.3	1.3
Interdistrict payments	1.0	1.2
Debt service	5.8	5.1
Depreciation expense (unallocated)	3.9	4.6
Total expenses	153.6	159.5
Change in Net Position	5.2	(5.3)
Net Position - Beginning of year (as restated)	(200.4)	(196.0)
Net Position - End of year	<u>\$ (195.2)</u>	<u>\$ (201.3)</u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$153.6 million. Certain activities were partially funded from those who benefited from the programs (\$0.9 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$46.2 million). We paid for the remaining public benefit portion of our governmental activities with \$54.2 million in taxes, \$57.0 million in state foundation allowance, and our other revenue (i.e., interest and general entitlements).

The School District experienced an increase in net position of \$5.2 million. Key reasons for the change in net position were the net effect of the investment in capital assets offset with the current year depreciation and General Fund operating revenue exceeding expenditures.

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

Farmington Public School District

Management's Discussion and Analysis (Continued)

The School District's Funds

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

As the School District completed this year, the governmental funds reported a combined fund balance of \$110.4 million, which is a decrease of \$2.2 million from last year. The primary reasons for the decrease are as follows:

In the General Fund, our principal operating fund, the fund balance increased \$9.8 million to \$31.2 million. The change is due mainly to additional grant funding, as well as expenditures being less than projected due to reduced spending in purchased services and supplies as a result of school being virtual for the first half of the year due to the COVID-19 pandemic. Excluding federal and state grant budget variances, revenue exceeded projections by \$639,000, and expenditures were under projections by \$2.3 million..

Combined, the fund balance of our debt service funds decreased \$0.3 million. Millage rates were kept flat as property values increased. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt service fund balances are reserved since they can be used only to pay debt service obligations.

Combined, the fund balance of our capital project funds decreased \$11.6 million. This decrease is due primarily to continued construction related to the 2018 and 2020 bond issues. The 2018 bond construction projects are estimated to be approximately 89.2 percent complete at the end of the year, with the remaining funds expended in full by June 30, 2022.

The Maintenance/Bus Purchases Capital Projects Fund was created during the 2004-2005 fiscal year to separate large capital and nonoperating expenditures from general operating obligations of the School District. Transfers from the General Fund are made to this fund based upon capital projects needs for future fiscal years. A transfer of \$600,000 was made during the year.

The Technology/Other Projects Fund was previously funded through transfers from the General Fund. These funds were used to purchase technology-related equipment. As pressures continued on General Fund operations, limited dollars, if any, were available to fund technology purchases. Therefore, a portion of the 2018 Building and Site Fund is being used to purchase technology infrastructure and technology-related equipment. A transfer of \$300,000 was made during the year to address future technology needs when bond dollars are fully expended from the 2020 bond issue.

With the adoption of GASB 84, the District created the Student Activities special revenue fund to account for activities previously reported as fiduciary funds. The effect of the adoption was to increase July 1, 2020 beginning fund balance by \$0.9 million. Fund balance decreased for the year ended June 30, 2021 as a result of less opportunities for fundraising caused by the COVID-19 pandemic and the remote start to the school year

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 2021. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

There were significant revisions made to the 2020-2021 General Fund original budget. Budgeted revenue was increased by \$11.4 million due to a decrease in local revenue (\$2.0 million) for interest, tuition, rental, and other miscellaneous revenue, an increase in state revenue (\$6.7 million) due to restoration of the foundation allowance back to the previous year's level as there was no shortfall in the State School Aid Fund as was previously projected, an increase in federal grant funds (\$6.1 million) based upon current grant awards mainly due to COVID relief funds provided to schools and an increase in interdistrict revenue (\$0.6 million) due to additional special education funding distributions from the Intermediate School District.

Farmington Public School District

Management's Discussion and Analysis (Continued)

Budgeted expenditures were also increased by \$2.9 million to account for actual staffing in place and current contractual obligations, current grant awards (which included significant new federal dollars), and a decrease in purchased services and supplies resulting from the effects of COVID 19

The difference between final budgeted revenue and actual revenue was \$2.8 million, or 1.9 percent less than budgeted. The difference, on a net basis, included lower than anticipated property taxes; an increase in state revenue due to property tax adjustments, more MPSERS retirement funding plus additional special education funding for section 52 and 53 students; and other state and federal revenue recorded based upon expenditures made, where these grants are budgeted at the full award amount.

The difference between final budgeted expenditures and actual expenditures was approximately \$5.7 million, or 4.1 percent less than budgeted. The reasons for the differences, on a net basis, are as follows:

- Grant expenditures, budgeted upon award amounts, were below projections by approximately \$3,700,000.
- Utility costs were under projections by approximately \$136,000
- Employee wage and wage-related benefit costs were below projections by approximately \$203,000.
- Maintenance purchased services were below projections by \$215,000.
- Teacher and Paraprofessional sub costs exceeded projections by approximately \$76,000.
- Workshops and conferences were below projections by approximately \$215,000.
- Contracted services for noon supervisors, bus aides, police liaison officers, and bookkeeping services were below projections by approximately \$82,000.
- Teaching supplies and textbook purchases were below projections by approximately \$339,000.
- Custodial, maintenance, office and miscellaneous supplies were below projections by approximately \$289,000.
- Departmental budgets, on a net basis, were below projection by approximately \$100,000.
- Contracted services for custodial services were below projections by approximately \$115,000.
- Gas, oil and repair parts costs were below projections by approximately \$181,000.
- Tax tribunal costs were below projections by approximately \$67,000.
- Tuition costs paid to other districts were below projections by \$164,000.

Farmington Public School District

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2021, the School District had \$172.9 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This represents a net increase (including additions, disposals, and depreciation) of approximately \$2.3 million from 2020 to 2021.

	Governmental Activities	
	2021	2020
Land	\$ 683,744	\$ 683,744
Construction in progress	2,321,948	6,739,160
Buildings and improvements	244,461,485	232,436,557
Furniture and equipment	21,633,000	20,766,288
Buses and other vehicles	11,746,875	11,491,447
Total capital assets	280,847,052	272,117,196
Less accumulated depreciation	107,931,158	101,503,393
Total capital assets - Net of accumulated depreciation	\$ 172,915,894	\$ 170,613,803

This year's additions of \$10.7 million included buses, HVAC equipment, cafeteria equipment, technology, building renovations, and furniture and equipment. .

This year's disposals of \$1.9 million included the disposal of buses and obsolete furniture and equipment.

Debt

At the end of this year, the School District had \$160.0 million in bonds outstanding versus \$166.1 million in the previous year - a change of 3.7 percent. Those bonds consisted of the following:

	2021	2020
2015 general obligation bonds	\$ 56,320,000	\$ 59,085,000
2018 general obligation bonds	47,675,000	49,725,000
2020 general obligation bonds	56,015,000	57,265,000
Total	\$ 160,010,000	\$ 166,075,000

The School District's general obligation bond rating continues to be Aa3 and was reviewed and affirmed in May 2020 by Moody's. 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 does not currently have any outstanding unqualified general obligation debt.

Other obligations include accrued vacation pay, sick leave, and workers' compensation self-insurance. We present more detailed information about our long-term liabilities in the notes to the basic financial statements.

Farmington Public School District

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2021-2022 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The 2021-2022 budget was adopted in June 2021 with a reduction in enrollment of 200 students, as the COVID-19 pandemic continues to create uncertainty on student count due to the prior year mainly operating in a virtual learning environment. Typically, the estimate is based upon the number of students who will enroll in September 2021. Approximately 68 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot assess additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2021 school year, we anticipate that the fall student count will be short of the estimates used in creating the 2022 budget. Once the final student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Since the School District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to the School District. The State periodically holds a Revenue Estimating Conference to estimate revenue. Based on the results of the most recent conference, the State estimates funds are sufficient to fund all school districts at a targeted foundation allowance of \$8,700 per pupil. The District will be able to levy its hold harmless per pupil of \$1,876 which brings the overall foundation allowance to \$10,576, an increase of \$171 from 2020-21.

The District settled contracts with all of its employee groups during 2020-2021. A three-year contract through August 23, 2024 was reached with its teachers, the Farmington Education Association (FEA). Step increases will occur for those on the step schedule for each of the three years. Increases to the salary schedules were provided for 2022, 2023, and 2024 and equal 2.0 percent, 1.50 percent and 1.0 percent, respectively. Longevity payments increased and will continue to be paid to those eligible.

A three-year contract was settled through June 30, 2024 with the District's paraprofessional and secretarial staff, the Educational Support Professionals (ESP) and with its bus drivers, the Farmington Transportation Association (FTA). Within the ESP contract, the two-tier pay structure was eliminated and all employees moving from Tier 2 to Tier 1 were brought on closest to their current wage, but no lower. Steps are provided for the 2nd and 3rd years of the contract and on schedule wage increases for the first two years ranged from 1 percent to 1.5 percent. Longevity payments also increased and will be paid to eligible employees. The FTA contract also eliminated its two-tier wage structure. The contract provides for movement to the new wage schedule in year one with 2 percent and 5 percent on-schedule increases for bus drivers and mechanics, respectively. The remaining two years of the contract provide for step movement for those eligible with a 1 percent increase on schedule. Health insurance deductions for bus drivers were reduced from 24 percent to 20 percent over a two-year period to bring them in line with other district employees.

A two-year contract was settled through June 30, 2023 for maintenance and nutrition staff, Farmington Maintenance and Cafeteria (FMC) and with its school administrators, the Farmington Association of School Administrators (FASA). The FMC contract provides for step movement and on-schedule wage increases in both years. The FASA contract eliminated its two-tier wage structure and provided for step movement and on-schedule wage increases in both years of the contract.

The continued impacts of COVID-19 will require the School District to carefully monitor its budget for 2021-2022. Decisions made at the federal and state level related to financial resources will also need to be monitored, as they will have a direct impact on the School District's budget. As information becomes known by the School District, the budget will be reviewed and adjusted as needed to ensure adequate resources are available both now and in the future.

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 business office.

Farmington Public School District

Statement of Net Position

June 30, 2021

	<u>Governmental Activities</u>
Assets	
Cash and investments (Note 4)	\$ 47,430,023
Receivables:	
Taxes	62,000
Accounts receivable	25,146
Due from other governmental units	16,085,116
Inventory	105,226
Prepaid expenses	1,275,102
Restricted assets (Note 4)	76,742,325
Capital assets:	
Assets not subject to depreciation (Note 6)	3,005,692
Assets subject to depreciation - Less accumulated depreciation of \$107,931,158 (Note 6)	<u>169,910,202</u>
Total assets	314,640,832
Deferred Outflows of Resources	
Deferred pension costs (Note 10)	55,199,939
Deferred OPEB costs (Note 10)	<u>18,259,225</u>
Total deferred outflows of resources	73,459,164
Liabilities	
Accounts payable	4,192,068
Due to other governmental units	880,413
Accrued liabilities and other	22,517,361
Unearned revenue (Note 5)	2,799,584
Noncurrent liabilities:	
Due within one year (Note 8)	8,234,150
Due in more than one year:	
Compensated absences and other long-term liabilities (Note 8)	2,046,524
Net pension liability (Note 10)	273,709,279
Net OPEB liability (Note 10)	41,618,029
Bonds - Net of current portion (Note 8)	<u>169,384,298</u>
Total liabilities	525,381,706
Deferred Inflows of Resources	
Revenue in support of pension contributions made subsequent to the report date (Note 10)	10,049,722
Deferred pension cost reductions (Note 10)	11,967,128
Deferred OPEB cost reductions (Note 10)	<u>35,887,345</u>
Total deferred inflows of resources	<u>57,904,195</u>
Net Position	
Net investment in capital assets	68,022,521
Restricted:	
Debt service	88,859
Capital projects	1,887,550
Nutrition services	1,307,443
Unrestricted	<u>(266,492,278)</u>
Total net position	<u>\$ (195,185,905)</u>

Farmington Public School District

Statement of Activities

Year Ended June 30, 2021

Functions/Programs	Program Revenue			Governmental
	Expenses	Charges for Services	Operating Grants and Contributions	Activities
				Net (Expense) Revenue and Changes in Net Position
Primary government - Governmental activities:				
Instruction	\$ 85,085,371	\$ 188,435	\$ 27,009,420	\$ (57,887,516)
Support services	52,841,038	178,503	16,620,089	(36,042,446)
Athletics	1,445,370	326,329	-	(1,119,041)
Nutrition services	2,291,990	77,558	2,462,975	248,543
Community services	1,297,075	240,929	-	(1,056,146)
Interdistrict payments	1,000,846	-	-	(1,000,846)
Interest on long-term debt and other	5,744,454	-	-	(5,744,454)
Other debt costs	52,477	-	-	(52,477)
Depreciation expense (unallocated)	3,945,005	-	-	(3,945,005)
Total primary government	\$ 153,703,626	\$ 1,011,754	\$ 46,092,484	(106,599,388)
General revenue:				
Taxes:				
Property taxes - Levied for general purposes				41,911,111
Property taxes - Levied for debt services				12,320,197
State aid not restricted to specific purposes				56,967,649
Interest and investment earnings				158,411
Loss on sale of capital assets (Note 6)				(12,661)
Other				450,217
Total general revenue				<u>111,794,924</u>
Change in Net Position				5,195,536
Net Position - Beginning of year (as restated) (Note 2)				<u>(200,381,441)</u>
Net Position - End of year				<u>\$(195,185,905)</u>

Farmington Public School District

Governmental Funds Balance Sheet

June 30, 2021

	General Fund	2020 Building and Site Fund	Nonmajor Funds	Total Governmental Funds
Assets				
Cash and investments (Note 4)	\$ 39,137,439	\$ -	\$ 2,829,354	\$ 41,966,793
Receivables:				
Taxes	62,000	-	-	62,000
Accounts receivable	24,006	-	1,140	25,146
Due from other governmental units	15,910,373	-	174,743	16,085,116
Due from other funds (Note 7)	159,288	-	1,540,132	1,699,420
Inventory	61,808	-	43,418	105,226
Prepaid expenses	1,231,167	-	-	1,231,167
Restricted assets (Note 4)	-	66,926,425	9,815,900	76,742,325
	<u>\$ 56,586,081</u>	<u>\$ 66,926,425</u>	<u>\$ 14,404,687</u>	<u>\$ 137,917,193</u>
Total assets				
Liabilities				
Accounts payable	\$ 1,180,236	\$ 1,191,580	\$ 678,404	\$ 3,050,220
Due to other governmental units	880,413	-	-	880,413
Due to other funds (Note 7)	1,540,132	-	159,288	1,699,420
Accrued payroll and other liabilities	19,073,465	-	24,708	19,098,173
Unearned revenue (Note 5)	2,680,272	-	119,312	2,799,584
	<u>25,354,518</u>	<u>1,191,580</u>	<u>981,712</u>	<u>27,527,810</u>
Total liabilities				
Fund Balances				
Nonspendable:				
Inventory	61,808	-	43,418	105,226
Prepays	1,231,167	-	-	1,231,167
Restricted:				
Debt service	-	-	1,170,000	1,170,000
Capital projects	-	65,734,845	7,993,326	73,728,171
Nutrition services	-	-	1,264,025	1,264,025
Committed:				
Capital projects	-	-	2,091,994	2,091,994
Contractual obligations - Retirement and sick pay	2,046,524	-	-	2,046,524
Contractual obligations - Vacation pay	363,666	-	-	363,666
Cash flow deficiency for 2021-2022	10,106,951	-	-	10,106,951
Student activities	-	-	860,212	860,212
Assigned:				
Subsequent year's budget	763,293	-	-	763,293
Instructional Initiatives	200,000	-	-	200,000
Unassigned	16,458,154	-	-	16,458,154
	<u>31,231,563</u>	<u>65,734,845</u>	<u>13,422,975</u>	<u>110,389,383</u>
Total fund balances				
Total liabilities and fund balances	<u>\$ 56,586,081</u>	<u>\$ 66,926,425</u>	<u>\$ 14,404,687</u>	<u>\$ 137,917,193</u>

Farmington Public School District

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2021

Fund Balances Reported in Governmental Funds	\$ 110,389,383
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	280,847,052
Accumulated depreciation	<u>(107,931,158)</u>
Net capital assets used in governmental activities	172,915,894
Bonds payable obligations are not due and payable in the current period and are not reported in the funds	(176,733,994)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,081,141)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(2,410,190)
Provision for health and/or workers' compensation claims not accounted for within the Internal Service Fund	(520,788)
Net pension liability and related deferred inflows and outflows	(230,476,468)
Net OPEB liability and related deferred inflows and outflows	(59,246,149)
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	(10,049,722)
Internal service funds are included as part of governmental activities	<u>2,027,270</u>
Net Position of Governmental Activities	<u><u>\$ (195,185,905)</u></u>

Farmington Public School District

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2021

	General Fund	2020 Building and Site Fund	Nonmajor Funds	Total Governmental Funds
Revenue				
Local sources	\$ 43,958,891	\$ 91,964	\$ 12,874,533	\$ 56,925,388
State sources	78,750,046	-	326,189	79,076,235
Federal sources	9,421,127	-	2,366,733	11,787,860
Interdistrict sources	12,176,602	-	-	12,176,602
Total revenue	144,306,666	91,964	15,567,455	159,966,085
Expenditures				
Current:				
Instruction	81,924,865	-	-	81,924,865
Support services	48,126,539	-	381,564	48,508,103
Athletics	1,435,124	-	-	1,435,124
Nutrition services	-	-	2,242,587	2,242,587
Community services	1,158,934	-	-	1,158,934
Debt service:				
Principal	-	-	6,065,000	6,065,000
Interest on long-term debt and other	-	-	6,780,776	6,780,776
Other debt costs	-	52,477	-	52,477
Capital outlay	66,409	2,113,186	10,782,463	12,962,058
Interdistrict payments	1,000,846	-	-	1,000,846
Total expenditures	133,712,717	2,165,663	26,252,390	162,130,770
Excess of Revenue Over (Under) Expenditures	10,593,949	(2,073,699)	(10,684,935)	(2,164,685)
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	8,191	-	-	8,191
Transfers in (Note 7)	138,519	-	900,000	1,038,519
Transfers out (Note 7)	(900,000)	-	(138,519)	(1,038,519)
Total other financing sources	(753,290)	-	761,481	8,191
Net Change in Fund Balances	9,840,659	(2,073,699)	(9,923,454)	(2,156,494)
Fund Balances - Beginning of year (as restated) (Note 2)	21,390,904	67,808,544	23,346,429	112,545,877
Fund Balances - End of year	<u>\$ 31,231,563</u>	<u>\$ 65,734,845</u>	<u>\$ 13,422,975</u>	<u>\$ 110,389,383</u>

Farmington Public School District

Governmental Funds

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

Year Ended June 30, 2021

Net Change in Fund Balance Reported in Governmental Funds	\$ (2,156,494)
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	10,675,696
Depreciation expense	(8,352,753)
Net book value of assets disposed of	(20,852)
Revenue in support of pension contributions made subsequent to the measurement date	(1,054,263)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds	7,059,696
Interest expense is recognized in the government-wide statements as it accrues	41,626
Some employee costs (pension, OPEB, compensated absences, and self-insurance liabilities) do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds	(605,388)
Internal service funds are included as part of governmental activities:	<u>(391,732)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 5,195,536</u></u>

Farmington Public School District

Proprietary Funds Statement of Net Position

June 30, 2021

	<u>Benefit Stabilization Fund</u>
Assets	
Current assets:	
Cash and investments (Note 4)	\$ 5,463,230
Prepaid expenses	<u>43,935</u>
Total current assets	5,507,165
Liabilities	
Current liabilities:	
Accounts payable	1,141,848
Accrued other liabilities (Note 9)	<u>2,338,047</u>
Total current liabilities	<u>3,479,895</u>
Net Position - Unrestricted	<u><u>\$ 2,027,270</u></u>

Farmington Public School District

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

Year Ended June 30, 2021

	Benefit Stabilization Fund
Operating Revenue	
Charges for services	\$ 15,031,883
Other	617,207
	<hr/>
Total operating revenue	15,649,090
Operating Expenses - Cost of insurance claims	16,044,007
	<hr/>
Operating Loss	(394,917)
Nonoperating Revenue - Interest income	3,185
	<hr/>
Change in Net Position	(391,732)
Net Position - Beginning of year	2,419,002
	<hr/>
Net Position - End of year	<u><u>\$ 2,027,270</u></u>

Farmington Public School District

**Proprietary Funds
Statement of Cash Flows**

Year Ended June 30, 2021

	<u>Benefit Stabilization Fund</u>
Cash Flows from Operating Activities	
Receipts from interfund services	\$ 15,348,843
Claims paid and premiums paid	(15,657,748)
Other receipts	<u>617,208</u>
Net cash and cash equivalents provided by operating activities	308,303
Cash Flows Provided by Investing Activities - Interest	<u>3,185</u>
Net Increase in Cash and Cash Equivalents	311,488
Cash and Cash Equivalents - Beginning of year	<u>5,151,742</u>
Cash and Cash Equivalents - End of year	<u>\$ 5,463,230</u>
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating loss	\$ (394,917)
Adjustments to reconcile operating income to net cash from operating activities:	
Changes in assets and liabilities:	
Receivables	52,393
Deposits	264,712
Prepays	4,479
Due to and from other funds	(145)
Accounts payable	556,178
Accrued liabilities	<u>(174,397)</u>
Total adjustments	<u>703,220</u>
Net cash and cash equivalents provided by operating activities	<u>\$ 308,303</u>

June 30, 2021

Note 1 - Nature of Business

Farmington Public School District (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. 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 and proprietary 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.

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 projects 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.

Note 2 - Significant Accounting Policies (Continued)

- The 2020 Building and Site Fund is a capital projects fund used to record bond proceeds and other revenue and disbursement of invoices specifically related to the remodeling of buildings for safety and security improvements; construction additions to, equipping, furnishing, reequipping, refurbishing, and remodeling buildings, including classroom, auditorium, and media center improvements; improving and developing sites, including outdoor athletic facilities, playgrounds, and structures; acquiring school buses; and acquiring and installing technology infrastructure and equipment. 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.
- Capital projects funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, and equipment; technology upgrades; and remodeling and repairs. The funds operate until the purpose for which they were created is accomplished.
- Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the School District).

The School District’s Internal Service Fund is used to finance services provided to other funds on a cost-reimbursement basis. The Internal Service Fund maintained by the School District is for medical benefits liabilities, including health, dental and vision, administrative expenses, costs of life insurance, and long-term disability benefits. It is funded through charges to the General Fund in amounts equal to the normal estimated medical benefits expense expected to be incurred subsequent to year end and contributions from employees for their share of medical benefits.

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 and advances to/from 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.

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.

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.

Note 2 - Significant Accounting Policies (Continued)

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.

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.

Proprietary funds and fiduciary funds, as applicable, use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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. Investments with an original maturity of greater than one year are stated at fair value, net acquisition value, or amortized cost depending on the nature of the investment. Pooled investment income from each of the School District's funds is generally allocated to each fund using a weighted average of balance for the principal.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds 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. Prepaid costs of governmental funds are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

The unspent bond proceeds and related interest of the 2018 Building and Site Fund and the 2020 Building and Site Fund require amounts to be set aside for construction. In addition, the unspent property taxes levied on the debt service funds are required to be set aside for future bond principal and interest. These amounts have also been classified as restricted assets

Capital Assets

Capital assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend the asset life are not capitalized. The School District does not have infrastructure-type assets.

Note 2 - Significant Accounting Policies (Continued)

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

	Depreciable Life - Years
Buildings and improvements	20-50
Furniture and equipment	5-10
Buses and other vehicles	5-10

Construction in progress and land are not depreciated. Construction in progress is reclassified to the appropriate category once placed in service. It is then depreciated according to the useful lives listed in the above table

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund-type 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 expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

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

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

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

The School District reports deferred inflows related 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 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 net position to have been depleted before unrestricted net position is applied.

Note 2 - Significant Accounting Policies (Continued)

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 nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.

The School District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can commit fund balance 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 to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Amounts that do not fall into any other category above are considered to be unassigned fund balance. This represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes.

The fund balance target prescribes the minimum fund balance as 8 to 12 percent of expenditures in the General Fund. This is deemed to be the prudent amount to provide working capital to meet cash flow needs and avoid borrowing, serve as a budget stabilization fund, and provide for unanticipated or emergency expenditures.

Property Tax Revenue

Property taxes are levied on July 1 for taxes due on August 31 and on December 1 for the remainder on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Note 2 - Significant Accounting Policies (Continued)

Grants and Contributions

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

Compensated Absences (Vacation and Sick Leave)

It is the School District's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the School District will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation are used to liquidate the obligations.

Proprietary Funds Operating Classification

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 principal operating revenue of proprietary funds is charges to governmental funds to provide employee benefits and services. Operating expenses for these funds include the cost of benefits and administrative expenses. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Tax Abatement

The School District evaluated tax abatements and considered the total property tax abatements to be insignificant.

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.

Note 2 - Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncement

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The School District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the School District's financial statements for the year ending June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

Adoption of New Accounting Pronouncement

During the current year, the School District adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, student activities were previously reported as fiduciary activities but no longer meet the definition as such: therefore, these activities are now reported within a nonmajor governmental special revenue fund.

The effect of this new standard on fund balance/net position was as follows:

	Governmental Activities	Governmental Funds
Net position/fund balance - June 30, 2020 (as previously reported)	\$ (201,276,811)	\$ 111,650,507
Adjustment for GASB Statement No. 84 - To change fund type	895,370	895,370
Net position/fund balance - June 30, 2020 (as restated)	<u>\$ (200,381,441)</u>	<u>\$ 112,545,877</u>

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end. The School District also elected to adopt annual budgets for its debt service funds and capital projects funds. 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. There were no significant amendments during the year.

The required supplemental information budgetary comparison schedules are presented on the same basis of accounting used to prepare the budget, which includes certain items having classifications that differ from the statement of revenue, expenditures, and changes in fund balances, including capital outlay expenditures being reported in other expenditure categories.

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. Since all encumbrances are budgeted for in 2021-2022, no encumbrances are included in assigned fund balance at June 30, 2021.

Excess of Expenditures Over Appropriations in Budgeted Funds

The School District did not have significant expenditure budget variances.

Capital Projects Fund Compliance

The capital projects funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the School District has complied with the applicable provisions of §1351a of the State of Michigan's School Code.

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 one bank for the deposit of its funds.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost except for a 1-day minimum investment period. MAX CLASS 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 so 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's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level be used for the School District's deposits for custodial credit risk. The School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. At June 30, 2021, the School District did not have any deposit balance.

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 investment policy for custodial credit risk states that 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. The School District does not have investments with custodial credit risk.

Note 4 - Deposits and Investments (Continued)

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 structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; investing operating funds primarily in the 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 allows only purchases of commercial paper with ratings of A1/P1 and AA/Aa. As of year end, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Value	Maturities	Rating	Rating Organization
Michigan Liquid Asset Fund - Cash Management Class	\$ 8,557,764	N/A 2a7 like pool	AAAm	S&P
Michigan Liquid Asset Fund - MAX Class	68,445,810	N/A 2a7 like pool	AAAm	S&P
Michigan Liquid Asset Fund - Term Series Sep 2021	6,000,000	7/15/2021	AAAkf	Kroll
Michigan Liquid Asset Fund - Term Series Sep 2021	16,000,000	8/2/2021	AAAkf	Kroll
Michigan Liquid Asset Fund - Term Series Sep 2022	5,300,000	10/21/2021	AAAkf	Kroll
Michigan Liquid Asset Fund - Term Series Sep 2022	20,000,000	3/25/2022	AAAkf	Kroll
Total	<u>\$ 124,303,574</u>			

Concentration of Credit Risk

The School District uses a pooled fund with Michigan Liquid Asset Fund (MILAF) for all of its cash accounts. 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 issues will be minimized. A maximum of 30 percent of available funds may be invested in any one issuer. Since MILAF is a pooled fund, it is not considered a single issuer under school district policy. Additionally, MILAF has a more restrictive issuer concentration policy in order to maintain its AAAm rating by Standard & Poor's. MILAF has adopted the guidance in Governmental Accounting Standards Board Statement No. 79, *Certain External Investment Pools and Pool Participants*, thereby allowing MILAF to continue presenting its financial statements on an amortized cost basis. More than 5 percent of the School District's investments are invested in the following:

Investment	Value	Percentage of Total Investments
Michigan Liquid Asset Fund - MAX Class	\$ 68,445,810	55.06

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 4 - Deposits and Investments (Continued)

Investments in Entities that Calculate Net Asset Value per Share

The School District holds shares or interests in the Michigan Liquid Asset Fund (MILAF) Term Series, whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

As of June 30, 2021, the fair value of the School District's investments in the MILAF Term Series was \$47,300,000. The investment pool had no unfunded commitments. The MILAF Term Series allows for the School District to set a specific redemption date upon initiation of the investment. Early redemptions are permitted, but an early redemption fee would apply.

The investment pool includes investments that the School District does not control. The investment pool primarily invests in high-quality money market instruments, including certificates of deposit, commercial paper, and U.S. government and agency obligations, to protect the investment principal and provide liquidity.

Note 5 - Unavailable/Unearned Revenue

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

At June 30, 2021, the various components of unearned and unavailable revenue were as follows:

	Governmental Funds	
	Deferred Inflow - Unavailable	Liability - Unearned
Tuition and other	\$ -	\$ 378,778
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	2,420,806
Total	<u>\$ -</u>	<u>\$ 2,799,584</u>

June 30, 2021

Note 6 - Capital Assets

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

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 683,744	\$ -	\$ -	\$ -	\$ 683,744
Construction in progress	6,739,160	(12,887,134)	8,469,922	-	2,321,948
Subtotal	7,422,904	(12,887,134)	8,469,922	-	3,005,692
Capital assets being depreciated:					
Buildings and improvements	232,436,557	11,890,923	134,005	-	244,461,485
Furniture and equipment	20,766,288	996,211	1,110,754	(1,240,253)	21,633,000
Buses and vehicles	11,491,447	-	961,015	(705,587)	11,746,875
Subtotal	264,694,292	12,887,134	2,205,774	(1,945,840)	277,841,360
Accumulated depreciation:					
Buildings and improvements	79,443,968	-	6,971,171	-	86,415,139
Furniture and equipment	12,626,344	-	892,127	(1,219,401)	12,299,070
Buses and vehicles	9,433,081	-	489,455	(705,587)	9,216,949
Subtotal	101,503,393	-	8,352,753	(1,924,988)	107,931,158
Net capital assets being depreciated	163,190,899	12,887,134	(6,146,979)	(20,852)	169,910,202
Net capital assets	<u>\$ 170,613,803</u>	<u>\$ -</u>	<u>\$ 2,322,943</u>	<u>\$ (20,852)</u>	<u>\$ 172,915,894</u>

The School District received proceeds of \$8,191 and recognized a loss of \$12,661 on the disposal of fixed assets.

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:	
Instruction	\$ 2,388,052
Support services	1,892,734
Community services	126,962
Unallocated	<u>3,945,005</u>
Total governmental activities	<u>\$ 8,352,753</u>

Construction Commitments

The School District has active construction projects at year end. The projects include the 2018 and 2020 bond issue. At year end, the School District's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
2018 bond issue	\$ 48,628,138	\$ 953,014
2020 bond issue	2,369,170	10,054,922

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From		
	General Fund	Nonmajor Funds	Total
General Fund	\$ -	\$ 159,288	\$ 159,288
Nonmajor funds	1,540,132	-	1,540,132
Total	\$ 1,540,132	\$ 159,288	\$ 1,699,420

The General Fund maintains the majority of the cash and investment accounts. Interfund balances are created upon recording the revenue and expenditures for each applicable fund. All interfund balances are expected to be repaid within one year.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	\$ 900,000
Nonmajor governmental funds	General Fund	138,519
	Total	\$ 1,038,519

General Fund transfers out are used by the applicable funds to support and maintain the operations of the funds for the purpose for which they were created. Nutrition services funds are transferred to the General Fund to cover indirect costs related to operations for the Nutrition Services Fund.

Note 8 - Long-term Debt

Long-term debt activity for the year ended June 30, 2021 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Other debt - General obligation	\$ 166,075,000	\$ -	\$ (6,065,000)	\$ 160,010,000	\$ 6,355,000
Unamortized bond premiums	17,718,690	-	(994,696)	16,723,994	994,696
Total bonds payable	183,793,690	-	(7,059,696)	176,733,994	7,349,696
Compensated absences	3,185,426	-	(775,236)	2,410,190	363,666
Workers' compensation	538,209	563,299	(580,720)	520,788	520,788
Total governmental activities long-term debt	\$ 187,517,325	\$ 563,299	\$ (8,415,652)	\$ 179,664,972	\$ 8,234,150

General Obligation Bonds and Contracts

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. 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, 2021 are as follows:

June 30, 2021

Note 8 - Long-term Debt (Continued)

Purpose	Remaining Annual Installments	Interest Rate (Percent)	Maturing May 1	Outstanding
\$81,050,000 qualified serial bonds (2015 issue)	2,915,000 - \$5,145,000	5.00	2035	\$ 56,320,000
\$54,675,000 qualified serial bonds (2018 issue)	\$2,100,000 - \$3,800,000	3.00 - 4.50	2038	47,675,000
\$57,265,000 qualified serial bonds (2020 issue)	\$875,000 - \$8,875,000	4.00 - 5.00	2040	56,015,000
Total governmental activities				<u>\$ 160,010,000</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
2022	\$ 6,355,000	\$ 6,773,444	\$ 13,128,444
2023	6,695,000	6,511,094	13,206,094
2024	6,315,000	6,234,094	12,549,094
2025	6,680,000	5,971,594	12,651,594
2026	6,950,000	5,683,594	12,633,594
2027-2031	39,535,000	23,629,626	63,164,626
2032-2035	48,505,000	14,172,876	62,677,876
2036-2040	38,975,000	3,821,376	42,796,376
Total	<u>\$ 160,010,000</u>	<u>\$ 72,797,698</u>	<u>\$ 232,807,698</u>

Note 9 - 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), as well as medical benefits provided to employees. The School District participates in Middle Cities Risk Management Trust risk pool for claims relating to property loss, torts, and errors and omissions. The School District is partially insured for workers' compensation and medical claims.

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. There have been no significant reductions in insurance coverage from the prior year. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

Under the School District's workers' compensation plan, the School District's current maximum loss is limited to 100 percent of the normal workers' compensation premiums. Losses in excess of the percent limitation are insured up to an aggregate limit of \$5,000,000. The School District is also insured against losses in excess of \$100,000 to \$500,000 for each occurrence, depending on the year the claim was made.

Note 9 - Risk Management (Continued)

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 and those that have not yet been reported. These estimates are recorded as long-term debt in the government-wide financial statements, as they are not considered due at June 30. At June 30, 2021, \$520,788 is recorded as long-term debt.

The School District is self-insured for medical claims. The School District estimates the liability for medical 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. These estimates are recorded as accrued liabilities in the Internal Service Fund. At June 30, 2021, the estimated liability for these medical claims totals \$2,338,047.

Changes in the estimated liability for the past two fiscal years were as follows:

	Workers' Compensation		Medical	
	2021	2020	2021	2020
Estimated liability - Beginning of year	\$ 538,209	\$ 222,489	\$ 2,512,444	\$ 2,561,093
Estimated claims incurred, including changes in estimates	563,299	674,050	14,202,029	13,356,731
Claim payments	(580,720)	(358,330)	(14,376,426)	(13,405,380)
Estimated liability - End of year	<u>\$ 520,788</u>	<u>\$ 538,209</u>	<u>\$ 2,338,047</u>	<u>\$ 2,512,444</u>

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 supplemental information for the pension and postemployment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>.

Benefits Provided

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

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

June 30, 2021

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

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

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

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

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

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

Contributions

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

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

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the retiree health care and keeping the premium subsidy benefit described above or choosing not to pay the 3 percent contribution and, instead, opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable tax-deferred fund that can be used to pay health care expenses in retirement. Participants in the PHF are automatically enrolled in a 2 percent employee contribution into their 457 account 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) account.

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

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

The ranges of rates are as follows:

	Pension	OPEB
October 1, 2019 - September 30, 2020	13.39% - 19.59%	7.57% - 8.09%
October 1, 2020 - September 30, 2021	13.39% - 19.78%	7.57% - 8.43%

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, 2021 were \$22,971,609, which include the School District's contributions required for those members with a defined contribution benefit. The School District's required and actual pension contributions include an allocation of \$10,049,722 in revenue received from the State of Michigan and remitted to the System to fund the MPERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2021.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2021 were \$5,700,976, which include the School District's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2021, the School District reported a liability of \$273,709,279 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2019, which used update procedures to roll forward the estimated liability to September 30, 2020. 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, 2020 and 2019, the School District's proportion was 0.80 and 0.82 percent, respectively, representing a change of (3.40) percent.

Net OPEB Liability

At June 30, 2021, the School District reported a liability of \$41,618,029 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2021 was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2019, which used update procedures to roll forward the estimated liability to September 30, 2020. The School District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2020 and 2019, the School District's proportion was 0.78 and 0.82 percent, respectively, representing a change of (5.24) percent.

June 30, 2021

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

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

For 2021, the School District recognized pension expense of \$31,307,789, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,182,053	\$ (584,192)
Changes in assumptions	30,329,627	-
Net difference between projected and actual earnings on pension plan investments	1,150,004	-
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	-	(11,382,936)
The School District's contributions to the plan subsequent to the measurement date	<u>19,538,255</u>	<u>-</u>
Total	<u>\$ 55,199,939</u>	<u>\$ (11,967,128)</u>

The \$10,049,722 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, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 10,857,529
2023	8,172,779
2024	3,722,804
2025	<u>941,444</u>
Total	<u>\$ 23,694,556</u>

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

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

For the year ended June 30, 2021, the School District recognized OPEB recovery of \$2,363,161.

June 30, 2021

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

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (31,009,322)
Changes in assumptions	13,722,291	-
Net difference between projected and actual earnings on OPEB plan investments	347,349	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	12,322	(4,878,023)
Employer contributions to the plan subsequent to the measurement date	4,177,263	-
Total	<u>\$ 18,259,225</u>	<u>\$ (35,887,345)</u>

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

Years Ending	Amount
2022	\$ (5,812,544)
2023	(5,332,576)
2024	(4,423,219)
2025	(3,447,608)
2026	(2,789,436)
Total	<u>\$ (21,805,383)</u>

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2020 are based on the results of an actuarial valuation as of September 30, 2019 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00% - 6.80%	Net of investment expense based on the groups
Investment rate of return - OPEB	6.95%	Net of investment expense based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75%
Health care cost trend rate - OPEB	7.0%	Year 1, graded to 3.5% in year 15, 3.0% in year 120
Mortality basis		RP-2014 Male and Female Employee Annuitant Mortality tables, scaled 100% (retirees: 82% for males and 78% for females) and adjusted for mortality improvements using projection scale MP-2017 from 2006
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

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

Assumption changes as a result of an experience study for the periods from 2012 to 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2014 Male and Female Employee Annuitant Mortality tables, scaled 100 percent (retirees: 82 percent for males and 78 percent for females) and adjusted for mortality improvements using projection scale MP2017 from 2006 30, 2017 valuation.

Significant assumption changes since the prior measurement date, September 30, 2019, for the OPEB plan include a reduction in the health care cost trend rate of 0.50 percentage points and the actual per person health benefit costs were lower than projected. There were no significant changes in assumptions for the pension actuarial valuation. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2019.

Discount Rate

The discount rate used to measure the total pension liability was 6.00 to 6.80 percent as of September 30, 2020 depending on the plan option. The discount rate used to measure the total OPEB liability was 6.95 percent as of September 30, 2020. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.00 %	5.60 %
Private equity pools	16.00	9.30
International equity pools	15.00	7.40
Fixed-income pools	10.50	0.50
Real estate and infrastructure pools	10.00	4.90
Absolute return pools	9.00	3.20
Real return/opportunistic pools	12.50	6.60
Short-term investment pools	2.00	(0.10)
Total	100.00 %	

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

Long-term rates of return are net of administrative expense and inflation of 2.1 percent.

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

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

	1 Percentage Point Decrease (5.00 - 5.80%)	Current Discount Rate (6.00 - 6.80%)	1 Percentage Point Increase (7.00 - 7.80%)
Net pension liability of the School District	\$ 354,270,230	\$ 273,709,279	\$ 206,942,206

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

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

	1 Percentage Point Decrease (5.95%)	Current Discount Rate (6.95%)	1 Percentage Point Increase (7.95%)
Net OPEB liability of the School District	\$ 53,463,089	\$ 41,618,029	\$ 31,645,482

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

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

	1 Percentage Point Decrease (6.00%)	Current Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net OPEB liability of the School District	\$ 31,263,652	\$ 41,618,029	\$ 53,394,856

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, 2021, the School District reported a payable of \$4,491,124 and \$770,675 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2021.

Note 11 - Contingent Liabilities

The School District is subject to various legal proceedings and claims that arise in the ordinary course of its business. The School District believes that the amount, if any, of ultimate liability with respect to legal actions will be insignificant or will be covered by insurance.

Required Supplemental Information

Farmington Public School District

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 46,043,781	\$ 44,013,143	\$ 43,958,891	\$ (54,252)
State sources	71,571,118	78,288,936	78,750,046	461,110
Federal sources	6,455,329	12,551,483	9,421,127	(3,130,356)
Interdistrict sources	11,600,037	12,227,823	12,176,602	(51,221)
Total revenue	135,670,265	147,081,385	144,306,666	(2,774,719)
Expenditures				
Current:				
Instruction:				
Basic programs	61,218,300	61,621,030	62,249,274	628,244
Added needs	21,936,794	21,451,605	19,522,878	(1,928,727)
Adult/Continuing education	176,414	192,959	189,560	(3,399)
Total instruction	83,331,508	83,265,594	81,961,712	(1,303,882)
Support services:				
Pupil	13,996,127	13,713,991	13,472,739	(241,252)
Instructional staff	7,111,865	7,667,434	6,145,215	(1,522,219)
General administration	1,614,904	1,794,057	1,788,738	(5,319)
School administration	6,642,846	6,954,340	6,767,690	(186,650)
Business	1,386,483	1,352,409	1,282,934	(69,475)
Operations and maintenance	8,630,916	10,995,088	9,893,156	(1,101,932)
Pupil transportation services	6,443,270	5,170,434	4,394,010	(776,424)
Central	3,222,556	3,246,207	3,263,980	17,773
Other	-	1,142,162	1,147,639	5,477
Total support services	49,048,967	52,036,122	48,156,101	(3,880,021)
Athletics	1,592,873	1,349,926	1,435,124	85,198
Community services	1,351,755	1,637,322	1,158,934	(478,388)
Interdistrict payments	1,225,561	1,153,307	1,000,846	(152,461)
Total expenditures	136,550,664	139,442,271	133,712,717	(5,729,554)
Excess of Revenue (Under) Over Expenditures	(880,399)	7,639,114	10,593,949	2,954,835
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	25,000	25,000	8,191	(16,809)
Transfers in	176,203	171,561	138,519	(33,042)
Transfers out	-	(900,000)	(900,000)	-
Total other financing sources	201,203	(703,439)	(753,290)	(49,851)
Net Change in Fund Balance	(679,196)	6,935,675	9,840,659	2,904,984
Fund Balance - Beginning of year	21,390,904	21,390,904	21,390,904	-
Fund Balance - End of year	<u>\$ 20,711,708</u>	<u>\$ 28,326,579</u>	<u>\$ 31,231,563</u>	<u>\$ 2,904,984</u>

Farmington Public School District

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

	Last Seven Plan Years						
	Plan Years Ended September 30						
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability (asset)	0.79680 %	0.82486 %	0.83564 %	0.85024 %	0.91075 %	0.96979 %	1.00461 %
School District's proportionate share of the net pension liability	\$ 273,709,279	\$ 273,164,256	\$ 251,209,675	\$ 220,333,627	\$ 227,224,167	\$ 236,872,217	\$ 221,281,477
School District's covered payroll	\$ 68,477,779	\$ 71,385,804	\$ 70,402,116	\$ 69,554,738	\$ 74,553,881	\$ 80,556,310	\$ 85,259,183
School District's proportionate share of the net pension liability as a percentage of its covered payroll	399.71 %	382.66 %	356.82 %	316.78 %	304.78 %	294.05 %	259.54 %
Plan fiduciary net position as a percentage of total pension liability	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %	66.15 %

Farmington Public School District

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

	Last Seven Fiscal Years						
	Years Ended June 30						
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 22,649,203	\$ 21,739,509	\$ 21,669,555	\$ 21,055,508	\$ 19,972,010	\$ 20,859,210	\$ 15,602,264
Contributions in relation to the statutorily required contribution	<u>22,649,203</u>	<u>21,739,509</u>	<u>21,669,555</u>	<u>21,055,508</u>	<u>19,972,010</u>	<u>20,859,210</u>	<u>15,602,264</u>
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 67,043,340	\$ 69,479,774	\$ 71,456,642	\$ 70,148,520	\$ 69,805,215	\$ 73,117,969	\$ 81,965,999
Contributions as a Percentage of Covered Payroll	33.78 %	31.29 %	30.33 %	30.02 %	28.61 %	28.53 %	19.04 %

Farmington Public School District

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

	Last Four Plan Years Plan Years Ended September 30			
	2020	2019	2018	2017
School District's proportion of the net OPEB liability	0.77685 %	0.81985 %	0.82904 %	0.85123 %
School District's proportionate share of the net OPEB liability	\$ 41,618,029	\$ 58,846,764	\$ 65,900,323	\$ 75,380,729
School District's covered payroll	\$ 68,477,779	\$ 71,385,804	\$ 70,402,116	\$ 69,554,738
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	60.78 %	82.43 %	93.61 %	108.38 %
Plan fiduciary net position as a percentage of total OPEB liability	59.76 %	48.67 %	43.10 %	36.53 %

Farmington Public School District

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

	Last Four Fiscal Years Years Ended June 30			
	2021	2020	2019	2018
Statutorily required contribution	\$ 5,520,920	\$ 5,547,682	\$ 5,588,588	\$ 5,057,398
Contributions in relation to the statutorily required contribution	5,520,920	5,547,682	5,588,588	5,057,398
Contribution Excess	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 67,043,340	\$ 69,479,774	\$ 71,456,642	\$ 70,148,520
Contributions as a Percentage of Covered Payroll	8.23 %	7.98 %	7.82 %	7.21 %

June 30, 2021

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end. The School District also elected to adopt annual budgets for its debt service funds and capital projects funds.

The budget document presents information by fund, function, department, and line items. 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. There were no significant amendments during the year.

The School District did not have significant expenditure budget variances.

Pension Information

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

Benefit Changes

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

Changes in Assumptions

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

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for 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:

- 2020 - The healthcare 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.

June 30, 2021

- 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 periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost 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 periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2018.

Other Supplemental Information

Farmington Public School District

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds**

June 30, 2021

	Special Revenue Funds		Debt Service Funds			Capital Project Funds			Total
	Nutrition Services	Student Activities	2015 Issue	2018 Issue	2020 Issue	Technology/ Other Projects	Maintenance/ Bus Purchases	2018 Building and Site	
Assets									
Cash and investments	\$ 1,384,635	\$ 892,857	\$ -	\$ -	\$ -	\$ 551,862	\$ -	\$ -	\$ 2,829,354
Receivables:									
Accounts receivable	-	1,140	-	-	-	-	-	-	1,140
Due from other governmental units	159,743	-	5,000	5,000	5,000	-	-	-	174,743
Due from other funds	-	-	-	(50,256)	50,256	-	1,540,132	-	1,540,132
Inventory	43,418	-	-	-	-	-	-	-	43,418
Restricted assets	-	-	541,479	387,370	226,151	-	-	8,660,900	9,815,900
Total assets	\$ 1,587,796	\$ 893,997	\$ 546,479	\$ 342,114	\$ 281,407	\$ 551,862	\$ 1,540,132	\$ 8,660,900	\$ 14,404,687
Liabilities									
Accounts payable	\$ 31,869	\$ 27,823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 618,712	\$ 678,404
Due to other funds	105,301	5,125	-	-	-	-	-	48,862	159,288
Accrued liabilities and other	23,871	837	-	-	-	-	-	-	24,708
Unearned revenue	119,312	-	-	-	-	-	-	-	119,312
Total liabilities	280,353	33,785	-	-	-	-	-	667,574	981,712
Fund Balances									
Nonspendable - Inventory	43,418	-	-	-	-	-	-	-	43,418
Restricted:									
Debt service	-	-	546,479	342,114	281,407	-	-	-	1,170,000
Capital projects	-	-	-	-	-	-	-	7,993,326	7,993,326
Nutrition services	1,264,025	-	-	-	-	-	-	-	1,264,025
Committed:									
Capital projects	-	-	-	-	-	551,862	1,540,132	-	2,091,994
Student activities	-	860,212	-	-	-	-	-	-	860,212
Total fund balances	1,307,443	860,212	546,479	342,114	281,407	551,862	1,540,132	7,993,326	13,422,975
Total liabilities and fund balances	\$ 1,587,796	\$ 893,997	\$ 546,479	\$ 342,114	\$ 281,407	\$ 551,862	\$ 1,540,132	\$ 8,660,900	\$ 14,404,687

Farmington Public School District

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

Year Ended June 30, 2021

	Special Revenue Funds		Debt Service Funds			Capital Project Funds			Total
	Nutrition Services	Student Activities	2015 Issue	2018 Issue	2020 Issue	Technology/ Other Projects	Maintenance/ Bus Purchases	2018 Building and Site	
Revenue									
Local sources	\$ 78,640	\$ 346,406	\$ 5,314,272	\$ 3,388,478	\$ 3,620,653	\$ 218	\$ -	\$ 125,866	\$ 12,874,533
State sources	155,101	-	73,782	47,049	50,257	-	-	-	326,189
Federal sources	2,307,874	-	-	-	-	-	-	58,859	2,366,733
Total revenue	2,541,615	346,406	5,388,054	3,435,527	3,670,910	218	-	184,725	15,567,455
Expenditures									
Current:									
Student activities	-	381,564	-	-	-	-	-	-	381,564
Nutrition services	2,242,587	-	-	-	-	-	-	-	2,242,587
Debt service:									
Principal	-	-	2,765,000	2,050,000	1,250,000	-	-	-	6,065,000
Interest on long-term debt and other	-	-	2,965,696	1,675,577	2,139,503	-	-	-	6,780,776
Capital outlay	201,746	-	-	-	-	-	-	10,580,717	10,782,463
Total expenditures	2,444,333	381,564	5,730,696	3,725,577	3,389,503	-	-	10,580,717	26,252,390
Excess of Revenue Over Expenditures	97,282	(35,158)	(342,642)	(290,050)	281,407	218	-	(10,395,992)	(10,684,935)
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	300,000	600,000	-	900,000
Transfers out	(138,519)	-	-	-	-	-	-	-	(138,519)
Total other financing (uses) sources	(138,519)	-	-	-	-	300,000	600,000	-	761,481
Net Change in Fund Balances	(41,237)	(35,158)	(342,642)	(290,050)	281,407	300,218	600,000	(10,395,992)	(9,923,454)
Fund Balances - Beginning of year (as restated)	1,348,680	895,370	889,121	632,164	-	251,644	940,132	18,389,318	23,346,429
Fund Balances - End of year	\$ 1,307,443	\$ 860,212	\$ 546,479	\$ 342,114	\$ 281,407	\$ 551,862	\$ 1,540,132	\$ 7,993,326	\$ 13,422,975

Farmington Public School District

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Funds Nutrition Services

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 1,585,663	\$ 33,100	\$ 78,640	\$ 45,540
State sources	142,527	142,668	155,101	12,433
Federal sources	1,868,327	2,115,086	2,307,874	192,788
Total revenue	3,596,517	2,290,854	2,541,615	250,761
Expenditures - Current - Nutrition services	3,654,308	2,599,963	2,444,333	(155,630)
Excess of Revenue Over Expenditures	(57,791)	(309,109)	97,282	406,391
Other Financing Uses - Transfers in	70,852	73,900	(138,519)	(212,419)
Net Change in Fund Balance	13,061	(235,209)	(41,237)	193,972
Fund Balance - Beginning of year	1,348,680	1,348,680	1,348,680	-
Fund Balance - End of year	<u>\$ 1,361,741</u>	<u>\$ 1,113,471</u>	<u>\$ 1,307,443</u>	<u>\$ 193,972</u>

Farmington Public School District

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Funds (Continued) Student Activities

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue - Local	\$ 1,400,000	\$ 200,000	\$ 346,406	\$ 146,406
Expenditures - Student activities	1,400,000	200,000	381,564	181,564
Excess of Revenue Over (Under) Expenditures	-	-	(35,158)	(35,158)
Net Change in Fund Balances	-	-	(35,158)	(35,158)
Fund Balances - Beginning of year	895,370	895,370	895,370	-
Fund Balances - End of year	<u>\$ 895,370</u>	<u>\$ 895,370</u>	<u>\$ 860,212</u>	<u>\$ (35,158)</u>

Farmington Public School District

Other Supplemental Information Budgetary Comparison Schedule - Nonmajor Funds (Continued) Technology/Other Projects

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Under Final Budget
Revenue - Local sources	\$ 1,500	\$ 1,500	\$ 218	\$ (1,282)
Expenditures	-	-	-	-
Excess of Revenue Over Expenditures	1,500	1,500	218	(1,282)
Other Financing Sources - Transfers in	-	300,000	300,000	-
Net Change in Fund Balance	1,500	301,500	300,218	(1,282)
Fund Balance - Beginning of year	251,644	251,644	251,644	-
Fund Balance - End of year	<u>\$ 253,144</u>	<u>\$ 553,144</u>	<u>\$ 551,862</u>	<u>\$ (1,282)</u>

Farmington Public School District

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Funds (Continued)
 Maintenance/Bus Purchases

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	-	-
Other Financing Sources - Transfers in	-	600,000	600,000	-
Net Change in Fund Balance	-	600,000	600,000	-
Fund Balance - Beginning of year	940,132	940,132	940,132	-
Fund Balance - End of year	<u><u>\$ 940,132</u></u>	<u><u>\$ 1,540,132</u></u>	<u><u>\$ 1,540,132</u></u>	<u><u>\$ -</u></u>

Farmington Public School District

Other Supplemental Information
 Budgetary Comparison Schedule - Nonmajor Funds (Continued)
 Debt Service

Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	\$ 12,406,589	\$ 12,323,404	\$ 12,323,403	\$ (1)
State sources	157,757	171,088	171,088	-
Total revenue	12,564,346	12,494,492	12,494,491	(1)
Expenditures				
Debt service:				
Principal	6,065,000	6,065,000	6,065,000	-
Interest on long-term debt and other	6,756,433	6,689,277	6,780,776	91,499
Other debt costs	91,500	91,500	-	(91,500)
Total expenditures	12,912,933	12,845,777	12,845,776	(1)
Excess of Revenue Over (Under) Expenditures	(348,587)	(351,285)	(351,285)	-
Net Change in Fund Balances	(348,587)	(351,285)	(351,285)	-
Fund Balances - Beginning of year	1,521,285	1,521,285	1,521,285	-
Fund Balances - End of year	<u>\$ 1,172,698</u>	<u>\$ 1,170,000</u>	<u>\$ 1,170,000</u>	<u>\$ -</u>

Farmington Public School District

Other Supplemental Information Schedule of Bonded Indebtedness

June 30, 2021

Years Ending June 30	2015 Issue	2018 Issue	2020 Issue
	Principal	Principal	Principal
2022	\$ 2,915,000	\$ 2,100,000	\$ 1,340,000
2023	3,070,000	2,150,000	1,475,000
2024	3,215,000	2,225,000	875,000
2025	3,380,000	2,300,000	1,000,000
2026	3,550,000	2,350,000	1,050,000
2027	3,725,000	2,425,000	1,100,000
2028	3,905,000	2,500,000	1,150,000
2029	4,090,000	2,600,000	1,200,000
2030	4,285,000	2,675,000	1,275,000
2031	4,480,000	2,775,000	1,350,000
2032	4,675,000	2,900,000	1,400,000
2033	4,845,000	3,050,000	1,500,000
2034	5,040,000	3,200,000	1,550,000
2035	5,145,000	3,375,000	1,650,000
2036	-	3,575,000	6,600,000
2037	-	3,675,000	6,775,000
2038	-	3,800,000	6,975,000
2039	-	-	8,875,000
2040	-	-	8,875,000
Total remaining payments	\$ 56,320,000	\$ 47,675,000	\$ 56,015,000
Principal payments due	May 1	May 1	May 1
Interest payments due	May 1 and November 1	May 1 and November 1	May 1 and November 1
Interest rate	5.00%	3.00% to 4.50%	4.00% to 5.00%
Original issue	\$ 81,050,000	\$ 54,675,000	\$ 57,265,000

Farmington Public School District

Federal Awards Supplemental Information
June 30, 2021

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Independent Auditor's Report

To the Board of Education
Farmington Public School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Farmington Public School District (the "School District") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 05, 2021, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 5, 2021.

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 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 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

October 5, 2021

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
Farmington Public School District

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 Farmington Public School District (the "School District") as of and for the year ended June 30, 2021 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 5, 2021.

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 may exist that have not been identified.

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
Farmington Public School District

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 5, 2021

Draft

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

Independent Auditor's Report

To the Board of Education
Farmington Public School District

Report on Compliance for Each Major Federal Program

We have audited Farmington Public School District's (the "School District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2021. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

To the Board of Education
Farmington Public School District

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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 5, 2021

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2021	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 Lunch Program Commodities	N/A	10.555	\$ 144,139	\$ -	\$ -	\$ -	\$ 144,139	\$ 144,139	\$ -	\$ -
Cash Assistance - COVID-19 - Unanticipated School Closures Program 2019-2020	200902	10.555	<u>785,552</u>	<u>785,552</u>	<u>216,857</u>	-	<u>216,857</u>	-	-	-
Total National School Lunch Program (incl. commodities) - Unanticipated School Closure Program Subtotal		10.555	929,691	785,552	216,857	-	360,996	144,139	-	-
Extended Summer Food Service Program 2020-2021	210904	10.559	1,792,620	-	-	-	1,635,084	1,792,620	157,536	-
Summer Food Service Program 2020-2021	200900	10.559	<u>365,054</u>	-	-	-	<u>365,054</u>	<u>365,054</u>	-	-
Summer Food Service Program Subtotal			<u>2,157,674</u>	-	-	-	<u>2,000,138</u>	<u>2,157,674</u>	<u>157,536</u>	-
Total Child Nutrition Cluster			3,087,365	785,552	216,857	-	2,361,134	2,301,813	157,536	-
Special Education Cluster - U.S. Department of Education -										
Passed through Oakland County ISD:										
IDEA Flowthrough:										
IDEA Flowthrough 1819	190450	84.027	2,160,812	93,424	11,130	-	19,590	8,460	-	-
IDEA Flowthrough 1920	200450	84.027	2,024,907	1,959,907	447,577	-	488,985	41,655	247	-
IDEA Flowthrough 2021	210450	84.027	<u>2,107,824</u>	-	-	-	<u>1,558,857</u>	<u>1,963,270</u>	<u>404,413</u>	-
Total IDEA Flowthrough		84.027	6,293,543	2,053,331	458,707	-	2,067,432	2,013,385	404,660	-
IDEA Preschool Incentive:										
IDEA Preschool 1920	190460	84.173	92,559	89,717	21,035	-	23,877	2,842	-	-
IDEA Preschool 2021	210460	84.173	<u>83,175</u>	-	-	-	<u>64,058</u>	<u>78,942</u>	<u>14,884</u>	-
Total IDEA Preschool Incentive		84.173	<u>175,734</u>	<u>89,717</u>	<u>21,035</u>	-	<u>87,935</u>	<u>81,784</u>	<u>14,884</u>	-
Total Special Education Cluster			6,469,277	2,143,048	479,742	-	2,155,367	2,095,169	419,544	-

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2021	Current Year Cash Transferred to Subrecipients
Clusters (continued):										
Medicaid Cluster - U.S. Department of Health and Human Services - Passed through the Oakland County ISD - Medicaid Outreach - Medicaid Outreach AOP - 2020-2021	2021AOP	93.778	\$ 20,743	\$ -	\$ -	\$ -	\$ 20,743	\$ 20,743	\$ -	\$ -
Head Start Cluster - U.S. Department of Health and Human Services - Passed through the Oakland Livingston Human Services Agency:										
January 1, 2020 - December 31, 2020	05CH010367	93.600	606,038	301,178	51,694	-	389,426	337,732	-	-
January 1, 2021 - December 31, 2021	05CH010367	93.600	638,909	-	-	-	278,353	334,167	55,814	-
COVID-19 CARES Act Funding - Head Start Program	20-21	93.600	72,625	-	-	-	38,623	40,963	2,340	-
Total Head Start Cluster		93.600	1,317,572	301,178	51,694	-	706,402	712,862	58,154	-
Other federal awards:										
U.S. Department of Agriculture:										
Passed through the Michigan Department of Education - Child and Adult Care Food Program - 2020-2021										
		10.558	6,061	-	-	-	3,854	6,061	2,207	-
Title I, Part A - U.S. Department of Education - Passed through the Michigan Department of Education:										
Title I, Part A 1920	201530	84.010	889,161	759,912	252,431	-	286,253	33,822	-	-
Title I, Part A 2021	211530	84.010	855,229	-	-	-	535,039	662,845	127,806	-
Total Title I, Part A		84.010	1,744,390	759,912	252,431	-	821,292	696,667	127,806	-
Improving Teacher Quality, Title II - Part A - U.S. Department of Education - Passed through the Michigan Department of Education:										
Title II, Part A 1920	200520	84.367	374,543	189,400	12,077	-	85,442	73,365	-	-
Title II, Part A 2021	210520	84.367	296,006	-	-	-	118,088	180,426	62,338	-
Total Title II, Part A		84.367	670,549	189,400	12,077	-	203,530	253,791	62,338	-
English Language Acquisition Grant - U.S. Department of Education - Passed through the Michigan Department of Education:										
Title III - 1920	200580	84.365	225,740	76,844	27,187	-	57,606	30,419	-	-
Title III - 1920	200570	84.365	78,454	22,743	13,268	-	14,180	912	-	-
Title III - 2021	210580	84.365	247,455	-	-	-	80,710	132,061	51,351	-
Title III - 2021	210570	84.365	72,537	-	-	-	2,318	12,714	10,396	-
Total Title III		84.365	624,186	99,587	40,455	-	154,814	176,106	61,747	-
Title IV, Part A - Student Support and Academic Enrich:										
Title IV, Part A 1920	200750	84.424	89,159	56,185	37,017	-	45,291	8,274	-	-
Title IV, Part A 2021	210750	84.424	113,760	-	-	-	57,260	68,738	11,478	-
Total Title IV, Part A		84.424	202,919	56,185	37,017	-	102,551	77,012	11,478	-
Federal Adult Education:										
Project number 1920 - ABE Instruction	201130	84.002	97,785	83,355	42,470	-	42,470	-	-	-
Project number 2021 - ABE instruction	211130	84.002	76,425	-	-	-	68,617	74,676	6,059	-
Project number 2021 - English Literacy Civics	211120	84.002	37,500	-	-	-	30,160	34,270	4,110	-
Total Federal Adult Education		84.002	211,710	83,355	42,470	-	141,247	108,946	10,169	-

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	CFDA Number	Award Amount	(Memo Only) Prior Year Expenditures	Accrued Revenue at July 1, 2020	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued Revenue at June 30, 2021	Current Year Cash Transferred to Subrecipients
Other federal awards (continued):										
Education Stabilization Fund Program - U.S. Department of Education Passed through Michigan Department of Education:										
COVID-19 ESSER Formula Fund I	203710	84.425D	\$ 626,951	\$ -	\$ -	\$ -	\$ 177,942	\$ 258,692	\$ 80,750	\$ -
COVID-19 ESSER Education Equity Fund I	203720	84.425D	94,042	-	-	-	78,218	78,218	-	-
Total ESSER			720,993	-	-	-	256,160	336,910	80,750	-
Total U.S. Department of Education noncluster programs			4,174,747	1,188,439	384,450	-	1,679,594	1,649,432	354,288	-
Coronavirus Relief Fund - U.S. Department of Treasury:										
Passed through Michigan Department of Education:										
COVID-19 11p - CRF School Aid	20-21	21.019	3,301,382	-	-	-	3,301,382	3,301,382	-	-
COVID-19 103(2) - District COVID Costs	20-21	21.019	116,208	-	-	-	116,208	116,208	-	-
Total Coronavirus Relief Fund passed through Michigan Department of Education			3,417,590	-	-	-	3,417,590	3,417,590	-	-
Passed through Oakland County ISD - COVID-19 CARES Act Funding - Coronavirus Relief Funds	20-21	21.019	1,413,066	-	-	-	1,413,066	1,413,066	-	-
Passed through Copper County ISD - MAISA/MiConnect	21.019	21.019	58,859	-	-	-	58,859	58,859	-	-
Total Coronavirus Relief Fund		21.019	4,889,515	-	-	-	4,889,515	4,889,515	-	-
Passed through the Oakland County ISD - IDEA Early On:										
IDEA Early On 1920	205082 - 19-20	84.181a	36,625	14,307	10,745	-	30,560	19,815	-	-
IDEA Early On Home Support 2021	215082 - 20-21	84.181a	30,447	-	-	-	15,522	18,147	2,625	-
Total IDEA Early On			67,072	14,307	10,745	-	46,082	37,962	2,625	-
Total federal awards			\$ 20,032,352	\$ 4,432,524	\$ 1,143,488	\$ -	\$ 11,862,691	\$ 11,713,557	\$ 994,354	\$ -

Farmington Public School District

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

Year Ended June 30, 2021

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 11,787,860
Federal revenue for which the School District is considered a vendor or beneficiary rather than a subrecipient	<u>(74,303)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 11,713,557</u>

Draft

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Farmington Public School District (the "School District") under programs of the federal government for the year ended June 30, 2021. 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, except for those related to CFDA 21.019, Coronavirus Relief Fund (CRF), 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. Pass-through entity identifying numbers are presented where available.

CRF does not apply the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, but rather applies the U.S. Department of Treasury's guidance and frequently asked questions, as codified in the Federal Register.

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 Cash Management System (CMS) Grant Auditor Report in preparing the schedule of expenditures of federal awards. Unreconciled differences, if any, have been disclosed to the auditor.

Note 4 - Noncash Assistance

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

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended June 30, 2021

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

Type of auditor's report issued on compliance for major programs: Unmodified

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
21.019	Coronavirus Relief Fund

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

Finding

None

Section III - Federal Program Audit Findings

Finding

None



MEMORANDUM FROM DIVERSITY, EQUITY, AND INCLUSION
ASSISTANT SUPERINTENDENT, DR. BOBBIE HAYES GOODRUM
PH: 248.489.3309 FAX: 248.489-3314

TO: Board of Education
 Superintendent, Dr. Christopher J. Delgado

FROM: Dr. Bobbie Hayes Goodrum

SUBJECT: Schools of Choice Recommendations – 2022/23 School Year

DATE: October 6, 2021

INTRODUCTION AND BACKGROUND

Our Intra-District Transfer (School of Choice) program provides resident families choice within the District. Requests for Intra-District Transfers are the first placements to be made.

The District also accepts applications from employees who wish to have their non-resident children attend school within our District. “Employee” is defined as being “regular” part time or full time and excludes substitutes, non-faculty coaches and contract services. This enrollment option is termed PA-227 Non Resident Children of School District Employees (NRCSDE) and is placed second. Employees can apply at any time and their children are placed in schools with open seats in the applicable grade level, except Farmington STEAM Academy.

Lastly, the Section 105 Limited Schools of Choice program was established by the State of Michigan to provide additional options to families regarding the education of their children. Under the auspices of this program, if a family feels that their child(ren) will benefit by attending a participating school district outside of their home district; and, further, if there is space, then the family should be allowed this choice according to State guidelines. Section 105 is derived from a section within the State School Aid Act that specifically describes the School of Choice program and its process. Thus, under Section 105, a pupil may transfer from one local school district to another local district within the same county or Intermediate School District (ISD). This choice option is the last option to be placed. Any building or grade level that has been closed to Intra-District Transfer would be closed to Section 105 Limited Schools of Choice.

2021-22 DATA

All three options were offered at the K-8 grade level at all buildings, with the exception of Farmington STEAM Academy. Intra-District and PA-227 were also offered at the 9th grade level.

	<i>Intra-District</i>	<i>PA-227</i>	<i>Section 105 Limited</i>
<i>Applications Submitted</i>	293	17	158

CONCLUSIONS/NEXT STEPS/RECOMMENDATIONS

The Schools of Choice Options committee presents the following recommendations for the 2022/2023 school year:

Application Timeline to be moved earlier in the calendar year.

Recommended Timelines:

Elementary and Secondary Intra-District Transfers (Farmington Public Schools' Residents)

- January 3, 2022 Application and Guidelines available
- February 4, 2022 Applications due online by 11:59pm

Intra-District Transfer applications open for grades K-9 for the 2022-23 School Year.

Section 105 Limited Schools of Choice (Oakland County ISD Residents)

- February 7, 2022 Application and Guidelines available
- February 25, 2022 Applications due online by 11:59pm

Section 105 applications open for grades **K-9 for the 2022-23 School Year.**

Planning Meeting Members: Chairperson, Dr. Bobbie Hayes Goodrum, Assistant Superintendent, Diversity Equity and Inclusion; Khristian Alexander, Executive Assistant; Kathy Smith, Assistant Superintendent, Talent Development; Chris Suliman, Principal, Gill Elementary School; Christopher O'Brien, Principal, Wood Creek Elementary; Ken Sanders, Principal, East Middle School; Paula Sanders-Avant, Counselor, Farmington High School; Allyson Robinson, Principal, Power Middle School; Sandy Miles, Supervisor, Student Information; Diane Bauman, Director, School & Community Relations; Kendra Montante, Communication Specialist; Julie Zatsick, Human Resources; Beth Hulett, PTA President; Dr. Jacqueline McDougal, Executive Director, Special Education; Steven Vercellino , Principal, Forest Elementary

October 12, 2021

Regular Meeting of the Board of Education

IX. ACTION ITEMS

A. FPS BID PACK #3 – FARMINGTON HS – BID AND AWARD RECOMMENDATION.

Presenters: Chris Delgado, Superintendent; Jennifer Kaminski, Assistant Superintendent-Business Services; Scott Smith, Plante Moran CRESA; Aaron Phillips, McCarthy Smith

MOTION: I move that the Board of Education award Bid Pack #3 for Farmington High School, as outlined in the October 12, 2021 letters from Plante Moran CRESA and McCarthy Smith, in the amount of \$5,059,109.00; funds to come from the Capital Projects (Building and Site 2020) fund.

B. 2022/2023 SECTION 105 SCHOOL OF CHOICE.

Presenters: Chris Delgado, Superintendent and Bobbie Goodrum, Assistant Superintendent-DEI

MOTION: I move that the Board of Education approve Section 105 Limited Schools of Choice for 2022/2023, as presented.

C. FEBRUARY 2022 BOARD MEETING SCHEDULE CHANGE.

Presenter: Terri Weems, Board President

MOTION: I move that the Board of Education cancel the February 22, 2022 Board meeting due to falling during the District scheduled mid-winter break.

October 12, 2021

Regular Meeting of the Board of Education

X. CONSENT AGENDA. I move that the Board of Education approve the October 12, 2021 Consent Agenda, as follows:

- A.** Approval of Minutes
 - 1. September 28, 2021 Regular Meeting
- B.** Resolution in Compliance with 2011 Public Act 152 (Funded Health Insurance)
- C.** Unification of Boys' High School Lacrosse

7. SUPERINTENDENT’S DISTRICT UPDATE.

Presenter: Chris Delgado, Superintendent

Dr. Delgado spoke on the following topics: Board Goals (development and attainment), NEA president and MEA president visit to Warner Middle School (gratitude expressed to Chris DeYonke, Lori Tunick, Kelly Kaminski, and student tour leaders), MASA Conference attendance, PTA Council meeting, COVID data from weekly OCSA/OCHD meetings, mask clause in SB 0082 (no changes will be made to current FPS policy), and Hispanic Heritage month.

8. REPORTS FROM BOARD COMMITTEES.

Communications/Community Engagement Committee: Trustee/Committee Chair Walker provided the community with a synopsis of the September 27, 2021 committee meeting. Mr. Walker sees this committee as a vehicle to rebuild community trust and provide transparency. Topics included: the audience the Board is trying to reach, a review of past and current communication tools, ways to obtain community feedback, outreach/connection to organizations, intersection with other District work, ways to increase student voice, and determination of the first community event. A Superintendent’s Community Coffee at the HAWK is in the process of being scheduled in the next few weeks. The future agenda item is the development of a District-wide calendar of events.

9. DISCUSSION ITEMS. None.

10. PUBLIC COMMENTS.

- D. Velar – support of District COVID procedures, politicization of COVID/teachings on race & history
- B. Lubaway – CRT and FPS Proclamation

President Weems clarified the facts on Critical Race Theory related to the FPS curriculum, elaborated on the components of future DEI work in the District, and stated that the FPS Proclamation will be revisited by the Board.

11. RECOMMENATION FOR APPROVAL OF ACTING SUPERINTENDENT.

Presenter: Chris Delgado, Superintendent

Dr. Delgado explained 4007-AR and the reasoning behind his selection.

MOTION: It was moved by Smith and supported by Walker that the Board of Education approve Kelly Coffin, Assistant Superintendent for Innovation and Strategic Initiatives, to act as superintendent in the case of a short-term absence, per administrative regulation 4007-AR.

Board member comments.

ROLL CALL VOTE: **Ayes:** Rich, Weems, Heinrich, Blau, Walker, Fox, Smith
 Nays:

MOTION PASSED 7-0.

12. REVIEW AND APPROVAL OF FORM L-4029 – HOLD HARMLESS MILLAGE RATE REVISION.

Presenters: Chris Delgado, Superintendent and Jennifer Kaminski, Assistant Superintendent-Business Services

Mrs. Kaminski provided an overview of the millage rate revision, which must be approved by September 30, 2021. The State is now funding more of our foundation allowance and reducing the taxes on our residential taxpayers. The total mills for homestead and industrial personal properties will go from 6.8796 mills to 6.2482, a **reduction** of 0.6314 mills, which will occur in the December 2021 tax levy.

MOTION: It was moved by Heinrich and supported by Walker that the Board of Education approve the Revised Form L-4029 Tax Rate Request for all properties, which results in a revised rate of 9.4482 mills on Homesteads and Industrial Personal Property and 15.2482 mills on Commercial Personal Property with the same rate of 21.2000 mills on Non-homesteads.

ROLL CALL VOTE: **Ayes:** Rich, Weems, Heinrich, Blau, Walker, Fox, Smith
 Nays:

MOTION PASSED 7-0.

12. EXPENDITURES. It was moved by Heinrich and supported by Smith that the Board of Education approve the expenditures as outlined in the expenditure printout dated September 28, 2021, as follows:

General Fund	\$10,691,257
General Fund - Athletics	\$63,791
Debt Fund	\$0
Capital Projects – 2015 Bond Fund	\$0
Capital Projects – 2018 Bond Fund	\$97,044
Capital Projects – 2020 Bond Fund	\$3,302,468
Nutrition Services Fund	\$199,368
Benefit Stabilization Fund	\$1,478,290
TOTAL	\$15,832,218

MOTION PASSED 7-0.

13. CONSENT AGENDA. It was moved by Rich and supported by Smith that the Board of Education approve the Consent Agenda dated September 28, 2021.

- A. Approval of Minutes
 - 1. September 14, 2021 Committee Meeting
 - 2. September 14, 2021 Regular Meeting
- B. Head Start Director's Monthly Report
- C. Personnel Items

MOTION PASSED 7-0.

15. REPORTS FROM BOARD REPRESENTATIVES.

Head Start: Secretary Smith stated that she has met with Kirsten Cicchella to learn about her role as the Board Liaison to Head Start.

PTA Council: President Weems was unable to attend the PTA Council meeting on September 20, 2021. Trustees Blau and Walker were able to attend in her stead. Board members praised the PTA for their work in the District.

16. RECOMMENDATIONS FOR FUTURE ADGENDA ITEMS. None.

17. GOOD AND WELFARE. Board members spoke on topics of personal interest.

18. ADJOURNMENT. The Board of Education September 28, 2021 regular meeting was adjourned at 6:53 pm.

Angie F. Smith
Farmington Board of Education
Board Secretary

**FARMINGTON PUBLIC SCHOOLS
BOARD OF EDUCATION**

**RESOLUTION IN COMPLIANCE WITH 2011 PUBLIC ACT 152
(PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT)**

WHEREAS, 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, provides for maximum public employer contributions to the annual costs for medical benefit plans provided its employees for medical benefit plan coverage years beginning on or after January 1, 2012, and

WHEREAS, said Public Act 152 also provides a public employer, including a school district, by a majority vote of its governing body, the right to elect to comply with said maximum public employer contributions by way of paying not more than eighty percent (80%) of the total annual costs of all of the medical benefit plans it offers or contributes to for its employees for medical benefit plan coverage years, and

WHEREAS, this Board of Education deems it in the best interests of the Farmington Public Schools to make such an election for the medical benefit plan coverage year commencing January 1, 2022 and ending December 31, 2022,

NOW, THEREFORE, BE IT RESOLVED that the Farmington Public Schools hereby elects to comply with 2011 Public Act 152 by way of paying not more than eighty percent (80%) of the total annual costs of all of the medical benefit plans it offers or contributes to, or hereafter may offer or contribute to, for its employees for medical benefit plan coverage year commencing January 1, 2022 and ending December 31, 2022.

Dated this 12th of October, 2021.

Angie Smith
Farmington Board of Education
Secretary



High achievement by all students,
where learning is our most important work

To: Dr. Chris Delgado, Superintendent
From: Jon Manier, Director of School Athletics
Date: 9.29.21
Re: Unification of Boys' Lacrosse

Background:

During the 20-21 Spring sports season, North Farmington High School struggled to maintain membership sufficient to field a varsity boys' lacrosse team, and participation was not sufficient to offer junior varsity or freshman teams. During the same season, Farmington High School was able to offer both a varsity and a junior varsity team. The junior varsity team was maintained but enrollment was low, and there was no team fielded at the freshman level. For the upcoming season, the currently registered student-athletes at both schools total thirty-one (31).

The Michigan High School Athletic Association (MHSAA) offers schools the opportunity to combine teams to create viable participation opportunities for lower enrollment sports. Farmington Public Schools currently "unifies" the sports of gymnastics, ski and hockey. Previously, boys' lacrosse was a unified sport between Harrison High School and North Farmington High School.

One step in the process of unification is the approval by the Board of Education of each participating district. As this unification would be between Farmington and North Farmington High Schools, only approval from the Farmington Board of Education is necessary. Coaches, athletic coordinators, and principals from both high schools have been consulted and are supportive of the unification.

Recommendation:

The recommendation is that the sport of boys' lacrosse be unified between Farmington and North Farmington High Schools. The primary location of the team would be at Farmington High School, but efforts would be made to play a portion of the schedule at North Farmington High School. The unification of these teams would help to ensure that opportunities for athletic participation matching the interests of our student body are maintained at both high schools.

Instructional Services

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