

Regular Meeting of the Board of Education

Tuesday, November 12, 2024 7:30 PM

Old Village School, 405 W. Main St, Northville, MI 48167

1. Call to Order

2. Pledge of Allegiance

3. Roll Call

4. Adoption of Agenda

5. Consent Resolutions

5.a) Minutes of the October 22, 2024 Board of Education Meeting

5.b) Overnight and / or Out of State Field Trip Requests

5.b)1) NHS Girls' Tennis State Tournament in Grand Rapids, MI from May 29-31, 2025

5.b)2) NHS Girls' Tennis tournament in Holland, MI from May 2-3, 2025

5.b)3) NHS Choir Tour in Nashville, TN from May 23-27, 2025

5.b)4) NHS Orchestra performance in Orlando, FL from March 22-25, 2025

5.c) Bill Warrants totaling \$4,612,771.54

6. Communications

6.a) npsboe@northvilleschools.org communications

6.b) Northville Youth Network Program Report - October 2024

7. Superintendent's Report/Update

8. Public Comments

9. New Hire: Teacher

Presenter: Ms. Carin Meyer, Policy & HR Liaison

10. 2023-2024 Audit Report

Presenter: Dr. Kim Campbell-Voytal, Treasurer

11. 2020-2025 District Goal Adoption with 2024-25 Areas of Focus

Presenter: Dr. Kim Campbell-Voytal, Instruction Liaison

12. Insulin Litigation Resolution

Presenter: Ms. Carin Meyer, Policy & HR Liaison

13. First Reading: New & Revised Policies

Presenter: Ms. Carin Meyer, Policy & HR Liaison

13.a) Policy 2144 - Cardiac Emergency Response Plan

13.b) Policy 2151 - Media Center Materials & Selection

13.c) Policy 2153 - Parental / Guardian Objections

13.d) Policy 1113- Adoption or Amendment of Bylaws & Policies

14. **Added Agenda Items**

15. **Public Comments**

16. **Questions/Comments from Board Members**

17. **Closed Session**

Presenter: Ms. Lisa McIntyre, Vice President

18. **Adjournment**

Minutes of Regular Meeting of the Board of Education

The Board of Trustees Northville Public Schools

A Regular Meeting of the Board of Education of the Board of Trustees of Northville Public Schools was held Tuesday, October 22, 2024, beginning at 6:30 PM in the Winchester Elementary School, 16141 Winchester Dr, Northville, MI 48167.

1. Call to Order

Meeting called to order by President Wilson at 6:34 p.m.

2. Pledge of Allegiance

Winchester student leaders led the Board in the Pledge of Allegiance.

President Wilson acknowledged the Board Candidates in attendance this evening.

3. Roll Call

Mr. Lindsey Wilson, President	Dr. RJ Webber, Superintendent
Ms. Lisa McIntyre, Vice President	Mr. Devin Kling, Asst. Supt. for Finance
Ms. Melissa Stuart, Secretary	Ms. Rebecca Pek, Asst. Supt. for Communications, Development, and Equity
Dr. Kim Campbell-Voytal, Treasurer	Mr. Brian Sumner, Dir. for HR & Employee Relations
Mr. James Mazurek, Trustee	Mr. Aaron Baughman, Asst. Supt. For Instructional Services
Mr. Carin Meyer, Trustee	Ms. Beth Santer, Exec. Director for Special Services
Ms. Sarah Prescott, Trustee (absent, excused)	

4. Adoption of Agenda

Motion No. 24/25-037 by Vice President McIntyre, supported by Treasurer Campbell-Voytal, that the agenda be adopted as presented. Motion carried 6-0.

5. Consent Resolutions

Motion No. 24/25-038 by Vice President McIntyre, supported by Secretary Stuart, that the Board accept the consent agenda items for approval as presented:

- a) Minutes of the October 8, 2024 Board of Education Meeting
- b) Overnight and/or Out of State Field Trip Requests
 - 1) NHS Model UN International Relation Simulation in Boston, MA from January 30 - February 2, 2025
 - 2) NHS Model UN Committee in East Lansing, MI from March 14-16, 2025
 - 3) Hillside Middle School Women's Summit in Grand Rapids, MI from November 17-18, 2024
 - 4) NHS Varsity Hockey trip to Houghton, MI from January 16-19, 2025
- c) Varsity Tutors On-Demand Platform for K-12 students
- d) Addition of a Committee of the Whole on November 12, 2024 immediately following the Board of Education Meeting at Old Village School
- e) Special Call Board of Education Organizational Meeting on January 7, 2025 at 6:30 p.m. at Old Village School

Motion carried 6-0.

6. Communications

Secretary Stuart reported three communications:

- a) npsboe@northvilleschools.org communications
- b) Wayne RESA Board Highlights- October 2024
- c) Northville Youth Network Program Report - September 2024

7. Winchester Elementary Presentation

Principal Lindsay and Winchester student leaders shared a slideshow with the Board regarding the Winchester Elementary community. The slides covered: a PTA Report; Winchester Highlights; What We Think is Special; Breakout Sessions including: Young 5's, Counting Collections, Social Studies; What we are Looking Forward To; and Winchester Pride.

The Board thanked the Winchester team for the presentation and had the opportunity to ask the students questions about the presentation.

8. Superintendent's Report/Update

- a) The Board recognized staff members who were nominated for the Above and Beyond the Call of Duty Awards. The staff members recognized this evening include: Alison Tomasaitis, Andrea Padgen, Deb Obsniuk, Heidi Haite, Jenny Willerer, Kelly Lindsay, and Megan McGraw.

9. Public Comments

10. 2023-2024 Audit Report

Plante Moran provided an audit report and summary for the 23-24 fiscal year. The audit was considered a clean unmodified report for the audit. Ms. Jennifer Chambers and Ms. Lauren Sabano reviewed slides which detailed the graphs which detailed: General Fund Revenue and Transfers In; Foundation Allowance Per Pupil – 10 year history; General Fund Expenditures by Function; General Fund Expenditures by Object; General Fund Balance; and Watch Points for Future Consideration.

~~Motion No. 24/25-039 by Treasurer Campbell-Voytal, supported by Trustee Mazurek, that the Board approve the 23/24 Audit Report as presented.~~

There was no vote on this item after Board discussion. The Board would prefer more time to review the materials prior to a vote. The item will be tabled until the November 12, 2024.

11. Bid Award: Amerman Renovation Bond 2023

Motion No. 24/25-039 by Treasurer Campbell-Voytal, supported by Vice President McIntyre, that the Board authorize the administration to award contracts for Amerman Elementary Additions and Renovations in an amount not to exceed \$320,006.00 as outlined in the October 21, 2024 Auch Construction letters and funded through Bond 2023 as presented. Motion carried 6-0.

12. Added Agenda Items

None.

13. Public Comments

None.

14. Questions/Comments from Board Members

Ms. Meyer noted the Baseline Blitz was a success and Northville Educational Foundation came out ahead and then the Mustangs were able to retain the Brown Jug.

Ms. Stuart reminded folks to attend the Overbooked Club on November 14th at NHS.

15. Adjournment

There being no further business the meeting adjourned at 9:39 p.m.

**Northville Public Schools
Northville, MI**

MEMORANDUM

DATE November 4, 2024

TO: Dr. R.J. Webber
Superintendent

FROM: Mr. Devin Kling
Assistant Superintendent of Finance and Operations

RE: October 2024 Warrants

Building & Site 2011	-
Building & Site 2020	332,635.31
Cafeteria	175,662.55
Debt	-
Early Childhood	1,288.10
General Fund	1,619,792.44
Grant Fund	16,229.76
Miscellaneous	-
Special Education	85,469.52
Student Activities	202,115.21
Public Improvement	-
Health Care Fund	-
2019 BOND SERIES II	-
2020 BOND SERIES III	-
2023 Bond Series I	2,179,578.65
TOTAL	\$4,612,771.54

TO: Northville Youth Network Commission, Northville City Council, Northville Township Board of Trustees, Northville Public Schools Board of Education

CC: Todd Mutchler, George Lahanas

FROM: Amy Prevo

DATE: November 7, 2024

**NORTHVILLE YOUTH NETWORK PROGRAM REPORT
October 2024**

PROGRAMS, SERVICES & COMMUNITY PARTNERSHIPS

This month we kicked off our school-year programming with a successful Wellness Wednesday workshop; *“Calm & Centered Yoga & Mindfulness”* for littles with 24 participants. We also held a cohort each of Teen Talk and Project Respect with eight and four participants, respectively. I also co-chaired a Northville CARES meeting that had a presentation from Jody Drewery, Senior Director of Crisis Services at Hegira Health to share information about their new child/adolescent psychiatric urgent care and crisis stabilization center to be opening soon in Livonia. This new center, expected to be open this fall, will be an important resource in our community to support youth and families in vulnerable circumstances and will also aid our first responders by providing them with referral options when interacting with residents in crisis who are under the age of 18. We also had a presentation from Hannah Jahshan, founder of A Pathway to Joy, to share information about her local organization and how it is leveraging the energy of young people to support one another toward positive mental health outcomes.

NYN staff also participated in a number of productive meetings and collaborations this month. Christine Spangler, our Youth Assistance Program Coordinator, and I met with the counselors, social workers, and administration at Northville High School to promote our new substance use awareness program, Prime for Life, as well as to offer supportive resources to enhance their work when interacting with youth who are engaged in substance use. Kerri Ann Sondreal, our Youth Support Specialist, and I met with Beth Santer, Executive Director of Special Services at Northville Public Schools, to discuss the district’s proposed suicide risk assessment process where we shared input on ways in which NYN can support this process. Bridget Drzewicki, our Youth Wellness Program Coordinator, met with the Amerman PTA to discuss partnering and support of their school-wide wellness initiatives. I met with Matt Swartz, a member of the Western Wayne County Suicide Prevention Coalition to discuss their new initiative involving youth-led programming within the various school districts involved in the coalition. I also met with RJ Webber, NPS Superintendent, to discuss the various ways in which NYN partners with NPS and opportunities to strengthen our partnership, especially with new wellness initiatives being proposed by the district.

GENERAL OPERATIONS

A Strategic Planning Subcommittee of NYN Commission members and staff met to kick-off the strategic planning process for 2025-2030. At this meeting we reviewed the planning steps, and

developed a timeline, as well as discussed feedback on the 2019-2024 Strategic Plan and the current vision, mission, and guiding principles. I also submitted the final invoice and annual report for Conference of Western Wayne Youth Assistance Program contracted services for a total amount of \$16,343.00 for FY23-24.

YOUTH SUPPORT SERVICES

The tables below indicate the status of referrals for the month of October. The first table shows the number of clients who are new, in progress, or have been discharged during this period. The second table shows a more detailed breakdown of Youth Assistance Program (diversion program) referrals by reason as well as behavioral health support referrals from all other sources (i.e., parent/school) by reason and type to date. During the month of October, staff collectively had 18 individual appointments with referred youth and/or parents.

NYN October 2024 Referrals			
	New	In Progress	Discharged
Youth Assistance Program	7	16	0
Case Management	14	19	5
Resource Referral	6	-	-

REFERRALS FOR YOUTH ASSISTANCE PROGRAM (SOURCE: NPS OR LAW ENFORCEMENT)														
Reason	#	%	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Substance use	12	17%			1			7	1		1	2		
Vape/tobacco	5	7%	3		1			1						
Anger management	6	9%			1	3	1				1			
Assault	0	0%												
Peer conflict/fighting	1	1%					1							
Harassment/bullying	0	0%												
Racial/cultural insensitivity	19	28%	1	5	3		5	2				3		
Truancy	0	0%												
Decision making	16	23%			2	1		1	5	5	2			
Destruction of property	8	12%		3					1			4		
Retail fraud	2	3%			1							1		
Theft/larceny	0	0%												
Other	0	0%												
TOTAL YAP REFERRALS TO DATE	69		4	8	9	4	7	11	7	5	4	10	0	0
REFERRALS FOR BEHAVIORAL HEALTH SUPPORT (SOURCE: PARENTS/OTHER)														
Reason	#	%	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Behavioral health issues (depression/anxiety)	54	64%	2	4	5	7	6	1	4		10	15		
Substance use	2	2%						2						
Suicidal Ideation	9	11%		2	1	1	2				2	1		
Self-harm	0	0%												
Eating disorder	1	1%										1		
School performance/avoidance issue	4	5%			2	1					1			
Relational issues-family/peer conflict	4	5%	1	2								1		
Social Skills	2	2%				2								
Behavior/conduct/anger management issues	6	7%	1	2			1				1	1		
Grief/loss	1	1%										1		
Other	2	2%	1		1									
Type of Support														
Case Management (More complex/comprehensive)		51												
Referral Services (Resource recommendation)		34												
TOTAL PARENT/OTHER REFERRALS TO DATE	85		5	12	7	11	9	3	4	0	14	20	0	0
TOTAL OF ALL REFERRALS TO DATE														
	154		9	20	16	15	16	14	11	5	18	30	0	0

Memo

TO: RJ Webber, Superintendent

FROM: Brian Sumner, Director of Human Resources and Employee Relations

CC: Rebecca Pek, Assistant Superintendent
Beth Santer, Executive Director of Special Services
Aaron Baughman, Assistant Superintendent of Instruction

DATE: November 7, 2024

RE: Teacher Hire

Background:

As a result of increased IEP caseload numbers at both Hillside Middle School and Meads Mill Middle School, an additional Special Education Resource Room teaching position has been added to support current caseload numbers, as well as additional caseload numbers that typically increase at the middle school level every year.

Elementary Teacher

Linda Boulos has been a special education teacher at Canton High School for cognitively impaired students since January 2022. Not only does Linda hold her Bachelors in Special Education from Eastern Michigan University, but she also holds a Masters Degree in Public Health from Central Michigan University. Our interview team was impressed by Linda's educational background, as well as her passion and heart for supporting students, especially those who may experience struggles during their educational journey. Both her principal and special education supervisor discussed how Linda goes above and beyond for students and designs detailed-oriented lessons that seek to meet and address student needs. Linda's disposition and overall enthusiasm are characteristics that have helped her connect with students in Plymouth Canton, and will certainly serve her no differently as she works to serve and support our students here in Northville.

Recommendation:

On behalf of the central office administrative team, I recommend the Board of Education approve a probationary teacher contract for Linda Boulos for the 2024-2025 school year. Please refer to the supporting reference documents for additional information about this candidate.

NORTHVILLE PUBLIC SCHOOLS
Northville, Michigan

HIRING INFORMATION – CERTIFIED PERSONNEL

CANDIDATE’S NAME: Ms. Linda Boulos

<u>Degree</u>	<u>University</u>	<u>Year Earned</u>
<u>BS</u>	<u>Eastern Michigan University</u>	<u>2021</u>

MAJOR(S): Special Education CI

MINOR(S): Spanish

CERTIFICATION/LICENSE: Standard Certificate

EXPERIENCE: 2 Years

PREVIOUS TENURE IN MICHIGAN: No

SALARY STEP GRANTED: BA20 Step 3

SALARY INFORMATION: \$56,804.00

EFFECTIVE DATE OF ASSIGNMENT: 2024/2025

BUILDING ASSIGNMENT: Hillside Middle School

X **NEW STAFF**

REPLACEMENT

DATE OF BOARD MEETING: November 12, 2024

Northville Public Schools

Federal Awards Supplemental Information
June 30, 2024

Independent Auditor's Reports

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	4-6
Schedule of Expenditures of Federal Awards	7-8
Notes to Schedule of Expenditures of Federal Awards	9
Schedule of Findings and Questioned Costs	10-11



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

Independent Auditor's Report

To the Board of Education
Northville Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northville Public Schools (the "School District") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated October 16, 2024, 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 16, 2024.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by the Uniform Guidance, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

October 16, 2024



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

Independent Auditor's Report

To Management and the Board of Education
Northville Public Schools

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northville Public Schools (the "School District") as of and for the year ended June 30, 2024 and the related notes to the basic financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated October 16, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

To Management and the Board of Education
Northville Public Schools

Purpose of this Report

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

Plante & Moran, PLLC

October 16, 2024

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
Northville Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northville Public Schools' (the "School District") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2024. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

To the Board of Education
Northville Public Schools

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

To the Board of Education
Northville Public Schools

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

Plante & Moran, PLLC

October 16, 2024

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	(Deferred) Accrued Revenue at July 1, 2023	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2024	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) - Entitlement Commodities	N/A	10.555	\$ 151,942	\$ -	\$ -	\$ -	\$ 151,942	\$ 151,942	\$ -	\$ -
Cash Assistance:										
National School Lunch Program Supply Chain Assistance 2022-23	230910	10.555	51,220	23,955	(27,265)	-	-	27,265	-	-
National School Lunch Program Supply Chain Assistance 2023-24	240910	10.555	130,869	-	-	-	130,869	130,869	-	-
National School Lunch Program 2021-2022	221960	10.555	48,006	586	-	47,420	-	-	-	-
National School Lunch Program 2022-2023	231960	10.555	466,843	453,398	27,098	(47,420)	87,963	60,865	-	-
National School Lunch Program 2023-2024	241960	10.555	492,391	-	-	-	468,633	492,391	23,758	-
National School Lunch Program (incl. commodities) subtotal			1,341,271	477,939	(167)	-	839,407	863,332	23,758	-
National School Breakfast Program 2021-2022	221970	10.553	16,643	14,422	-	2,421	-	-	-	-
National School Breakfast Program 2022-2023	231970	10.553	40,516	27,765	1,747	(2,421)	16,919	15,172	-	-
National School Breakfast Program 2023-2024	241970	10.553	143,126	-	-	-	135,089	143,126	8,037	-
National School Breakfast Program subtotal			200,285	42,187	1,747	-	152,008	158,298	8,037	-
Total Child Nutrition Cluster			1,541,556	520,126	1,580	-	991,415	1,021,630	31,795	-
Special Education Cluster - U.S. Department of Education - Passed through Wayne County RESA:										
Special Education Grants to States (IDEA, Part B):										
Flowthrough - 2021-22	220450-2122	84.027	1,267,950	1,267,950	160,770	-	160,770	-	-	-
Flowthrough - 2022-23	220450-2223	84.027	1,060,752	1,046,769	1,046,769	-	1,046,769	13,983	13,983	-
Flowthrough - 2023-24	220450-2324	84.027	1,162,624	-	-	-	-	1,162,624	1,162,624	-
Flowthrough CPE - 2022-23	220450-2223	84.027	410,984	410,984	410,984	-	410,984	-	-	-
Flowthrough CPE - 2023-24	220450-2324	84.027	461,768	-	-	-	-	461,768	461,768	-
Total Grants to States (IDEA, Part B)			4,364,078	2,725,703	1,618,523	-	1,618,523	1,638,375	1,638,375	-
Special Education Preschool Grants (IDEA Preschool):										
IDEA Preschool 2021-22	220460-2122	84.173	69,800	69,800	503	-	503	-	-	-
IDEA Preschool 2022-23	220460-2223	84.173	81,878	81,878	81,878	-	81,878	-	-	-
IDEA Preschool 2023-24	220460-2324	84.173	71,466	-	-	-	-	71,466	71,466	-
Total IDEA Preschool Incentive			223,144	151,678	82,381	-	82,381	71,466	71,466	-
Total Special Education Cluster			4,587,222	2,877,381	1,700,904	-	1,700,904	1,709,841	1,709,841	-
Medicaid Cluster - U.S. Department of Health and Human Services - Medical Assistance Program - Passed through Wayne County RESA - Medicaid Outreach										
	N/A	93.778	64,642	-	-	-	47,649	64,642	16,993	-
Total Clusters			6,193,420	3,397,507	1,702,484	-	2,739,968	2,796,113	1,758,629	-

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2024

Federal Agency/Pass-through Agency/Program Title	Pass-through Entity Identifying Number	Assistance Listing Number	Award Amount	(Memo Only) Prior Year Expenditures	(Deferred) Accrued Revenue at	Adjustments and Transfers	Federal Funds/ Payments In-kind Received	Federal Expenditures	Accrued (Deferred) Revenue at June 30, 2024	Current Year Cash Transferred to Subrecipients
Other federal awards:										
U.S. Department of Education -										
Passed through the Michigan Department of Education:										
Grants to Local Educational Agencies - Title I Part A:										
Project Number 231530 2223	231530 2223	84.010	\$ 144,320	\$ 134,956	\$ 134,956	\$ -	\$ 141,931	\$ 6,975	\$ -	\$ -
Project Number 241530 2324	241530 2324	84.010	151,119	-	-	-	-	131,042	131,042	-
Total Title I - Part A			295,439	134,956	134,956	-	141,931	138,017	131,042	-
Supporting Effective Instruction State Grants - Title II Part A:										
Project Number 230520 2223	230520 2223	84.367	95,306	89,537	89,537	-	89,537	-	-	-
Project Number 240520 2324	240520 2324	84.367	86,081	-	-	-	-	74,316	74,316	-
Total Title II - Part A			181,387	89,537	89,537	-	89,537	74,316	74,316	-
English Language Acquisition State Grants - Title III Part A:										
Project Number 230570 2223 Immigrant Student	230570 2223	84.365	16,611	16,611	16,611	-	16,611	-	-	-
Project Number 230580 2223 LEP	230580 2223	84.365	42,961	42,961	42,961	-	42,961	-	-	-
Project Number 240570 2324 Immigrant Student	240570 2324	84.365	18,762	-	-	-	-	18,762	18,762	-
Project Number 240580 2324 LEP	240580 2324	84.365	50,336	-	-	-	-	50,336	50,336	-
Total Title III - Part A			128,670	59,572	59,572	-	59,572	69,098	69,098	-
Student Support & Academic Enrichment - Title IV Part A:										
Project Number 230750 2223	230750 2223	84.424	20,108	3,196	3,196	-	3,196	-	-	-
Project Number 240750 2324	240750 2324	84.424	21,127	-	-	-	-	1,938	1,938	-
Total Title IV - Part A			41,235	3,196	3,196	-	3,196	1,938	1,938	-
Education Stabilization Fund Program:										
COVID-19 ESSER Formula Fund II 11r(2)	213712 2021	84.452D	475,455	475,455	475,455	-	475,455	-	-	-
COVID-19 ESSER Formula Fund III	213713 2122	84.452D	1,068,563	1,068,563	462,091	-	462,091	-	-	-
COVID-19 ESSER Formula Fund II Summer Prgm 23b(2a)	213722 2122	84.452D	290,400	290,360	(40)	-	-	-	(40)	-
COVID-19 ESSER Formula Fund II Learning Loss 98c	213782 2223	84.452D	366,676	341,449	341,449	-	366,676	25,227	-	-
COVID-19 ESSER Formula Fund III Equalization 11t	213723 2122	84.452U	6,926,798	2,644,251	2,312,047	-	4,263,350	3,349,734	1,398,431	-
Total Education Stabilization Fund Program			9,127,892	4,820,078	3,591,002	-	5,567,572	3,374,961	1,398,391	-
Total U.S. Department of Education noncluster programs			9,127,892	4,820,078	3,591,002	-	5,567,572	3,374,961	1,398,391	-
U.S. Department of Agriculture -										
Passed through the Michigan Department of Education:										
NSLP Equipment Assistance Grant	201991	10.579	20,000	20,000	20,000	-	20,000	-	-	-
NSLP Equipment Assistance Grant	221991	10.579	13,500	-	-	-	13,285	13,285	-	-
Total U.S. Department of Agriculture noncluster programs			33,500	20,000	20,000	-	33,285	13,285	-	-
Total federal awards			\$ 16,001,543	\$ 8,524,846	\$ 5,600,747	\$ -	\$ 8,635,061	\$ 6,467,728	\$ 3,433,414	\$ -

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Northville Public Schools (the “School District”) under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

Note 2 - Summary of Significant Accounting Policies

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

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

Note 3 - Grant Auditor Report

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

Note 4 - Noncash Assistance

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

Note 5 - Adjustments and Transfers

The School District has adjustments presented on the accompanying schedule of expenditures of federal awards related to the Child Nutrition Cluster for the National School Lunch and National School Breakfast programs. Certain amounts received in the prior year were attributed to the incorrect project number. As a result, adjustments have been shown to reflect the proper categorization of those amounts.

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
84.425D, 84.425U	Education Stabilization Fund Program	Unmodified

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

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

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	

Northville Public Schools

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

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-12
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	15
Reconciliation of the Balance Sheet to the Statement of Net Position	16
Statement of Revenue, Expenditures, and Changes in Fund Balances	17
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	18
Proprietary Fund:	
Statement of Net Position	19
Statement of Revenue, Expenses, and Changes in Net Position	20
Statement of Cash Flows	21
Fiduciary Funds:	
Statement of Fiduciary Net Position	22
Statement of Changes in Fiduciary Net Position	23
Notes to Financial Statements	24-43
Required Supplementary Information	44
Budgetary Comparison Schedule - General Fund	45
Budgetary Comparison Schedule - Major Special Revenue Fund	46
Schedule of Proportionate Share of the Net Pension Liability	47
Schedule of Proportionate Share of the Net OPEB Liability (Asset)	48
Schedule of Pension Contributions	49
Schedule of OPEB Contributions	50
Notes to Required Supplementary Information	51-52
Supplementary Information	53
Nonmajor Governmental Funds:	
Combining Balance Sheet	54-55
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	56-57
Schedule of Bonded Indebtedness	58

Independent Auditor's Report

To the Board of Education
Northville Public Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northville Public Schools (the "School District") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise Northville Public Schools' basic financial statements, as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the Board of Education
Northville Public Schools

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

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

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

Required Supplementary Information

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

Supplementary Information

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

To the Board of Education
Northville Public Schools

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2024 on our consideration of Northville Public Schools' 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 Northville Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northville Public Schools' internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 16, 2024

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

Using This Annual Report

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Northville Public Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds, the General Fund, the Special Education Center Program Fund, and the 2023 Building and Site Bond Fund, with all other funds presented in one column as nonmajor funds. The School District's proprietary Internal Service Fund is reported separately from the governmental funds. The remaining statements, the statement of fiduciary net position and the statement of changes in fiduciary net position, present financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. This report is composed of the following elements:

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplementary Information

Budgetary Comparison Schedule - General Fund

Budgetary Comparison Schedule - Major Special Revenue Fund

Schedule of Proportionate Share of the Net Pension Liability

Schedule of Pension Contributions

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

Schedule of OPEB Contributions

Supplementary Information

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

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

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

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

Reporting the School District's Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Food 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).

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 Fund

Proprietary fund reporting focuses on the economic resources measurement and an accounting method called full accrual accounting. The proprietary fund statements present a long-term view of operations and the services it provides to other funds. The School District established a proprietary fund, specifically the 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.

Fiduciary Funds

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

Northville Public Schools

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, 2024 and 2023:

	Governmental Activities	
	2024	2023
	(in millions)	
Assets		
Current and other assets	\$ 142.5	\$ 140.7
Capital assets	184.1	182.4
Total assets	326.6	323.1
Deferred Outflows of Resources	57.3	74.1
Liabilities		
Current liabilities	21.3	19.7
Noncurrent liabilities	155.9	163.8
Net pension liability	168.0	200.3
Net OPEB liability	-	11.2
Total liabilities	345.2	395.0
Deferred Inflows of Resources	53.7	38.2
Net Position (Deficit)		
Net investment in capital assets	95.0	93.7
Restricted	7.8	2.6
Unrestricted	(117.8)	(132.3)
Total net position (deficit)	<u>\$ (15.0)</u>	<u>\$ (36.0)</u>

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 \$(15.0) million at June 30, 2024. Net investment in capital assets totaling \$95.0 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, \$(117.8) million, was unrestricted.

The \$(117.8) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and the impact of recording the School District's share of the net pension and OPEB liabilities (assets) from the state-managed retirement system. 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 and the change in the net pension/OPEB liabilities (assets) will have a significant impact on the change in unrestricted net position from year to year.

Northville Public Schools

Management's Discussion and Analysis (Continued)

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

	Governmental Activities	
	2024	2023
(in millions)		
Revenue		
Program revenue:		
Charges for services	\$ 6.1	\$ 7.0
Operating grants	49.6	41.3
General revenue:		
Taxes	26.7	25.1
State aid not restricted to specific purposes	56.5	54.3
Other	9.9	5.5
Total revenue	<u>148.8</u>	<u>133.2</u>
Expenses		
Instruction	71.4	73.5
Support services	40.4	37.6
Athletics	1.1	1.0
Food services	4.4	2.8
Community services	4.8	4.2
Debt service	5.7	3.5
Total expenses	<u>127.8</u>	<u>122.6</u>
Change in Net Position	21.0	10.6
Net Position (Deficit) - Beginning of year	<u>(36.0)</u>	<u>(46.6)</u>
Net Position (Deficit) - End of year	<u><u>\$ (15.0)</u></u>	<u><u>\$ (36.0)</u></u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$127.8 million. Certain activities were partially funded from those who benefited from the programs (\$6.1 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$49.6 million). We paid for the remaining public benefit portion of our governmental activities with \$26.7 million in taxes, \$56.5 million in state foundation allowance, and other revenue (i.e., interest and general entitlements).

The School District experienced an increase in net position of \$21.0 million, compared to an increase in net position of \$10.6 million in the previous year. On a year-over-year basis, total revenue increased by \$15.6 million. This was due to an increase in program revenue of \$7.4 million and an increase in general revenue of \$8.2 million. The increase in program revenue is attributed to various program fee increases and additional governmental grant revenue. The increase in general revenue is attributed primarily to a \$458 per pupil increase in state aid, coupled with a slight decrease in student enrollment. Additionally, investment income increased by \$0.6 million, resulting from interest rates hikes initiated by the Federal Reserve throughout the year.

Total expenses increased by \$5.2 million. This resulted from negotiated wage and salary increases, staff retention bonuses, additional staffing for student support, and lower class size in early elementary classrooms.

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.

Northville Public Schools

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 \$113 million, which is a decrease of \$2.2 million from last year. The primary reasons for the increase are as follows:

Bond and Debt Funds

The primary reason for the decrease in the combined governmental fund balance was the planned spenddown of the 2020 School Building and Site Bonds (\$2.4 million) and the planned spenddown of the 2023 School Building and Site Bonds (\$5.5 million).

The combined fund balance of our debt service funds decreased by \$0.2 million. Debt service fund balances are reserved since they can only be used to pay debt service obligations. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue related debt service. The School District's debt levy of 3.40 mills in 2023-2024 remained unchanged from the prior year.

General Fund

In the General Fund, our principal operating fund, fund balance increased by \$4.0 million to \$33.1 million. General Fund revenue was \$101.2 million, up from \$97.6 million a year ago. This increase of \$3.6 million is explained by an increase in local revenue of \$1.2 million, additional state foundation revenue of \$1.7 million (due to a combination of \$458 per pupil increase and lower enrollment), and the use of onetime ESSER 11t funding (\$3.3 million). All other revenue decreased by \$(2.7) million due primarily to losing the onetime pass-through payment to supplement the Michigan Public School Employees' Retirement System.

General Fund expenditures were \$97.5 million, up from \$95.7 million last year. Personnel costs (wages, salaries, and benefits) decreased by \$1.8 million due primarily to contractual wage and salary increases, increased bonus payments, and higher retirement costs in addition to losing the onetime pass-through payment mentioned above. Purchased services increased by \$1.3 million due primarily to higher contracted pupil transportation costs and other contracted services. Supply costs increased by \$1 million due to higher utility costs and higher classroom material and textbook costs. Capital expenditures increased by \$1.6 million due to an increase in expenditures related to a district-wide PA system update, building improvements at Cooke School, and door security upgrades. All other expenses decreased by \$0.2 million.

Other financing sources, including net transfers into the General Fund, were \$0.3 million, down from \$1.0 million in 2022-2023.

Special Education Center Program Fund

The Special Education Center Program Fund balance decreased by \$0.4 million due to lower Act 18 funding received throughout the year.

All Other Funds

The year-end fund balance in the School District's Sinking Fund increased by \$2.5 million. The School District collected \$3.9 million in Sinking Fund revenue from a levy of 0.9396 mills and interest earnings on available Sinking Fund reserves. Sinking Fund expenditures were \$1.4 million. Major Sinking Fund projects included district turf replacement, replacement roofing at Winchester Elementary, and paving/drainage projects at Moraine Elementary.

The fund balance in the School District's Public Improvement Fund remained unchanged at \$1.1 million.

The Food Services Fund and the Early Childhood Development Center Fund balances increased by \$0.3 million and decreased by \$0.2 million, respectively. The Student Activity Fund decreased to \$1.8 million, with expenditures of \$3 million and revenue of \$2.9 million for the 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 on June 25, 2024. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information to these financial statements.

The initial fiscal year 2024 budget was approved by the Board of Education in June 2023 and reflected an operating deficit of \$(0.9) million. Budgeted revenue, including net transfers, was \$95.4 million. The initial budget assumed an increase of \$400 per pupil, or 4.4 percent, in the state foundation allowance and a reduction of (41) budgeted full time equivalent (FTE) students. Budgeted expenditures were \$96.3 million, of which 79.7 percent was allocated for staff salaries and benefits.

An interim budget amendment was approved in May 2024. This amendment included a revenue loss of \$(0.8) million due to lower Fall 2023 enrollment than was initially budgeted. Revenue also declined by \$(0.4) million due to a recalendarization of ESSER III funding. These reductions, however, were more than offset by 1) additional grants and categorical allowances of \$2.6 million, 2) increased state funding of \$1.1 million for the state retirement system (MPSERS), 3) increased interest income of \$0.4 million due to continued Federal Reserve tightening, and 4) a larger increase of \$0.4 in the state foundation allowance. Overall, total revenue increased by \$3.3 million. At the same time, budgeted expenditures increased by \$3.1 million, primarily for salary and benefit cost increases (\$2.0 million), higher supply and utility costs (\$0.7 million), and increased purchased service costs (\$0.4 million). Although there were significant changes in both revenue and expenditures, on balance, the projected operating deficit included in the May amendment changed only slightly from the initial fiscal year 2024 budget to \$(0.7) million.

The final budget amendment was approved in June 2024 and reflected an operating deficit of \$(0.2) million. Budgeted revenue increased by \$1.9 million, due primarily to an additional \$1.1 million of state funding for MPSERS and increased payments of \$0.6 million from Wayne RESA for the enhancement millage and Act 18 building upgrades. Budgeted expenditures increased by \$1.3 million, including higher salary and benefit costs of \$0.5 million, an increased cost of \$0.4 million for purchased services, and higher capital outlay cost of \$0.3 million.

Budget Performance

Operating revenue in 2023-2024 was \$101 million, or \$1.4 million better than the final budget. Higher local revenue (\$0.3 million), higher state revenue (\$0.3 million), higher federal revenue (\$0.3 million) and higher interdistrict sources (\$0.5 million) all contributed to this positive budget variance.

Operating expenditures in 2023-2024 were \$97.5 million, or \$3.2 million better than the final budget. Personnel related costs were \$2.3 million better than budget. Contributing factors include delayed backfilling of open positions, lower than budgeted retirement costs, and lower leave and sick bank payouts. Nonpersonnel costs were \$0.9 million better than budget, reflecting primarily lower purchased service costs (\$0.9 million), lower supply costs (\$0.2 million), and higher capital outlay costs (\$0.2 million).

Operating transfers and other financing sources in 2023-2024 were \$0.3 million, or \$0.4 million lower than budget, bringing the total operating surplus to \$4.0 million, or \$4.3 million better than budget.

Northville Public Schools

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2024, the School District had \$184.1 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of approximately \$1.7 million, or 0.9 percent, from last year.

	Governmental Activities	
	2024	2023
Land	\$ 3,377,000	\$ 3,377,000
Construction in progress	6,404,741	328,003
Buildings and improvements	152,674,205	159,599,965
Furniture and equipment	19,303,504	17,448,626
Buses and other vehicles	2,314,684	1,671,264
Total capital assets - Net of accumulated depreciation	\$ 184,074,134	\$ 182,424,858

This year's additions of \$8.0 million include buses, technology, furnishings, building renovations, and site improvements.

Debt

At the end of this year, the School District had \$135.8 million in bonds outstanding versus \$143.1 million in the previous year, a change of 5.1 percent. Those bonds consisted of the following:

	2024	2023
General obligation bonds	\$ 135,775,000	\$ 143,075,000

In May 2023, Standard & Poors Global Ratings raised its long-term rating and underlying rating to AA from AA-. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues qualified debt (i.e., debt backed by the State of Michigan), such obligations are not subject to this debt limit. The School District's outstanding qualified general obligation debt of \$135.8 million is significantly below the statutorily imposed limit.

Other obligations include compensated absences (i.e., accrued vacation pay and sick leave). We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The economic environment in 2023-2024 remained challenging, due primarily to higher prices for goods and services. Additionally, while the labor market for most teaching positions loosened in fiscal year 2024, shortages continued to be experienced for special education personnel and support staff positions.

Prior to fiscal year 2024, the School District and all employee groups negotiated competitive two-year labor agreements for the 2022-2023 and 2023-2024 school years. In addition to guaranteed increases, the agreements included an opportunity for increased bonuses if the audited General Fund balance met certain thresholds.

Contract negotiations for 2024-2025 (and perhaps beyond) began early in 2024, with the goal of reaching competitive, yet sustainable, labor agreements with all employee groups. In attempting to achieve this goal, one challenge has been recent contract settlements in some other southeast Michigan districts who benefitted from relatively larger infusions of pandemic relief funding. In contrast, recognizing the pandemic-related funding will end in September 2024, the School District has avoided using these additional resources for ongoing, structural cost additions.

State Revenue

In 2023-2024, approximately 54 percent of total General Fund revenue was generated from the per pupil foundation revenue from the State. Under state law, the School District cannot access additional property tax revenue for general operations. As a result, school district funding is heavily dependent on the State's ability to fund local school operations.

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 typically holds Consensus Revenue Estimating Conferences in January and May to estimate revenue, with the May conference serving to inform the state budget for the subsequent fiscal year. The May 2023 conference provided encouraging projections for fiscal year 2024-2025, buoyed by the impact of the federal stimulus funding and the overall performance of the Michigan economy heading into the May conference. The favorable revenue projections ultimately led to a 5 percent increase in the foundation allowance, from \$9,150 per pupil in 2022-2023 to \$9,608 in 2024-2025 and remaining at \$9,608 in 2025-2026, while also providing additional categorical funding for special education, student mental health and safety, and at-risk students.

Federal/State Stimulus Revenue

Entering the 2023-2024 school year, the School District had exhausted its combined allocation of \$1.7 million from the three rounds of Elementary and Secondary School Emergency Relief (ESSER I, II, and III) federal funding.

However, with the American Rescue Plan (ARP) federal relief aid, the Michigan Legislature elected to use some of its discretionary ARP funding to allocate supplemental funding to Michigan districts not receiving at least \$1,093 per pupil in ESSER III funding. This allocation, which can be spent only on designated subgroups of students, as outlined in the ARP legislation, was included as Section 11t in Public Act 48 of 2021 and resulted in an allocation of \$6.9 million to Northville Public Schools. Additionally, Section 11t funding has specific target areas on which the funds must be spent; at least 51.4 percent must be spent to address learning loss, at least 10.3 percent must be spent on summer enrichment programs, and at least 10.3 percent must be spent on the implementation of evidence-based comprehensive after school programs. Approximately \$3.3 million of Section 11t funding was spent in 2023-2024, with \$0.9 million remaining that must be obligated by September 30, 2024.

Enrollment

Student enrollment is vital to the School District's operating revenue. As experienced in most districts throughout Michigan, enrollment has been impacted by a declining birth rate and a state population migration.

Similarly, school district projections for 2024-2025 reflect an enrollment decline of (90) students, but early registration data indicates stable to increasing enrollment. One of the contributing factors to the improved enrollment outlook is the launch of a Young 5 program in 2024-2025, which will attract and retain young learners. Additionally, the School District has experienced some residential development in the northwest area of the School District, and, further, a large residential development (The Downs) will begin construction this year in the City of Northville that will serve to sustain enrollment.

Expenditures

In keeping with historical spending patterns, expenditures on wages, salaries, and benefits will consume approximately 80 percent of the General Fund operating budget in 2024-2025. One of the biggest challenges facing districts in many areas of the country is the availability of new staff, particularly in certain subject areas and special education. Additionally, the need for ancillary personnel (counselors, social workers, and psychologists) and certain support personnel (para-educators, food service, and pupil transportation) has expanded greatly since the pandemic, increasing the demand for those positions. These labor market considerations, along with the need to be competitive with recent salary increases negotiated in nearby school districts, has been a factor in the School District's current labor negotiations. The School District, however, remains committed to negotiating sustainable labor agreements.

Expenditures will also increase in 2024-2025 for student mental health and safety and security measures, which will be funded through state grants.

Finally, cost pressure is also anticipated in 2024-2025 when procuring supplies, purchased services, and utilities. While inflation has moderated to the level where the Federal Reserve is planning interest rate reductions in the second half of 2024, prices for supplies, materials, and service providers remain high.

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.

Northville Public Schools

Statement of Net Position

June 30, 2024

	Governmental Activities
	<u> </u>
Assets	
Cash and investments (Note 4)	\$ 47,725,562
Receivables:	
Other receivables	12,293
Due from other governments	20,953,789
Inventory	42,220
Prepaid expenses	255,646
Restricted assets (Note 4)	70,601,676
Net OPEB asset (Note 10)	2,865,419
Capital assets: (Note 6)	
Assets not subject to depreciation	9,781,741
Assets subject to depreciation - Net	<u>174,292,393</u>
Total assets	326,530,739
Deferred Outflows of Resources	
Deferred pension costs (Note 10)	47,353,190
Deferred OPEB costs (Note 10)	<u>9,985,922</u>
Total deferred outflows of resources	57,339,112
Liabilities	
Accounts payable	3,342,271
Due to other governmental units	1,813,374
Accrued liabilities and other	11,477,616
Unearned revenue (Note 5)	4,646,398
Noncurrent liabilities:	
Due within one year (Note 8)	10,823,556
Due in more than one year (Note 8)	145,046,649
Net pension liability (Note 10)	<u>168,007,761</u>
Total liabilities	345,157,625
Deferred Inflows of Resources	
Revenue in support of pension contributions made subsequent to the measurement date (Note 10)	9,969,073
Deferred pension cost reductions (Note 10)	20,159,108
Deferred OPEB cost reductions (Note 10)	<u>23,564,284</u>
Total deferred inflows of resources	<u>53,692,465</u>
Net Position (Deficit)	
Net investment in capital assets	94,974,780
Restricted:	
Debt service	787,839
Capital projects	4,179,430
Net OPEB asset	2,865,419
Unrestricted	<u>(117,787,707)</u>
Total net position (deficit)	<u><u>\$ (14,980,239)</u></u>

Northville Public Schools

Statement of Activities

Year Ended June 30, 2024

Functions/Programs	Program Revenue			Governmental
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Primary government - Governmental activities:				
Instruction	\$ 71,388,527	\$ 302,657	\$ 31,006,211	\$ (40,079,659)
Support services	40,387,494	-	15,041,713	(25,345,781)
Athletics	1,088,281	628,941	-	(459,340)
Food services	4,366,973	932,863	3,601,554	167,444
Community services	4,757,738	4,255,065	-	(502,673)
Interest	5,771,795	-	-	(5,771,795)
Other debt costs	72,299	-	-	(72,299)
Total primary government	\$ 127,833,107	\$ 6,119,526	\$ 49,649,478	(72,064,103)
General revenue:				
Taxes:				
Property taxes levied for general purposes				13,578,340
Property taxes levied for debt service				9,530,389
Property taxes levied for capital projects				3,564,846
State aid not restricted to specific purposes				56,453,014
Interest and investment earnings				6,226,713
Penalties, interest, and other taxes				13,583
Gain on sale of capital assets				34,785
Other				3,718,394
Total general revenue				93,120,064
Change in Net Position				21,055,961
Net Position (Deficit) - Beginning of year				(36,036,200)
Net Position (Deficit) - End of year				\$ (14,980,239)

Northville Public Schools

Governmental Funds Balance Sheet

June 30, 2024

	General Fund	Special Education Center Program Fund	2023 Building and Site Bond Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments (Note 4)	\$ 35,198,494	\$ 4,607,433	\$ -	\$ 5,853,034	\$ 45,658,961
Receivables:					
Other receivables	12,293	-	-	-	12,293
Due from other governments	20,658,743	263,250	-	31,796	20,953,789
Due from other funds (Note 7)	2,475,296	-	1,196,622	3,372,336	7,044,254
Inventory	-	-	-	42,220	42,220
Prepaid expenses	255,646	-	-	-	255,646
Restricted assets (Note 4)	-	-	61,610,103	8,991,573	70,601,676
Total assets	\$ 58,600,472	\$ 4,870,683	\$ 62,806,725	\$ 18,290,959	\$ 144,568,839
Liabilities					
Accounts payable	\$ 1,667,311	\$ 35,605	\$ 1,531,371	\$ 94,624	\$ 3,328,911
Due to other governmental units	1,813,374	-	-	-	1,813,374
Due to other funds (Note 7)	8,656,176	450,479	-	2,024,817	11,131,472
Accrued liabilities and other	9,568,666	836,172	-	-	10,404,838
Unearned revenue (Note 5)	3,781,900	737,856	-	126,642	4,646,398
Total liabilities	25,487,427	2,060,112	1,531,371	2,246,083	31,324,993
Fund Balances					
Nonspendable:					
Inventory	-	-	-	42,220	42,220
Prepays	255,646	-	-	-	255,646
Restricted:					
Debt service	-	-	-	1,860,617	1,860,617
Capital projects	-	-	61,275,354	6,223,083	67,498,437
Special education	-	2,810,571	-	-	2,810,571
Food service	-	-	-	1,571,207	1,571,207
Committed:					
Capital projects	-	-	-	1,061,545	1,061,545
Early childhood development	-	-	-	3,525,574	3,525,574
Student activities	-	-	-	1,760,630	1,760,630
Assigned - Subsequent year's budget	4,384,918	-	-	-	4,384,918
Unassigned	28,472,481	-	-	-	28,472,481
Total fund balances	33,113,045	2,810,571	61,275,354	16,044,876	113,243,846
Total liabilities and fund balances	\$ 58,600,472	\$ 4,870,683	\$ 62,806,725	\$ 18,290,959	\$ 144,568,839

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2024

Fund Balances Reported in Governmental Funds	\$ 113,243,846
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	307,117,106
Accumulated depreciation	<u>(123,042,972)</u>
Net capital assets used in governmental activities	184,074,134
Bonds payable, including premiums, are not due and payable in the current period and are not reported in the funds	(152,418,362)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,072,778)
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	(1,377,674)
Net pension liability and related deferred inflows and outflows	(140,813,679)
Net OPEB asset and related deferred inflows and outflows	(10,712,943)
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	(9,969,073)
Internal service funds are included as part of governmental activities	<u>4,066,290</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (14,980,239)</u></u>

Northville Public Schools

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

	General Fund	Special Education Center Program Fund	2023 Building and Site Bond Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Local sources	\$ 13,662,793	\$ 148,006	\$ 3,576,287	\$ 25,364,705	\$ 42,751,791
State sources	76,412,831	5,749,346	-	2,787,880	84,950,057
Federal sources	5,432,813	-	-	1,034,915	6,467,728
Interdistrict sources	5,667,467	4,651,991	-	-	10,319,458
Total revenue	101,175,904	10,549,343	3,576,287	29,187,500	144,489,034
Expenditures					
Current:					
Instruction	61,545,203	7,602,211	-	-	69,147,414
Support services:					
Pupil	6,855,956	2,166,544	-	-	9,022,500
Instructional staff	4,297,492	350,982	-	-	4,648,474
General administration	1,013,206	-	-	-	1,013,206
School administration	5,018,037	469,160	-	-	5,487,197
Business	933,835	-	-	-	933,835
Operations and maintenance	8,846,481	-	-	-	8,846,481
Pupil transportation services	3,190,491	25,543	-	-	3,216,034
Central	2,619,609	13,370	-	-	2,632,979
Other	-	-	-	3,064,160	3,064,160
Athletics	1,148,474	-	-	-	1,148,474
Food services	-	-	-	4,278,539	4,278,539
Community services	242,618	-	-	4,432,823	4,675,441
Debt service:					
Principal	-	-	-	7,300,000	7,300,000
Interest	-	-	-	6,287,832	6,287,832
Other debt costs	-	-	71,799	500	72,299
Capital outlay	1,760,812	43,637	9,038,812	4,125,477	14,968,738
Total expenditures	97,472,214	10,671,447	9,110,611	29,489,331	146,743,603
Excess of Revenue Over (Under) Expenditures	3,703,690	(122,104)	(5,534,324)	(301,831)	(2,254,569)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets (Note 6)	34,785	-	-	-	34,785
Transfers in (Note 7)	310,000	-	-	-	310,000
Transfers out (Note 7)	-	(250,000)	-	(60,000)	(310,000)
Total other financing sources (uses)	344,785	(250,000)	-	(60,000)	34,785
Net Change in Fund Balances	4,048,475	(372,104)	(5,534,324)	(361,831)	(2,219,784)
Fund Balances - Beginning of year	29,064,570	3,182,675	66,809,678	16,406,707	115,463,630
Fund Balances - End of year	\$ 33,113,045	\$ 2,810,571	\$ 61,275,354	\$ 16,044,876	\$ 113,243,846

Northville Public Schools

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

Year Ended June 30, 2024

Net Change in Fund Balances Reported in Governmental Funds	\$ (2,219,784)
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	14,276,760
Depreciation expense	(12,627,484)
Revenue in support of pension contributions made subsequent to the measurement date	4,365,249
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 premiums are not expenses in the governmental funds	8,344,387
Interest expense is recognized in the government-wide statements as it accrues	(528,350)
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	9,753,529
Internal service funds are included as part of governmental activities	<u>(308,346)</u>
Change in Net Position of Governmental Activities	<u>\$ 21,055,961</u>

Northville Public Schools

**Proprietary Fund
Statement of Net Position**

	June 30, 2024
	<u>Internal Service Fund</u>
Assets	
Current assets:	
Cash and investments (Note 4)	\$ 2,066,601
Due from other funds (Note 7)	<u>4,073,858</u>
Total assets	6,140,459
Liabilities - Current liabilities - Provisions for claims (Note 9)	<u>2,074,169</u>
Net Position - Unrestricted	<u><u>\$ 4,066,290</u></u>

Northville Public Schools

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

Year Ended June 30, 2024

	<u>Internal Service Fund</u>
Operating Revenue - Charges for services	\$ 10,668,334
Operating Expenses - Cost of insurance claims	<u>10,976,680</u>
Change in Net Position	(308,346)
Net Position - Beginning of year	<u>4,374,636</u>
Net Position - End of year	<u><u>\$ 4,066,290</u></u>

Northville Public Schools

Proprietary Fund Statement of Cash Flows

Year Ended June 30, 2024

	<u>Internal Service Fund</u>
Cash Flows from Operating Activities	
Receipts from other funds	\$ 10,605,122
Payments for services	<u>(10,592,968)</u>
Net Increase in Cash and Investments - Net cash provided by operating activities	12,154
Cash and Investments - Beginning of year	<u>2,054,447</u>
Cash and Investments - End of year	<u>\$ 2,066,601</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities	
Operating loss	\$ (308,346)
Adjustments to reconcile operating loss to net cash from operating activities -	
Changes in assets and liabilities:	
Due to and from other funds	(63,212)
Accrued liabilities and other	<u>383,712</u>
Total adjustments	<u>320,500</u>
Net cash provided by operating activities	<u>\$ 12,154</u>

Northville Public Schools

**Fiduciary Funds
Statement of Fiduciary Net Position**

	June 30, 2024
	<u>Private Purpose Trust Funds</u>
Assets	
Cash and investments (Note 4)	\$ 398,395
Due from other funds (Note 7)	<u>13,357</u>
Total assets	411,752
Liabilities	<u>-</u>
Net Position - Restricted for scholarships	<u><u>\$ 411,752</u></u>

Northville Public Schools

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	<u>Private Purpose Trust Funds</u>
Additions - Investment income - Interest and dividends	\$ 40,671
Deductions - Scholarships awarded	<u>3,452</u>
Change in Net Position	37,219
Net Position - Beginning of year	<u>374,533</u>
Net Position - End of year	<u><u>\$ 411,752</u></u>

Note 1 - Nature of Business

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

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

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

Reporting Entity

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

Report Presentation

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

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

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the School District's business-type activities and various other functions of the School District.

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

Note 2 - Significant Accounting Policies (Continued)

Fund Accounting

The School District accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the School District to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

Governmental Funds

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Special Education Center Program Fund is used to record special education millage revenue from Wayne County, Michigan (the "County"); state revenue related to special education; and disbursements associated with special education center programs administered by the School District on behalf of the County.
- The 2023 Building and Site Bond Fund is used to record bond proceeds or other revenue and disbursements of invoices specifically designated for erecting, furnishing, and equipping facilities; installing technology; purchasing buses; and improving playgrounds, athletic fields, and facilities. The fund operates until the purpose for which it was created is accomplished.

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

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.
- Capital project 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.
- The Public Improvement Fund, a capital project fund established under the requirements of Michigan Public Act 177 of 1943, is used for the purpose of appropriating, providing for, setting aside, and accumulating money, as determined by action of the Board of Education, to be used for acquiring, constructing, extending, altering, repairing, or equipping public school improvements or buildings.
- 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

The proprietary fund is an internal service fund that provides goods or services to other funds of the School District.

The School District's Internal Service Fund is used to account for health care-related services provided to other governmental funds of the School District on a cost-reimbursement basis.

Note 2 - Significant Accounting Policies (Continued)

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the School District's programs. The Private Purpose Trust Funds are used to account for funds entrusted to the School District for scholarship award programs and various school-related purposes.

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.

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 are stated at fair value except for investments in external investment pools, which are valued at amortized cost. Pooled investment income from the School District's funds is generally allocated to each fund using a weighted average of balance for the principal.

Note 2 - Significant Accounting Policies (Continued)

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories accounted for using the purchase method are recorded as expenditures when purchased and include all inventories of governmental funds other than commodities within the Food Services Fund. Inventories accounted for using the consumption method are recorded as expenditures when consumed rather than when purchased and include commodities within the Food Services Fund. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements, when applicable.

Restricted Assets

The following amounts are reported as restricted assets:

- Unspent bond proceeds and related interest of the bonded capital project funds required to be set aside for construction or other allowable bond purchases
- Unspent property taxes levied and held in the debt service funds required to be set aside for future bond principal and interest payments
- Unspent property taxes levied and held in the Sinking Fund required to be set aside for construction or allowable purchases

Capital Assets

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

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

	Depreciable Life - Years
	<hr/>
Buildings and improvements	20 to 50
Furniture and equipment	5 to 10
Buses and other vehicles	5 to 10

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, business-type 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.

Note 2 - Significant Accounting Policies (Continued)

Net Position

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The 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, by passing a resolution, prior to the end of the fiscal year, commit fund balance. Once committed, the limitation imposed by the Board of Education resolution remains in place until a similar action is taken 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 assistant superintendent for finance and operations 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 exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Note 2 - Significant Accounting Policies (Continued)

The fund balance policy prescribes the minimum fund balance as 11 percent of school district General Fund annual operating expenditures in the General Fund and special revenue funds. This is deemed to be the prudent amount to maintain the School District's ability to meet obligations as they come due throughout the year.

Property Tax Revenue

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

Grants and Contributions

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

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 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.

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 Pronouncements

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

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

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

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 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.

Encumbrance accounting is employed in governmental funds. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. As a result, fund balance has not been committed or assigned.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the School District incurred expenditures in the General Fund, which were in excess of the amounts budgeted, as follows:

	Budget	Actual
Capital outlay	\$ 331,675	\$ 1,760,812

Capital Projects Fund Compliance

The 2020 Building and Site Bonds and the 2023 Building and Site Bond capital project 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 3 - Stewardship, Compliance, and Accountability (Continued)

Beginning with the year of bond issuance, the School District has reported the annual construction activity in the 2020 Building and Site Fund. The project for which the 2020 School Building and Site Bonds, Series III were issued was considered complete on June 30, 2024, and the cumulative expenditures recognized for the construction period were \$32,378,642.

The Sinking Fund and the Sinking Fund (2022) record capital project activities funded with the Sinking Fund millage. For these funds, authorized prior to March 29, 2017, the School District has complied with the applicable provisions of §1212 of the State of Michigan Revised 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 three banks for the deposit of its funds.

The investment policy adopted by the board in accordance with state statutes has authorized investment in bonds and securities of the United States government and bank accounts, CDs, and all other investments, as noted by the state statutory authority listed above.

The School District's investments in the Michigan Liquid Asset Fund Plus - MAX Class fund may not be redeemed for at least 14 calendar days, with the exception of direct investments of funds distributed by the State. Redemptions made prior to the applicable 14-day period are subject to a penalty equal to 15 days' interest on the amount so redeemed. There are no limitations or restrictions on participant withdrawals for the School District's investment in the Comerica J Fund that are recorded at amortized cost.

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At year end, the School District had bank deposits totaling \$19,983,207 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The School District believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states 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 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, and investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the School District's cash requirements.

At year end, the School District had the following investments:

Investment	Carrying Value	Weighted-average Maturity (Years)
Bank investment pool - Michigan CLASS	\$ 30,045,801	0.20

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices. As of year end, the credit quality ratings of debt securities are as follows:

Investment	Fair Value	Rating	Rating Organization
Bank investment pool - Michigan CLASS	\$ 30,045,801	AAAm	S&P
Bank investment pool - MILAF MAX Class*	70,601,676	AAAm	S&P
Bank investment pool - Comerica J Fund*	39,769	Not rated	
Total	<u>\$ 100,687,246</u>		

*Investments are valued at amortized cost rather than fair value.

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer.

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 policy prohibit investments in foreign currency.

Fair Value Measurements

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The School District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Note 4 - Deposits and Investments (Continued)

The School District has the following recurring fair value measurements as of June 30, 2024:

- Mutual funds held by the Private Purpose Trust Funds totaling \$358,625 are valued using significant other observable inputs (Level 2 inputs).

The securities classified as Level 2 are valued using broker investment statements.

Investments in Entities that Calculate Net Asset Value per Share

The School District holds shares or interests in investment companies where 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.

At June 30, 2024, the School District invested \$30,045,801 in the Michigan CLASS pool.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

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, 2024, the School District had no unavailable revenue and approximately \$4,646,000 of unearned revenue, primarily related to categorical aid and federal assistance payments received prior to meeting all eligibility requirements.

Note 6 - Capital Assets

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

Governmental Activities

	Balance July 1, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 3,377,000	\$ -	\$ -	\$ -	\$ 3,377,000
Construction in progress	328,003	(139,150)	6,215,888	-	6,404,741
Subtotal	3,705,003	(139,150)	6,215,888	-	9,781,741
Capital assets being depreciated:					
Buildings and improvements	247,672,887	139,150	1,712,423	-	249,524,460
Furniture and equipment	37,932,856	-	5,232,063	-	43,164,919
Buses and other vehicles	3,980,697	-	1,116,386	(451,097)	4,645,986
Subtotal	289,586,440	139,150	8,060,872	(451,097)	297,335,365
Accumulated depreciation:					
Buildings and improvements	88,072,922	-	8,777,333	-	96,850,255
Furniture and equipment	20,484,230	-	3,377,185	-	23,861,415
Buses and other vehicles	2,309,433	-	472,966	(451,097)	2,331,302
Subtotal	110,866,585	-	12,627,484	(451,097)	123,042,972
Net capital assets being depreciated	178,719,855	139,150	(4,566,612)	-	174,292,393
Net governmental activities capital assets	<u>\$ 182,424,858</u>	<u>\$ -</u>	<u>\$ 1,649,276</u>	<u>\$ -</u>	<u>\$ 184,074,134</u>

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

Governmental activities:	
Instruction	\$ 8,204,077
Support services	3,613,986
Community services	535,405
Food services	274,016
Total governmental activities	<u>\$ 12,627,484</u>

Note 6 - Capital Assets (Continued)

Construction Commitments

The School District has active construction projects at year end. As of June 30, 2024, the School District had approximately \$4.9 million in outstanding commitments with contractors.

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Primary Government			Total
	Fund Due From			
	General Fund	Special Education Center Program Fund	Nonmajor Funds	
General Fund	\$ -	\$ 450,479	\$ 2,024,817	\$ 2,475,296
2023 Building and Site Bond Fund	1,196,623	-	-	1,196,623
Nonmajor governmental funds	3,372,337	-	-	3,372,337
Internal Service Fund	4,073,859	-	-	4,073,859
Private Purpose Trust Funds	13,357	-	-	13,357
Total	\$ 8,656,176	\$ 450,479	\$ 2,024,817	\$ 11,131,472

Interfund balances represent routine and temporary cash flow assistance from the General Fund until amounts are transferred from fund bank accounts. Interfund balances between the General Fund and the Internal Service Fund are for amounts owed to the Internal Service Fund for its share of certain employee benefit costs.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
Special Education Center Program Fund	General Fund	\$ 250,000
Nonmajor governmental funds	General Fund	60,000
	Total	\$ 310,000

Transfers to the General Fund from the Special Education Center Program Fund provide excess resources, capped by regulatory requirements where applicable, to supplement General Fund operations. Transfers to the General Fund from the nonmajor governmental funds relate to the transfer of indirect costs of the Food Services Fund.

Note 8 - Long-term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Other debt - General obligation	\$ 143,075,000	\$ -	\$ (7,300,000)	\$ 135,775,000	\$ 7,575,000
Unamortized bond premiums	17,687,749	-	(1,044,387)	16,643,362	1,044,387
Total bonds payable	160,762,749	-	(8,344,387)	152,418,362	8,619,387
Compensated absences	1,374,948	2,726	-	1,377,674	130,000
Self-insurance	1,690,457	383,712	-	2,074,169	2,074,169
Total governmental activities long-term debt	\$ 163,828,154	\$ 386,438	\$ (8,344,387)	\$ 155,870,205	\$ 10,823,556

General Obligation Bonds and Contracts

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

Purpose	Remaining Annual Installments	Interest Rate(s) (Percent)	Maturing May 1	Outstanding
\$26,940,000 qualified general obligation serial and term bonds (2020)	\$1,060,000 - \$1,075,000	4.00% - 5.00%	2043	\$ 20,230,000
\$52,740,000 qualified general obligation serial and term bonds (2019)	\$1,940,000 - \$2,910,000	4.00% - 5.00%	2043	46,760,000
\$11,910,000 qualified general obligation serial and term bonds (2018)	\$2,550,000 - \$2,575,000	5.00%	2027	7,675,000
\$61,900,000 qualified general obligation serial and term bonds (2023)	\$1,175,000 - \$8,370,000	4.00% - 5.00%	2045	61,110,000
Total governmental activities				\$ 135,775,000

Other Long-term Liabilities

Compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund.

The self-insurance liability will generally be liquidated through the School District's Internal Service Fund. The fund will finance the payment of those claims by charging the General Fund based on management's assessment of the relative insurance risk that should be assumed by individual funds.

Note 8 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

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

Years Ending June 30	Governmental Activities		
	Other Debt		Total
	Principal	Interest	
2025	\$ 7,575,000	\$ 6,441,400	\$ 14,016,400
2026	8,140,000	6,093,250	14,233,250
2027	6,750,000	5,722,600	12,472,600
2028	5,035,000	5,407,450	10,442,450
2029	5,255,000	5,186,400	10,441,400
2030-2034	29,245,000	22,245,750	51,490,750
2035-2039	34,210,000	14,732,450	48,942,450
2040-2045	39,565,000	6,360,150	45,925,150
Total	\$ 135,775,000	\$ 72,189,450	\$ 207,964,450

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 the Metropolitan Association for Improved School Legislation (MAISL) shared-risk program for claims relating to workers' compensation and the SET SEG risk pool for claims related to property loss, torts, and errors and omissions. The School District is partially insured for health and dental 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.

The School District estimates the liability for health and dental 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 in the Internal Service Fund, as well as the government-wide statements. Changes in the estimated liability for the past two fiscal years were as follows:

	2024	2023
Estimated liability - Beginning of year	\$ 1,690,457	\$ 1,900,137
Estimated claims incurred, including changes in estimates	10,592,968	9,715,054
Claim payments	(10,209,256)	(9,924,734)
Estimated liability - End of year	\$ 2,074,169	\$ 1,690,457

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.

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

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

Benefits Provided

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

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

Depending on the member's date of hire, 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 supplementary 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.

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

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

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

The ranges of rates are as follows:

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

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

The School District's required and actual pension contributions to the plan for the year ended June 30, 2024 were \$21,957,163, which includes the School District's contributions required for those members with a defined contribution benefit. For the year ended June 30, 2024, the School District's required and actual pension contributions include an allocation of \$9,969,073 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2024 were 4,594,755, which includes the School District's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2024, the School District reported a liability of \$168,007,761 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022, which used update procedures to roll forward the estimated liability to September 30, 2023. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2023 and 2022, the School District's proportion was 0.519086 percent and 0.532527 percent, respectively, representing a change of (2.52) percent.

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

Net OPEB Asset

At June 30, 2024, the School District reported an asset of \$(2,865,419) for its proportionate share of the net OPEB asset. The net OPEB asset for fiscal year 2024 was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2022, which used update procedures to roll forward the estimated asset to September 30, 2023. The School District's proportion of the net OPEB asset was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2023 and 2022, the School District's proportion was 0.506528 percent and 0.528839 percent, respectively, representing a change of (4.22) percent.

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

For 2024, the School District recognized pension expense of \$20,479,886, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 5,303,492	\$ (257,361)
Changes in assumptions	22,765,816	(13,126,252)
Net difference between projected and actual earnings on pension plan investments	-	(3,437,983)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	394,854	(3,337,512)
The School District's contributions to the plan subsequent to the measurement date	<u>18,889,028</u>	<u>-</u>
Total	<u>\$ 47,353,190</u>	<u>\$ (20,159,108)</u>

The \$9,969,073 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2025	\$ 2,962,751
2026	1,736,459
2027	6,452,415
2028	<u>(2,846,571)</u>
Total	<u>\$ 8,305,054</u>

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

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

For the year ended June 30, 2024, the School District recognized OPEB recovery of \$4,995,429.

June 30, 2024

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (21,652,576)
Changes in assumptions	6,378,922	(768,143)
Net difference between projected and actual earnings on OPEB plan investments	8,737	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	355,602	(1,143,565)
Employer contributions to the plan subsequent to the measurement date	3,242,661	-
Total	<u>\$ 9,985,922</u>	<u>\$ (23,564,284)</u>

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

Years Ending	Amount
2025	\$ (5,341,975)
2026	(4,987,523)
2027	(2,137,577)
2028	(1,983,351)
2029	(1,568,304)
Thereafter	<u>(802,293)</u>
Total	<u>\$ (16,821,023)</u>

Actuarial Assumptions

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

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

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

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

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

Discount Rate

The discount rate used to measure the total pension and OPEB liability was 6.00 percent as of September 30, 2023 depending on the plan option. The discount rate used to measure the total OPEB liability was 6.95 percent as of September 30, 2023. 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 %	5.80 %
Private equity pools	16.00	9.60
International equity pools	15.00	6.80
Fixed-income pools	13.00	1.30
Real estate and infrastructure pools	10.00	6.40
Absolute return pools	9.00	4.80
Short-term investment pools	10.00	7.30
Real return/opportunistic pools	2.00	0.30
Total	100.00 %	

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

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

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

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net pension liability of the School District	\$ 226,977,993	\$ 168,007,761	\$ 118,912,910

June 30, 2024

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

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

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

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB liability (asset) of the School District	\$ 2,970,580	\$ (2,865,419)	\$ (7,880,886)

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

The following presents the net OPEB asset of the School District, calculated using the current health care cost trend rate. It also reflects what the School District's net OPEB (asset) 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 (5.00%)	Current Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB (asset) liability of the School District	\$ (7,893,391)	\$ (2,865,419)	\$ 2,576,496

Pension Plan and OPEB Plan Fiduciary Net Position

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

Payable to the Pension Plan and OPEB Plan

At June 30, 2024, the School District reported a payable of \$3,498,657 and \$612,649 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2024.

Note 11 - Tax Abatements

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

For the fiscal year ended June 30, 2024, the School District's property tax revenue was reduced by approximately \$1,172,800 under these programs.

The School District is reimbursed for lost revenue caused by tax abatements on the operating millage of nonhomestead properties from the State of Michigan under the School Aid formula. The School District received approximately \$1,172,800 in reimbursements from the State of Michigan. The School District is not reimbursed for lost revenue from the Sinking Fund or debt service millages. There are no abatements made by the School District.

Required Supplementary Information

Northville Public Schools

Required Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 12,546,137	\$ 13,362,089	\$ 13,662,793	\$ 300,704
State sources	72,751,110	76,094,479	76,412,831	318,352
Federal sources	5,687,669	5,116,215	5,432,813	316,598
Interdistrict sources	3,662,388	5,200,440	5,667,467	467,027
Total revenue	94,647,304	99,773,223	101,175,904	1,402,681
Expenditures				
Current:				
Instruction:				
Basic programs	51,603,031	53,294,921	51,879,523	(1,415,398)
Added needs	9,348,287	10,503,157	9,665,680	(837,477)
Support services:				
Pupil	6,871,016	7,216,450	6,855,956	(360,494)
Instructional staff	3,936,987	4,304,074	4,297,492	(6,582)
General administration	1,244,857	1,156,230	1,013,206	(143,024)
School administration	5,003,830	5,098,063	5,018,037	(80,026)
Business	1,694,145	1,000,170	933,835	(66,335)
Operations and maintenance	8,682,861	9,421,555	8,846,481	(575,074)
Transportation	3,052,883	3,250,404	3,190,491	(59,913)
Central staff	3,517,182	3,557,841	2,619,609	(938,232)
Athletics	1,207,388	1,282,285	1,148,474	(133,811)
Community services	21,248	263,866	242,618	(21,248)
Capital outlay	92,311	331,675	1,760,812	1,429,137
Total expenditures	96,276,026	100,680,691	97,472,214	(3,208,477)
Excess of Revenue (Under) Over Expenditures	(1,628,722)	(907,468)	3,703,690	4,611,158
Other Financing Sources				
Proceeds from sale of capital assets	-	-	34,785	34,785
Transfers in	740,000	705,000	310,000	(395,000)
Total other financing sources	740,000	705,000	344,785	(360,215)
Net Change in Fund Balance	(888,722)	(202,468)	4,048,475	4,250,943
Fund Balance - Beginning of year	29,064,570	29,064,570	29,064,570	-
Fund Balance - End of year	\$ 28,175,848	\$ 28,862,102	\$ 33,113,045	\$ 4,250,943

Northville Public Schools

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

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 50,000	\$ 148,000	\$ 148,006	\$ 6
State sources	6,323,052	5,761,743	5,749,346	(12,397)
Interdistrict sources	4,939,200	4,386,000	4,651,991	265,991
Total revenue	11,312,252	10,295,743	10,549,343	253,600
Expenditures				
Current:				
Instruction - Added needs	7,691,359	7,670,000	7,638,736	(31,264)
Support services:				
Pupil	2,283,064	2,368,922	2,166,544	(202,378)
Instructional staff	342,390	351,000	350,982	(18)
School administration	542,153	480,000	476,272	(3,728)
Pupil transportation services	-	-	25,543	25,543
Central	-	-	13,370	13,370
Total expenditures	10,858,966	10,869,922	10,671,447	(198,475)
Excess of Revenue Over (Under)				
Expenditures	453,286	(574,179)	(122,104)	452,075
Other Financing Uses - Transfers out	(670,000)	(580,000)	(250,000)	330,000
Net Change in Fund Balance	(216,714)	(1,154,179)	(372,104)	782,075
Fund Balance - Beginning of year	3,182,675	3,182,675	3,182,675	-
Fund Balance - End of year	\$ 2,965,961	\$ 2,028,496	\$ 2,810,571	\$ 782,075

Northville Public Schools

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

	Last Ten Plan Years									
	Plan Years Ended September 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.51909 %	0.53253 %	0.53128 %	0.53219 %	0.52629 %	0.52492 %	0.51747 %	0.50164 %	0.50648 %	0.48867 %
School District's proportionate share of the net pension liability	\$ 168,007,761	\$ 200,276,543	\$ 125,783,818	\$ 182,814,394	\$ 174,289,239	\$ 157,801,775	\$ 134,097,910	\$ 125,153,950	\$ 123,707,385	\$ 107,637,263
School District's covered payroll	\$ 50,388,758	\$ 51,174,400	\$ 47,512,124	\$ 47,299,210	\$ 45,902,521	\$ 44,858,466	\$ 44,027,362	\$ 42,108,609	\$ 41,932,118	\$ 42,264,130
School District's proportionate share of the net pension liability as a percentage of its covered payroll	333.42 %	391.36 %	264.74 %	386.51 %	379.69 %	351.78 %	304.58 %	297.22 %	295.02 %	254.68 %
Plan fiduciary net position as a percentage of total pension liability	65.91 %	60.77 %	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %	66.15 %

Northville Public Schools

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

	Last Seven Plan Years						
	Plan Years Ended September 30						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's proportion of the net OPEB (asset) liability	0.50653 %	0.52884 %	0.52733 %	0.53450 %	0.52556 %	0.52703 %	0.51610 %
School District's proportionate share of the net OPEB (asset) liability	\$ (2,865,419)	\$ 11,201,143	\$ 8,048,986	\$ 28,634,768	\$ 37,723,096	\$ 41,893,369	\$ 45,703,456
School District's covered payroll	\$ 50,388,758	\$ 51,174,400	\$ 47,512,124	\$ 47,299,210	\$ 45,902,521	\$ 44,858,466	\$ 44,027,362
School District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	(5.69)%	21.89 %	16.94 %	60.54 %	82.18 %	93.39 %	103.81 %
Plan fiduciary net position as a percentage of total OPEB liability	105.04 %	83.09 %	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

Northville Public Schools

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

	Last Ten Fiscal Years									
	Years Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 21,498,014	\$ 24,283,806	\$ 18,053,891	\$ 16,140,731	\$ 14,743,318	\$ 14,050,456	\$ 13,492,816	\$ 12,072,827	\$ 11,839,042	\$ 9,315,277
Contributions in relation to the statutorily required contribution	21,498,014	24,283,806	18,053,891	16,140,731	14,743,318	14,050,456	13,492,816	12,072,827	11,839,042	9,315,277
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 52,264,112	\$ 49,840,374	\$ 49,151,302	\$ 47,200,208	\$ 47,280,480	\$ 45,671,978	\$ 44,747,710	\$ 43,652,996	\$ 42,369,666	\$ 43,033,169
Contributions as a Percentage of Covered Payroll	41.13 %	48.72 %	36.73 %	34.20 %	31.18 %	30.76 %	30.15 %	27.66 %	27.94 %	21.65 %

Northville Public Schools

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

	Last Seven Fiscal Years						
	Years Ended June 30						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 4,293,719	\$ 4,011,751	\$ 4,005,438	\$ 3,927,883	\$ 3,799,270	\$ 3,587,545	\$ 3,232,004
Contributions in relation to the statutorily required contribution	<u>4,293,719</u>	<u>4,011,751</u>	<u>4,005,438</u>	<u>3,927,883</u>	<u>3,799,270</u>	<u>3,587,545</u>	<u>3,232,004</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 52,264,112	\$ 49,840,374	\$ 49,151,302	\$ 47,200,208	\$ 47,280,480	\$ 45,671,978	\$ 44,747,710
Contributions as a Percentage of Covered Payroll	8.22 %	8.05 %	8.15 %	8.32 %	8.04 %	7.86 %	7.22 %

Pension Information

Benefit Changes

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

Changes in Assumptions

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

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

OPEB Information

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

Benefit Changes

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

Changes in Assumptions

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

- 2023 - The health care cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage point for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.
- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit cost was lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.
- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points. This, in addition to actual per person health benefit cost being lower than projected, reduced the plan's total OPEB liability by an additional \$1.8 billion in 2020.

Northville Public Schools

Notes to Required Supplementary Information (Continued)

June 30, 2024

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in 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 the 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 \$1.4 billion in 2018.

Supplementary Information

Northville Public Schools

	Special Revenue Funds			Debt Service Funds			
	Food Services Fund	Early Childhood Development Center Fund	Student Activity Fund	2018 Debt Fund	2019 Debt Fund	2020 Debt Fund	2022 Debt Refunding Fund
Assets							
Cash and investments	\$ 55,405	\$ 3,190,340	\$ 2,607,289	\$ -	\$ -	\$ -	\$ -
Receivables - Other receivables	31,796	-	-	-	-	-	-
Due from other funds	1,624,696	336,452	-	12,058	41,280	12,568	20,624
Inventory	42,220	-	-	-	-	-	-
Restricted assets	-	-	-	278,737	678,501	316,981	206,247
Total assets	\$ 1,754,117	\$ 3,526,792	\$ 2,607,289	\$ 290,795	\$ 719,781	\$ 329,549	\$ 226,871
Liabilities							
Accounts payable	\$ 14,048	\$ 1,218	\$ 18,649	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	828,010	-	-	-	-
Unearned revenue	126,642	-	-	-	-	-	-
Total liabilities	140,690	1,218	846,659	-	-	-	-
Fund Balances							
Nonspendable	42,220	-	-	-	-	-	-
Restricted:							
Debt service	-	-	-	290,795	719,781	329,549	226,871
Capital projects	-	-	-	-	-	-	-
Food service	1,571,207	-	-	-	-	-	-
Committed:							
Student activities	-	-	-	-	-	-	-
Early childhood development	-	3,525,574	-	-	-	-	-
Student activities	-	-	1,760,630	-	-	-	-
Total fund balances	1,613,427	3,525,574	1,760,630	290,795	719,781	329,549	226,871
Total liabilities and fund balances	\$ 1,754,117	\$ 3,526,792	\$ 2,607,289	\$ 290,795	\$ 719,781	\$ 329,549	\$ 226,871

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2024

Debt Service Funds		Capital Project Funds				
2023 Debt Fund	Sinking Fund	Sinking Fund (2022)	Public Improvement Fund	2020 Building and Site Bonds Fund	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,853,034	
-	-	-	-	-	31,796	
50,709	-	212,404	1,061,545	-	3,372,336	
-	-	-	-	-	42,220	
242,912	20,742	5,967,614	-	1,279,839	8,991,573	
\$ 293,621	\$ 20,742	\$ 6,180,018	\$ 1,061,545	\$ 1,279,839	\$ 18,290,959	
\$ -	\$ -	\$ 38,699	\$ -	\$ 22,010	\$ 94,624	
-	20,742	-	-	1,176,065	2,024,817	
-	-	-	-	-	126,642	
-	20,742	38,699	-	1,198,075	2,246,083	
-	-	-	-	-	42,220	
293,621	-	-	-	-	1,860,617	
-	-	6,141,319	-	81,764	6,223,083	
-	-	-	-	-	1,571,207	
-	-	-	1,061,545	-	1,061,545	
-	-	-	-	-	3,525,574	
-	-	-	-	-	1,760,630	
293,621	-	6,141,319	1,061,545	81,764	16,044,876	
\$ 293,621	\$ 20,742	\$ 6,180,018	\$ 1,061,545	\$ 1,279,839	\$ 18,290,959	

Northville Public Schools

	Special Revenue Funds			Debt Service Funds			
	Food Services Fund	Early Childhood Development Center Fund	Student Activity Fund	2018 Debt Fund	2019 Debt Fund	2020 Debt Fund	2022 Debt Refunding Fund
Revenue							
Local sources	\$ 932,863	\$ 4,240,355	\$ 2,908,380	\$ 1,569,392	\$ 4,079,467	\$ 1,809,292	\$ 2,288,195
State sources	2,738,058	-	-	49,822	-	-	-
Federal sources	1,034,915	-	-	-	-	-	-
Total revenue	4,705,836	4,240,355	2,908,380	1,619,214	4,079,467	1,809,292	2,288,195
Expenditures							
Current:							
Support services - Central	-	-	3,064,160	-	-	-	-
Food services	4,278,539	-	-	-	-	-	-
Community services	-	4,432,823	-	-	-	-	-
Debt service:							
Principal	-	-	-	1,075,000	1,940,000	1,060,000	2,435,000
Interest	-	-	-	438,000	2,435,500	905,100	29,464
Other debt costs	-	-	-	-	-	-	-
Capital outlay	55,866	7,066	-	-	-	-	-
Total expenditures	4,334,405	4,439,889	3,064,160	1,513,000	4,375,500	1,965,100	2,464,464
Excess of Revenue Over (Under) Expenditures	371,431	(199,534)	(155,780)	106,214	(296,033)	(155,808)	(176,269)
Other Financing Uses - Transfers out	(30,000)	(30,000)	-	-	-	-	-
Net Change in Fund Balances	341,431	(229,534)	(155,780)	106,214	(296,033)	(155,808)	(176,269)
Fund Balances - Beginning of year	1,271,996	3,755,108	1,916,410	184,581	1,015,814	485,357	403,140
Fund Balances - End of year	\$ 1,613,427	\$ 3,525,574	\$ 1,760,630	\$ 290,795	\$ 719,781	\$ 329,549	\$ 226,871

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

Year Ended June 30, 2024

Debt Service Funds		Capital Project Funds				
2023 Debt Fund	Sinking Fund	Sinking Fund (2022)	Public Improvement Fund	2020 Building and Site Fund	Total	
\$ 3,563,889	\$ 3,636	\$ 3,866,709	\$ -	\$ 102,527	\$ 25,364,705	
-	-	-	-	-	2,787,880	
-	-	-	-	-	1,034,915	
3,563,889	3,636	3,866,709	-	102,527	29,187,500	
-	-	-	-	-	3,064,160	
-	-	-	-	-	4,278,539	
-	-	-	-	-	4,432,823	
790,000	-	-	-	-	7,300,000	
2,479,768	-	-	-	-	6,287,832	
500	-	-	-	-	500	
-	163,645	1,397,392	-	2,501,508	4,125,477	
3,270,268	163,645	1,397,392	-	2,501,508	29,489,331	
293,621	(160,009)	2,469,317	-	(2,398,981)	(301,831)	
-	-	-	-	-	(60,000)	
293,621	(160,009)	2,469,317	-	(2,398,981)	(361,831)	
-	160,009	3,672,002	1,061,545	2,480,745	16,406,707	
\$ 293,621	\$ -	\$ 6,141,319	\$ 1,061,545	\$ 81,764	\$ 16,044,876	

Northville Public Schools

Supplementary Information Schedule of Bonded Indebtedness

June 30, 2024

Years Ending June 30	2018 Building and Site Bonds	2019 Building and Site Bonds, Series II	2020 Building and Site Bonds, Series III	2023 Building and Site Bond Fund
	Principal	Principal	Principal	Principal
2025	\$ 2,575,000	\$ 1,940,000	\$ 1,060,000	\$ 2,000,000
2026	2,550,000	1,955,000	1,060,000	2,575,000
2027	2,550,000	1,965,000	1,060,000	1,175,000
2028	-	1,965,000	1,060,000	2,010,000
2029	-	1,965,000	1,060,000	2,230,000
2030	-	2,060,000	1,060,000	2,365,000
2031	-	2,165,000	1,060,000	2,400,000
2032	-	2,270,000	1,060,000	2,450,000
2033	-	2,385,000	1,060,000	2,600,000
2034	-	2,505,000	1,060,000	2,745,000
2035	-	2,630,000	1,060,000	2,825,000
2036	-	2,730,000	1,070,000	2,840,000
2037	-	2,840,000	1,070,000	3,050,000
2038	-	2,875,000	1,070,000	3,095,000
2039	-	2,890,000	1,070,000	3,095,000
2040	-	2,900,000	1,070,000	3,430,000
2041	-	2,900,000	1,070,000	3,790,000
2042	-	2,910,000	1,075,000	3,945,000
2043	-	2,910,000	1,075,000	4,120,000
2045	-	-	-	8,370,000
Total remaining payments	\$ 7,675,000	\$ 46,760,000	\$ 20,230,000	\$ 61,110,000
Principal payments due	May 1	May 1	May 1	May 1
Interest rate	5.00%	4.00% to 5.00%	4.00% to 5.00%	4.00% to 5.00%
Original issue	\$ 11,910,000	\$ 52,740,000	\$ 26,940,000	\$ 61,900,000

Interest payments for the bond issues are due on May 1 and November 1 of each year.

Northville Public Schools

Report to the Board of Education

June 30, 2024

To the Board of Education
Northville Public Schools

We have recently completed our audit of the basic financial statements of Northville Public Schools (the "School District") as of and for the year ended June 30, 2024. In addition to our audit report, we are providing the following results of the audit, summary of unrecorded possible adjustments, other recommendations and observations, and informational items that impact the School District:

	<u>Page</u>
Results of the Audit	1-4
Summary of Unrecorded Possible Adjustments	5-6
Other Recommendations and Observations	7-8
Informational Items	9-20

We are grateful for the opportunity to be of service to Northville Public Schools. We would also like to extend our thanks to Ms. Deb Converse 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.

Plante & Moran, PLLC

October 16, 2024

Results of the Audit

October 16, 2024

To the Board of Education
Northville Public Schools

We have audited the financial statements of Northville Public Schools (the "School District") as of and for the year ended June 30, 2024 and have issued our report thereon dated October 16, 2024. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated May 10, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

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

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

Our audit of the School District's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the School District, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated October 16, 2024 regarding our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 23, 2024.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

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

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

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

The most sensitive estimates affecting the financial statements are as follows:

- The School District's share of the MPSERS net liability for the pension and net asset for the other postemployment benefit (OPEB) plans recorded on the government-wide statements related to GASB Statement Nos. 68 and 75, respectively. The School District's estimates as of June 30, 2024 were \$168,007,761 and \$2,865,419 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.
- Employee medical benefit estimates for known and unknown claim reserves are based on currently known facts and historical trends. We evaluated the key factors and assumptions used to develop the self-insurance liabilities 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 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.

The attached schedule (Attachment 1) summarizes uncorrected misstatements of the financial statements that were requested to be recorded. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. However, uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future period financial statements to be materially misstated.

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.

To the Board of Education
Northville Public Schools

October 16, 2024

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 16, 2024.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 16, 2024.

Management Consultations with Other Independent Accountants

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

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

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

Very truly yours,

Plante & Moran, PLLC



Jennifer L. Chambers, CPA
Partner

Summary of Unrecorded Possible Adjustments

Attachment

Client: Northville Public Schools
 Opinion Unit: Governmental Activities
 Y/E: 6/30/2024

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Deferred Outflows of Resources	Current Liabilities	Long-term Liabilities	Deferred Inflows of Resources	Net Position	Revenue	Expenses	Change in Net Position Impact
FACTUAL MISSTATEMENTS:											
A1	To record arbitrage liability for the 2023 School Building and Site Bond					1,282,932				1,282,932	\$ (1,282,932)
JUDGMENTAL ADJUSTMENTS:											
B1	None										-
PROJECTED ADJUSTMENTS:											
C1	None	\$ -	-	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	-
	Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,282,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,282,932</u>	<u>\$ (1,282,932)</u>
PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES:											
D1	None										

Other Recommendations and Observations

Food Services Fund - Fund Balance

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

Informational Items

Managing the Changing Financial Resources Landscape

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

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

School Funding - School Aid in Depth

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

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

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

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

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

- The target foundation allowance stays at \$9,608 per pupil for public schools. Public school academies received a 3.9 percent increase in their target foundation, estimated at \$9,983. The increase was due to the fact most academies do not participate in the MPSERS and are funded using a separate categorical.
- Funding continues for declining enrollment districts to smooth the impact of resulting revenue decline.
- For 2024/2025, the State's obligation under the Headlee Amendment will continue to be funded from the special education allocation within the school aid budget. Previously, a portion of that obligation was paid from the School District's foundation allowance allocation.
- Revisions to amounts provided in Section 147 (MPSERS categoricals) to increase funding for retirement. The increase in resources essentially replaces an increase in the foundation allowance. By reducing the net cost of the retirement contribution, the School District will have more resources to invest in ongoing operations. Notably, the revision to the funding strategy was crafted when the bill was in conference committee. Prior to the conference report, each version of the bill provided for an increase in the foundation allowance ranging from \$217 to \$302 per pupil.
- The MPSERS OPEB and pension funding has been the focus of School Aid Fund discussions for many budget cycles. For years, the OPEB plan was underfunded and had a very large net liability (referred to as the "UAAL"). The current issue focuses on OPEB, which is now considered fully funded, meaning that the plan now has sufficient assets to cover accrued health benefits for current and former employees' past services. State funding provides a contribution to districts to cover the UAAL costs, which is about \$669 million, statewide, for the historical OPEB UAAL. The 2024/2025 School Aid Bill redirects \$598 million of the savings back to the School District. This will be funded through a categorical, 147a4, and will represent approximately 5.75 percent of MPSERS-related payroll.
- At-risk funding is now over \$1 billion. Revisions to the program include new flexibility provisions to reduce teacher-student ratio and support retention and recruitment efforts.
- Categoricals continuing without substantive change include, but are not limited to, the following: Transportation, Future Educator Fellowship, Student Teacher Stipend, and ISD Operations support.
- Many smaller categoricals were eliminated or had reduced funding. However, the most significant funding reduction was for mental health and school safety. Since this program was considered a one-time program, it was not considered a cut; however, districts that built programming around this funding will need to determine if other sources can be used to fund the programs.
- Special Education Services: In 2023/2024, use of the foundation allowance to contribute to the State's support of special education ceased, and the State's contribution to support special education is paid entirely from a categorical allocation. These changes in the funding formula will have the effect of providing more state support to cover the cost of special education operations. The implication to the School District will be that more funds will be freed up to support other general education activities. The actual amount of the shift varies by district and requires some analysis. This funding methodology continued for 2024/2025.

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

Looking Forward to 2025 and Beyond

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

- **Federal Pandemic Resources:** The last major funding source is ARP ESSER III. It was funded as part of the Education Stabilization Fund and sunset on September 30, 2024. Some of the funding may have been used by the School District to fund recurring costs of operations. This date, referred to as the funding cliff, will require each district to evaluate its budget strategy to determine if resources supported recurring operations and what resources will be available to fund continuing operations once the funds are depleted. The School District will need to closely evaluate the impact of the sunset of the ESSER funds on future budgets.
- **Sustainability of Initiatives from 2023/2024:** There were several initiatives included in the 2023/2024 amendments to the State Aid Act. Revenue projections continued to show significant growth, creating room to fund recent and new initiatives. Many of the initiatives result from common themes, including the pandemic, mental health concerns of students and staff, addressing the teacher shortage, school security, continuing investment in preschool, vocational/career training, beginning to focus on educational infrastructure investment, meeting the special education funding requirements with categorical funds, and providing free meals to all students (new Section 30d). Many of these initiatives were carried forward and continued in the 2024/2025 amendments to the State Aid Act, but some were not due to resource constraints. The biggest example is the reduction in previously labeled one-time funding for mental health and school safety. Each initiative required assessment and planning by individual school districts. With new resources comes new responsibility to determine the most effective way to leverage these funds for the benefit of the students, staff, and the School District. The same challenges exist as districts assess the content of the 2024/2025 amendments to the State Aid Act.
- **Pupil Count Trends:** During the pandemic, most public schools across Michigan experienced a decline in enrollment. Statewide enrollment has historically been slightly under 1.5 million students. Prior to the pandemic, annual enrollment figures were declining annually at about 10,000 students per year. However, during the pandemic, statewide enrollment decreased in excess of 50,000 students. As part of the Consensus Revenue Estimating Conference process, total enrollment is tracked and estimated. A key consideration in the projections continues to be to what extent the 50,000 student reduction will recover. Current data suggests that some portion returned as the rate of decline slowed, but enrollment will not recover to pre-pandemic levels. While this data is important statewide, it is very important at the local district level. Since the foundation allowance is computed on a per pupil basis, a stable and predictable enrollment will have a substantial impact on the financial picture. As a practical example, on average, it takes about 10 students to fully fund a teacher position. As districts continue to operate in the post-pandemic period, continued focus on recruiting and retaining students and families will be essential to improving student enrollment.

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

- The impact of a recession on school funding if it were to occur
- Fully utilizing the ESSER III allocation and how it will impact recurring operations once funding ends
- Staff retention and recruitment, including use of novel approaches, some of which are funded by state categoricals, for as long as they are in place
- Continued efforts at attracting and retaining students to the School District
- Pupil count trends and projections for school districts and school buildings to better plan staffing, infrastructure, and operational needs
- Evaluating programs addressing learning loss, including funding of programs once pandemic-related funding is concluded
- Assessing food service operations as entering the second year of the new state-funded free breakfast and lunch program
- Potential staffing cost increases
- Operating cost increases resulting from inflation
- Technology cost increases and access to technology learning tools
- Costs for school security and mental health services, especially with the reduction in funding in 2024/2025
- Identifying, recruiting, and retaining staff to provide mental health and school security services
- Cost trends for the retirement system and the extent to which state support is used from the School Aid Fund

The next Consensus Revenue Estimating Conference will occur in January 2025. As districts move into the 2024/2025 school year, they will need to carefully plan for how best to use current resources as well as begin to plan for potential adjustments going forward as state funding growth begins to slow.

Michigan School Meals

Beginning in the 2023/2024 school year and continuing for 2024/2025, a free breakfast and lunch is available to all students in Michigan schools. This program, initiated with the 2023/2024 amendments to the State Aid Act, provides state-funded meals to all students who do not qualify for a free meal under the National School Lunch and National School Breakfast programs. For 2023/2024, the School District received \$2,440,522.6 in state funding under Section 30d for this program. The revenue supports the Food Services Fund and replaces the revenue previously received from student-paid meals. As a result of the program, most schools saw an increase in meals served to students. Some key observations include the following:

- Participation is not automatic. Districts apply using the Coordinated Application in the State's NexSys system.

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

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

Grants Management

Grants have always been a substantive area in school operations. Typical federal programs seen in most districts include Title I, Special Education, and Child Nutrition. These and other programs continue to be important and require significant skill, attention, and time to account for and adequately deploy those resources. Additionally, with the advent of the pandemic, programs such as ESSER, GEER, and CRF have infused significant new federal resources into the School District. These events have significantly increased the workload, burden, and grants management risk across the School District. As the pandemic programs wind down and reach the end of their individual grant periods, federal agencies, along with state-level pass-through agencies, have increased their oversight and scrutiny over the overall administration of the federal programs, including heightened focus on internal controls.

This provides a significant challenge for the School District to ensure that resources, processes, and controls are in place and operating as designed. As the School District moves into the 2025 fiscal year, we suggest performing a risk assessment of its key processes and controls. This assessment and related action items can help ensure the School District has the pieces in place for an effective and efficient response to the grants management challenges and documented oversight reviews at the right levels.

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

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

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

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

Upcoming Accounting Pronouncements

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

GASB Statement No. 101 - Compensated Absences

School districts have historically been required to account for certain types of accumulated employee leave time in their financial statements; however, the existing standards were written many years ago, and significant changes have occurred since then related to the various types of compensated absences that exist today. The GASB adopted a new pronouncement that addresses the accounting for compensated absences, which include vacation, sick, and other paid leave time. Under GASB 101, the School District will record a compensated absence liability in the full accrual financial statements for leave time that (1) is attributable to services already rendered, (2) accumulates, and (3) is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability is to be recorded each reporting period, in the full accrual statements only, using each employee's pay rate as of the date of the financial statements. The new standard also removes the historic requirement related to disclosing the gross additions and reductions to the compensated absence liability in the financial statements, and, instead, a school district can disclose only the net change during the year. The new standard also removes the previous requirement to disclose which funds are responsible for liquidating compensated absence liabilities as they are paid.

This statement is effective for the School District's year ending June 30, 2025. The School District should begin to review the requirements of this new pronouncement, as it may have an impact on how the School District accounts for its compensated absence liability, including the cumulative effects of the accounting change on net assets as of July 1, 2024. Adoption will require assessments of historical data, and management should ensure this data is readily available to formulate assumptions.

GASB Statement No. 102 - Certain Risk Disclosures

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

GASB Statement No. 103 - Financial Reporting Model Improvements

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

Sinking Fund Legislation

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

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

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

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

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

We have been working with the administration to ensure it is familiar with the new requirements.

Bond Investment Earnings - Arbitrage Considerations

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

Inflation Reduction Act (IRA)

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

OMB Revisions to the Uniform Guidance

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

Capitalization Thresholds Under Uniform Grants Guidance

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

Understanding and Managing Potential Cyber Threats

Education continues to be one of the top targets for ransomware attacks. Legislation referred to as the K-12 Cybersecurity Act of 2021 was signed into law in October 2021 in recognition of the significant risk to school districts. This legislation has led to actionable guidance for K-12 organizations to act upon in order to strengthen their cybersecurity posture. Many K-12 organizations struggle to find adequate resources in the form of human capital or budget to adequately protect their information systems and critical data or, even worse, understand the risks associated with their use. Below are a couple key considerations:

- Do you know where all of the various data resides in the school district? PII, FERPA, HIPAA, and credit card (PCI) data all have very specific security and annual attestation requirements.
- Is your organization ready for the inevitable cyberattack? Ensuring all stakeholders, not just IT, know their role in cyber incident response is imperative to an effective response.
- Are you taking advantage of grant and other funding opportunities? K-12s should ensure they are taking full advantage of available resources.

Having an external party perform an assessment on vulnerabilities may provide additional support to the IT team for initiatives it is implementing and provides peace of mind for the board that vulnerabilities have been assessed and addressed. If you are interested in discussing this further, we would be happy to continue the conversation and be a trusted advisor in your cyber journey.

**Northville Public Schools
Northville, Michigan**



Our Purpose

In partnership with students, parents, and all stakeholders, Northville Public Schools will create flexible, learner-centered school communities that advance learning and leadership within every learner while fostering the skills and dispositions necessary for success.

Our Vision

All students will graduate from Northville Public Schools with the skills and dispositions necessary to maximize their potential as contributing members of a global society.

Our Commitment to All

In Northville Public Schools, diversity, equity, and inclusion are foundational to opening a World of Possibilities for and with every student. We commit to developing a community that fosters a sense of belonging, respect, and access for all in order for students across race, ethnicity, socioeconomic factors, abilities, and identities to reach their maximum potential.

Graduate Profile:

A Northville Public Schools Graduate has demonstrated a mastery of core knowledge and skills to become a/an:

Analytical Thinker

Who is a resourceful individual who uses core knowledge to process and manage information to solve problems.

Effective Communicator

Who comprehends and expresses ideas clearly through various means of communication.

Quality Contributor

Who continually seeks to achieve quality results through individual accountability, leadership and/or teamwork using multiple methods, technologies and resources.

Continuous Learner

Who improves self through lifelong learning with a sense of confidence to adapt to change, set, and achieve goals.

World Class Citizen

Who is responsible to self, others and the environment as a contributing member of a democratic society in a diverse world.

District Goals (2020-2025) with 24-25 Focus Areas

District Goals (2020-2025)

I. Foster Learner Profiles that Lead to Globally Competitive Graduates through personalization of learning; attainment of core competencies; and the alignment of globally ready characteristics with standards and assessments.

A. LEARNER PROFILE / 21st CENTURY SKILLS AND DISPOSITIONS

1. Foster growth, alignment and articulation of [The Leader in Me \(TLIM\)](#) habits; [International Baccalaureate \(IB\)](#) Middle Years Program [Learner Profile](#) and Northville Public Schools [Graduate Profile](#).
2. Each student will have an active role in developing individual learning goals based on data, developing action plans, and reflecting on progress.
3. Each student will have opportunities pre-kindergarten through graduation to explore, identify and develop their individual learning profile, areas of interest and strengths.
4. Career Exploration and Development: Students will have multiple opportunities to explore their interests and investigate career/future work options, including an experience in a field of interest or aptitude.

24-25 Focus: Develop strategic corporate partnerships and public sector partners to expand and multiply student's academic and wellbeing opportunities.

B. ACADEMIC GROWTH / CORE COMPETENCIES

For further information, refer to the District Improvement Plan on the District's website at http://www.northvilleschools.org/apps/pages/index.jsp?uREC_ID=350500&type=d&pREC_ID=760495.

1. All students will demonstrate growth in literacy skills.

- a. All kindergarten through eighth grade students will demonstrate growth in literacy/proficiency in reading as measured by NWEA (target=at least 60% achieving NWEA projected growth) and proficiency on state and local assessments.
- b. 100% of third grade students will demonstrate proficiency (pass rate), consistent with the provisions of MCL 380.1280f (third grade reading law), by 6/30/2025 as measured by the state assessment, local assessments and/or portfolio.
- c. At least 90% of students in grades eight through eleven will demonstrate growth in literacy as measured by college and career readiness benchmarks in Evidence Based Reading and Writing in English Language Arts on PSAT 8/9, PSAT 10 and SAT, and local assessments.

2. All students will become proficient in mathematical practice.

- a. All kindergarten through eighth grade students will demonstrate growth in mathematical practice standards and proficiency as measured by NWEA (target=at least 60% achieving NWEA projected growth), and proficiency on M-STEP and local assessments.
- b. At least 80% of students in grades eight through eleven will demonstrate growth in mathematical practice standards and proficiency as measured by college and career readiness benchmarks on PSAT 8/9, PSAT 10, and SAT, and local assessments.

District Goals (2020-2025) with 24-25 Focus Areas

3. All students will build capacity across the core competencies of Social and Emotional Learning.

- a. Increase student growth in self-awareness, self-management, social awareness, relationship skills, and responsible decision-making as measured by PBIS/MTSS data, perception data (Leader in Me, Panorama, etc.), and student goal-setting documentation.

II. A Culture of Learning and Leadership in Every School that empowers learners, develops leaders, and fosters intellectual curiosity.

- A. Foster alignment of Early Childhood Program philosophy, [The Leader in Me](#) framework, International Baccalaureate Learner Profiles, and Northville Public Schools Graduate Profile from pre-kindergarten through graduation. (Aligns with Goal I.A. and V.A.)

24-25 Focus: In the fall of 2024, the Young 5's/Junior Kindergarten Program began at Ridge Wood and Winchester Elementary Schools. The community is thrilled with programming. Longitudinal data will be reviewed annually to ascertain its impact.

- B. Identify essential components of school culture that promote high levels of student ownership and engagement in classroom and school communities.

24-25 Focus:

- a. NPS is committed to world class Community Building through each and every stakeholder within our schools and community. To that end, the district will continue to build capacity to deepen the implementation of Restorative Practices through ongoing coaching and support from building and district leadership.
- b. NPS has applied to have a second cohort for the MASA's Beyond Equity 12-month program for professional learning. This work would begin in the fall and will result in connecting our Commitment to All within our community and culture.

- C. Ensure processes that support high levels of staff engagement and collective responsibility for student learning as contributing members of professional learning communities at the department, school and district level by providing staff with opportunities to lead collaborative work and strengthen the skills of those with whom they work.

24-25 Focus:

- a. Community Building through the implementation of Restorative Practices learning by all staff members, as evidenced by leadership expectations, demonstrated staff practice and professional development focus throughout the year. (PCC1)

III. Re-Imagined Curriculum and Instruction that is relevant, responsive, and personalized; aligned instructionally from pre-kindergarten through graduation; customized to encourage student ownership over time, place, path and pace; and learning environments that reflect the technology tools of today from pre-kindergarten through graduation.

A. 21st CENTURY CURRICULUM DESIGN

1. Develop a coherent and aligned pre-kindergarten through graduation unit design framework based on best practice and that integrates [IB MYP](#) unit components at the secondary level.

24-25 Focus:

District Goals (2020-2025) with 24-25 Focus Areas

- a. Curriculum and content teams will continue to refine lesson design and unit development to reflect student ownership of learning and allow for multiple points of access to learning with flexibility over time, place, path, and pace. Exemplar models will be identified and highlighted in [Schoology](#) to further this work and allow for sharing of resources across the district. These lessons and units will follow a consistent format within the Schoology system.
 - b. In preparation for our upcoming IB visit, IB Coordinators are reviewing the Preliminary Review in IB Concierge. Staff will continue to attend various trainings offered through IB and further develop the units of study. Trained staff will support building a wide knowledge base for all staff. The importance of reviewing choice at the middle school level and IB programming requirements to support student achievement.
 - c. Strengthen access to learning for all by incorporating the elements of [Universal Design for Learning \(UDL\)](#) into our curriculum design.
2. Study and Align K-12 Grading Practices.
- 24-25 Focus: The Secondary Grading Practices Committee will continue to meet this year to continue our review and recommend additional universal grading practices for implementation for the 25-26 school year based on work that began last year. The focus will continue to be on creating practices that provide meaningful and accurate information to students and parents. The committee will also work on a communication plan for making parents and students aware of the upcoming changes and take time to gather feedback on those proposed changes.
3. Articulate comprehensive pre-kindergarten through graduation assessment plan, reflecting a balance of formative, summative and state and/or nationally normed assessments.
- 24-25 Focus: We will launch a pilot of the iReady Assessment in select K-8 classrooms to evaluate its potential as a more effective tool for providing meaningful insights to teachers, students, and parents. If it proves to be of greater value, it could serve as a replacement for the NWEA. Simultaneously, we will continue to strengthen our comprehensive K-12 assessment framework across all core content areas. This includes enhancing the use of data from our management systems—Illuminate, BAA, EVAAS, Munetrix, College Board, NWEA, and MiDataHub—along with universal screeners and progress monitoring tools. Our goal is to build capacity in data utilization and further improve the tracking of student progress through evidence-based interventions and ongoing assessment.
4. Develop comprehensive components of social and emotional learning that can be embedded into the curriculum framework that address the non-academic needs of students in the classroom.
- 24-25 Focus:
- a. Community Building through eight sessions of Restorative Practices Coaching by IIRP coaches during the school year.
 - b. Development of student-led Restorative Practices initiatives within the building with support from our new Northville IIRP trainers and coaches.
 - c. Continue health/[SEL](#) education options at the secondary level, including the further strategic use of Second Step, Be Nice and Safe Schools for Students modules to support student social emotional health and development. We will also utilize the Health Advisory Board and administrative team to further research best practice programming to support health/SEL initiatives.

District Goals (2020-2025) with 24-25 Focus Areas

- d. Complete integration of Panorama. Train mental health staff on how to navigate and analyze results from SEL screener Panorama. Expand student pathways at the secondary level, providing more options for students to identify their areas of interest and passion, and prepare for the future of work.
1. Build capacity with instructional design, digital learning tools, and creation of a robust digital learning platform.

24-25 Focus:

- a. Continue to monitor the digital learning tools available to teachers and students for levels of usage, quality, and academic return on investment to determine which digital learning tools should be renewed, discontinued, or replaced.
 - b. Continue to utilize learning management tools like Schoology, Clever, and Grade Guardian to direct student learning and provide just-in-time feedback to students. Further, we will continue to push the use of these specific tools to allow our teachers to support students by making it possible for learning to take place anywhere, anyplace, and anytime.
 - c. In the coming year, Northville Public Schools will focus on deepening the integration of AI tools into instructional design and digital learning platforms, building on the foundation laid through prior training and procurement of key AI resources. We will continue to support and train our teachers to maximize the potential of these tools in enhancing personalized learning and improving student outcomes. This will be paired with ongoing monitoring and evaluation of AI tools to ensure they are used effectively, ethically, and equitably. At the same time, we will stay vigilant, exploring emerging AI technologies and their potential impact on the educational landscape, ensuring that Northville remains at the forefront of innovation while maintaining a student-centered approach.
2. Embed high impact instructional practices into every classroom.

24-25 Focus (coaching based on data supporting all staff):

- a. Continue literacy coaching and modeling for all K-5th grade teachers and learning consultants through the use of our Literacy Coaching Team. Utilize 35j funding to provide professional learning and resources supporting the science of reading and best practices. Coaching will focus on explicit phonics instruction using UFLI and implementing learning pathways for teacher coaching and teacher to teacher collaborative opportunities. Professional learning will be grounded in the Education Leadership Network (GELN) Essential Instructional Practices. Coaches to address legislation mandates, as they come forward, such as dyslexia.
- b. Continue math coaching with all Young 5's through Algebra 1 math teachers utilizing Northville Public Schools mathematics programs and resources. For classroom teachers, coaching will focus on the continuous implementation of research-based practices identified by the [National Council of Teachers of Mathematics \(NCTM\)](#); [Instructional Framework for Mathematics: Tier I Ambitious Math Instruction](#); and [MAISA Math Essentials](#). Grade level and across grade level Teacher to Teacher Collaboratives will provide staff opportunities to engage in job-embedded learning and professional book studies relative to the district's math programs and resources, as well as authentic student engagement. Teachers will observe student learning in each other's classrooms, identify and experiment with instructional practices that increase student understanding. For learning consultants and resource room

District Goals (2020-2025) with 24-25 Focus Areas

teachers, coaching will guide teachers' use of assessment data and analyses to meet the needs of students experiencing learning loss and/or loss of instructional time.

- c. Instructional Technology Integration Coordinator: Provide comprehensive professional development for teachers to effectively implement AI-driven tools and digital learning platforms, ensuring these technologies are used to tailor educational content to diverse student needs and support learning. Continuously assess the usage, quality, and academic return on investment of these tools to make data-driven decisions on their renewal, discontinuation, or replacement. Conduct monthly workshops, offer one-on-one coaching sessions, develop resource guides, and regularly collect feedback to support this goal.
 - d. Perhaps as equity work continues, consider equity or culturally responsive coaching as a possible resource.
3. Continue to implement the key components of our Multi-Tiered Systems of Support (MTSS) framework PreK-12 and strengthen our practices with defined data-driven decision-making practices for determining tiered intervention through triangulating multiple data points, identifying targeted skills and determining evidence-based interventions for targeted skills with the appropriate progress monitoring tools.

24-25 Focus:

a. Pre-K:

1. The Pre-K team will be designing and implementing a system (as part of MTSS) to provide increased intervention to students which includes small group and coaching support for staff.
2. The pre-k and young 5's teams will collaborate regarding transition to k to ensure there is awareness of current MTSS support.
3. Support training/awareness regarding the updated suicide/self harm risk assessment for staff.

b. Elementary:

1. Community Building through the implementation of Restorative Practices learning by all staff members, as evidenced by leadership expectations, demonstrated staff practice and professional development focus throughout the year.
2. Establish SEL support and bridge MTSS programs for the Young 5 classrooms.
3. Update Suicide/Self Harm risk assessment/process and train administrators and mental health staff upon completion. Support implementation as need arises. Build awareness across the District regarding the process.
4. MTSS will collaborate to align the intervention process across all elementaries.

c. Secondary:

1. Community Building through the implementation of Restorative Practices learning by all staff members, as evidenced by leadership expectations, demonstrated staff practice and professional development focus throughout the year.
2. Implement Panorama screening tool two times during the 2024-25 school year. Additionally, we will be training staff to access and use the student success platform in Panorama to enhance our MTSS processes and data based decision making.
3. Continue partnerships with outside agencies such as use of the New Hope Center for Grief Support MOU that provides the option of 8 week facilitated grief groups and/or targeted individual sessions with New Hope Social Work (up to 4 sessions). Support training/awareness regarding the updated suicide/self harm risk assessment for

District Goals (2020-2025) with 24-25 Focus Areas

staff. Serve on the county suicide prevention coalition and participate in development of county youth coalition.

4. Expansion of our transition programming to include Mustang Mentors who support freshman students using Restorative Practices as a foundation.

d. Cooke:

1. Community Building through the continued implementation of Restorative Practices learning by all staff members, as evidenced by building vision & action plan, demonstrated staff practice and professional development, as well as building Restorative Leadership team work with all staff.
2. Implement a tiered system of supports aligned with the Districts MTSS framework based on the work done in 23-24.
3. Implement SEL including using 2nd step, SEL competencies, Zones of Regulation PBIS tenants & curriculum, and begin to add Restorative Practice within classroom teams departments, and programs.
4. Collaborate with the new Transition Coordinator to better support students and families in transition related training and resources with staff.
5. Update Suicide/Self Harm risk assessment/process and train administrators and mental health staff upon completion. Support implementation as need arises. Build awareness across the District regarding the process.

4. Pursue opportunities to strengthen inquiry-based, hands-on, and project-based learning (engaging pedagogy) across content areas.

24-25 Focus:

- a. In partnership with the Northville Education Foundation and corporate sponsors, we are committed to continuously enhancing and expanding our K-5 STEAM offerings, focusing on increasing rigor and providing students with project-based, student-driven opportunities such as robotics, neuroscience, and Science Olympiad. With the successful implementation of our full-time K-5 Maker Space STEAM/Design Thinking course, supported by enhanced materials, curriculum, and teacher training, students are now entering middle school with a solid foundation in STEAM learning. As a result, we are beginning a comprehensive review of higher-level and more effective STEAM offerings at the middle school level, leveraging improved equipment and resources to further elevate student experiences. Our goal is to align middle school programs with the skills and knowledge necessary for future careers, preparing students for the evolving job market through advanced robotics, engineering, and design thinking opportunities. This forward-looking approach ensures that our STEAM curriculum continues to grow and adapt, equipping students with the skills they need for success in the future.

IV. **Effective Communication** to and from all Northville Public Schools stakeholders that is timely and relevant and creates opportunities for active involvement.

- A. Maintain and enhance avenues for stakeholder communication (i.e. List Serv, newsletters, website, surveys, 'coffee chats', community forums, focus groups, social media.)
- B. Foster meaningful opportunities for parent, student and community partnership.

24-25 Focus:

1. Extend the district, building and classroom Community Building work with Restorative Practices to community centered learning and collaboration opportunities.

District Goals (2020-2025) with 24-25 Focus Areas

2. Develop additional opportunities for our parents and community members to learn about and/or be trained in IIRP using our Northville IIRP trainers.
3. Continue to collaborate with community partners through **Northville CARES for Youth Advisory Council** (Connecting to Advance Resources, Engagement and Support) including but not limited to: Northville Youth Network, Northville Council of PTAs, Northville Parents of African American Students (NPAAS), New Hope Center for Grief Support, Hegira Health, Growthworks, NAMI, Color My World and Northville City and Twp Public Safety to work together to encourage the development of healthy youth.
 - a. Continue to expand the opportunities for student voice / student representation on the Council.
 - b. Continue to create greater reach to community members beyond Northville CARES steering committee
4. With the guiding support of our Board of Education and the Communication Focused Sub-Committee of the Board, the district will build strategic marketing/ communication plans to attract/sustain enrollment in Northville Public Schools.
5. Work with Special Olympics to implement Unified activities throughout the district as part of our Commitment to All.
6. Continue monthly staff newsletters, Bi-Weekly Ad Council communications, and bi-annual community mailer.
7. Incorporate a forward-facing board book on our website for stakeholders to access board information and presentations.
8. Explore options for our website management and branding. The district's current contract with Edlio is set to expire June, 2025.

V. Organizational Effectiveness that strengthens strategic planning and provides leadership at all levels of the school system, with performance management indicators including quality school system indicators, fiscal responsibility and facility maintenance.

- A. ACCREDITATION PROCESSES** are aligned with, and support district and school level vision and goals.
1. National Association for the Education of Young Children (NAEYC) Accreditation of Early Childhood programs
 2. *The Leader in Me* (TLIM) process at the elementary level.

24-25 Focus: Each elementary school will continue to advance their work with Leader in Me, as outlined in their Lighthouse Team and School Improvement goals. Schools will collaborate closely with Leader in Me to complete the recertification process and maintain the high standards expected of a Leader in Me Lighthouse school. Ridge Wood, Amerman, Silver Springs, Moraine, Thornton Creek, and Winchester will all focus on sustaining the quality of their leadership programs, ensuring they meet the expectations for recertification. Additionally, Silver Springs, having received the prestigious Leader in Me Legacy Award in 2023, will begin work to establish global partnerships, further enhancing their leadership initiatives. The ongoing partnership with Leader in Me will help all schools uphold the leadership, culture, and academic excellence that define a Lighthouse school.

3. International Baccalaureate (IB) Middle Years Program (MYP) and Diploma Program (DP) implementation and authorization.

District Goals (2020-2025) with 24-25 Focus Areas

24-25 Focus: The IB Coordinators completed a multi-program International Baccalaureate Self Study (MYP/DP) which was submitted in June 2024. The secondary buildings will host an evaluation visit in November 2024 to receive accreditation for five additional years.

B. HUMAN RESOURCES

1. Utilize effective systems and practices that lead to attracting, screening, hiring, developing and retaining the best available personnel to work in our schools.

24-25 Focus:

- a. Continue pursuing strategies to attract and retain talent, particularly in areas of potential shortage, seek to increase staff diversity and consider potential succession planning opportunities.
 - b. Develop strategic partnerships with colleges and universities to develop staff pipelines.
2. Utilize systems of performance evaluation for employees that foster best practices, collaboration and accountability that will lead to quality outcomes for students and their learning.
 3. Reach mutual agreements with respective employee groups that consider the interests and contributions of employees, while also prioritizing attracting and retaining personnel balanced with maintaining fiscal stability.

24-25 Focus: Continue to build collaborative relationships and open communication channels with employee groups that support the district's mission and vision.

4. Explore opportunities to strengthen and support the health and well-being of District employees.

24-25 Focus: Create a Health Care Committee where staff representing all areas of the district can develop a deeper understanding of healthcare and wellness.

5. Ensure the ongoing review, development and maintenance of Board policies and administrative procedures that support the obligations, interests and responsibilities of the district.

C. FISCAL STABILITY / OPERATIONS

1. Maintain fiscal stability, while providing educational programs and services within structurally balanced budget targets while maintaining a fund balance of at least 11%.

24-25 Focus:

- a. Collaborate with the Office of Instruction and Special Services to seek new grant opportunities to enhance District revenue, while monitoring expenses to minimize operating costs.
 - b. Support contract negotiations with historical financial data and projections to assist in evaluating contract proposals.
2. Ensure district capability to anticipate and respond to strategic changes / opportunities in educational service and delivery systems through sound fiscal planning.

24-25 Focus: Allocate financial resources to support additional programmatic opportunities and innovation, as identified by Central Office and Building Administration.

District Goals (2020-2025) with 24-25 Focus Areas

3. Develop a strategic approach to capture/maintain enrollment, while monitoring short-term and long-term trends that impact funding, programs, and staffing.

24-25 Focus: Monitor enrollment trends and projections relative to future revenue changes, and identify possible programmatic opportunities that may serve to capture, or re-capture, student enrollment.

4. Strategic and efficient use of grants and other external sources of revenue serve to maximize General Fund dollars.

24-25 Focus:

- a. The District's Director of Community Partnerships and Wellness will prioritize the development of partnerships that can potentially offset general fund costs through mutually beneficial service agreements .
- b. In conjunction with Food Service, Human Resources, Building Administrators and the Business Office, implement the Michigan School Meals Program (Section 30d) in all school buildings.

5. Align instructional expenditures with available general fund resources, while leveraging funding sources to maintain district facilities, while minimizing the impact to General Fund dollars.

6. Maintain a safe school environment for students, staff and visitors.

24-25 Focus:

- a. Lead the District Safety Committee in a review process of our current Emergency Operations Plan to ensure alignment to the newly released Michigan State Police guidance on school safety. making updates and training staff on new standards as appropriate.

7. Continue to explore the most effective use / re-use of district buildings and properties to support the programmatic and administrative needs of today's and tomorrow's learners.

24-25 Focus:

- a. Conduct a comprehensive facilities usage and anticipated growth and decline area review for the purpose of structuring programming spaces to ensure optimum usage of building resources.
- b. Continue monitoring the roll out of the 2023 Capital Bond program in collaboration with the Superintendent, Office of Instruction, Operations and our key facilities partners to ensure careful planning of improvements, while keeping project spending with bond targets.
- c. Work with the District Communications office to provide all school-based and community stakeholders with timely updates on the 2023 Capital Bond program progress.

District Goals (2020-2025) with 24-25 Focus Areas

DISTRICT GOALS - GLOSSARY OF TERMS

BESS (Behavioral and Emotional Screening System): The BESS is a component of the BASC-3(Behavior Assessment System for Children)that offers a quick and systematic way to determine behavioral and emotional strengths and weaknesses of children and adolescents in preschool through high school. Results provided include Internalizing risk index(emotional, anxious, depressed), Self-Regulation risk index (executive functioning), Personal Adjustment risk index (relationship/interpersonal skills) and Behavioral and Emotional risk index (summary score)

BESS Groups: Students identified through a universal screener and/or the MTSS process as having a need for further information and possible support are selected to complete the BESS screener. Using data obtained from the BESS screener intervention groups are developed to provide targeted support related to a specific index area. These groups may focus on executive functioning, anxiety and depression, and/or social skills. Groups run for an intervention cycle with progress monitoring through the Flex Monitor (a component of the BESS screener system. Students may participate in multiple intervention cycles as needed based on progress monitoring data.

Collaborative for Academic, Social, and Emotional Learning (CASEL): A leading authority with 25 years of experience in providing high-quality evidence based guidance, direction, research and resources regarding social and emotional learning. CASEL is also the authority on which MDE defines their social and emotional learning focus and direction. CASEL is a 501c3 organization working to bridge the gap for schools as we all work to address the increased social and emotional needs of students and parents. CASEL has spent a large amount of time researching and vetting resources that are trusted and reliable. Resources that meet the standards set, are identified as CASEL SElect Programs. Receiving the CASEL SElect Program endorsement is a high mark for companies and programs providing these resources. Last year, Leader in Me was identified as one of those [CASEL SElect Programs](#) because the 7 Habits and Leader in Me program align with CASEL's expectations for those providing social and emotional learning support. [CASEL Competencies/Definitions:](#)

Self-Awareness: The ability to accurately recognize one's own emotions, thoughts, and values and how they influence behavior. The ability to accurately assess one's strengths and limitations, with a well-grounded sense of confidence, optimism, and a "growth mindset."

Self-Management: The ability to successfully regulate one's emotions, thoughts, and behaviors in different situations — effectively managing stress, controlling impulses, and motivating oneself. The ability to set and work toward personal and academic goals.

Social Awareness: The ability to take the perspective of and empathize with others, including those from diverse backgrounds and cultures. The ability to understand social and ethical norms for behavior and to recognize family, school, and community resources and supports.

Relationship Skills: The ability to establish and maintain healthy and rewarding relationships with diverse individuals and groups. The ability to communicate clearly, listen well, cooperate with others, resist inappropriate social pressure, negotiate conflict constructively, and seek and offer help when needed.

Responsible Decision-Making: The ability to make constructive choices about personal behavior and social interactions based on ethical standards, safety concerns, and social norms. The realistic evaluation of consequences of various actions, and a consideration of the wellbeing of oneself and others.

District Goals (2020-2025) with 24-25 Focus Areas

Community Building: Community building is the process of creating or improving a sense of belonging and connection among a group of people in a specific area or with a shared interest

Diversity, Equity, Inclusion (DEI): Diversity is the presence of differences within a given setting. Equity is attainable where processes and programs are impartial, accessible, and provide equal possible outcomes for every individual. Inclusion is the practice of ensuring that people feel a sense of belonging.

Educational Development Plan (EDP): A document containing a student's education and career goals and a way to achieve those goals. It is more comprehensive than a schedule of classes because it includes information a student can use to make wise choices about career options. It is developed for the first time in 7th grade and is reviewed annually as the student moves forward in their path of study.

Early or Middle College Program: An Early and/or Middle College is a five-year program of study that may begin as early as grade 9 and is designed to allow a pupil to earn a high school diploma while also earning 60 transferable college credits toward a four-year degree from a Michigan public or private university, an associate degree from a community college, a *professional certification, the Michigan Early Middle College Association (MEMCA) technical certificate

Emergency Operating Plan (EOP): A document that outlines procedures and guidelines to assist District staff when responding to present and/or potential incidents or hazards facing students, staff and schools. The document includes a basic plan that applies to all District buildings, and hazard-specific supplements (annexes) that pertain to individual school buildings. The EOP also contains a detailed plan for reunification in the event a specific hazard/incident requires building evacuation and movement of students off building premises to a designated reunification site.

5 Dimensions of Teaching and Learning™ Instructional Framework: A comprehensive, research-based and growth-oriented instructional framework categorized into five dimensions: *Purpose, Student Engagement, Curriculum and Pedagogy, Assessment for Student Learning, Classroom Environment and Culture*. Most powerful are the *core ideas* that underlie each of the five dimensions of the framework—equity; student agency and ownership in their learning; student independence with the learning; and rigorous intellectual work – which are fully aligned with Northville Public Schools' core work to *create flexible, learner-centered school communities that advance learning and leadership within every learner while fostering the skills and dispositions necessary for success*.

Also known as the **5D+ Framework for Teaching and Learning**, it is one of MDE's approved frameworks for teacher evaluation in Michigan. Developed at the University of Washington's Center for Educational Leadership (CEL) the research-based framework for professional practice provides a common language for specific indicators across the five Dimensions referenced above, along with the "plus", or additional category labeled Professional Collaboration and Communication (PCC.) Consistent with Michigan law, the 5D+ framework comprises 75%-60% of the teacher evaluation, with the rest being made up by student growth measures.

International Baccalaureate (IB) Learner Profile: The IB Learner profile identifies outcomes fostered through the IB program, and are described as characteristics learners strive to be: Inquirers, Knowledgeable, Thinkers, Communicators, Principled, Open-Minded, Caring, Risk-Takers, Balanced, and Reflective.

District Goals (2020-2025) with 24-25 Focus Areas

IB MYP: The International Baccalaureate (IB) Middle Years Programme (MYP) is designed for students in grades 6-10. It creates a student-focused curricular framework that addresses students' intellectual, social, emotional, and physical well-being; and promotes inquiry and partnership of learning between home, school, and the broader community.

IB DP: The International Baccalaureate (IB) Diploma Programme (DP) for students aged 16 to 19 is a demanding two-year curriculum leading to final examinations and a qualification that is welcomed by leading universities around the world. In other words, offering the IB DP at a public secondary high school helps keep the district and stakeholders current with globally integrated curricula trends, in particular student-driven project-based learning opportunities and interdisciplinary reflections.

IB ATL: International Baccalaureate Approaches to Learning (ATL) are deliberate strategies, skills and attitudes that permeate the teaching and learning environment. ATL supports the IB belief that a large influence on a student's education is not only what you learn but also how you learn.

MICIP: Michigan Integrated Continuous Improvement Process is the new State of Michigan School Improvement Process that will begin being rolled out in November at the annual Michigan Continuous Improvement Conference. This new model replaces the AdvancEd system and ASSIST platforms that are currently used. These systems have traditionally focused only on academic outcomes. **MICIP** is an improvement model that allows districts to assess the needs of the whole child and to include both academic and social and emotional needs. While this is something NPS has already begun to do using the current model, we have made it work using a system that is not designed to do so. In this new system, we will not only be able to include these non-academic areas, but it will be a requirement that these areas be addressed as you look at the needs of the whole child.

National Association for the Education of Young Children (NAEYC): A non-profit professional membership and accreditation organization promoting quality early learning programs for children birth – eight years of age. NAEYC's vision is that all young children thrive and learn in a society dedicated to ensuring they reach their full potential. Play, discovery and developmentally appropriate experiences are part of the core beliefs of NAEYC.

NAEYC Accreditation: A comprehensive, evidence-based process utilizing Early Learning Standards and Accreditation Criteria, with a set of ten standards for quality early childhood programs that were revised most recently in January 2018. The **NAEYC accreditation** system sets the standard for excellence—for families, the early childhood education profession as well as the public. The NAEYC process includes gathering evidence of each of the standards through a self-study and documentation process, followed by a site visit that provides an independent assessment that a program fully meets NAEYC's rigorous Early Learning Program Standards.

NaviGate: A school safety software platform designed to help schools execute and manage an effective school safety program. It contains the Districtwide Emergency Operations Plan (EOP) for managing specific incidents, hazards or threat, and includes the supplements (annexes) for each school building. The software also includes a Student Accountability module, enabling staff to account for each student during the course of a safety-related event, whether it is a safety drill, or an actual incident, hazard or threat.

NPS Graduate Profile: A description of skills and dispositions (qualities, strengths, interests) developed in the learner and/or evidenced in the graduate. For example, the **NPS Graduate Profile** (originally

District Goals (2020-2025) with 24-25 Focus Areas

identified in 1994) includes: Analytical Thinker, Effective Communicator, Quality Contributor, Continuous Learner, and World Class Citizen.

Project Lead the Way (PLTW): A nonprofit organization that provides course content in the sciences with a focus on empowering students to develop and apply in-demand, transportable skills by exploring real-world challenges. Through the pathways in engineering and biomedical science, students not only learn technical skills, but also learn to solve problems, think critically and creatively, communicate, and collaborate. Northville Public Schools offers PLTW courses in grades 6-12.

Read By Grade Three - In 2016, the Michigan Legislature passed a law that requires schools to identify learners who are struggling with reading and to provide additional help. Students who are identified as needing help are required to have an Individualized Reading Improvement Plan, better known as an IRIP.

Restorative Practices/Community Building: Restorative practices provide students and caring adults with an intentional, inclusive, and respectful way of thinking about, talking about, and responding to behavioral issues.

Schoology - **Schoology** is the Northville Public Schools online learning management system (LMS) that supports curriculum organization, classroom and assignment management and communication. **Schoology** is an integral part of how teachers design and implement their lesson plans, assignments and grades, and communicate with students and parents. Students will use **Schoology** to view updates for their class, share content with the teacher and classmates and view their grades and assignments. For more information, please visit the NPS [website](#).

STEAM: Acronym for **S**cience, **T**echnology, **E**ngineering, **A**rts and **M**ath instruction. The five areas are blended together to allow students to study their interrelation.

TLIM – The Leader in Me (TLiM) is an evidence-based, comprehensive-school wide model developed in partnership with educators that empowers students with the leadership and life skills they need to thrive in the 21st century. This framework aligns with the NPS district goal to foster a culture of learning and leadership in every school that empowers learners, develops leaders and fosters intellectual curiosity. The framework addresses the teaching of leadership principles, creating a leadership culture, and aligning academics through a robust goal-setting process, student-led academics and empowering instruction. *The Leader in Me* (TLiM) framework is endorsed by the non-profit Collaborative for Academic and Social-Emotional Learning (CASEL), which promotes the integration of academic with social-emotional learning through evidence-based practices. [CASEL has endorsed TLiM](#) as “extensive” in its support for opportunities for students to practice social-emotional skills, with support for the classroom-wide context, school-wide context, family context and community context.

All six of our elementary schools have achieved the **Lighthouse School** milestone in the *Leader in Me* process. To become a Lighthouse School, the school must provide evidence aligning with the TLiM elements, and Lighthouse criteria. Following an intensive day of observations, interviews, data analysis, and a thorough review of the school’s evidence portfolio, the school receives a report noting areas of strength and celebration, along with areas for growth and improvement, along with a determination of certification as a Lighthouse School. Schools maintain their Lighthouse certification for two years and



District Goals (2020-2025) with 24-25 Focus Areas

continue to foster their growth in exemplifying a leadership culture. At the end of the two years, schools, and are required to recertify to maintain their Lighthouse certification, which involves a virtual self-study process at the two-year mark, and hosting an onsite Lighthouse Recertification review at the four year mark.

Universal Design for Learning (UDL): Universal Design for Learning (UDL) is an approach to teaching and learning that gives all students an equal opportunity to succeed. This approach offers flexibility in the ways students access material and show what they know. UDL also looks for different ways to keep students motivated.

Wellbeing: The state of being comfortable, healthy, or happy.

Xello: Xello is an Internet-based college and career exploration and planning tool used by students to explore career and college options and develop a career plan. It replaces the former Career Cruising and Naviance, and is being utilized by middle and high school students in the development of an [Educational Development Plan \(EDP\)](#), high school course planning, and college planning.

Memo

TO: RJ Webber, Superintendent

FROM: Rebecca Pek, Assistant Superintendent of Human Resources & Development

CC: COLT Administrators

DATE: November 7, 2024

RE: Insulin Litigation

Entities across the country have begun participating in a comprehensive lawsuit against several insulin manufacturers, pharmacy benefit managers, and other parties accused of artificially raising insulin prices, impacting employers and health plan entities, including insurance pools.

Entities eligible to join the lawsuit encompass self-insured employers, employers contributing to employee medical benefit plan costs or other healthcare expenses, and insurance pools.

Frantz Law Group, a California-based law firm with expertise in mass litigation, is representing the entities involved in this insulin litigation. They have requested that Thrun Law Firm ascertain whether its clients are interested in participating in the lawsuit and, if so, to facilitate communication with Frantz Law Group.

After discussions with Thrun Law Firm, the district conducted a comprehensive analysis of the impact of insulin pricing on our self-insured plans and shared our findings with the Committee of the Whole on September 17th.

Key highlights regarding the contract include:

- A preliminary review of our data indicates that approximately \$400,000 was expended on insulin costs over the period specified in the lawsuit (4.5 years). Further information will be requested through the lawsuit, which is anticipated to reveal additional expenses.
- The district will incur no financial costs to participate; it is estimated that about 20 hours of staff time will be required to provide the requested information. The Office of Human Resources can readily accommodate this obligation within its standard workflow.
- Frantz Law Group, the representing attorney, will receive thirty percent (30%) of any monetary settlement or recovery secured for Northville (after applicable fees are deducted).

Following discussions during the Committee of the Whole meeting on September 17th, the Board members present reached a consensus to move forward with this matter. We recommend that the Board of Education approve the presented resolution and agreement to participate in the mass litigation.

INSULIN LITIGATION RESOLUTION

A regular meeting of the Northville Public Schools (“Entity”) Board of Education (the “Board”) was held on the 12th day of November, 2024 at the following time: 6:30 p.m. (“Meeting”).

The Meeting was called to order by _____

Present:

Absent:

The following preamble and resolution were offered by Member _____ and supported by Member _____.

WHEREAS:

1. Entities nationwide have recently started joining a nationwide lawsuit against various insulin manufacturers, pharmacy benefit managers, and other defendants accused of artificially inflating insulin prices at the expense of employers and health plan entities, specifically Case No. 2:23-md-03080 in the United States District Court for the District of New Jersey (“Lawsuit”).

2. Entities in the Lawsuit are being represented by Frantz Law Group, APLC, a California professional law corporation (“Frantz”).

3. Thrun Law Firm, P.C. referred the Entity to Frantz for the Lawsuit.

4. The Board believes it is in the Entity’s best interests to join the Lawsuit on the terms specified in the attached Attorney-Client Fee Contract.

5. The Board believes it is in the Entity’s best interests to authorize and direct the Superintendent or designee to sign the attached Attorney-Client Fee Contract on behalf of the Entity and to take such other action as necessary to obtain monetary damages for the Entity in the Lawsuit, subject to review by the Entity’s legal counsel.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board decides to join the Lawsuit on the terms specified in the attached Attorney-Client Fee Contract.

2. The Board authorizes and directs the Superintendent or designee to sign the attached Attorney-Client Fee Contract on behalf of the Entity and to take such other action as necessary to obtain monetary damages and injunctive relief for the Entity in the Lawsuit, subject to review by the Entity’s legal counsel.

3. All resolutions and parts of resolutions that conflict with the provisions of this resolution are rescinded.

Ayes:

Nays:

Absent:

Motion Passed:

Board Secretary

The undersigned duly qualified and acting Board Secretary hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Board at the Meeting, the original of which is part of the Board's minutes. The undersigned further certifies that notice of the Meeting was given to the public pursuant to the provisions of the "Open Meetings Act" (Act 267, Public Acts of Michigan, 1976, as amended).

Board Secretary

Date: _____, 202__

ATTORNEY-CLIENT FEE CONTRACT

The ATTORNEY-CLIENT FEE CONTRACT (“Agreement”) is entered into by and between Northville Public Schools, whose address is 405 W. Main Street, Northville, MI 48167 (“Client”) and Frantz Law Group, APLC, a California professional law corporation (“Attorneys” or “We”) and encompasses the following provisions:

1. **CONDITIONS.** This Agreement will not take effect, and Attorneys will have no obligation to provide legal services, until Client returns a signed copy of this Agreement.

2. **AUTHORIZED REPRESENTATIVES**
 - A. **CLIENT REPRESENTATIVES.** Client designates the Superintendent, or designee, as the authorized representatives to direct Attorneys and to be the primary individuals to communicate with Attorneys regarding the subject matter of Attorneys’ representation of Client under this Agreement. The designation is intended to establish a clear line of authority and to minimize potential uncertainty but not to preclude communication between Attorneys and other representatives of Client.

 - B. **ATTORNEY REPRESENTATIVES.** James Frantz, William Shinoff, and Regina Bagdasarian of Frantz Law Group, APLC will be primarily responsible for the work, either performing it himself/herself or delegating it to others as may be appropriate. The Client shall have the right to approve or veto the involvement of each of the attorneys on its cases. Attorneys will be added or deleted from the list only upon prior Client approval.

3. **SCOPE AND DUTIES.** Client hires Attorneys to provide legal services in connection with pursuing claims for damages associated with the Insulin litigation, specifically Case No. 2:23-md-03080 in the United States District Court for the District of New Jersey (“Action”). Attorneys shall provide those legal services reasonably required to represent Client, and shall take reasonable steps to keep Client informed of progress and to respond to Client’s inquiries. Client shall be truthful with Attorneys, cooperate with Attorneys, and keep Attorneys informed of developments. Attorneys will assist in negotiating liens, but will not litigate them.

4. **LEGAL SERVICES SPECIFICALLY EXCLUDED.** Unless otherwise agreed in writing by Client and Attorneys, Attorneys will not provide legal services with respect to (a) defending any legal proceeding or claim against the Client commenced by any person unless such proceeding or claim is filed against the Client in the Action or (b) proceedings before any federal or state administrative or governmental agency, department, or board. With Client’s permission, however, Attorneys may elect to appear at such administrative proceedings to protect Client’s rights. If Client wishes to retain Attorneys to provide any legal services not provided under this Agreement for additional compensation, a separate written agreement between Attorneys and Client will be required.

5. FEES. Client will pay attorneys' fees to Attorneys of thirty percent (30%) of any monetary settlement or recovery that Attorneys obtain for Client, provided that such fee will be paid only by money recovered from defendants in the Action (collectively, the "Total Fee"). Thrun, Maatsch and Nordberg, P.C., a Michigan professional corporation d/b/a Thrun Law Firm, P.C. (Thrun) will receive thirty five percent (35%) of the Total Fee, as discussed in more detail in Paragraph 6, below. The Action does not involve a claim or action for personal injury or wrongful death (see MCR 8.121(A)).

Fees shall be calculated on the basis of any settlement or recovery prior to the deduction of any expense or cost, the "Gross Recovery." Contingency fee rates are not set by law, but have been negotiated. If no recovery is made, no fees will be charged.

The term "Gross Recovery" shall include, without limitation, the then present value of any monetary payments agreed or ordered to be made by the adverse parties or their insurance carriers as a result of the Services, whether by settlement, arbitration award, court judgment (after all appeals exhausted), or otherwise. Any statutory Attorneys' fee paid by Defendants shall be included in calculating the Gross Recovery.

- (1) "Gross Recovery," if by settlement, also includes (1) the then-present value of any monetary payments to be made to the Client; and (2) any Attorneys' fees and costs recovered by the Client as part of any cause of action that provides a basis for such an award. "Recovery" may come from any source, including, but not limited to, the adverse parties to the Client and/or their insurance carriers and/or any third party, whether or not a party to formal litigation. The contingent fee is calculated by multiplying the recovery by the fee percentage. This calculation is performed on the gross recovery amount before the deduction of expenses as discussed above.

Gross Recovery does not contemplate nor include any amount or value for injunctive relief or for the value of an abatement remedy which may be obtained in a final arbitration award or court judgment.

- (2) The Client shall not be obligated to pay the Attorneys unless Attorneys are successful in collecting a monetary recovery on the Client's behalf as a result of the Services.
- (3) If, by judgment, the Client is awarded in the form of property or services (In Kind), the value of such property and services shall not be included for purposes of calculating the Gross Recovery.
- (4) If, by judgment, there is no money recovery and the Client receives In Kind relief, Attorneys acknowledge that Client is not obligated to pay Attorneys' fees from public funds for the value of the In Kind relief. In the event of In Kind relief, by judgment, Attorneys' sole source of recovery of contingent fees will come from a common fund or court ordered Attorney's fees.
- (5) The Client agrees the Defendant shall pay all Attorneys' fees in a settlement that includes nonmonetary value. Client understands that Attorneys have and will invest

resources into prosecuting this action on behalf of the Client and agrees to make a good faith effort to include Attorneys' Fees as part of the terms of any settlement or resolution of the Action.

It is possible that payment to the Client by the adverse parties to the Action or their insurance carrier(s) or any third-party may be deferred, as in the case of an annuity, a structured settlement, or periodic payments. In such event, gross recovery will consist of the initial lump sum payment plus the present value (as of the time of the settlement) of the total of all payments to be received thereafter. The contingent fee is calculated, as described above, by multiplying the gross recovery by the fee percentage. The Attorney's fees will be paid out of the initial lump-sum payment if there are sufficient funds to satisfy the Attorney's fee. If there are insufficient funds to pay the Attorney's fees in full from the initial lump sum payment, the balance owed to Attorney will be paid from subsequent payments to Client before there is any distribution to Client.

- A. Reasonable Fee if Contingent Fee is Unenforceable. In the event that the contingent fee portion of this Agreement is determined to be unenforceable for any reason, Client agrees to pay a reasonable fee for the services rendered. If the parties are unable to agree on a reasonable fee for the services rendered, Attorneys and Client agree to follow the procedure in Paragraph 10 below; in any event, Attorney and Client agree that the fee shall not exceed thirty percent (30%) of the gross recovery as defined in Paragraph 5.
 - B. No Fund Payments. Notwithstanding any other provision in this Agreement, including the immediately preceding paragraph, in no event will the Client be required to pay legal fees out of any fund other than the monies recovered from Defendants in this litigation. Under no circumstances shall Client general funds be obligated to satisfy the contingent Attorneys' fees as a result of this case or this contingency fee contract.
6. REFERRAL FEE. Thrun will receive thirty-five percent (35%) of the Total Fee if the Client meets at least one of the following:
- A. Is a Thrun retainer client.
 - B. Is not a Thrun retainer client, but adopts a resolution that says Thrun is referring the Client to Attorneys and that authorizes both joining the Action and entering into this Agreement.
 - C. Is not a Thrun retainer client, but Client was referred to Attorneys for the Action by Thrun, as reflected in a written statement from Client or Thrun.

Thrun will not bill Clients at Thrun's hourly rates for work associated with the Action.

7. COSTS AND EXPENSES. In addition to paying legal fees, Client shall reimburse Attorneys for all "costs/expenses," which includes but is not limited to the following: process servers' fees, fees fixed by law or assessed by courts or other agencies, court reporters' fees, long distance telephone calls, messenger and other delivery fees,

parking, investigation expenses, consultants' fees, expert witness fees, and other similar items, incurred by Attorneys. The costs/expenses incurred that Attorneys advance will be owed in addition to attorneys' fees and Client will reimburse those costs/expenses after Attorneys' fees have been deducted. If there is no recovery, Client will not be required to reimburse Attorneys for costs and fees. In the event a recovery is less than incurred costs/expenses, Client will not be required to reimburse Attorneys for costs/expenses, above and beyond the recovery, and fees.

SHARED EXPENSES: Client understands that Attorneys may incur certain expenses that jointly benefit multiple clients, including, for example, expenses for travel, experts, and copying. Client agrees that Attorneys shall divide such expenses equally, or pro rata, among such clients, and deduct Client's portion of those expenses from Client's share of any recovery.

FEDERAL MDL AND STATE COORDINATION COMMON BENEFIT FEES: Members of Attorneys frequently serve on plaintiffs' management or executive committees in MDL and perform work which benefits Attorneys' clients as well as clients of other attorneys involved in similar litigation. As a result, the court or courts where the cases are pending may order that Attorneys are to receive additional compensation for Attorneys time and effort which has benefitted all claimants. Compensation for this work and effort, which is known as "common benefit," may be awarded to Attorneys by a court or courts directly from the assessments paid by The Client and others who have filed claims in this litigation, and will not in any way reduce the amount of fees owed under this Agreement.

8. LIEN. In the event any third party attempts to lien any proceeds recovered from a recovery in this matter, Client hereby grants, and agrees, TO THE EXTENT PERMITTED BY APPLICABLE LAW, that Attorneys hold, a first priority and superior lien on any and all proceeds recovered from Defendants in this litigation in the amount of the Attorneys' fees and costs that the Attorneys are entitled to under this Agreement. This lien right is limited to only those monies recovered from Defendants and in no way affects any other rights of the Client in any way whatsoever.

9. DISCHARGE AND WITHDRAWAL.

A. Client may discharge Attorneys at any time. After receiving notice of discharge, Attorneys shall stop services on the date and to the extent specified by the notice of discharge, and deliver to Client all evidence, files and attorney work product for the Action. This includes any computerized indices, programs and document retrieval systems created or used for the Action.

B. Attorneys may withdraw with Client's consent or for good cause. Good Cause includes Client's breach of this Agreement, Client's refusal to cooperate with Attorneys, or any other fact or circumstance that would render Attorneys continuing representation unlawful or unethical. Attorneys may also discharge Client if Client at any time is dishonest with Attorneys, or fails to provide relevant information to Attorneys.

10. DISPUTE RESOLUTION: ATTORNEY and CLIENT agree that should any dispute arise between them, they must be mediated first, before any litigation is filed. Specifically any and all disputes, controversies or claims arising out of, or related to this Agreement and/or ATTORNEY'S representation of CLIENT, including claims of malpractice (collectively referred to herein as "Dispute" or "Disputes"), shall be submitted to mediation with the American Arbitration Association (AAA), which mediation shall occur at the Client's central office or another location mutually agreed to by Client and Attorney. No litigation can be filed until after this agreed-upon mediation has occurred, and any litigation filed prior to conclusion of this mediation shall be subject to dismissal, pursuant to this Agreement. Client will pay one-half of the actual cost of the mediation, but each party will be responsible for his or her own attorneys' fees and preparation costs. Any litigation relating to any Dispute shall be filed in a Michigan court with jurisdiction over the Client; any litigation filed in any other court shall be dismissed, and the party initiating such litigation shall promptly pay any attorney fees and costs incurred by the other party in defending against that litigation.
11. AUTHORITY OF ATTORNEY. Attorneys may, with prior Client approval, associate co-counsel if the Attorneys believe it advisable or necessary for the proper handling of Client's claim, and expressly authorize the Attorneys to divide any Attorneys' fees that may eventually be earned with co-counsel so associated for the handling of Client's claim. Attorneys understand that the amount of Attorneys' fees which Client pays will not be increased by the work of co-counsel associated to assist with the handling of Client's claim, and that such associated co-counsel will be paid by the Attorneys out of the Attorneys' fees Client pays to the Attorneys.
12. DISCLAIMER OF GUARANTEE. Nothing in this Contract and nothing in Attorneys' statements to Client will be construed as a promise or guarantee about the outcome of Client's matter. Attorneys make no such promises or guarantees. Attorneys' comments about the outcome of Client's matter are expressions of opinion only.
13. MULTIPLE REPRESENTATIONS: The Client understands that Attorneys do or may represent many other individuals/entities with actual or potential litigation claims. Attorneys' representation of multiple claimants at the same time may create certain actual or potential conflicts of interest in that the interests and objectives of each client individually on certain issues are, or may become, inconsistent with the interests and objectives of the other. Attorneys are governed by specific rules and regulations relating to Attorneys professional responsibility in Attorneys representation of clients, and especially where conflicts of interest may arise from Attorneys representation of multiple clients against the same or similar Defendants, Attorneys are required to advise Attorneys' clients of any actual or potential conflicts of interest and obtain their informed written consent to Attorneys representation when actual, present, or potential conflicts of interest exist. By signing this Agreement, the Client is acknowledging that they have been advised of the potential conflicts of interest which may be or are associated with Attorneys representation of the Client and other multiple claimants and that the Client nevertheless wants the Attorneys to represent the Client, and that the Client consents to Attorneys representation of others in connection with the litigation.

Attorneys strongly advise the Client, however, that the Client remains completely free to seek other legal advice at any time even after the Client signs this Agreement.

14. **AGGREGATE SETTLEMENTS:** Often times in cases where Attorneys represent multiple clients in similar litigation, the opposing parties or Defendants attempt to settle or otherwise resolve Attorneys' cases in a group or groups, by making a single settlement offer to settle a number of cases simultaneously. There exists a potential conflict of interest whenever a lawyer represents multiple clients in a settlement of this type because it necessitates choices concerning the allocation of limited settlement amounts among the multiple clients. However, if all clients consent, a group settlement can be accomplished and a single offer can be fairly distributed among the clients by assigning settlement amounts based upon the strengths and weaknesses of each case, the relative nature, severity and extent of injuries, and individual case evaluations. In the event of a group or aggregate settlement proposal, Attorneys may implement a settlement program, overseen by a referee or special master, who may be appointed by a court, designed to ensure consistency and fairness for all claimants, and which will assign various settlement values and amounts to each client's case depending upon the facts and circumstances of each individual case. The Client authorizes us to enter into and engage in group settlement discussions and agreements which may include the Client's individual claims. Although the Client authorizes us to engage in such group settlement discussions and agreements, the Client will still retain the right to approve, and Attorneys are required to obtain the Client's approval of, any settlement of the Client's case.
15. **EFFECTIVE DATE AND TERM.** This Agreement will take effect upon execution by Client and Attorneys.
16. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. Facsimile or pdf versions of this Agreement shall have the same force and effect as signature of the original.
17. **ASSIGNMENT:** Neither party shall have the right to assign its rights or obligations under this Agreement to any person or entity without the prior written consent of the other party, which consent shall not be unreasonably withheld.
18. **SUCCESSORS AND ASSIGNS:** This Agreement shall bind and benefit the parties hereto and their respective successors and assigns.
19. **FULL AND FINAL AGREEMENT:** This Agreement is the full and final agreement. Any amendments to the Agreement must be in writing and signed by the parties.
20. **GOVERNING LAW.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of Michigan.
21. **AUTHORIZED SIGNATURES:** Each individual signing below represents that the individual is duly authorized to sign this Agreement on behalf of that individual's respective party as listed below.

Frantz Law Group, APLC

Dated: _____, 202__

Frantz Signature: _____

Frantz Print Name: _____

Dated: November 12, 2024

Signature: _____

Print Name: Dr. RJ Webber

Client Name: Northville Public Schools

Position of Signatory: Superintendent

ATTORNEY-CLIENT FEE CONTRACT

The ATTORNEY-CLIENT FEE CONTRACT (“Agreement”) is entered into by and between Northville Public Schools, whose address is 405 W. Main Street, Northville, MI 48167 (“Client”) and Frantz Law Group, APLC, a California professional law corporation (“Attorneys” or “We”) and encompasses the following provisions:

1. **CONDITIONS.** This Agreement will not take effect, and Attorneys will have no obligation to provide legal services, until Client returns a signed copy of this Agreement.

2. **AUTHORIZED REPRESENTATIVES**
 - A. **CLIENT REPRESENTATIVES.** Client designates the Superintendent, or designee, as the authorized representatives to direct Attorneys and to be the primary individuals to communicate with Attorneys regarding the subject matter of Attorneys’ representation of Client under this Agreement. The designation is intended to establish a clear line of authority and to minimize potential uncertainty but not to preclude communication between Attorneys and other representatives of Client.

 - B. **ATTORNEY REPRESENTATIVES.** James Frantz, William Shinoff, and Regina Bagdasarian of Frantz Law Group, APLC will be primarily responsible for the work, either performing it himself/herself or delegating it to others as may be appropriate. The Client shall have the right to approve or veto the involvement of each of the attorneys on its cases. Attorneys will be added or deleted from the list only upon prior Client approval.

3. **SCOPE AND DUTIES.** Client hires Attorneys to provide legal services in connection with pursuing claims for damages associated with the Insulin litigation, specifically Case No. 2:23-md-03080 in the United States District Court for the District of New Jersey (“Action”). Attorneys shall provide those legal services reasonably required to represent Client, and shall take reasonable steps to keep Client informed of progress and to respond to Client’s inquiries. Client shall be truthful with Attorneys, cooperate with Attorneys, and keep Attorneys informed of developments. Attorneys will assist in negotiating liens, but will not litigate them.

4. **LEGAL SERVICES SPECIFICALLY EXCLUDED.** Unless otherwise agreed in writing by Client and Attorneys, Attorneys will not provide legal services with respect to (a) defending any legal proceeding or claim against the Client commenced by any person unless such proceeding or claim is filed against the Client in the Action or (b) proceedings before any federal or state administrative or governmental agency, department, or board. With Client’s permission, however, Attorneys may elect to appear at such administrative proceedings to protect Client’s rights. If Client wishes to retain Attorneys to provide any legal services not provided under this Agreement for additional compensation, a separate written agreement between Attorneys and Client will be required.

5. FEES. Client will pay attorneys' fees to Attorneys of thirty percent (30%) of any monetary settlement or recovery that Attorneys obtain for Client, provided that such fee will be paid only by money recovered from defendants in the Action (collectively, the "Total Fee"). Thrun, Maatsch and Nordberg, P.C., a Michigan professional corporation d/b/a Thrun Law Firm, P.C. (Thrun) will receive thirty five percent (35%) of the Total Fee, as discussed in more detail in Paragraph 6, below. The Action does not involve a claim or action for personal injury or wrongful death (see MCR 8.121(A)).

Fees shall be calculated on the basis of any settlement or recovery prior to the deduction of any expense or cost, the "Gross Recovery." Contingency fee rates are not set by law, but have been negotiated. If no recovery is made, no fees will be charged.

The term "Gross Recovery" shall include, without limitation, the then present value of any monetary payments agreed or ordered to be made by the adverse parties or their insurance carriers as a result of the Services, whether by settlement, arbitration award, court judgment (after all appeals exhausted), or otherwise. Any statutory Attorneys' fee paid by Defendants shall be included in calculating the Gross Recovery.

- (1) "Gross Recovery," if by settlement, also includes (1) the then-present value of any monetary payments to be made to the Client; and (2) any Attorneys' fees and costs recovered by the Client as part of any cause of action that provides a basis for such an award. "Recovery" may come from any source, including, but not limited to, the adverse parties to the Client and/or their insurance carriers and/or any third party, whether or not a party to formal litigation. The contingent fee is calculated by multiplying the recovery by the fee percentage. This calculation is performed on the gross recovery amount before the deduction of expenses as discussed above.

Gross Recovery does not contemplate nor include any amount or value for injunctive relief or for the value of an abatement remedy which may be obtained in a final arbitration award or court judgment.

- (2) The Client shall not be obligated to pay the Attorneys unless Attorneys are successful in collecting a monetary recovery on the Client's behalf as a result of the Services.
- (3) If, by judgment, the Client is awarded in the form of property or services (In Kind), the value of such property and services shall not be included for purposes of calculating the Gross Recovery.
- (4) If, by judgment, there is no money recovery and the Client receives In Kind relief, Attorneys acknowledge that Client is not obligated to pay Attorneys' fees from public funds for the value of the In Kind relief. In the event of In Kind relief, by judgment, Attorneys' sole source of recovery of contingent fees will come from a common fund or court ordered Attorney's fees.
- (5) The Client agrees the Defendant shall pay all Attorneys' fees in a settlement that includes nonmonetary value. Client understands that Attorneys have and will invest

resources into prosecuting this action on behalf of the Client and agrees to make a good faith effort to include Attorneys' Fees as part of the terms of any settlement or resolution of the Action.

It is possible that payment to the Client by the adverse parties to the Action or their insurance carrier(s) or any third-party may be deferred, as in the case of an annuity, a structured settlement, or periodic payments. In such event, gross recovery will consist of the initial lump sum payment plus the present value (as of the time of the settlement) of the total of all payments to be received thereafter. The contingent fee is calculated, as described above, by multiplying the gross recovery by the fee percentage. The Attorney's fees will be paid out of the initial lump-sum payment if there are sufficient funds to satisfy the Attorney's fee. If there are insufficient funds to pay the Attorney's fees in full from the initial lump sum payment, the balance owed to Attorney will be paid from subsequent payments to Client before there is any distribution to Client.

- A. Reasonable Fee if Contingent Fee is Unenforceable. In the event that the contingent fee portion of this Agreement is determined to be unenforceable for any reason, Client agrees to pay a reasonable fee for the services rendered. If the parties are unable to agree on a reasonable fee for the services rendered, Attorneys and Client agree to follow the procedure in Paragraph 10 below; in any event, Attorney and Client agree that the fee shall not exceed thirty percent (30%) of the gross recovery as defined in Paragraph 5.
 - B. No Fund Payments. Notwithstanding any other provision in this Agreement, including the immediately preceding paragraph, in no event will the Client be required to pay legal fees out of any fund other than the monies recovered from Defendants in this litigation. Under no circumstances shall Client general funds be obligated to satisfy the contingent Attorneys' fees as a result of this case or this contingency fee contract.
6. REFERRAL FEE. Thrun will receive thirty-five percent (35%) of the Total Fee if the Client meets at least one of the following:
- A. Is a Thrun retainer client.
 - B. Is not a Thrun retainer client, but adopts a resolution that says Thrun is referring the Client to Attorneys and that authorizes both joining the Action and entering into this Agreement.
 - C. Is not a Thrun retainer client, but Client was referred to Attorneys for the Action by Thrun, as reflected in a written statement from Client or Thrun.

Thrun will not bill Clients at Thrun's hourly rates for work associated with the Action.

7. COSTS AND EXPENSES. In addition to paying legal fees, Client shall reimburse Attorneys for all "costs/expenses," which includes but is not limited to the following: process servers' fees, fees fixed by law or assessed by courts or other agencies, court reporters' fees, long distance telephone calls, messenger and other delivery fees,

parking, investigation expenses, consultants' fees, expert witness fees, and other similar items, incurred by Attorneys. The costs/expenses incurred that Attorneys advance will be owed in addition to attorneys' fees and Client will reimburse those costs/expenses after Attorneys' fees have been deducted. If there is no recovery, Client will not be required to reimburse Attorneys for costs and fees. In the event a recovery is less than incurred costs/expenses, Client will not be required to reimburse Attorneys for costs/expenses, above and beyond the recovery, and fees.

SHARED EXPENSES: Client understands that Attorneys may incur certain expenses that jointly benefit multiple clients, including, for example, expenses for travel, experts, and copying. Client agrees that Attorneys shall divide such expenses equally, or pro rata, among such clients, and deduct Client's portion of those expenses from Client's share of any recovery.

FEDERAL MDL AND STATE COORDINATION COMMON BENEFIT FEES: Members of Attorneys frequently serve on plaintiffs' management or executive committees in MDL and perform work which benefits Attorneys' clients as well as clients of other attorneys involved in similar litigation. As a result, the court or courts where the cases are pending may order that Attorneys are to receive additional compensation for Attorneys time and effort which has benefitted all claimants. Compensation for this work and effort, which is known as "common benefit," may be awarded to Attorneys by a court or courts directly from the assessments paid by The Client and others who have filed claims in this litigation, and will not in any way reduce the amount of fees owed under this Agreement.

8. LIEN. In the event any third party attempts to lien any proceeds recovered from a recovery in this matter, Client hereby grants, and agrees, TO THE EXTENT PERMITTED BY APPLICABLE LAW, that Attorneys hold, a first priority and superior lien on any and all proceeds recovered from Defendants in this litigation in the amount of the Attorneys' fees and costs that the Attorneys are entitled to under this Agreement. This lien right is limited to only those monies recovered from Defendants and in no way affects any other rights of the Client in any way whatsoever.
9. DISCHARGE AND WITHDRAWAL.
 - A. Client may discharge Attorneys at any time. After receiving notice of discharge, Attorneys shall stop services on the date and to the extent specified by the notice of discharge, and deliver to Client all evidence, files and attorney work product for the Action. This includes any computerized indices, programs and document retrieval systems created or used for the Action.
 - B. Attorneys may withdraw with Client's consent or for good cause. Good Cause includes Client's breach of this Agreement, Client's refusal to cooperate with Attorneys, or any other fact or circumstance that would render Attorneys continuing representation unlawful or unethical. Attorneys may also discharge Client if Client at any time is dishonest with Attorneys, or fails to provide relevant information to Attorneys.

10. DISPUTE RESOLUTION: ATTORNEY and CLIENT agree that should any dispute arise between them, they must be mediated first, before any litigation is filed. Specifically any and all disputes, controversies or claims arising out of, or related to this Agreement and/or ATTORNEY'S representation of CLIENT, including claims of malpractice (collectively referred to herein as "Dispute" or "Disputes"), shall be submitted to mediation with the American Arbitration Association (AAA), which mediation shall occur at the Client's central office or another location mutually agreed to by Client and Attorney. No litigation can be filed until after this agreed-upon mediation has occurred, and any litigation filed prior to conclusion of this mediation shall be subject to dismissal, pursuant to this Agreement. Client will pay one-half of the actual cost of the mediation, but each party will be responsible for his or her own attorneys' fees and preparation costs. Any litigation relating to any Dispute shall be filed in a Michigan court with jurisdiction over the Client; any litigation filed in any other court shall be dismissed, and the party initiating such litigation shall promptly pay any attorney fees and costs incurred by the other party in defending against that litigation.
11. AUTHORITY OF ATTORNEY. Attorneys may, with prior Client approval, associate co-counsel if the Attorneys believe it advisable or necessary for the proper handling of Client's claim, and expressly authorize the Attorneys to divide any Attorneys' fees that may eventually be earned with co-counsel so associated for the handling of Client's claim. Attorneys understand that the amount of Attorneys' fees which Client pays will not be increased by the work of co-counsel associated to assist with the handling of Client's claim, and that such associated co-counsel will be paid by the Attorneys out of the Attorneys' fees Client pays to the Attorneys.
12. DISCLAIMER OF GUARANTEE. Nothing in this Contract and nothing in Attorneys' statements to Client will be construed as a promise or guarantee about the outcome of Client's matter. Attorneys make no such promises or guarantees. Attorneys' comments about the outcome of Client's matter are expressions of opinion only.
13. MULTIPLE REPRESENTATIONS: The Client understands that Attorneys do or may represent many other individuals/entities with actual or potential litigation claims. Attorneys' representation of multiple claimants at the same time may create certain actual or potential conflicts of interest in that the interests and objectives of each client individually on certain issues are, or may become, inconsistent with the interests and objectives of the other. Attorneys are governed by specific rules and regulations relating to Attorneys professional responsibility in Attorneys representation of clients, and especially where conflicts of interest may arise from Attorneys representation of multiple clients against the same or similar Defendants, Attorneys are required to advise Attorneys' clients of any actual or potential conflicts of interest and obtain their informed written consent to Attorneys representation when actual, present, or potential conflicts of interest exist. By signing this Agreement, the Client is acknowledging that they have been advised of the potential conflicts of interest which may be or are associated with Attorneys representation of the Client and other multiple claimants and that the Client nevertheless wants the Attorneys to represent the Client, and that the Client consents to Attorneys representation of others in connection with the litigation.

Attorneys strongly advise the Client, however, that the Client remains completely free to seek other legal advice at any time even after the Client signs this Agreement.

14. **AGGREGATE SETTLEMENTS:** Often times in cases where Attorneys represent multiple clients in similar litigation, the opposing parties or Defendants attempt to settle or otherwise resolve Attorneys' cases in a group or groups, by making a single settlement offer to settle a number of cases simultaneously. There exists a potential conflict of interest whenever a lawyer represents multiple clients in a settlement of this type because it necessitates choices concerning the allocation of limited settlement amounts among the multiple clients. However, if all clients consent, a group settlement can be accomplished and a single offer can be fairly distributed among the clients by assigning settlement amounts based upon the strengths and weaknesses of each case, the relative nature, severity and extent of injuries, and individual case evaluations. In the event of a group or aggregate settlement proposal, Attorneys may implement a settlement program, overseen by a referee or special master, who may be appointed by a court, designed to ensure consistency and fairness for all claimants, and which will assign various settlement values and amounts to each client's case depending upon the facts and circumstances of each individual case. The Client authorizes us to enter into and engage in group settlement discussions and agreements which may include the Client's individual claims. Although the Client authorizes us to engage in such group settlement discussions and agreements, the Client will still retain the right to approve, and Attorneys are required to obtain the Client's approval of, any settlement of the Client's case.
15. **EFFECTIVE DATE AND TERM.** This Agreement will take effect upon execution by Client and Attorneys.
16. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute one and the same instrument. Facsimile or pdf versions of this Agreement shall have the same force and effect as signature of the original.
17. **ASSIGNMENT:** Neither party shall have the right to assign its rights or obligations under this Agreement to any person or entity without the prior written consent of the other party, which consent shall not be unreasonably withheld.
18. **SUCCESSORS AND ASSIGNS:** This Agreement shall bind and benefit the parties hereto and their respective successors and assigns.
19. **FULL AND FINAL AGREEMENT:** This Agreement is the full and final agreement. Any amendments to the Agreement must be in writing and signed by the parties.
20. **GOVERNING LAW.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of Michigan.
21. **AUTHORIZED SIGNATURES:** Each individual signing below represents that the individual is duly authorized to sign this Agreement on behalf of that individual's respective party as listed below.

Frantz Law Group, APLC

Dated: _____, 202__

Frantz Signature: _____

Frantz Print Name: _____

Dated: November 12, 2024

Signature: _____

Print Name: Dr. RJ Webber

Client Name: Northville Public Schools

Position of Signatory: Superintendent

**NORTHVILLE PUBLIC SCHOOLS
Northville, Michigan**

BOARD POLICY

CARDIAC EMERGENCY RESPONSE PLAN

The purpose of this policy is to comply with Sections 19 and 19b of the Fire Prevention Code and Section 1319 of the Revised School Code. The Superintendent will develop, or appoint the development and implementation of procedures that will enable the School District to offer an appropriate response in the event of a cardiac emergency. The procedures will address, at a minimum:

- The use and regular maintenance of automatic external defibrillators (AED) located within the School District throughout the school's campus and athletic facilities.
- The establishment, and Activation of a cardiac emergency response team in the event of an identified cardiac emergency and integration of the cardiac emergency response team with the local emergency response agencies and system.
- Methods for effective and efficient communication in the buildings or outside area in which the emergency arises.
- A legally compliant training plan for the use of AEDs and CPR techniques.
- The incorporation and integration of a local emergency response system and emergency response agencies into the School District's procedures.

In the event that the District is made aware of a parent's specific request to withhold potentially life-saving interventions for their child, Board Policy 2145 (Do Not Resuscitate Requests), and the respective Administrative Procedures shall be applied.

The Superintendent, or designee, will annually-periodically evaluate the School District's cardiac emergency response procedures and report the results to the Board of Education.

Adopted: August 2019
Revised: November 2024

**NORTHVILLE PUBLIC SCHOOLS
Northville, Michigan**

BOARD POLICY

MEDIA CENTER MATERIALS & SELECTION

The Board intends that students will be provided access to a wide variety of educational materials, in various media, to support learning. The Superintendent, or designee, ~~is authorized to may~~ make or approve purchases for the media center (and/or classroom libraries). Professional staff members, parents and students ~~and may receive recommendations for~~ such purchases. ~~from professional staff members, parents and students.~~

Adopted: January 1977
Revised: April 1987
Revised: February 1993
Revised: May 1997
Revised: March 2001
Reaffirmed: February 2003
Revised: March 2006
Reaffirmed: April 2009
Reaffirmed: February 2012
Revised & Renumbered: May 2017
Revised: November 2024

**NORTHVILLE PUBLIC SCHOOLS
Northville, Michigan**

BOARD POLICY

PARENT/~~GUARDIANAL~~ OBJECTIONS

The Superintendent, or designee, will develop regulations that provide an opportunity for the presentation and fair consideration of parents/guardians to object to, and the Superintendent to consider parent/~~guardiana~~l objections to the District's curriculum, the selection of textbooks and other instructional materials and media center materials.

Adopted: March 1978
Revised: April 1987
Revised: February 1993
Revised: May 1997
Reaffirmed: January 2001
Reaffirmed: March 2004
Reaffirmed: January 2007
Revised: February 2010
Reaffirmed: February 2013
Revised and Renumbered: May 2017
Revised: November 2024

***NEW* 1113**

**NORTHVILLE PUBLIC SCHOOLS
Northville, Michigan**

BOARD POLICY

ADOPTON OR AMENDMENT OF BYLAWS AND POLICIES

The Board will adopt or amend Bylaws and Policies after readings at two separate Board meetings. The Board may, by a majority vote of members elected and serving, waive a first reading.

The Board delegates to the Superintendent the authority to make non-substantive, clerical changes or correct scriveners' errors in the Policies without Board of Education approval. Such changes will not be effective for a period of one month from the date they are provided to the Board.

Adopted: November 2024