

C.O.O.R. ISD Board of Education Meeting

Wednesday, November 8, 2023 6:00 PM

Mio AuSable Schools, 1110 8th St, Mio, MI 48647

1. Call to order & Roll Call

2. Opening Ceremonies

- Pledge of Allegiance

- Mission Statement

C.O.O.R. ISD provides programs and services with our partners to support the current and emerging teaching and learning needs of our schools and communities.

3. Adopt the Agenda

4. Presentation of Financial Audits,

C.O.O.R. ISD and ROOC, Inc.

Heather LaBean, Weinlander-Fitzhugh

2

Resolution to Collect Summer Taxes - to adopt the Resolution prepared by Thrun Law Firm, P.C. to collect 2024 Summer Taxes in the Crawford AuSable School District and in the Mio AuSable School District.

C.O.O.R. Intermediate School District (the “District”)

A regular meeting of the board of education of the District (the “Board”) was held in the county of Oscoda, within the boundaries of the District, on the 8th day of November, 2023, at six o’clock in the p.m.

The meeting was called to order by _James Mangutz,President.

Present: Members

Absent: Members

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

WHEREAS, this Board previously adopted a resolution to impose a summer tax levy to collect 100% of annual school property taxes, including debt service, upon property located within the District and continuing from year-to-year until specifically revoked by the Board.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board, pursuant to 1976 PA 451, as amended (the Revised School Code), invokes for 2023 its previously adopted ongoing resolution imposing a summer tax levy of all of annual school property taxes, including debt service, upon property located within the District and continuing from year-to-year until specifically revoked by the Board and requests that each city and/or township in which the District is located collect those summer taxes.

2. The Superintendent or designee is authorized and directed to forward to the governing body of each city and/or township in which the District is located a copy of this Board’s resolution imposing a summer property tax levy on an ongoing basis and a copy of this resolution requesting that each such city and/or township agree to collect the summer tax levy for 2024 in the amount specified in this resolution. Such forwarding of the resolutions and the request to collect the summer tax levy shall be performed so that they are received by the appropriate governing bodies before January 1, 2024.

3. Pursuant to and in accordance with Section 1613(1) of the Revised School Code, the Superintendent or designee is authorized and directed to negotiate on behalf of the District with the governing body of each city and/or township in which the District is located for the reasonable expenses for collection of the District’s summer tax levy that the city and/or township may bill under MCL 380.1611 or MCL 380.1612. Any such proposed agreement shall be brought before this Board for its approval or disapproval.

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

Ayes: Members

Nays: Members

Resolution declared adopted.

Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of the C.O.O.R. Intermediate School District hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Board at a regular meeting held on November 8, 2023, 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).

Secretary, Board of Education

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
ROSCOMMON, MICHIGAN

FINANCIAL STATEMENTS
JUNE 30, 2023



WEINLANDER FITZHUGH
Certified Public Accountants & Advisors

TABLE OF
CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 14
Basic Financial Statements	
District-wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Governmental Funds:	
Balance Sheet	17
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balance	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	20
Notes to Financial Statements	21 - 46
Required Supplemental Information	
Budgetary Comparison Schedule - General Fund	47
Budgetary Comparison Schedule - Special Education Fund	48
Budgetary Comparison Schedule - Career and Technical Education Fund	49
Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability	50
Schedule of the Reporting Unit's Pension Contributions	51
Schedule of the Reporting Unit's Proportionate Share of the Net OPEB Liability	52
Schedule of the Reporting Unit's OPEB Contributions	53
Notes to Required Supplementary Information	54

TABLE OF
CONTENTS

	<u>Page</u>
Other Supplemental Information	
Combining Balance Sheet - Nonmajor Governmental Funds	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds	56
Independent Auditor's 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	57 - 58
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required By The Uniform Guidance	59 - 61
Schedule of Findings and Questioned Costs	62 - 66
Summary of Prior Year Findings	67
Schedule of Expenditures of Federal Awards	68-71
Schedule of Subrecipient Expenditures of Federal Awards	72
Notes to the Schedule of Expenditures of Federal Awards	73



INDEPENDENT AUDITOR'S REPORT

October 26, 2023

Board of Education
C.O.O.R Intermediate School District
Bay City, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of C.O.O.R Intermediate School District (School District), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of C.O.O.R Intermediate School District as of June 30, 2023 and the respective changes in financial position for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

We conducted our audit in accordance with U.S. generally accepted auditing standards (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 U.S. generally accepted accounting principles; 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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, misrepresentation or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of C.O.O.R Intermediate 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 C.O.O.R Intermediate 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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly for 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 GAAS. In our opinion, the combining non-major fund financial statements and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2023, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Weinlander Fitzhugh

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Our discussion and analysis of C.O.O.R Intermediate School District's financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2023.

Financial Highlights

The School District's net position increased by \$3,652,593 or 42%. Program revenues were \$14,853,648 or 73% of total revenues, and general revenues were \$5,455,718 or 27%.

The General Fund reported a positive fund balance of \$1,964,324. The Special Education Fund reported a positive fund balance of \$1,538,437. The Career and Technical Fund reported a positive fund balance of \$264,992.

Using this Annual Financial Report

This annual financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School District financially as a whole. The *District-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 as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds - the General Fund, Special Education Fund, Career and Technical Education Fund with all other funds presented in one column as nonmajor funds. The following summarizes the presentation included in this annual financial report.

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

Basic Financial Statements

- District-wide Financial Statements
- Fund Financial Statements - Governmental and Proprietary Funds
- Notes to the Basic Financial Statements

Budgetary Information for the General Fund, Special Education and Career and Technical Education Fund (Required Supplemental Information)

Pension Schedules (Required Supplemental Information)

OPEB Schedules (Required Supplemental Information)

Other Supplemental Information

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the School District's finances is: "Is the School District better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the School District as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector companies. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the School District's net position as a way to measure the School District's financial position. The change in net position provides the reader a tool to assist in determining whether the School District's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, student enrollment growth and facility conditions in arriving at their conclusion regarding the overall health of the School District.

Reporting the District's Most Significant Funds

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. Other funds are established to help it control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants and other sources of revenue. The School District has two types of funds, which are the governmental and proprietary funds.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources available to spend in the near future to finance the School District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

District-wide Financial Analysis

The statement of net position provides the perspective of the School District as a whole. Exhibit A provides a summary of the School District's net position as of June 30, 2023 and 2022:

Exhibit A	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 10,457,777	\$ 12,084,968
Capital assets - net of accumulated depreciation	3,592,452	1,684,493
Total assets	14,050,229	13,769,461
Deferred Outflows of Resources		
Related to pensions and OPEB	6,277,672	2,732,818
Total deferred outflows of resources	6,277,672	2,732,818
Liabilities		
Current liabilities	6,043,798	9,317,809
Long-term liabilities	16,034,983	9,554,910
Total liabilities	22,078,781	18,872,719
Deferred Inflows of Resources		
Related to pensions and OPEB	3,268,111	6,301,144
Total deferred inflows of resources	3,268,111	6,301,144
Net Position		
Net investment in capital assets	3,592,452	1,684,493
Restricted	350,565	328,568
Unrestricted	(8,962,008)	(10,684,645)
Total net position	\$ (5,018,991)	\$ (8,671,584)

The analysis above focuses on net position (see Exhibit A). The School District's net position was \$(5,018,991) at June 30, 2023. Capital assets totaling \$3,592,452 compares the original costs, less depreciation of the School District's capital assets. Restricted net position is reported separately to show legal constraints for fund and program purposes that limit the School District's ability to use net position for day-to-day operations.

The \$(8,962,008) in unrestricted net position of governmental activities represents the *accumulated* results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

The School District implemented GASB Statement No. 68 in 2015. The effect of this Statement required the School District to report in the summary of net position, a liability of \$15,055,357 for 2023 and \$8,912,848 for 2022.

The School District implemented GASB Statement No. 75 in 2018. The effect of this Statement required the School District to report in the summary of net position, a liability of \$883,519 for 2023 and \$574,528 for 2022.

The results of this year's operations for the School District as a whole are reported in the statement of activities. Exhibit B provides a summary of the changes in net position for the years ended June 30, 2023 and 2022.

Exhibit B	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Revenues		
Program revenue:		
Charges for services	\$ 1,171,123	\$ 234,687
Grants and categoricals	13,682,525	10,916,009
General revenue:		
Property taxes	3,664,173	3,497,766
State aid	870,577	670,555
Other	920,968	804,345
Total revenues	<u>20,309,366</u>	<u>16,123,362</u>
Function/Program Expenses		
Instruction	2,734,908	1,971,851
Support services	8,255,844	6,748,188
Community services	13,812	7,850
Food services	71,682	50,665
Capital acquisition construction and improvement	208,086	28,271
Facilities acquisition construction and improvement	0	23,073
Transfers out to other governmental units	5,199,443	5,403,198
Loss on disposal of assets	6,001	2,152
Depreciation (unallocated)	166,997	128,965
Total expenses	<u>16,656,773</u>	<u>14,364,213</u>
Change in Net Position	<u>\$ 3,652,593</u>	<u>\$ 1,759,149</u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$16,656,773. Certain activities were partially funded from those who benefited from the programs, \$1,171,123, or by the other governments and organizations that subsidized certain programs with grants and categoricals of \$13,682,525. We paid for the remaining "public benefit" portion of our governmental activities with \$3,664,173 in taxes, \$870,577 in State aid and with our other revenues, such as interest and entitlements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

The School District had an increase in net position of \$3,652,593. The key reason is an increase in funding sources along with conservative spending and staffing changes.

The School District's Funds

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.

The School District's governmental funds reported a combined fund balance of \$4,118,318, which is above last year's total of \$2,572,121. The schedule below indicates the fund balance and the total change in fund balances as of June 30, 2023 and 2022.

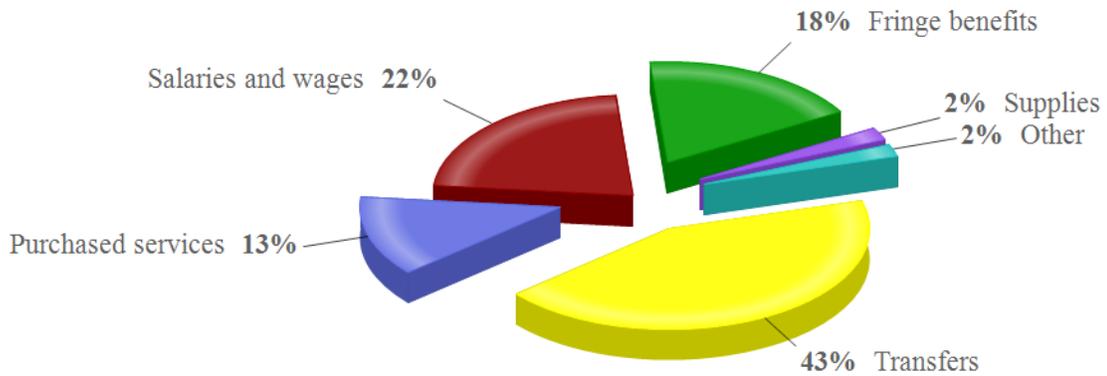
	Fund Balance <u>6/30/2023</u>	Fund Balance <u>6/30/2022</u>	Increase (Decrease)
General	\$ 1,964,324	\$ 1,834,902	\$ 129,422
Special Education	1,538,437	163,261	1,375,176
Career and Technical Education	264,992	245,390	19,602
Capital Projects Fund	323,536	297,576	25,960
Other Special Revenue Funds	27,029	30,992	(3,963)
	<u>\$ 4,118,318</u>	<u>\$ 2,572,121</u>	<u>\$ 1,546,197</u>

- Our General Fund increased due to increased revenue from the state in several categoricals as well as an increase in federal revenues and conservative spending practices by the ISD.
- Our Special Education Fund had a significant increase due to increased medicaid revenue, increased revenue from the state in several categoricals as well as an increase in federal revenues.
- Our Career and Technical Education Fund had an increase mostly due to an increase in state categorical funding.
- Our School Lunch Fund decreased due to an increase in food service costs.
- Our NMEC Fund had a increase due to a decrease in phone and internet costs.
- Our Capital Projects Fund increased due to receiving 61g funds for our CTE program.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Management's Discussion and Analysis
For the Year Ended June 30, 2023

As the graph below illustrates, the largest portions of General Fund expenditures are for CTE construction costs.

Expenditures



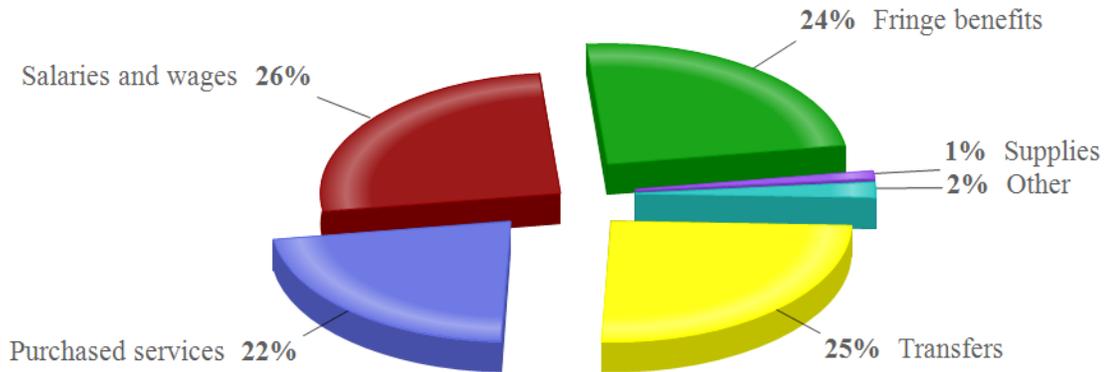
<u>Expenditures by Object</u>	<u>2023</u>	<u>2022</u>
Salaries and wages	\$ 1,558,579	\$ 1,171,917
Fringe benefits	1,261,653	776,706
Purchased services	939,625	3,201,842
Supplies	135,451	186,408
Other	122,366	74,771
Transfers	3,004,871	717,369
Total	<u>\$ 7,022,545</u>	<u>\$ 6,129,013</u>

Expenditures have increased by \$893,532 due to the increased need for pupil support services and instructional staff, as well as transfers for the CTE expansion.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Management's Discussion and Analysis
For the Year Ended June 30, 2023

The graph below illustrates the percentage of Special Education Fund expenditures.

Expenditures



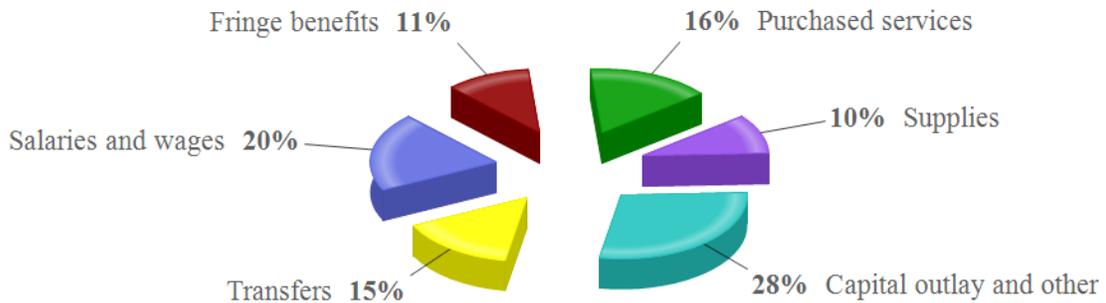
<u>Expenditures by Object</u>	<u>2023</u>	<u>2022</u>
Salaries and wages	\$ 2,292,489	\$ 2,254,572
Fringe benefits	2,143,728	1,787,884
Purchased services	1,926,400	1,497,755
Supplies	142,824	176,257
Other	151,709	28,079
Transfers	2,170,715	2,488,166
Total	<u>\$ 8,827,865</u>	<u>\$ 8,232,713</u>

Expenditures have increased by approximately \$595,152 over the prior year mostly due to an increase in purchased services.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Management's Discussion and Analysis
For the Year Ended June 30, 2023

The graph below illustrates the percentage of Career and Technical Education Fund expenditures.

Expenditures



<u>Expenditures by Object</u>	<u>2023</u>	<u>2022</u>
Salaries and wages	\$ 320,899	\$ 310,032
Fringe benefits	196,111	188,664
Purchased services	279,605	410,422
Supplies	154,777	134,256
Transfers	349,043	252,677
Capital outlay and other	502,176	119,502
Total	<u>\$ 1,802,611</u>	<u>\$ 1,415,553</u>

Expenditures have increased by \$387,058 due to an increase in capital outlay. There were many building improvements completed during the year and equipment was added to various classrooms during the year. Expenditures also increased due to the addition of labs needed because of increased student enrollment.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

Budgetary Highlights

Over the course of the year, the School District revises its budget to reflect changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements. Changes between the original and final amended budgets were as follows:

General Fund

- Budgeted revenues were amended to reflect adjustments in all revenue sources.
- Budgeted expenditures were amended to reflect changes in spending levels.
- Final actual revenue totals were less than the final amended budget total and actual expenditure totals were more than the final amended budget total.

Special Education

- Budgeted revenues were amended to reflect adjustments of all revenue sources.
- Budgeted expenditures were amended to reflect changes in spending levels.
- Final actual revenue totals were higher than the final amended budget total and expenditures were less than the final amended budget total.

Career and Technical Education Fund

- Budgeted revenues were amended to reflect adjustments in all revenue sources.
- Budgeted expenditures were amended to reflect changes in spending levels.
- Final actual revenue totals were less than the final amended budget total and expenditures were less than the final amended budget total.

Capital Assets

At June 30, 2023, the School District had \$3,592,452 invested in a broad range of capital assets, including land, buildings, furniture and equipment.

	<u>2023</u>	<u>2022</u>
Land	\$ 658,986	\$ 658,986
Construction in progress	1,653,612	0
Buildings and improvements	2,585,053	2,621,852
Buses and other vehicles	852,470	997,318
Furniture and equipment	<u>705,714</u>	<u>632,214</u>
Total capital assets	6,455,835	4,910,370
Less accumulated depreciation	<u>2,863,383</u>	<u>3,225,877</u>
Net capital assets	<u>\$ 3,592,452</u>	<u>\$ 1,684,493</u>

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

This year's additions of \$2,080,957 were for a climate control system, a new furnace and air conditioner for the bus garage, a new furnace and air conditioner for the CEC building, a bus, a desktop laser, a carbon fiber 3D printer, three welders, two milling certification carts, a mitering band saw, an ironworker, two patient simulators, a milling table, a lathe, a sink, an intercom system, a Ram truck, a laser and laser cartridge and a laser cutter. No debt was issued for these additions. We present more detailed information about our capital assets in the notes to the financial statements.

Factors Expected to have an Effect on Future Operations

Our elected Board and administration consider many factors when setting the School District's 2024 fiscal year budget. The 2024 fiscal year budget was adopted in June 2023, based on property tax and state revenue estimates available at that time. Under State law, the School District cannot access additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local and intermediate school district operations. Once final membership and added cost calculations can be made, State law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Since the School District's revenue is heavily dependent on State funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to school districts. The State periodically holds a revenue-estimating conference to estimate revenues and to determine if adjustments in State Aid allocations are required.

The School District's fiscal management reflects both its conservative approach in projecting revenues and ongoing practice of providing programs and services in collaboration with constituent school districts, Kirtland Community College and other local agencies and organizations. These include:

- Center-Based Special Education Programs
- Career and Technical Education Programs
- Special Education Pupil Support Services
- Early Child Education Services
- Professional Development
- 31n Service for Behavior and Social and Emotional Needs

The School District's conservative approach in projecting revenues is reflected in its 2023/2024 budget which was adopted in June 2023. The following assumptions were used:

Revenues

- Property Tax - projected to increase slightly 2023/2024
- General Operations - all areas projected at 2022/2023 levels
- Special Education - all areas projected at 2022/2023 levels
- IDEA Flow Thru - same as 2022/2023 level
- Medicaid fee for service - same as 2022/2023 level

Expenditures

- Administrators - 2.5% increase
- Teachers - 3.5% increase
- Secretarial - 2% increase

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2023

- Support personnel - 3.5% increase
- Employee Benefits Insurance Package - Budgeted all eligible employees at the state hardcaps.
- Retirement - based on a full year average of 30% plus UAAL of 16.89%.

It is proactive of the School District to amend its budget twice during the fiscal year as actual revenue and expense information becomes available.

C.O.O.R. is expanding its Career Tech Program with \$2.5 million awarded in 61g funds that were received through State Aid in 2021/2022. We are excited about the possibilities of offering new programs and constructing an addition to house our current programs. With the additional funds of \$2.5 million, there will be increased revenues and expenditures which will be closely monitored by getting guidance from our Auditors.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Superintendent
C.O.O.R. Intermediate School District
11051 North Cut Road
P.O. Box 827
Roscommon, MI 48653-0827

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Component Unit
Cash and investments	\$ 6,619,960	\$ 284,167
Receivables - net:		
Accounts receivable	3,818,787	88,942
Prepaid expenses	19,030	0
Inventory	0	441
Capital assets less accumulated depreciation	3,592,452	150,813
Total assets	14,050,229	524,363
 <u>Deferred Outflows of Resources</u>		
Related to pensions	4,953,724	0
Related to OPEB	1,323,948	0
Total Deferred Outflows of Resources	6,277,672	0
 <u>Liabilities</u>		
Accounts payable	1,322,835	18,646
Due to other governmental units	205,173	0
Unearned revenue	4,263,742	0
Accrued payroll and other liabilities	252,048	24,588
Long-term liabilities:		
Due in more than one year	96,107	0
Net pension liability	15,055,357	0
Net OPEB liability	883,519	0
Total liabilities	22,078,781	43,234
 <u>Deferred Inflows of Resources</u>		
Related to pensions	1,316,105	0
Related to OPEB	1,952,006	0
Total deferred inflows of resources	3,268,111	0
 <u>Net Position</u>		
Net investment in capital assets	3,592,452	150,813
Restricted for fund purpose	350,565	0
Unrestricted	(8,962,008)	330,316
Total net position	\$ (5,018,991)	\$ 481,129

See accompanying notes to financial statements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2023

	Program Revenues			Governmental Activities	
Expenses	Charges for Services	Operating Grants/ Contributions	Revenue and Changes in Net Position	Net (Expense)	Component Unit
Functions/Programs					
Primary government -					
Governmental activities:					
Instruction	\$ 2,734,908	\$ 0	\$ 4,832,830	\$ 2,097,922	\$ 0
Support services	8,255,844	1,170,629	3,735,067	(3,350,148)	0
Community services	13,812	0	34,364	20,552	0
Food services	71,682	494	71,191	3	0
Capital acquisition construction and improvement	208,086	0	0	(208,086)	0
Transfers out to other governmental units	5,199,443	0	5,009,073	(190,370)	0
Loss on disposal of assets	6,001	0	0	(6,001)	0
Depreciation (unallocated)	166,997	0	0	(166,997)	0
Total governmental activities	\$ 16,656,773	\$ 1,171,123	\$ 13,682,525	(1,803,125)	0
Component Unit					
R.O.O.C., Inc.					
Support and program services	\$ 951,410	\$ 1,036,792	\$ 7,838	0	93,220
General revenues:					
Taxes:					
Property taxes, levied for general purposes			3,664,173	0	
State aid			870,577	0	
Interest and investment earnings			3,627	757	
Other			917,341	8,291	
Total general revenues			5,455,718	9,048	
Change in net position			3,652,593	102,268	
Net position - beginning of year			(8,671,584)	378,861	
Net position - end of year			\$ (5,018,991)	\$ 481,129	

See accompanying notes to financial statements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2023

	General	Special Education	Career and Technical Education	Capital Projects Fund	Other Nonmajor Governmental Funds	Total
<u>Assets</u>						
Cash and investments	\$ 3,946,581	\$ 515,136	\$ 579,755	\$ 1,534,851	\$ 43,637	\$ 6,619,960
Receivables - net:						
Accounts receivable	1,083,568	2,400,535	331,533	0	3,151	3,818,787
Prepaid expenditures	19,030	0	0	0	0	19,030
Total assets	\$ 5,049,179	\$ 2,915,671	\$ 911,288	\$ 1,534,851	\$ 46,788	\$10,457,777
<u>Liabilities, Deferred Inflows of Resources and Fund Balance</u>						
<u>Liabilities</u>						
Accounts payable	\$ 189,224	\$ 815,052	\$ 92,763	\$ 206,037	\$ 19,759	\$ 1,322,835
Due to other governmental units	205,173	0	0	0	0	205,173
Unearned revenue	2,645,420	61,545	551,499	1,005,278	0	4,263,742
Accrued payroll and other liabilities	45,038	204,976	2,034	0	0	252,048
Total liabilities	3,084,855	1,081,573	646,296	1,211,315	19,759	6,043,798
<u>Deferred Inflows of Resources</u>						
Unavailable revenue	0	295,661	0	0	0	295,661
<u>Fund Balance</u>						
Nonspendable - prepaid	19,030	0	0	0	0	19,030
Restricted for fund purposes	0	1,538,437	264,992	323,536	27,029	2,153,994
Unassigned	1,945,294	0	0	0	0	1,945,294
Total fund balance	1,964,324	1,538,437	264,992	323,536	27,029	4,118,318
Total liabilities, deferred outflows of resources and fund balance	\$ 5,049,179	\$ 2,915,671	\$ 911,288	\$ 1,534,851	\$ 46,788	\$10,457,777

See accompanying notes to financial statements.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Reconciliation of Balance Sheet of Governmental Funds
 to the Statement of Net Position
June 30, 2023

Total fund balance - governmental funds	\$ 4,118,318
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 the capital assets	6,455,835
Accumulated depreciation	(2,863,383)
Deferred outflows used in governmental activities are not financial resources and therefore are not reported in governmental funds:	
Related to Pensions	4,953,724
Related to OPEB	1,323,948
Long-term liabilities are not due and payable in the current period and are not reported in the funds:	
Compensated absences	(96,107)
Net pension liability	(15,055,357)
Net OPEB liability	(883,519)
Unavailable revenue from other governmental units at June 30, 2023 and collected after September 1, 2023	295,661
Deferred inflows used in governmental activities are not recognized as current resources and therefore are not reported in governmental funds:	
Related to pensions	(1,316,105)
Related to OPEB	(1,952,006)
Total net position - governmental activities	<u>\$ (5,018,991)</u>

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2023

	General	Special Education	Career and Technical Education	Capital Projects Fund	Other Nonmajor Governmental Funds	Total
<u>Revenues</u>						
Local sources	\$ 1,111,237	\$ 3,531,109	\$ 20,000	\$ 0	\$ 142	\$ 4,662,488
State sources	4,762,277	3,500,619	1,272,738	1,435,799	572	10,972,005
Federal sources	898,744	2,366,423	168,199	0	71,191	3,504,557
Total revenues	<u>6,772,258</u>	<u>9,398,151</u>	<u>1,460,937</u>	<u>1,435,799</u>	<u>71,905</u>	<u>19,139,050</u>
<u>Expenditures</u>						
Support services:						
Instruction	5,461	2,249,418	759,812	0	0	3,014,691
Support services	3,376,019	4,279,315	693,756	0	0	8,349,090
Community services	615,630	13,812	0	0	0	629,442
Food services	0	0	0	0	77,382	77,382
Capital outlay	3,063	114,605	0	1,709,839	0	1,827,507
Information services	0	0	0	0	16,249	16,249
Total expenditures	<u>4,000,173</u>	<u>6,657,150</u>	<u>1,453,568</u>	<u>1,709,839</u>	<u>93,631</u>	<u>13,914,361</u>
Excess (deficiency) of revenues over expenditures	<u>2,772,085</u>	<u>2,741,001</u>	<u>7,369</u>	<u>(274,040)</u>	<u>(21,726)</u>	<u>5,224,689</u>
<u>Other Financing Sources (Uses)</u>						
Operating transfers in from other governmental units	379,709	804,890	312,000	0	17,382	1,513,981
Operating transfers out to other governmental units	(2,672,715)	(2,170,715)	(349,043)	0	0	(5,192,473)
Operating transfers in from other funds	0	0	49,276	300,000	381	349,657
Operating transfers out to other funds	(349,657)	0	0	0	0	(349,657)
Total other financing sources (uses)	<u>(2,642,663)</u>	<u>(1,365,825)</u>	<u>12,233</u>	<u>300,000</u>	<u>17,763</u>	<u>(3,678,492)</u>
Net change in fund balance	129,422	1,375,176	19,602	25,960	(3,963)	1,546,197
Fund balance - beginning of year	<u>1,834,902</u>	<u>163,261</u>	<u>245,390</u>	<u>297,576</u>	<u>328,568</u>	<u>2,869,697</u>
Fund balance - end of year	<u>\$ 1,964,324</u>	<u>\$ 1,538,437</u>	<u>\$ 264,992</u>	<u>\$ 323,536</u>	<u>\$ 27,029</u>	<u>\$ 4,118,318</u>

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures and
 Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Net change in fund balance - total governmental funds	\$ 1,546,197
<p>Amounts reported for governmental activities in the statements of activities are different because:</p> <p>Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation</p>	
Depreciation expense	(166,997)
Capital outlay	2,080,957
Loss on disposal of asset	(6,001)
<p>Long-term liabilities are not due and payable in the current year period and are not reported to the funds:</p> <p>Increases in compensated absences are reported as a decrease in expenditures when financial resources are used in the governmental fund in accordance with GASB Interpretation No. 6</p>	
	(28,573)
Unavailable revenue from other governmental units at June 30, 2023 and collected after September 1, 2023	295,661
Unavailable revenue from other governmental units at June 30, 2022 and collected after September 1, 2022	(195,038)
<p>Some expenses reported in the statement of activities do not require the use of current resources and, therefore are not reported as expenditures in the governmental funds:</p>	
Pension related items	(530,446)
OPEB related items	656,833
	656,833
Change in net position of governmental activities	\$ 3,652,593

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C.O.O.R. Intermediate School District is an intermediate school district encompassing the constituent local school districts of Crawford AuSable, West Branch-Rose City Area, Fairview Area, Mio AuSable, Gerrish-Higgins and Houghton Lake, which are located in the four county areas of Crawford, Oscoda, Ogemaw and Roscommon Counties.

The accounting policies of C.O.O.R Intermediate School District (School District) conform to U.S. generally accepted accounting principles (GAAP) as applicable to governmental units. 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 Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental and other nonprofit organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental and other nonprofit organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has one component unit, R.O.O.C., Inc.

C.O.O.R. Intermediate School District receives funding from local, state, and federal governmental sources and must comply with any related regulations and requirements of these funding source entities. The Intermediate School District is not, however, included in any other governmental "reporting entity" since the School Board, consisting of seven members, is elected and has decision-making authority, power to designate management, ability to significantly influence operations, and primary accountability in fiscal matters.

R.O.O.C., Inc., a Michigan nonprofit corporation, was organized to provide and maintain programs for mentally and physically handicapped persons who are residents of the C.O.O.R. Intermediate School District. The C.O.O.R. Intermediate School District Board of Directors is also the Board of Directors for R.O.O.C., Inc. In addition, C.O.O.R. Intermediate School District exercises significant oversight responsibility over the financial activities and transactions of R.O.O.C., Inc. Accordingly, R.O.O.C., Inc. is considered a component unit of the C.O.O.R. Intermediate School District.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

District-wide and Fund Financial Statements

The district-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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the School District's government-wide activities are considered governmental activities.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-wide Statements - The district-wide financial statements are reported using the economic resources measurement focus and the 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. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Amounts reported as program revenue include (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes and unrestricted State aid.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The School District reports the following major governmental funds:

General Fund - The General Fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund.

Special Education Fund - The Special Education Fund is used to record all transactions associated with special education programs administered by the School District.

Career and Technical Education Fund - The Career and Technical Education Fund is used to record all transactions associated with all career and technical education programs administered by the School District.

Capital Project Fund - The Capital Project Fund is used to record transactions for the career tech capital improvements.

Assets, Liabilities, and Net Position or Equity

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.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds."

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets - Capital assets, which include land, buildings, equipment and vehicles, are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$5,000 and any asset susceptible to theft. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure-type assets.

Buildings, equipment and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	7-50 years
Buses and other vehicles	8-10 years
Furniture and equipment	5-20 years

Compensated Absences - The liability for compensated absences reported in the district-wide statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Long-term Obligations - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Equity - The fund balance classifications are reported on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The fund balances are classified as nonspendable, restricted, committed, assigned and unassigned.

Nonspendable fund balance represents amounts that are not in a spendable form. The School District's nonspendable fund balance represents inventories and prepaid expenditures. In the fund financial statements, governmental funds report restrictions on fund balances for amounts that are legally restricted by outside parties for a specific purpose. Committed fund balance represents funds formally set aside by the School District for a particular purpose. The use of committed funds would be approved by the Board of Education through the budget process or official board action.

Assigned fund balance would represent tentative management plans that are subject to change which at the present time the School District does not have any assigned fund balance. The School District's intent would be to spend uncommitted/unassigned funds prior to the use of committed funds. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

Deferred Outflows and Inflows of Resources

Deferred Outflows - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. For district-wide financial statements, the School District reports deferred outflows of resources related to pensions and other postemployment benefits. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and other postemployment benefits expense. Changes in assumptions relating to the net pension and other postemployment benefits liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan. The School District also reported deferred outflows of resources for pension and other postemployment benefits contributions made after the measurement date. This amount will reduce the net pension and other postemployment benefits liability in the following year.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows - In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue arises only under a modified accrual basis of accounting. Accordingly, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from receipts that are received after 60 days of year end. These amounts are deferred and recognized as inflow of resources in the period that the amounts become available. For district-wide financial statements, the School District reports deferred inflows of resources related to pensions and other postemployment benefits. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and other postemployment benefits expense. Changes in assumptions relating to the net pension liability are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan. Deferred inflows of resources also includes revenue received relating to Section 147c state aid deferred to offset the deferred outflows related to Section 147c pension contributions subsequent to the measurement period.

Use of Estimates - The process of preparing the basic financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Property Taxes - For the taxpayers of the School District, properties are assessed as of December 31 and the related property taxes are levied and become a lien on July 1 and/or December 31 of the following year. The final collection date is February 28, after which uncollected taxes are added to the County delinquent tax rolls.

State Aid - The School District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain categorical funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received, which are not expended by the close of the fiscal year are recorded as deferred revenue. Other categorical funding is recognized when the appropriation is received.

Events Occurring After Reporting Date

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date of the accompanying Independent Auditor's Report, which is the date the financial statements were available to be issued.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 2 - BUDGETS

The State of Michigan adopted a Uniform Budgeting and Accounting Act (Act) applicable to all local governmental entities in the state. The law requires appropriation acts to be adopted for General and Special Revenue Funds of school districts prior to the expenditure of monies in a fiscal year.

C.O.O.R Intermediate School District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The School District's Superintendent submits to the Board of Education a proposed budget prior to July 1 of each year. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Budgeted amounts are as originally adopted, or as amended by the Board of Education throughout the year. Budgets are adopted to the functional level.
4. Appropriations lapse at year-end and therefore cancels all encumbrances. These appropriations are re-established at the beginning of the following year.

A comparison of actual results of operations to the budgeted amounts (at the level of control adopted by the Board of Education) for the General Fund, Special Education and Career and Technical Education are presented as Required Supplemental Information.

Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the General Fund, Special Education and Career and Technical Education, are noted in the required supplementary information section.

NOTE 3 - CASH AND INVESTMENTS

Some statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

At year-end, the School District's deposits and investments were reported in the basic financial statements in the following categories:

	Primary Government	Component Unit	Total
Cash and Investments	\$ 6,619,961	\$ 284,167	\$ 6,904,128

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

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

	Primary Government	Component Unit
Deposits (checking and savings accounts)	\$ 6,619,811	\$ 283,917
Petty cash and cash on hand	150	250
Total	\$ 6,619,961	\$ 284,167

Credit Risk - Investments

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2023, the School District's and the Component Unit's investment in the investment pool and the Municipal Investment Fund were rated AAA by Standard & Poor's.

The School District's and the Component Unit's investment policy does not identify interest rate risk, foreign currency risk or concentration of credit risk.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. As of June 30, 2023, \$7,233,915 of the School District's bank balance of \$7,483,915 was exposed to custodial credit risk because it was uninsured and exceeded the available federal depository insurance limits. As a result of overlap in bank account administration, the custodial credit risk of the Component Unit is included in the balances referred to above and cannot be presented for separate reporting.

Fair Value Measurement

The School District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 3 - CASH AND INVESTMENTS (CONTINUED)

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The School District does not have any investments subject to the fair value measurement.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 4 - CAPITAL ASSETS

A summary of changes in governmental capital assets follows:

	Balance June 30, 2022	Additions	Disposals and Adjustments	Balance June 30, 2023	Component Unit
Assets not being depreciated:					
Land	\$ 658,986	\$ 0	\$ 0	\$ 658,986	\$ 5,500
Construction in progress	0	1,653,612	0	1,653,612	0
Subtotal	658,986	1,653,612	0	2,312,598	5,500
Capital assets being depreciated:					
Buildings and improvements	2,621,852	27,975	(64,774)	2,585,053	846,134
Buses and other vehicles	997,318	148,920	(293,768)	852,470	59,832
Furniture and equipment	632,214	250,450	(176,950)	705,714	92,234
Subtotal	4,251,384	427,345	(535,492)	4,143,237	998,200
Accumulated depreciation:					
Buildings and improvements	1,976,507	42,257	(63,525)	1,955,239	736,842
Buses and other vehicles	792,765	87,352	(293,768)	586,349	23,810
Furniture and equipment	456,605	37,388	(172,198)	321,795	92,235
Subtotal	3,225,877	166,997	(529,491)	2,863,383	852,887
Net capital assets being depreciated	1,025,507	260,348	(6,001)	1,279,854	145,313
Net capital assets	<u>\$ 1,684,493</u>	<u>\$ 1,913,960</u>	<u>\$ (6,001)</u>	<u>\$ 3,592,452</u>	<u>\$ 150,813</u>

Depreciation expense for fiscal year ended June 30, 2023 was \$166,997. The School District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

Component unit depreciation for fiscal year ended June 30, 2023 amounted to \$23,713.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund transfers made during the year ended June 30, 2023 are as follows:

		<u>Transfers Out</u>
		<u>General Fund</u>
	Career and Technical Education	\$ 49,276
Transfers In	NMEC	381
	Capital Projects	300,000
		\$ 349,657

Transfers were made for program charges and to supplement Career and Technical Education and NMEC operational costs and capital projects.

NOTE 6 - RECEIVABLES

Receivables at June 30, 2023 consist of accounts (fees), intergovernmental grants and interest.

A summary of the intergovernmental receivables (due from other governmental units) follows:

State aid	\$	2,188,354
Federal grants		1,322,593
Other		307,840
	\$	3,818,787

NOTE 7 - UNEARNED REVENUE

Governmental funds report unearned revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also reflect unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, grant and categorical aid payments received prior to meeting all eligibility requirements amounted to \$4,263,742.

NOTE 8 - LONG-TERM OBLIGATIONS

The following is a summary of governmental long-term obligations for the School District for the year ended June 30, 2023:

	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Retirements and</u> <u>Payments</u>	<u>Balance</u> <u>June 30, 2023</u>
Compensated absences	\$ 67,534	\$ 28,573	\$ 0	\$ 96,107

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 8 - LONG-TERM OBLIGATIONS (CONTINUED)

Under the terms of the present contracts between the Board of Education of C.O.O.R. Intermediate School District and the various employee associations, the School District is contingently liable for unused sick and vacation days. Each employee may accumulate various amounts of sick and vacation days and must be paid for them upon retirement. At June 30, 2023, the amount of \$96,107 has been reflected in the district-wide financial statements.

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 has purchased commercial insurance for medical claims and participates in the SET-SEG risk pool for claims relating to workers' compensation, general liability, and property/casualty claims. Settled claims relating to the commercial insurance did not exceed the amount of insurance coverage in any of the past three fiscal years.

The SET-SEG 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.

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS

Plan Description

The Michigan Public School Employees' Retirement System (MPERS) (System) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. MPERS issues a publicly available Comprehensive Annual Financial Report that can be obtained at www.michigan.gov/orsschools.

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

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

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Benefits Provided - Overall

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of the pension plans offered by MPSERS is as follows:

<u>Plan Name</u>	<u>Plan Type</u>	<u>Plan Status</u>
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed
Pension Plus	Hybrid	Closed
Pension Plus 2	Hybrid	Open
Defined Contribution	Defined Contribution	Open

Benefits Provided - Pension

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Retirement benefits for DB plan members are determined by final average compensation and years of service. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later including Pension Plus Plan members, contribute at various graduated permanently fixed contribution rates from 3.0% - 7.0%.

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System (MPSERS) who became a member of MPSERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010 and who earned service credit in the 12 months ending September 3, 2012, or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

An amount determined by the member's election of Option 1, 2, 3, or 4 described below:

Option 1 – Members voluntarily elected to increase their contributions to the pension fund as noted below, and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment.

- Basic plan members: 4% contribution
- Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members: a flat 7% contribution

Option 2 – Members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic plan members, 3.9% for MIP-Fixed, up to 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

Option 3 – Members voluntarily elected not to increase their contribution to the pension fund and maintain their current level of contribution to the pension fund. The pension formula for their years of service as of the day before their transition date will include a 1.5% pension factor. The pension formula for any service thereafter will include a 1.25% pension factor.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Option 4 – Members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to the tax-deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS to a 457 account. They vest in employer contributions and related earnings in their 401(k) account based on the following schedule: 50% at 2 years, 75% at 3 years, and 100% at 4 years of service. They are 100% vested in any personal contributions and related earnings in their 457 account. Upon retirement, if they meet age and service requirements (including their total years of service), they would also receive a pension (calculated based on years of service and final average compensation as of the day before their transition date and a 1.5% pension factor).

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose.

Employees who first worked on or after September 4, 2012 choose between two retirement plans: the Pension Plus Plan and a Defined Contribution that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) - Average of highest 60 consecutive months for Basic Plan members and Pension Plus members (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected Option 4, in which case the FAC is calculated at the transition date.

Pension Reform of 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closed the Pension Plus plan to newly hired employees as of February 1, 2018 and created a new, optional Pension Plus 2 plan with similar plan benefit calculations but containing a 50/50 contribution share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 plan will close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law included other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Benefits Provided – Other postemployment benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

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

Regular Retirement (no reduction factor for age)

Eligibility – A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through 60th birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Annual Amount – The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member’s pension is determined by their pension election under PA 300 of 2012.

Member Contributions

Depending on the plan selected, member contributions range from 0% - 7% for pension and 0% - 3% for other postemployment benefits. Plan members electing the defined contribution plan are not required to make additional contributions.

Employer Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The normal cost is the annual cost assigned under the actuarial funding method, to the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

Pension and OPEB contributions made in the fiscal year ending September 30, 2022 were determined as of the September 30, 2019 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2019, are amortized over a 17-year period beginning October 1, 2021 and ending September 30, 2038.

The School District’s contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

	Pension	Other Postemployment Benefit
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%
October 1, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%

The School District's pension contributions for the year ended June 30, 2023 were equal to the required contribution total. Total pension contributions were approximately \$2,002,000. Of the total pension contributions approximately \$1,765,000 was contributed to fund the Defined Benefit Plan and approximately \$237,000 was contributed to fund the Defined Contribution Plan.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

The School District's OPEB contributions for the year ended June 30, 2023 were equal to the required contribution total. Total OPEB contributions were approximately \$347,000. Of the total OPEB contributions approximately \$333,000 was contributed to fund the Defined Benefit Plan and approximately \$13,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefits, include contributions funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

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

Pension Liabilities

The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. 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.

MPSERS (Plan) Non-University Employers:	September 30, 2022	September 30, 2021
Total Pension Liability	\$ 95,876,795,620	\$ 86,392,473,395
Plan Fiduciary Net Position	\$ 58,268,076,344	\$ 62,717,060,920
Net Pension Liability	\$ 37,608,719,276	\$ 23,675,412,475
Proportionate share	0.04003 %	0.03765 %
Net Pension liability for the School District	\$ 15,055,357	\$ 8,912,848

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

For the year ended June 30, 2023, the School District recognized pension expense of approximately \$2,446,000.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

At June 30, 2023, 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
Differences between expected and actual experience	\$ 150,606	\$ (33,662)
Net difference between projected and actual earnings on pension plan investments	35,305	0
Changes in assumptions	2,587,050	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	613,155	(321,950)
Unearned revenue related to pension portion of section 147 c	0	(960,493)
School District's contributions subsequent to the measurement date	1,567,608	0
Total	\$ 4,953,724	\$ (1,316,105)

\$1,567,608, reported as deferred outflows of resources related to pensions resulting from School District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

Year Ended June 30	Amount
2024	\$ 859,363
2025	625,532
2026	620,735
2027	924,874
	\$ 3,030,504

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

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

OPEB Liabilities

The net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2021 and rolled-forward using generally accepted actuarial procedures. The School District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

MPSERS (Plan) Non-University Employers:	September 30, 2022	September 30, 2021
Total OPEB Liability	\$ 12,522,713,324	\$ 12,046,393,511
Plan Fiduciary Net Position	\$ 10,404,650,683	\$ 10,520,015,621
Net OPEB Liability	\$ 2,118,062,641	\$ 5,357,266,979
Proportionate share	0.04171 %	0.03764 %
Net OPEB liability for the School District	\$ 883,519	\$ 574,528

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

For the year ended June 30, 2023, the School District recognized OPEB expense of approximately \$(337,000).

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

At June 30, 2023, 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	\$ 0	\$ (1,730,475)
Net difference between projected and actual plan investments	69,054	0
Changes in assumption	787,509	(64,123)
Changes in proportion and differences between employer contributions and proportionate share of contributions	215,297	(157,408)
School District's contributions subsequent to the measurement date	252,088	0
Total	\$ 1,323,948	\$ (1,952,006)

\$252,088, reported as deferred outflows of resources related to OPEB resulting from School District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

Other amounts reported as deferred outflows of resources and (deferred inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Amount
2024	\$ (333,713)
2025	(303,075)
2026	(268,833)
2027	(1,409)
2028	18,449
Thereafter	8,435
	\$ (880,146)

Actuarial Assumptions

Investment rate of return for Pension - 6.00% a year, compounded annually net of investment and administrative expenses for the MIP, Basic, Pension Plus and Pension Plus 2 groups.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Investment rate of return for OPEB - 6.00% a year, compounded annually net of investment and administrative expenses.

Salary increases - The rate of pay increase used for individual members is 2.75% - 11.55%, including wage inflation at 2.75%.

Inflation - 3.0%

Mortality assumptions -

Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Active: RP-2014 Male and Female Employee Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Disabled Retirees: RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Experience study - The annual actuarial valuation report of the System used for these statements is dated September 30, 2021. Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2018 Comprehensive Annual Financial Report.

The long-term expected rate of return on pension and other postemployment benefit plan investments - The pension rate was 6.00% (MIP, Basic, Pension Plus Plan and Pension Plus 2 Plan), and the other postemployment benefit rate was 6.95%, net of investment and administrative expenses was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan and OPEB 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.

Cost of Living Pension Adjustments – 3.0% annual non-compounded for MIP members.

Healthcare cost trend rate for other postemployment benefit – Pre 65, 7.75% for year one and graded to 3.5% for year fifteen. Post 65, 5.25% for year one and graded to 3.5% in year fifteen.

Additional assumptions for other postemployment benefit only – Applies to individuals hired before September 4, 2012:

Opt Out Assumption - 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Survivor Coverage - 80% of male retirees and 67% of female retirees are assumed to have coverage continuing after the retiree's death.

Coverage Election at Retirement - 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

The target asset allocation at September 30, 2022 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation*	Long-Term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.1%
Private Equity Pools	16.0%	8.7%
International Equity Pools	15.0%	6.7%
Fixed Income Pools	13.0%	(0.2)%
Real Estate and Infrastructure Pools	10.0%	5.3%
Absolute Return Pools	9.0%	2.7%
Real Return/Opportunistic Pools	10.0%	5.8%
Short Term Investment Pools	2.0%	(0.5)%
Total	100.0%	

*Long term rate of return are net of administrative expenses and 2.2% inflation.

Rate of return - For fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was (4.18)% and (4.99)% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

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

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

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

Sensitivity of the net pension liability to changes in the discount rate - The following presents the School District's proportionate share of the net pension liability calculated using a single discount rate of 6.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Pension		
	1% Decrease	Discount Rate	1% Increase
School District's proportionate share of the net pension liability	<u>\$19,867,478</u>	<u>\$15,055,357</u>	<u>\$11,089,985</u>

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 6.00%, as well as what the Reporting Unit's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Other postemployment benefit		
	1% Decrease	Discount Rate	1% Increase
School District's proportionate share of the net OPEB liability	<u>\$1,482,018</u>	<u>\$883,519</u>	<u>\$379,508</u>

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 10 - DEFINED BENEFIT PENSION PLAN AND POSTEMPLOYMENT BENEFITS
(CONTINUED)

Sensitivity to the net OPEB liability to changes in the healthcare cost trend rates - The following presents the School District's proportionate share of the net other postemployment benefit liability calculated using the healthcare cost trend rate, as well as what the School District's proportionate share of the net other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Other postemployment benefit		
	1% Decrease	Current Healthcare cost trend rates	1% Increase
School District's proportionate share of the net OPEB liability	<u>\$369,975</u>	<u>\$883,519</u>	<u>\$1,459,982</u>

Pension and OPEB Plan Fiduciary Net Position - Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2022 Annual Comprehensive Financial Report.

Payable to the Pension and OPEB Plan - At year end the School District is current on all required pension and other postemployment benefit plan payments. Amounts accrued at year end for accounting purposes are included in the financial statements as a liability titled accrued payroll and payroll liabilities. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers and the contributions due funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

NOTE 11 - GRANTS

The School District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the School District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund. Based on prior experience, the School District administration believes such disallowance, if any, would be immaterial.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 12 - TAX ABATEMENTS

The School District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions, Brownfield Redevelopment Agreements, and Payments in Lieu of Taxes (PILOT) granted by cities, villages and townships. 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; PILOT programs apply to multiple unit housing for citizens of low income and the elderly.

There are no significant abatements made by the School District.

NOTE 13 - UPCOMING ACCOUNTING PRONOUNCEMENT

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The School District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The School District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Required Supplemental Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Local sources	\$ 1,023,800	\$ 1,100,507	\$ 1,111,237	\$ 10,730
State sources	4,013,090	5,295,065	4,762,277	(532,788)
Federal sources	628,122	793,605	898,744	105,139
Interdistrict and other sources	0	379,778	0	(379,778)
Total revenues	<u>5,665,012</u>	<u>7,568,955</u>	<u>6,772,258</u>	<u>(796,697)</u>
<u>Expenditures</u>				
Instruction:				
Added needs	31,257	5,461	5,461	0
Support services:				
Pupil	372,579	690,418	695,553	(5,135)
Instructional staff	766,978	995,596	1,004,025	(8,429)
General administrative	613,232	722,972	734,030	(11,058)
School administrative	1,039,312	320,294	320,956	(662)
Business services	8,948	179,841	182,498	(2,657)
Operations and maintenance	70,480	82,202	82,884	(682)
Information services	335,756	352,859	353,300	(441)
Capital outlay	0	3,063	3,063	0
Support other	0	2,675	2,773	(98)
Community services	0	612,186	615,630	(3,444)
Total expenditures	<u>3,238,542</u>	<u>3,967,567</u>	<u>4,000,173</u>	<u>(32,606)</u>
Excess (deficiency) of revenues over expenditures	<u>2,426,470</u>	<u>3,601,388</u>	<u>2,772,085</u>	<u>(829,303)</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in from other governmental units	444,436	441,321	379,709	(61,612)
Operating transfers out to other governmental units	(2,709,863)	(2,567,167)	(2,672,715)	(105,548)
Operating transfers out to other funds	0	(349,657)	(349,657)	0
Total other financing sources (uses)	<u>(2,265,427)</u>	<u>(2,475,503)</u>	<u>(2,642,663)</u>	<u>(167,160)</u>
Net change in fund balance	161,043	1,125,885	129,422	(996,463)
Fund balance - beginning of year	<u>1,834,902</u>	<u>1,834,902</u>	<u>1,834,902</u>	<u>0</u>
Fund balance - end of year	<u>\$ 1,995,945</u>	<u>\$ 2,960,787</u>	<u>\$ 1,964,324</u>	<u>\$ (996,463)</u>

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Required Supplemental Information
 Budgetary Comparison Schedule - Special Education Fund
 For the Year Ended June 30, 2023

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Local sources	\$ 3,245,513	\$ 3,521,552	\$ 3,531,109	\$ 9,557
State sources	1,995,741	3,151,584	3,500,619	349,035
Federal sources	2,935,955	2,723,653	2,366,423	(357,230)
Total revenues	<u>8,177,209</u>	<u>9,396,789</u>	<u>9,398,151</u>	<u>1,362</u>
<u>Expenditures</u>				
Instruction:				
Added needs	2,308,866	2,233,817	2,249,418	(15,601)
Support services:				
Pupil	2,074,477	2,138,623	2,161,190	(22,567)
Instructional staff	498,877	453,165	462,132	(8,967)
General administrative	144,610	77,230	80,440	(3,210)
School administrative	251,503	249,649	254,002	(4,353)
Business services	23,285	35,618	35,755	(137)
Operations and maintenance	195,342	242,225	236,708	5,517
Transportation	834,445	866,696	874,187	(7,491)
Information services	162,400	172,918	173,824	(906)
Capital outlay	0	114,105	114,605	(500)
Support other	1,589	1,077	1,077	0
Community services	0	3,459	13,812	(10,353)
Total expenditures	<u>6,495,394</u>	<u>6,588,582</u>	<u>6,657,150</u>	<u>(68,568)</u>
Excess (deficiency) of revenues over expenditures	<u>1,681,815</u>	<u>2,808,207</u>	<u>2,741,001</u>	<u>(67,206)</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in from other governmental units	691,612	656,990	804,890	147,900
Operating transfers out to other governmental units	(2,422,205)	(2,344,216)	(2,170,715)	173,501
Total other financing sources (uses)	<u>(1,730,593)</u>	<u>(1,687,226)</u>	<u>(1,365,825)</u>	<u>321,401</u>
Net change in fund balance	(48,778)	1,120,981	1,375,176	254,195
Fund balance - beginning of year	<u>163,261</u>	<u>163,261</u>	<u>163,261</u>	<u>0</u>
Fund balance - end of year	<u>\$ 114,483</u>	<u>\$ 1,284,242</u>	<u>\$ 1,538,437</u>	<u>\$ 254,195</u>

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Required Supplemental Information
 Budgetary Comparison Schedule - Career and Technical Education Fund
 For the Year Ended June 30, 2023

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Local sources	\$ 20,000	\$ 20,000	\$ 20,000	\$ 0
State sources	1,727,692	1,244,490	1,272,738	28,248
Federal sources	169,596	168,199	168,199	0
Total revenues	<u>1,917,288</u>	<u>1,432,689</u>	<u>1,460,937</u>	<u>28,248</u>
<u>Expenditures</u>				
Instruction:				
Added needs	537,533	710,243	759,812	(49,569)
Support services:				
Pupil	176,646	174,934	44,695	130,239
Instructional staff	0	0	27,375	(27,375)
General administrative	223,097	162,246	185,030	(22,784)
Business services	1,850	24,600	20,142	4,458
Operations and maintenance	1,000,000	321,059	318,740	2,319
Transportation	0	0	2,000	(2,000)
Information services	0	0	94,816	(94,816)
Support other	10,702	52,428	958	51,470
Total expenditures	<u>1,949,828</u>	<u>1,445,510</u>	<u>1,453,568</u>	<u>(8,058)</u>
Excess (deficiency) of revenues over expenditures	<u>(32,540)</u>	<u>(12,821)</u>	<u>7,369</u>	<u>20,190</u>
<u>Other Financing Sources (Uses)</u>				
Operating transfers in from other governmental units	395,817	356,276	312,000	(44,276)
Operating transfers out to other governmental units	(252,678)	(331,361)	(349,043)	(17,682)
Operating transfers in from other funds	0	0	49,276	49,276
Total other financing sources (uses)	<u>143,139</u>	<u>24,915</u>	<u>12,233</u>	<u>(12,682)</u>
Net change in fund balance	110,599	12,094	19,602	7,508
Fund balance - beginning of year	<u>245,390</u>	<u>245,390</u>	<u>245,390</u>	<u>0</u>
Fund balance - end of year	<u>\$ 355,989</u>	<u>\$ 257,484</u>	<u>\$ 264,992</u>	<u>\$ 7,508</u>

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Required Supplemental Information
 Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability
 Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Reporting unit's proportion of net pension liability (%)	0.04003 %	0.03765 %	0.03873 %	0.03998 %	0.03753 %	0.04012 %	0.03894 %	0.03861 %	0.03753 %
Reporting unit's proportionate share of net pension liability	\$ 15,055,357	\$ 8,912,848	\$ 13,303,352	\$ 13,239,363	\$ 11,281,693	\$ 10,397,134	\$ 9,714,411	\$ 9,429,667	\$ 8,267,124
Reporting unit's covered-employee payroll	\$ 4,126,397	\$ 3,465,156	\$ 3,484,938	\$ 3,571,901	\$ 3,523,064	\$ 3,427,920	\$ 3,322,095	\$ 3,735,841	\$ 3,207,846
Reporting unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	27.40816 %	38.87821 %	26.19594 %	26.97940 %	31.22815 %	32.96985 %	34.19760 %	39.61795 %	38.80244 %
Plan fiduciary net position as a percentage of total pension liability	60.77000 %	72.60000 %	59.72000 %	60.31000 %	62.36000 %	64.21000 %	63.27000 %	62.92000 %	66.15000 %

With the implementation of GASB Statement No. 68 in 2015, the 10 year history will be provided prospectively until a full 10 year history is shown.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Required Supplemental Information
Schedule of the Reporting Unit's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Reporting Unit Fiscal Years (Amounts were determined as of 6/30 of each fiscal year)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 1,764,559	\$ 1,222,142	\$ 1,103,778	\$ 1,088,622	\$ 1,058,389	\$ 1,029,255	\$ 955,926	\$ 905,044	\$ 707,465
Contributions in relation to statutorily required contributions*	<u>1,764,559</u>	<u>1,222,142</u>	<u>1,103,778</u>	<u>1,088,622</u>	<u>1,058,389</u>	<u>1,029,255</u>	<u>955,926</u>	<u>905,044</u>	<u>707,465</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>					
Reporting unit's covered-employee payroll	\$ 4,400,220	\$ 3,704,909	\$ 3,321,745	\$ 3,687,887	\$ 3,525,626	\$ 3,494,800	\$ 3,539,385	\$ 3,256,176	\$ 3,267,840
Contributions as a percentage of covered-employee payroll	40.10 %	32.99 %	33.23 %	29.52 %	30.02 %	29.45 %	27.01 %	27.79 %	21.65 %

*Contributions in relation to statutorily required contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

With the implementation of GASB Statement No. 68 in 2015, the 10 year history will be provided prospectively until a full 10 year history is shown.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Required Supplemental Information
 Schedule of the Reporting Unit's Proportionate Share of the Net OPEB Liability
 Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Reporting unit's proportion of net OPEB liability (%)	0.04171 %	0.03764 %	0.03890 %	0.04052 %	0.04106 %	0.04021 %
Reporting unit's proportionate share of net OPEB liability	\$ 883,519	\$ 574,528	\$ 2,083,726	\$ 2,908,737	\$ 3,263,720	\$ 3,560,782
Reporting unit's covered-employee payroll	\$ 4,126,397	\$ 3,465,156	\$ 3,484,938	\$ 3,571,901	\$ 3,523,064	\$ 3,427,920
Reporting unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	467.04112 %	603.13092 %	167.24550 %	122.79904 %	107.94627 %	96.26874 %
Plan fiduciary net position as a percentage of total OPEB liability (Non-university employers)	83.09000 %	87.33000 %	59.44000 %	48.46000 %	42.95000 %	32.48000 %

With the implementation of GASB Statement No. 75 in 2018, the 10 year history will be provided prospectively until a full 10 year history is shown.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Required Supplemental Information
Schedule of the Reporting Unit's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Reporting Unit Fiscal Years (Amounts were determined as of 6/30 of each fiscal year)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 333,395	\$ 302,607	\$ 267,786	\$ 289,283	\$ 275,194	\$ 257,099
Contributions in relation to statutorily required contributions*	<u>333,395</u>	<u>302,607</u>	<u>267,786</u>	<u>289,283</u>	<u>275,194</u>	<u>257,099</u>
Contribution deficiency (excess)	<u>\$ 0</u>					
Reporting unit's covered-employee payroll**	\$ 4,400,220	\$ 3,704,909	\$ 3,321,745	\$ 3,687,887	\$ 3,525,626	\$ 3,494,800
Contributions as a percentage of covered-employee payroll	7.58 %	8.17 %	8.06 %	7.84 %	7.81 %	7.36 %

* Contributions in relation to statutorily required contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

** The employer's covered payroll is defined by GASB 85, *Omnibus 2017*, as payroll on which contributions to the OPEB plan are based. For non-university employers, covered payroll for both pension and OPEB represents payroll on which contributions to both plans are based.

With the implementation of GASB Statement No. 75 in 2018, the 10 year history will be provided prospectively until a full 10 year history is shown.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to Required Supplementary Information
For the Year Ended June 30, 2023

Changes of benefit terms: There were no changes of benefit terms in 2022.

Changes of assumptions: The assumption changes for pension for 2022 were:

Discount rate for MIP, Basic, and Pension Plus plans decreased to 6.00% from 6.80%.

The assumption changes for 2022 for OPEB were:

Discount rate decreased to 6.00% from 6.95%.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds		
	NMEC (Northern Michigan Electronics Consortium) Fund	Food Service Fund	Total
<u>Assets</u>			
Cash and investments	\$ 20,317	\$ 23,320	\$ 43,637
Receivables - net:			
Accounts receivable	0	3,151	3,151
Total assets	\$ 20,317	\$ 26,471	\$ 46,788
<u>Liabilities and Fund Balance</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 3,490	\$ 16,269	\$ 19,759
Total liabilities	3,490	16,269	19,759
<u>Fund Balance</u>			
Restricted for fund purposes	16,827	10,202	27,029
Total fund balance	16,827	10,202	27,029
Total liabilities and fund balance	\$ 20,317	\$ 26,471	\$ 46,788

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Other Supplemental Information
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	<u>Special Revenue Funds</u>		
	NMEC (Northern Michigan Electronics Consortium)		
	<u>Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
<u>Revenues</u>			
Local sources	\$ 0	\$ 142	\$ 142
State sources	0	572	572
Federal sources	0	71,191	71,191
Total revenues	<u>0</u>	<u>71,905</u>	<u>71,905</u>
<u>Expenditures</u>			
Support services:			
Food services	0	77,382	77,382
Information services	16,249	0	16,249
Total expenditures	<u>16,249</u>	<u>77,382</u>	<u>93,631</u>
Excess (deficiency) of revenues over expenditures	<u>(16,249)</u>	<u>(5,477)</u>	<u>(21,726)</u>
<u>Other Financing Sources (Uses)</u>			
Operating transfers in from other governmental units	17,382	0	17,382
Operating transfers in from other funds	381	0	381
Total other financing sources (uses)	<u>17,763</u>	<u>0</u>	<u>17,763</u>
Net change in fund balance	1,514	(5,477)	(3,963)
Fund balance - beginning of year	<u>15,313</u>	<u>15,679</u>	<u>30,992</u>
Fund balance - end of year	<u>\$ 16,827</u>	<u>\$ 10,202</u>	<u>\$ 27,029</u>



INDEPENDENT AUDITOR'S 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

October 26, 2023

Board of Education
C.O.O.R Intermediate School District
Roscommon, Michigan

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of C.O.O.R Intermediate School District (School District), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise C.O.O.R Intermediate School District' basic financial statements and have issued our report thereon dated October 26, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered C.O.O.R Intermediate 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 C.O.O.R Intermediate School District's internal control. Accordingly, we do not express an opinion on the effectiveness of C.O.O.R Intermediate School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.



WEINLANDER FITZHUGH

Certified Public Accountants & Advisors

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002 and 2023-003 to be material weaknesses.

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. We consider the deficiencies in the accompanying schedule of findings and questioned costs as items 2023-004 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether C.O.O.R Intermediate 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-002 and 2023-004.

School District's Response to Findings

C.O.O.R Intermediate School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. C.O.O.R Intermediate School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Weinlander Fitzhugh



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

October 26, 2023

Board of Education
C.O.O.R Intermediate School District
Roscommon, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited C.O.O.R Intermediate School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of C.O.O.R Intermediate School District's major federal programs for the year ended June 30, 2023. C.O.O.R Intermediate School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, C.O.O.R Intermediate School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of C.O.O.R Intermediate School District and to meet our 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 C.O.O.R Intermediate 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 C.O.O.R Intermediate School District's federal programs.

Auditor's Responsibility 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 C.O.O.R Intermediate 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 U.S. generally accepted auditing standards, *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 C.O.O.R Intermediate School District's compliance with the requirements for each major federal program as a whole.

In performing an audit in accordance with U.S. generally accepted auditing standards, *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 C.O.O.R Intermediate 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 C.O.O.R Intermediate 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 C.O.O.R Intermediate 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 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.

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.

Weinlander Fitzhugh

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO
<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NONE REPORTED
<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO

Noncompliance material to financial statements noted?

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO
<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NONE REPORTED

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

Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO
--------------------------	-----	-------------------------------------	----

Identification of major programs:

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	Special Education - Grants to States (IDEA, Part B)
84.173	Special Education - Preschool Grants (IDEA, Preschool)

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

Auditee qualified as low-risk auditee?

<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO
--------------------------	-----	-------------------------------------	----

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

SECTION II - Financial Statement Findings

2023-001 (Repeat Finding 2022-001)

Criteria or Specific Requirement

Establish and maintenance of internal controls over the financial reporting process.

Condition

Due to the complexity of certain aspects of fund accounting, preparation of the government-wide financial statements in accordance with GASB 34, and the related note disclosures, the School District relies on auditor involvement to prepare its financial statements in accordance with U.S. generally accepted accounting principles.

Context

Internal controls should be in place to provide reasonable assurance to the School District that management possesses the specialized skills necessary to monitor and report annual financial activity without auditor involvement.

Effect

The effect of this condition places a reliance on the independent auditor to be part of the School District's internal control over financial reporting.

Cause

The School District does not have an individual on staff that has the specialized skills and experience to monitor financial activities and reporting in accordance with U.S. generally accepted accounting principles.

Recommendation

The School District should review and implement the specialized education and procedural activities to monitor and report annual financial activity without auditor involvement.

Views of the Responsible Officials and Planned Corrective Action

The School District will continue to develop the skills of the Director of Finance. Refer to our corrective action plan for additional information.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

2023-002 (Repeat Finding 2022-002)

Criteria or Specific Requirement

School Districts should have controls in place to properly reflect anticipated revenues and expenditures, based on historical information, in the budget.

Condition

The School District incurred budget violations in its major funds revenues and expenditure accounts.

Context

The budget is used to monitor financial performance and reasonableness of financial reports.

Cause/Effect

The revenues and expenditures were not being monitored in comparison to actual and expected.

Recommendation

The School District should implement procedures to monitor activity and amend its funds required to adopt budgets in accordance with standards established by the State of Michigan.

Views of the Responsible Officials and Planned Corrective Action

The Director of Finance will more closely monitor the budgeting process with the Department Directors and Supervisors. Refer to our corrective action plan for additional information.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

2023-003 (Repeat Finding 2022-003)

Criteria or Specific Requirement

During the course of the audit, we identified numerous misstatements, some of which were material to the School District's financial statements and provided audit entries to correct these misstatements. Material audit adjustments were required for accounts payable, unearned revenue and unavailable revenue.

Condition

The fund level accounting records required material journal entries to correct accounts receivable and unearned revenue and to report balances in accordance with U.S. generally accepted accounting principles.

Context

The finding is a result of observation and inquiry with School District administration.

Effect

The effect of this condition places a reliance on the independent auditor to be part of the School District's internal controls.

Cause

The School District did not monitor its fund level reporting on a timely basis.

Recommendation

The School District should review the audit entries, understand why they were necessary and implement controls to ensure that the accounts and transactions affected are reviewed closely during the year and especially at year-end.

Views of the Responsible Officials and Planned Corrective Action

The Director of Finance will review adjusted journal entries and decrease auditor involvement. Refer to our corrective action plan for additional information.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

2023-004 (Repeat Finding 2022-004)

Criteria or Specific Requirement

The State of Michigan Department of Education requires the use of a uniform chart of accounts. Part of this chart of accounts includes a section for grant codes.

Condition

The uniform chart of accounts allows the District to track their expenditures by function, object and by grants. The client is not fully utilizing the prescribed state chart of accounts including the grant codes.

Context

Internal controls should be put in place to verify that the proper accounts are used.

Effect

This places a reliance on the auditor to reclassify certain expenditures to agree with the proper financial statement presentation. It also causes additional audit procedures related to the grants to verify the expenditures are complete and accurate.

Recommendation

The School District should review their current chart of accounts for the proper reporting for function and objects to verify that they are classifying their expenditures appropriately. The School District should also review all grant revenues and verify that they have the correct grant code utilized to track all grant expenditures. Grant expenditures and revenue for federal awards should also be tracked based on the project year.

Views of the Responsible Officials and Planned Corrective Action

The School District has begun the process of updating their current chart of accounts. Refer to our corrective action plan for additional information.

SECTION III - Federal Award Findings and Questioned Costs

There are no matters reported.

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2023

2022-001, 2022-002, 2022-003, 2022-004

Audit Finding

All audit findings listed above are repeat findings in the current year.

Corrective Action Taken

Corrective action plans were not implemented properly.

C.O.O.R. INTERMEDIATE SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal ALN Number	Approved Grant Award Amount	(Memo Only) Prior Year Expenditures	Accrued or (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Current Year Receipts (Cash Basis)	Current Year Expenditures	Accrued or (Deferred) Revenue at June 30, 2023	Payments to Subrecipients
Clusters:									
U.S. Department of Agriculture									
Passed through MDE									
Child Nutrition Cluster:									
<u>School Breakfast Program</u>									
	10.553	\$ 15,382	\$ 15,319	\$ 1,597	\$ 0	\$ 1,597	\$ 0	\$ 0	\$ 0
Project 221971-2122		2,952	0	0	0	2,952	2,952	0	0
Project 221970-2122		17,964	0	0	0	13,792	15,012	1,220	0
Project 231970-2223		<u>36,298</u>	<u>15,319</u>	<u>1,597</u>	<u>0</u>	<u>18,341</u>	<u>17,964</u>	<u>1,220</u>	<u>0</u>
<u>Supply Chain Assistance</u>									
	10.555	5,676	0	(5,676)	0	0	5,676	0	0
Project 211965-2021		6,197	5,199	(998)	0	0	998	0	0
Project 220910-2122		26,967	26,967	2701	0	2,701	0	0	0
Project 221961-2022		6,220	0	0	0	6,220	6,220	0	0
Project 220910-2223		4,479	0	0	0	4,479	4,479	0	0
Project 221960-2022		5,607	0	0	0	5,607	5,607	0	0
Project 230910-2023		23,780	0	0	0	21,849	23,780	1,931	0
Project 231960-2023		<u>78,926</u>	<u>32,166</u>	<u>(3,973)</u>	<u>0</u>	<u>40,856</u>	<u>46,760</u>	<u>1,931</u>	<u>0</u>
Non-Cash Assistance (Commodities)									
	10.555	4,822	0	0	0	4,822	4,822	0	0
Entitlement		1,645	0	0	0	1,645	1,645	0	0
Bonus		<u>6,467</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,467</u>	<u>6,467</u>	<u>0</u>	<u>0</u>
Total Child Nutrition Cluster									
		<u>121,691</u>	<u>47,485</u>	<u>(2,376)</u>	<u>0</u>	<u>65,664</u>	<u>71,191</u>	<u>3,151</u>	<u>0</u>
Special Education Cluster									
U.S. Department of Education									
Passed through MDE									
<u>Special Ed Flowthrough</u>									
	84.027	2,097,900	2,085,728	37,912	0	37,912	0	0	0
PL 94-142 Flowthrough:		2,145,130	2,093,569	2,093,569	0	2,115,824	35,118	12,863	24,053
Project 210450 - 20-21		2,165,606	0	0	0	1,324,867	2,016,137	691,270	2,016,319
Project 220450 - 21-22		<u>6,408,636</u>	<u>4,179,297</u>	<u>2,131,481</u>	<u>0</u>	<u>3,478,603</u>	<u>2,051,255</u>	<u>704,133</u>	<u>2,040,372</u>
Project 230450 - 22-23									

See accompanying notes to Schedule of Expenditures of Federal Awards

C.O.O.R. INTERMEDIATE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

Federal Grantor Pass Through Grantor <u>Program Title Grant Number</u>	Federal ALN <u>Number</u>	Approved Grant Award <u>Amount</u>	(Memo Only) Prior Year <u>Expenditures</u>	Accrued or (Deferred) Revenue at <u>July 1, 2022</u>	Adjustments and <u>Transfers</u>	Current Year Receipts <u>(Cash Basis)</u>	Current Year <u>Expenditures</u>	Accrued or (Deferred) Revenue at <u>June 30, 2023</u>	Payments to <u>Subrecipients</u>
State Initiated / Competitive:									
Project 220493-21-22		\$ 132,000	\$ 132,000	\$ 132,000	\$ (48)	\$ 131,952	\$ 0	\$ 0	\$ 0
Project 230493-22-23		145,200	0	0	0	117,439	145,200	27,761	0
		<u>277,200</u>	<u>132,000</u>	<u>132,000</u>	<u>(48)</u>	<u>249,391</u>	<u>145,200</u>	<u>27,761</u>	<u>0</u>
IDEA Grant Funded Initiatives									
Project 220470-2D33	84.027A	9,216	0	0	0	9,216	9,216	0	0
Special Education ARP Flowthrough									
Project 221280 - 21-22	84.027X	426,076	0	0	0	27,265	65,159	37,894	0
<u>Preschool Grant</u>									
PL 94-142 Preschool Incentive:									
Project 220460-21-22	84.173	67,762	67,762	67,762	(483)	52,647	483	15,115	0
Project 230460-22-23		69,988	0	0	0	0	68,616	68,616	483
		<u>137,750</u>	<u>67,762</u>	<u>67,762</u>	<u>(483)</u>	<u>52,647</u>	<u>69,099</u>	<u>83,731</u>	<u>483</u>
Total Special Education Cluster		<u>7,258,878</u>	<u>4,379,059</u>	<u>2,331,243</u>	<u>(531)</u>	<u>3,817,122</u>	<u>2,339,929</u>	<u>853,519</u>	<u>2,040,855</u>
Other Federal Awards:									
U.S. Department of Treasury									
Passed through MDE									
GSRP State Fiscal Recovery Funds									
Project 222390-GSRP2122	21.027	298,542	169,450	169,450	0	169,450	0	0	0
ARP Grow Your Own									
Project 232423 - 20231	21.027	65,938	0	0	0	0	10,276	10,276	0
Project 232425 - 22-23		892,857	0	0	0	0	267,857	267,857	0
		<u>958,795</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>278,133</u>	<u>278,133</u>	<u>0</u>
Total 21.027		<u>1,257,337</u>	<u>169,450</u>	<u>169,450</u>	<u>0</u>	<u>169,450</u>	<u>278,133</u>	<u>278,133</u>	<u>0</u>
Passed through MDE									
<u>Educationally Deprived Children</u>									
Title I Part D Grants:									
Project 221700-2122	84.010	31,257	31,257	31,257	0	31,257	0	0	0

See accompanying notes to Schedule of Expenditures of Federal Awards

C.O.O.R. INTERMEDIATE SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal ALN Number	Approved Grant Award Amount	(Memo Only) Prior Year Expenditures	Accrued or (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Current Year Receipts (Cash Basis)	Current Year Expenditures	Accrued or (Deferred) Revenue at June 30, 2023	Payments to Subrecipients
<u>Infant and Toddler</u>									
Infant and Toddler Formula Grant	84.181								
Project 221340-21-22		\$ 80,128	\$ 79,386	\$ 79,386	\$ 0	\$ 78,906	\$ (480)	\$ 0	\$ 0
Project 231340-22-23		87,974	0	0	0	0	85,919	85,919	0
		<u>168,102</u>	<u>79,386</u>	<u>79,386</u>	<u>0</u>	<u>78,906</u>	<u>85,439</u>	<u>85,919</u>	<u>0</u>
Total non cluster programs passed through MDE		<u>1,456,696</u>	<u>280,093</u>	<u>280,093</u>	<u>0</u>	<u>279,613</u>	<u>363,572</u>	<u>364,052</u>	<u>0</u>
U.S. Department of Education									
Direct program									
Rural Education Achievement Program	84.358A								
Program S358A183509		23,559	18,312	14,514	0	14,514	5,247	5,247	0
Program S358A203618		23,396	0	0	0	23,396	23,396	0	0
		<u>46,955</u>	<u>18,312</u>	<u>14,514</u>	<u>0</u>	<u>37,910</u>	<u>28,643</u>	<u>5,247</u>	<u>0</u>
Total U.S. Department of Ed non cluster programs		<u>1,503,651</u>	<u>298,405</u>	<u>294,607</u>	<u>0</u>	<u>317,523</u>	<u>392,215</u>	<u>369,299</u>	<u>0</u>
Total U.S. Department of Education		<u>8,884,220</u>	<u>4,724,949</u>	<u>2,623,474</u>	<u>(531)</u>	<u>4,200,309</u>	<u>2,803,335</u>	<u>1,225,969</u>	<u>2,040,855</u>
Passed through Other ISD's									
<u>Vocational Education - Basic Grants to States</u>									
Vocational Education Regional Allocation: Passed through Clare-Gladwin RESD:	84.048								
Perkins - Project 223520-22128		145,856	145,856	101,101	0	101,101	0	0	0
Perkins - Project 233520-23128		168,199	0	0	0	122,902	168,199	45,297	0
		<u>314,055</u>	<u>145,856</u>	<u>101,101</u>	<u>0</u>	<u>224,003</u>	<u>168,199</u>	<u>45,297</u>	<u>0</u>
<u>McKenney-Vento Homeless Education</u>									
Assistance Act - COVID Passed through Cheboygan-Otsego-Presque Isle ESA: ARP Homeless - COVID Project 211010-2122	84.425W								
		245	0	0	0	245	245	0	0
Total non cluster programs passed through other ISD's		<u>314,300</u>	<u>145,856</u>	<u>101,101</u>	<u>0</u>	<u>224,248</u>	<u>168,444</u>	<u>45,297</u>	<u>0</u>

See accompanying notes to Schedule of Expenditures of Federal Award:

C.O.O.R. INTERMEDIATE SCHOOL DISTRICT

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023**

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal ALN Number	Approved Grant Award Amount	(Memo Only) Prior Year Expenditures	Accrued or (Deferred) Revenue at July 1, 2022	Adjustments and Transfers	Current Year Receipts (Cash Basis)	Current Year Expenditures	Accrued or (Deferred) Revenue at June 30, 2023	Payments to Subrecipients
U.S. Department of Health and Human Services									
Passed through Michigan Community Health:									
<u>Medical Assistance Program Title XIX</u>									
Medicaid Administrative Outreach	93.778	\$ 53,023	\$ 0	\$ 0	\$ 0	\$ 53,023	\$ 53,023	\$ 0	\$ 0
Passed through Early Childhood Investment Corporation									
Childcare and Development Block Grant	93.575								
Fiscal 2021/2022-EUP		527,691	326,113	92,439	0	293,710	201,271	0	0
Fiscal 2021/2022-ECIC		17,231	8,708	0	0	4,800	4,800	0	0
Fiscal 2022/2023-EUP		515,341	0	0	0	315,772	355,685	39,913	0
Fiscal 2022/2023-ECIC		15,000	0	0	0	7,208	7,989	781	0
		1,075,263	334,821	92,439	0	621,490	569,745	40,694	0
Passed through MDE									
<u>RTT - Trusted Advisors</u>									
Project 213910 3.622	93.434	32,500	21,867	21,867	0	21,867	10,633	10,633	0
Total Federal Financial Awards		\$ 10,359,306	\$ 5,227,493	\$ 2,838,881	\$ (531)	\$ 5,120,937	\$ 3,605,180	\$ 1,322,593	\$ 2,040,855

See accompanying notes to Schedule of Expenditures of Federal Award:

C.O.O.R. INTERMEDIATE SCHOOL DISTRICT
Schedule of Subrecipient Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal grantor/pass-through grantor/program title	Federal ALN number	Subrecipient award/ contract amount	Subrecipient current year expenditures	Current year cash transferred to subrecipient
PL-94-142 Flowthrough FY 21/22:	84.027			
Passed through to:				
Crawford AuSable Schools		\$ 454,229	\$ 4,298	\$ 188,142
Fairview Area Schools		117,220	-	47,011
Roscommon Area Public Schools		249,093	8,140	9,691
Houghton Lake Community Schools		445,265	9,817	131,934
Mio-AuSable Schools		210,996	-	-
West Branch-Rose City Area Schools		416,132	-	416,132
Charlton Heston Academy		243,232	-	243,232
Total PL-94-142 Flowthrough 21/22 passed through to subrecipients		<u>\$ 2,136,167</u>	<u>\$ 22,255</u>	<u>\$ 1,036,142</u>
PL-94-142 Flowthrough FY 22/23:	84.027			
Passed through to:				
Crawford AuSable Schools		\$ 466,575	\$ 458,038	\$ 377,517
Fairview Area Schools		144,443	114,443	73,668
Roscommon Area Public Schools		261,164	252,325	151,601
Houghton Lake Community Schools		457,769	447,188	286,635
Mio-AuSable Schools		231,820	231,820	163,356
West Branch-Rose City Area Schools		363,868	273,680	167,457
Charlton Heston Academy		240,623	240,623	202,072
Total PL-94-142 Flowthrough 22/23 passed through to subrecipients		<u>\$ 2,166,262</u>	<u>\$ 2,018,117</u>	<u>\$ 1,422,306</u>
Total PL-94-142 Flowthrough passed through to subrecipients		<u>\$ 4,302,429</u>	<u>\$ 2,040,372</u>	<u>\$ 2,458,448</u>
Preschool Grant	84.173			
Passed through to:				
Houghton Lake Community Schools		\$ 483	\$ 483	\$ -

C.O.O.R INTERMEDIATE SCHOOL DISTRICT
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of C.O.O.R Intermediate School District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of C.O.O.R Intermediate School District, it is not intended to and does not present the financial position or changes in net position of C.O.O.R Intermediate School District.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credit made in the normal course of business to amounts reported as expenditures.

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

NOTE 2 - OTHER DISCLOSURES

Management has utilized the NexSys, Cash Management System and the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards.

NOTE 3 - RECONCILIATION OF REVENUE REPORTED IN THE FINANCIAL STATEMENTS

Total federal expenditures per Schedule of Expenditures of Federal Awards	\$	3,605,180
Add:		
RTT Trusted Advisor		21,867
IDEA		152,461
Preschool		15,115
Infant and Toddler		5,595
Less:		
IDEA		270,270
Preschool		15,115
ARP Grow Your Own		10,276
		0
Revenues per financial statements - federal sources	\$	3,504,557

NOTE 4 - (UNAUDITED) DONATED PERSONAL PROTECTIVE EQUIPMENT

For the year ended June 30, 2023, the School District received immaterial amounts of donated personal protective equipment.



C.O.O.R. Intermediate School District
Corrective Action Plan
June 30, 2023

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	As of the 23-24 fiscal year, the accounting department will be trained and ready to produce the SEFA with minimal auditor assistance.	Aug 2024	Shawn Petri Superintendent
2023-002	Deferred revenue that was not included in the budget will now be added. Additional budget amendments will be taken to the Board for approval.	Aug 2024	Shawn Petri Superintendent
2023-003	As of 23-24, unearned revenue carried over will now reflect in the 23-24 budget. We are also now using proper accounting codes to limit the number of journal entries.	Aug 2024	Shawn Petri Superintendent
2023-004	In 22-23 fiscal the accounting department put the proper account codes in place. As of the new 23-24 fiscal year, all transactions are being applied to the proper codes starting July 1, 2023.	Aug 2024	Shawn Petri Superintendent



October 24, 2023

Board of Directors
R.O.O.C., Inc.
Roscommon, Michigan

We have audited the financial statements of R.O.O.C., Inc. (Organization) for the year ended June 30, 2023 and have issued our report thereon dated October 24, 2023. Professional standards require that we provide you with information about our responsibilities under U.S. generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 3, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by R.O.O.C., Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the depreciation is based on estimated useful life of fixed assets. We evaluated the key factors and assumptions used to develop the estimated useful life of fixed assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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



WEINLANDER FITZHUGH

Certified Public Accountants & Advisors

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on 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.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 24, 2023.

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 Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Other Matters

With respect to the Statement of Support, Revenue and Expenses - Budget and Actual accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the Statement of Support, Revenue and Expenses - Budget and Actual to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



WEINLANDER FITZHUGH

Certified Public Accountants & Advisors

This information is intended solely for the use of Board of Directors of R.O.O.C., Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Weinlander Fitzhugh



October 26, 2023

Board of Education
C.O.O.R Intermediate School District
Roscommon, Michigan

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of C.O.O.R Intermediate School District (School District) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under U.S. generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 3, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by C.O.O.R Intermediate School District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the School District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the depreciation is based on the estimated useful life of fixed assets. We evaluated the key factors and assumptions used to develop the estimated useful life of fixed assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Estimates have been used to calculate the net pension liability and the net other postemployment benefit liability.

The financial statement disclosures are neutral, consistent, and clear.



WEINLANDER FITZHUGH

Certified Public Accountants & Advisors

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management: Adjustments related to accounts payable, unearned revenue and unavailable revenue.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 26, 2023.

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 C.O.O.R Intermediate School District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the management discussion and analysis, the budgetary comparison schedules, pension schedules and OPEB schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.



WEINLANDER FITZHUGH

Certified Public Accountants & Advisors

We were engaged to report on the schedule of expenditures of federal awards and combining nonmajor governmental fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

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

Very truly yours,

Weinlander Fitzhugh

R.O.O.C., INC.
ROSCOMMON, MICHIGAN
FINANCIAL STATEMENTS
JUNE 30, 2023



WEINLANDER FITZHUGH
Certified Public Accountants & Advisors

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8-12
Statement of Support, Revenue and Expenses – Budget and Actual	13-14
Independent Auditor's 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	15-16
Schedule of Findings and Responses	17
Summary Schedule of Prior Year Findings	18



INDEPENDENT AUDITOR'S REPORT

October 24, 2023

Board of Directors
R.O.O.C., Inc.
Roscommon, Michigan

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of R.O.O.C., Inc. (Organization), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of R.O.O.C., Inc. as of June 30, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with U.S. generally accepted auditing standards (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 R.O.O.C., Inc. 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, 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 R.O.O.C., Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



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 opinion. 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, misrepresentation or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of R.O.O.C., Inc.'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 R.O.O.C., Inc.'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.



WEINLANDER FITZHUGH

Certified Public Accountants & Advisors

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of support, revenues and expenses - budget and actual on pages 13 and 14, as noted in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023, on our consideration of R.O.O.C., Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of R.O.O.C., Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering R.O.O.C., Inc.'s internal control over financial reporting and compliance.

Weinlander Fitzhugh

R.O.O.C., INC.
Statement of Financial Position
June 30, 2023

	Current Operations	Land, Building and Equipment	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 284,167	\$ 0	\$ 284,167
Accounts receivable	88,942	0	88,942
Inventory	441	0	441
Land, building and equipment (at cost):			
Land and land improvements	0	23,665	23,665
Buildings and building improvements	0	771,687	771,687
Equipment and vehicles	0	152,066	152,066
Office equipment	0	56,282	56,282
Less: accumulated depreciation	0	(852,887)	(852,887)
Total Assets	\$ 373,550	\$ 150,813	\$ 524,363
<u>LIABILITIES AND NET ASSETS</u>			
<u>Liabilities</u>			
Accounts payable	\$ 18,646	\$ 0	\$ 18,646
Salaries and benefits payable	17,401	0	17,401
Compensated absences	7,187	0	7,187
Total liabilities	43,234	0	43,234
<u>Net Assets</u>			
Without donor restrictions	330,316	150,813	481,129
Total Liabilities and Net Assets	\$ 373,550	\$ 150,813	\$ 524,363

See accompanying notes to financial statements.

R.O.O.C., INC.
Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions			With Donor Restrictions	
	Current Operations	Land, Building and Equipment	Total	Current Operations	Total
<u>Revenue</u>					
Operations:					
Production	\$ 28,884	\$ 0	\$ 28,884	\$ 0	\$ 28,884
Custodial and other services	1,804	0	1,804	0	1,804
	30,688	0	30,688	0	30,688
State Sources:					
NLCMH contract	770,079	0	770,079	0	770,079
NLCMH provider	18,660	0	18,660	0	18,660
Section 147C	86,612	0	86,612	0	86,612
Other sources	77,506	0	77,506	0	77,506
	952,857	0	952,857	0	952,857
Other Sources:					
Donations	7,838	0	7,838	0	7,838
Interest income	757	0	757	0	757
Miscellaneous	61,538	0	61,538	0	61,538
Revenue released from restrictions	0	20,000	20,000	(20,000)	0
	70,133	20,000	90,133	(20,000)	70,133
Total revenue	1,053,678	20,000	1,073,678	(20,000)	1,053,678
<u>Expenses</u>					
Program services	574,727	21,837	596,564	0	596,564
Support services	352,970	1,876	354,846	0	354,846
Total expenses	927,697	23,713	951,410	0	951,410
Excess (deficit) of revenue over expenses	125,981	(3,713)	122,268	(20,000)	102,268
<u>Other Changes in Net Assets</u>					
Purchase of fixed assets	(24,108)	24,108	0	0	0
Change in net assets	101,873	20,395	122,268	(20,000)	102,268
Net assets - beginning of the year	228,443	130,418	358,861	20,000	378,861
Net assets - end of the year	\$ 330,316	\$ 150,813	\$ 481,129	\$ 0	\$ 481,129

See accompanying notes to financial statements.

R.O.O.C., INC.
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services				Total Program Services	Support Services	Total
	Transportation Services	Activity Services	Supportive Employment Program	Production		Management and General	
Salaries	\$ 0	\$ 173,102	\$ 62,397	\$ 45,805	\$ 281,304	\$ 149,663	\$ 430,967
Employee benefits and insurance	0	199,364	25,171	13,939	238,474	107,380	345,854
Client transportation	35,497	0	0	0	35,497	0	35,497
Supplies and materials	0	85	194	1,434	1,713	9,004	10,717
Miscellaneous	0	0	0	0	0	38,197	38,197
Utilities	0	0	0	0	0	13,506	13,506
Vehicle expense	12,445	0	0	0	12,445	0	12,445
Professional fees and contracted services	0	0	0	0	0	13,097	13,097
Insurance	0	0	0	4,716	4,716	9,902	14,618
Dues	0	0	0	471	471	10,145	10,616
Travel, workshops and conferences	0	0	107	0	107	1,411	1,518
Repairs	0	0	0	0	0	513	513
Postage	0	0	0	0	0	147	147
Telephone	0	0	0	0	0	5	5
	<u>47,942</u>	<u>372,551</u>	<u>87,869</u>	<u>66,365</u>	<u>574,727</u>	<u>352,970</u>	<u>927,697</u>
Total before depreciation expense allocation	47,942	372,551	87,869	66,365	574,727	352,970	927,697
Depreciation	3,912	9,306	4,102	4,517	21,837	1,876	23,713
Total functional expenses	<u>\$ 51,854</u>	<u>\$ 381,857</u>	<u>\$ 91,971</u>	<u>\$ 70,882</u>	<u>\$ 596,564</u>	<u>\$ 354,846</u>	<u>\$ 951,410</u>

See accompanying notes to financial statements.

R.O.O.C., INC.
Statement of Cash Flows
For the Year Ended June 30, 2023

<u>Cash Flows From Operating Activities</u>	
Change in net assets	\$ 102,268
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	23,713
Changes in operating assets and liabilities:	
Accounts receivable	11,474
Inventory	(91)
Accounts payable	(391,235)
Salaries payable	17,278
Compensated absences	<u>(3,241)</u>
Net cash flows from operating activities	<u>(239,834)</u>
 <u>Cash Flows From Investing Activities</u>	
Purchase of fixed assets	<u>(44,108)</u>
Net decrease in cash and cash equivalents	(283,942)
Cash and cash equivalents at beginning of year	<u>568,109</u>
Cash and cash equivalents at end of year	<u><u>\$ 284,167</u></u>

See accompanying notes to financial statements.

R.O.O.C., INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

R.O.O.C., Inc. (Organization) is a nonprofit corporation created on July 1, 1978 to provide and maintain programs for mentally and physically handicapped individuals who are residents of the C.O.O.R. Intermediate School District. R.O.O.C. is reported as a component unit of C.O.O.R. Intermediate School District.

Prior to July 1, 1978, the Organization's operations were part of C.O.O.R. Intermediate School District's Special Education Fund. The Organization's Board of Directors is the C.O.O.R. Board of Education. The Organization uses C.O.O.R. Intermediate School District employees and reimburses their wages, retirement, etc. on a regular basis. C.O.O.R. Intermediate School District manages many of the financial activities of R.O.O.C., Inc. similar to the way it manages the financial activities of other funds within the district. In its capacity as a component unit of the C.O.O.R. Intermediate School District, R.O.O.C., Inc. participates in the Michigan Public School Employees' Retirement System. R.O.O.C., Inc. has no direct obligation under the plan since the Organization merely reimburses C.O.O.R. Intermediate School District for the contractual use of their employees.

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. That is, revenue is recognized when earned and expenses when incurred, without regard to the date of receipt or payment of cash.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets to accumulate funds for the payment of future claims to the Michigan Unemployment Agency. The C.O.O.R. Intermediate School District is subject to the Michigan Employment Security Act and has elected the reimbursement method of financing. Under this method, R.O.O.C., Inc. must reimburse the Michigan Unemployment Agency for all benefits charged against the Intermediate School District for employee use by R.O.O.C., Inc.

Net assets with donor restrictions - Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources must be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

R.O.O.C., INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following net assets are available for general operations and are not subject to donor or grantor-imposed restrictions:

Current Operations - Reflects the general operations of the Organization.

Land, Building and Equipment - Includes fixed assets and the related liabilities and accumulated depreciation used in the operations of the Organization.

Use of Estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Inventory

Inventories, consisting of supplies and materials, are stated at cost, which was determined on a first-in, first-out basis.

Fixed Assets and Depreciation

The Organization capitalizes all expenditures for fixed assets above a nominal amount. The fair market value of donated fixed assets is capitalized upon receipt. When assets are retired, cost and accumulated depreciation are eliminated and the resulting gain or loss is included in income. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

Land improvements	10-25 years
Buildings and building improvements	5-50 years
Equipment and vehicles	5-10 years
Office equipment	5-10 years

Donated Equipment, Materials and Services

Donated equipment is reflected as fixed assets in the accompanying statement of financial position and as contributions in the statement of activities at their estimated values at the date of receipt. No amounts have been recognized in the statement of activities for donated materials because all amounts are deemed immaterial. No amounts have been recognized in the statement of activities for donated services because the criteria for recognition under FASB ASC 958 have not been satisfied.

R.O.O.C., INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Operations -The Organization provides production and custodial services to customers on a fee for service agreement. All revenue is recorded at the time the services are provided. Revenue is recognized at a point of time.

State Sources - The Organization provides a wide range of programs and services to persons with disabilities including Community Integration, Community Employment Services, Organizational Employment Services, Employee Development Services, Employment Skills Training Services, Respite and Community Living Patient Support Services. The service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services. Generally, there are no out of pocket costs for the client/family as long as the client qualifies for Medicare. These amounts include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Revenue is recognized as the performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations is satisfied at a point of time and is recognized based on agreed upon rates for services performed.

Laws and regulations concerning government programs, including Medicare, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Organization's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Organization.

The following table provides changes in contractual balances as of June 30th:

	2023	2022
Accounts receivable	\$ 88,942	\$100,416

Contributions/Promises to Give - All contributions are considered to be available for the general programs of the Organization unless specifically restricted by the donor. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified to net assets without donor restrictions.

R.O.O.C., INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of time records and estimates made by the Organization's management.

Income Taxes

R.O.O.C., is a Michigan nonprofit membership corporation. The corporation is exempt from income taxes, under Section 501(c)(3) of the Internal Revenue Code. The Organization's income tax returns are subject to examination by the appropriate taxing jurisdictions. As of June 30, 2023, the Organization's federal tax returns generally remain open for the last three years.

Statement of Cash Flows

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Cash paid for interest was \$0. There were no non-cash activities in 2023.

Events Occurring After Reporting Date

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through the date of the accompanying Independent Auditor's Report, which is the date the financial statements were available to be issued.

R.O.O.C., INC.
Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in a high yield savings account.

The following table reflects the Organization’s financial assets as of June 30, 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal board designations:

Cash and cash equivalents	\$	284,167
Accounts receivable		88,942
Total financial assets		373,109
Financial assets available to meet cash needs for general expenditures within one year		\$ 373,109

NOTE 3 - ECONOMIC DEPENDENCY

During 2023, R.O.O.C., Inc. received approximately 75% of their current operations revenue from the Northern Lakes Community Mental Health Authority, a State agency. The types of services provided under the contract include day programs, skill-building assistance, pre-vocational services and supported employment. Due to the significance of this revenue source to the Organization, the Organization is considered to be economically dependent.

NOTE 4 - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents.

NOTE 5 - RISK MANAGEMENT

R.O.O.C., Inc. obtains certain insurance coverage through C.O.O.R. Intermediate School District which has joined together with other school districts in Michigan to form School Employees’ Trust – (SET-SEG), a public entity risk pool currently operating as a common risk management and insurance program for member Michigan school districts. The School District pays an annual premium to SET-SEG for its property, casualty and workers’ compensation insurance coverage. The Agreement for formation of the SET-SEG provides that SET-SEG will be self-sustaining through member premiums.

R.O.O.C., Inc., along with C.O.O.R. Intermediate School District, continues to carry commercial insurance for all other risks of loss, including employee health, long-term disability, professional liability, and errors and omissions. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

R.O.O.C., INC.
Statement of Support, Revenue and Expenses -
Budget and Actual
For the Year Ended June 30, 2023

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>Revenue</u>			
Operations	\$ 38,835	\$ 30,688	\$ (8,147)
State sources	969,667	952,857	(16,810)
Other sources	61,821	70,133	8,312
	<u>1,070,323</u>	<u>1,053,678</u>	<u>(16,645)</u>
<u>Expenses</u>			
<u>Program Services</u>			
Transportation Services:			
Purchased services	32,064	35,497	(3,433)
Supplies, materials and other	55,799	12,445	43,354
Depreciation expense	0	3,912	(3,912)
	<u>87,863</u>	<u>51,854</u>	<u>36,009</u>
Activity Services:			
Salaries and wages	173,084	173,102	(18)
Employee benefits	204,112	199,364	4,748
Supplies, materials and other	85	85	0
Depreciation expense	0	9,306	(9,306)
	<u>377,281</u>	<u>381,857</u>	<u>(4,576)</u>
Supportive Employment Program:			
Salaries and wages	47,481	62,397	(14,916)
Employee benefits	23,841	25,171	(1,330)
Purchased services	107	107	0
Supplies, materials and other	194	194	0
Depreciation expense	0	4,102	(4,102)
	<u>71,623</u>	<u>91,971</u>	<u>(20,348)</u>
Production:			
Salaries and wages	44,893	45,805	(912)
Employee benefits	18,562	13,939	4,623
Purchased services	0	5,187	(5,187)
Supplies, materials and other	1,996	1,434	562
Depreciation expense	0	4,517	(4,517)
	<u>65,451</u>	<u>70,882</u>	<u>(5,431)</u>
Total program services expenses	<u>602,218</u>	<u>596,564</u>	<u>5,654</u>

R.O.O.C., INC.
Statement of Support, Revenue and Expenses -
Budget and Actual
For the Year Ended June 30, 2023

	Budget	Actual	Variance - Favorable (Unfavorable)
<u>Expenses (Continued)</u>			
<u>Support Services</u>			
Management and General:			
Salaries and wages	\$ 177,028	\$ 149,663	\$ 27,365
Employee benefits	102,394	107,380	(4,986)
Purchased services	34,650	33,809	841
Supplies, materials and other	36,899	62,118	(25,219)
Depreciation expense	0	1,876	(1,876)
Total support services expenses	350,971	354,846	(3,875)
 Total expenses	 953,189	 951,410	 1,779
 Change in net assets	 \$ 117,134	 \$ 102,268	 \$ (14,866)



INDEPENDENT AUDITOR'S 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*

October 24, 2023

Board of Directors
R.O.O.C., Inc.
Roscommon, Michigan

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of R.O.O.C., Inc. (Organization), which comprise the statement of financial position as of June 30, 2023 and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements and have issued our report thereon dated October 24, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered R.O.O.C., Inc.'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 opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of R.O.O.C., Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of R.O.O.C., Inc.'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 Organization's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether R.O.O.C., Inc.'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*.

C.O.O.R Intermediate School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on R.O.O.C., Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. R.O.O.C., Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weinlander Fitzhugh

R.O.O.C., INC.
Schedule of Findings and Responses
For the Year Ended June 30, 2023

2023-001

Criteria or Specific Requirement

Establish and maintenance of internal controls over the financial reporting process.

Condition

Due to the complexity of not-for-profit financial reporting and the related note disclosures, the Organization relies on auditor involvement to prepare its financial statements in accordance with U.S. generally accepted accounting principles.

Criteria

Internal controls should be in place to provide reasonable assurance to the Organization that management possesses the specialized skills necessary to monitor and report annual financial activity without auditor involvement.

Effect

The effect of this condition places a reliance on the independent auditor to be part of the Organization's internal control over financial reporting.

Recommendation

The Organization should review and implement the specialized education and procedural activities to monitor and report annual financial activity without auditor involvement.

Views of the Responsible Officials and Planned Corrective Action

The Organization will continue to develop the skills of the Director of Finance.

R.O.O.C., INC.
Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2023

2022-001

Audit Finding

All audit findings listed above are repeat findings in the current year.

Corrective Action Taken

Corrective action plans were not implemented properly.

5. Department Updates

108

- Career & Technical Education Department
- Early Childhood Department
- Instructional Services Department
- Special Education Department
- R.O.O.C., Inc.
- K12 ETA (Educational Technology Association)



BOARD OF EDUCATION

Dr. James Mangutz,
President

Nancy Persing,
Vice President

Lyn Sperry,
Secretary

Ian Faulkner,
Treasurer

Jim Gendernalik,
Trustee

Brie Molaison,
Trustee

Kara Mularz,
Trustee

ADMINISTRATION

Shawn Petri,
Superintendent

Melisa Akers,
Director of
Special Education

Natalie Davis,
Director of Career &
Technical Education

Katie Fuelling,
Director of
Instructional
Services

Katie Keith,
Supervisor of Early
Childhood

Somer Quinlan,
Executive Director
of ROOC, Inc.

Jared Socia,
Director of Operations

To: Shawn Petri, Superintendent

From: Natalie Davis, CTE Director

Date: November 2, 2023

Subject: CTE Update

CTE Construction Project:

We're officially moved into the new welding lab and office space and after a few glitches everything is working well. We are still waiting on our security entry system for the front door, but it has been ordered so it's a matter of time. We are getting quotes for signage right now and they are still taking care of a few "punch list" items and compressed air.

Grants:

I applied for the 61C grant as I shared last month and should have word any time about how much we will receive of the 1.2 million I applied for.

Our teachers are continuing to work hard in their classes through the 61i grant. I'm very proud of their efforts! We have a group of teachers meeting to talk about manufacturing and programming, including our welding teacher Josh Meyer, Ryan Kilde from Grayling who teaches CNC/Drafting, and Kyle Sisco from West Branch who teaches Machining. They will meet on Wednesday, November 8th at our facility for the first time and then meet frequently after that to collaborate and share ideas.

Outreach/Marketing:

Our enrollment is steady at 223, with 21 Early Middle College applicants! This is a record, especially compared to our historical 5 or 6 EMC students.

We hosted MI ACTE (MI Association for Career and Technical Education) New Teacher's workshop here in Roscommon on October 12th. We had about 30 teachers from around the state and 10 state MDE consultants, and they would like to have the same training here next year as they were very impressed.

We also hosted a professional development for 30 CTE teachers who integrate math as the math-related credit for students here at the center on Monday from COOR, Clare-Gladwin and Iosco RESAs on October 30th. We've heard very positive feedback on this as well and Judy Falk, who joined us from COP and Char-EM ISDs did an incredible job.

Millage:

Now that the 1.0 Millage 10-year was approved, our steering committee met on October 4th to officially launch our campaign. I am asking local districts for help in identifying people willing to help as “boots on the ground” in their respective regions to support the millage. We still need a lot of help in this area. I will continue to work with Banach to develop some training materials for them and meet with each volunteer in order to ensure they are confident with our message. It is critical that we stick with our talking points and we are waiting to print materials until the state has determined the exact date. We’re told that should happen on November 9th, so then Banach will have materials printed for us to distribute and we will need everyone’s help! We canceled our campaign training scheduled for November 7th, as only a few superintendents were planning to attend along with a couple of other individuals. I will join Shawn with the superintendents and arrange to meet with the others.

Other:

Our region is also required to submit a Comprehensive Local Needs Assessment again this year, as required every other year for federal Perkins funding. I’ll be working with Iosco and Clare-Gladwin once again to meet and take on this arduous task. I’ve begun working on this and met with Ogemaw Heights HS to enter their details already.

I attended Catalyst23, a workshop sponsored by MASSP (MI Association of Secondary School Principals) on October 17th with some of our high school administrators. I received some great information, and MJ Ewald from RAPS and myself will be sharing with principals at our next meeting.



BOARD OF EDUCATION

Dr. James Mangutz,
President

Nancy Persing,
Vice President

Lyn Sperry,
Secretary

Ian Faulkner,
Treasurer

Jim Gendernalik,
Trustee

Brie Molaison,
Trustee

Kara Mularz,
Trustee

ADMINISTRATION

Shawn Petri,
Superintendent

Melisa Akers,
Director of
Special Education

Natalie Davis,
Director of Career &
Technical Education

Katie Fuelling,
Director of
Instructional
Services

Katie Keith,
Supervisor of Early
Childhood

Somer Quinlan,
Executive Director
of ROOC, Inc.

Jared Socia,
Director of Operations

To: Shawn Petri, Superintendent

From: Katie Keith, Early Childhood Supervisor

Date: November 2023

Subject: Early Childhood Update

Great Start to Quality

Northeast Great Start to Resource Center turned in our Scope of Work for FY24 on October 23 and with a few minor changes, it looks like we should have no issues moving forward with our work. In October, our team attended Professional development opportunities along with the staff of the Northwest and Upper Peninsula Resource Centers. We learned about time management and facilitation (strategies to use to enrich your presentations/meetings). Two members of our team became First Aid and CPR instructors through ASHI to provide the certification child care providers need. One member of our team completed the Strengthening Families/Protective Factors training of trainers so we can facilitate that training for our child care providers. Our new Infant/Toddler cohort started up this month with 12 programs from our 11 county region participating in monthly training and monthly coaching/reflective meetings with Tracey Stein, our Infant Toddler Specialist (ITS). Tracey also is partnering Child and Family Services with parents in the Alpena area to run a parent learning cohort which meets every other month doing hands-on activities that cover such topics as self-regulation/social emotional strategies, child development, and any other topics the parents are interested in learning. We kicked off our Birth to 3 Literacy essentials training series on October 26th and will provide 9 more opportunities throughout the fiscal year (One training a month).

Great Start & Great Start Parent Coalition

The Great Start Collaborative submitted our 32p budget and workplan for FY24 on September 15th. We received our feedback from the Office of Great Start and have very minimal revision to our work plan and no revisions to our budget.

Our Family Coalition supported our losco parents in Pizza, Pumpkins and Parents event.

Children came dressed to impress in their Halloween costumes and painted pumpkins. Tammy read “Spooky Wheels on the Bus” and talked with families about the importance of reading. 10 families attended with 19 children total. We have 2 other events scheduled for November and December. All the activities and themes have been created by our Family Coalition in Iosco County.



Great Start Readiness Program

Our team of early childhood experts have started our learning walks in the GSRP classrooms to verify high quality practices are in place. We provided the staff with the expectations and date the team comes in. One team member relieves the lead teacher for a brief debrief on the evidence collected during the learning walk. The team will be going back after December 1 for the second walk to verify updates have been made to the environment and that they are using them.



Educational Technology Association

Technology for Learning

November 2023 ETA Report

Any Questions Please contact Josh Hayes, jhayes@k12eta.org

Tickets (ETA Wide):

- Current Open: 296
- Created this month: 2229

Trainings Provided:

- Artificial Intelligence (AI)
- Google Calendar
- Virtual Reality Tours
- Green Screen
- Google Sites
- PowerSchool

Updates:

- On October 16th there was a fiber break at WMISD that took out Lake City and Manton. We deployed our backup jetpacks to get at least two secretaries' phones and computers working until Spectrum could fix the fiber. Both districts were down almost all day.
- We are watching Section 97G funding since this should provide us with managed detection and response (MDR) service on all our servers. They are hoping to have us something by the end of the calendar year.
- We are continuing to attend cyber partner meetings (virtually) to stay informed of the newest threats. We then share this information with all the districts within the four ISD support regions of the ETA.
- The ETA had an article written about us in a SET SEG publication. You can read the article here <https://online.flippingbook.com/view/772638939/12/>
- A big thank you to all those who helped with the website upgrade.
- Our external vulnerability scanned 72 threats in 1043 locations this month. We have no open vulnerabilities at this time.

Proudly Serving the districts within the COOR ISD, Manistee ISD, West Shore ESD, and Wexford-Missaukee ISD

- All backups have been verified. This month backups were tested on Crawford Ausable, COOR ISD, Mason County Central, Mesick, MISD, WMISD, and WSESD.
- We are continuing to fake phish our staff about once per month.



BOARD OF EDUCATION

Dr. James Mangutz,
 President

Nancy Persing,
 Vice President

Lyn Sperry,
 Secretary

Ian Faulkner,
 Treasurer

Jim Gendernalik,
 Trustee

Brie Molaison,
 Trustee

Kara Mularz,
 Trustee

ADMINISTRATION

Shawn Petri,
 Superintendent

Melisa Akers,
 Director of
 Special Education

Natalie Davis,
 Director of Career &
 Technical Education

Katie Fuelling,
 Director of
 Instructional
 Services

Katie Keith,
 Supervisor of Early
 Childhood

Somer Quinlan,
 Executive Director
 of ROOC, Inc.

Jared Socia,
 Director of Operations

To: Shawn Petri, Superintendent

From: Melisa Akers, Director of Special Education

Date: November 2, 2023

Subject: Special Education Department Update

A Message from our Director, Melisa Akers

On October 12th, the local superintendent's toured the CEC and ATC. It was a great opportunity for them to see the improvements we are making on the building and also to interact with the students. We will be hosting another tour this month with all of the local Special Education Coordinators.



On October 23rd, Early On had their State monitoring review. We have not heard back regarding the results of this monitoring, but I will share those in the December department update.

We have been working with Tammy Tyler to provide diapers, pullups, wipes, and diaper cream to our students free of charge. Last year the diaper grant was only able to provide free supplies to children under the age of 3. Thanks to Tammy's advocacy, this year, those supplies will now be available to the families of our students with disabilities, up to age 26. This will be a great relief of the financial burden for some of our families who have to purchase these supplies for their children throughout their lifetime.

A Message from our Principal, Joe Moore

October has been a busy month! I am happy to announce that Lou Sunday, our SLP, was recently awarded a \$1200 grant from the RCCF for her Cooking Club initiative with our students. Lou plans on using the money to help purchase the ingredients and supplies necessary to follow recipes with our students. Cooking touches on many skills and academic focuses such as reading, measuring, following directions, fine motor skills, social skills, communication, and more. This grant will help to expand opportunities for our students. I am very excited to see our students engaged in more cooking activities. Congratulations, Lou!

A round of applause is in order for one of our ATC students, Leah Grover! Leah was the recipient of the 2023 Shining Star Award from the Higgins Lake-Roscommon Chamber of Commerce. For the last three years, every Friday, Leah helped with putting up signs for events, filling goodie bags, and helping with the setting up and tearing down of events. We are so incredibly proud of Leah!!



Deputy Darsow from the Roscommon County Sheriff's Office came to speak to Ms. Shannon's class at the ATC about his past life as a professional wrestler. He was a hit with the students.



A big thanks goes out to the Gerrish Twp Fire Department for putting on a wonderful Fire Prevention Day presentation for the students. They did a wonderful job explaining the importance of knowing what to do in the event of a fire. The students enjoyed seeing all of the equipment and fire trucks.



Staff and students all enjoyed having fun during our Spirit Week. It was amazing to see everyone participate and have fun. There was also some friendly competition with our Penny War fundraiser, which brought in just over \$314, which will go towards purchasing shirts for the students with the schools new mascot, the CEC Chameleon. The mascot was designed by one of our ATC students, Chris Davis.

Finally, CEC & ATC students all had a wonderful Halloween. Ghouls, goblins, and characters all enjoyed trick or treating with admin staff in the CEC gym. A ton of fun was had during the classroom parties as well!

Please take a moment to look at pictures from all of the amazing things that happened this month!

[November Photos](#)

A Message from our Monitor and Transition Coordinator, Brenda Vaughan-Ide

The Special Education Leadership Team has been working on developing procedures and guidance on a variety of processes including referrals and change of placement, re-evaluation plans, some specific sections of the IEP, as well as others. Training on this guidance will occur throughout the year.

The third annual Community Resource Event was held at the CRAF center. It included a variety of community agencies who were available in a vendor-style format to share information, materials, and resources with students and families within the ISD. These vendors provide support in our community for adults with disabilities. In attendance were MI Works, AuSable Valley Community Mental Health, Disability Council, ARC, Roscommon County Transit, DHHS, Special Olympics, Bureau of Services for Blind People, Michigan Rehabilitation Services, Disability Network North and Mid, and MIABLE.

A joint transition conference hosted in collaboration with CGRESA will be held on November 3rd.

A Message from our Early On Coordinator, Michele Cochrane

On Oct 27th, the Early On Professional Learning Community was attended by 18 COOR ISD Early On Team members from CASD, RAPS, HLCS, Fairview, Mio, and WBRC. The group included our Early Intervention Home Visitors, Occupational Therapists, Physical Therapy Assistants, Speech Language Pathologists, and Early Childhood Special Education Teachers. They worked on family-centered, routines based coaching, Child Outcomes data, birth to 3 Michigan Mandatory Special Education, and Conscious Discipline for Infants and Toddlers. Christina Pudvan, Student Engagement Coach, presented to the group on Trust Based Relationship Interventions. The next PLC is scheduled for May 31st.



R.O.O.C. Inc.
11018 North Cut Road, Roscommon, MI 48653
www.rooc.org

MEMORANDUM

To: Shawn Petri
From: Somer Quinlan
Re: ROOC Update
Date: November 2, 2023

The ROOC Halloween Dance-Costume Party was enjoyed by all! It was nice to see all of the creative costumes worn by staff and clients and we even had some visitors from the ROOC Team from 20 years ago! Now that Halloween is over, we will be looking forward to preparing the Thanksgiving meal and prepping with our MSU Extension Cooking Class.

The Festival of Trees in Grayling will also be kicking off very soon. Our donation basket will be delivered next week and we will be visiting the Festival over the next few weeks for everyone to have an opportunity to vote for their favorite tree.

The Annual Recon Conference with Incompass Michigan in Traverse City is taking place next week! Recon is a wonderful event and opportunity for providers all over the state to meet and learn.

EVEN MORE GOOD NEWS....

Our new 2023 RamPromaster wheelchair accessible van has been delivered! The van offers a variety of configuration options for seating to accommodate everyone. We are very thankful to have received the grant funds that made the purchase possible!





BOARD OF EDUCATION

To: Shawn Petri, Superintendent

Dr. James Mangutz, D.D.S.
President

From: Katie Fuelling

Nancy Persing,
Vice President

Date: October 2023

Ian Faulkner,
Treasurer

Subject: Instructional Services Update

Lyn Sperry,
Secretary

Kara Mularz,
Trustee

Jim Gendernalik,
Trustee

Brie Molaison,
Trustee

Instructional Services

Director: Katie Fuelling

The Instructional Services Department is excited to welcome back Toni Prickett with Thinking Collaborative for the first he next two days of an eight-day series on Cognitive Coaching. Superintendents, building administrators, instructional coaches, and teacher leaders will continue their learning on how to:

- develop trust and rapport
- develop an identity as a mediator of thinking
- utilize conversation structures for planning, reflecting and problem resolving
- develop teachers' autonomy and sense of community
- develop higher levels of efficacy, consciousness, craftsmanship, flexibility and interdependence
- apply four support functions: coaching, evaluating, consulting, collaborating
- utilize the coaching tools of pausing, paraphrasing, and posing questions
- distinguish among the five forms of feedback
- use data to mediate thinking

ADMINISTRATION

Shawn Petri,
Superintendent

Melisa Akers,
Director of
Special Education

Natalie Davis,
Director of Career &
Technical Education

Katie Fuelling,
Director of
Instructional
Services

Katie Keith,
Supervisor of Early
Childhood

Somer Quinlan,
Executive Director
of ROOC, Inc.

Jared Socia,
Director of Operations

31n Team

Behavioral Health Coordinator: Michelle Culton-Ekstrom

The 31n Team

continues to support districts in implementing TBRI in classrooms and individual student behavior plans. The TBRI project is part of a statewide initiative Mental Health in Schools, sponsored by Michigan Department of Education in collaboration with the Western Michigan University Children's Trauma Assessment Center and the WMU Resiliency Center for Families & Children (www.wmich.edu/traumacenter). Dr. Sloane remains an integral part of providing

recommendations aimed at improving the lives of children in our districts.

Early Literacy

Early Literacy Coach: Michelle Ewald

CLE Grant - since our initial organizational meeting, K-3 teachers at Rose City Elementary have completed step one of the process for the Classroom Library Enhancement Grant (pre-survey and "before" photo of their current classroom library). The next step is to complete two of the four required online modules about classroom library research and recommendations before the next meeting at the end of November.

C.O.O.R. Professional Development - participants are about $\frac{3}{4}$ of the way through an online, asynchronous book study (*How to Plan Differentiated Reading Instruction* - Walpole & McKenna) being offered through the Google Classroom platform. Elementary teachers from four different districts have been involved this fall. Planning is currently underway for a second ISD-wide book study (*Reading Above the Fray* - Lindsey), tentatively scheduled to begin in January.

District Professional Development

- **Roscommon Elementary School** - co-presented with building coach Michelle Patterson to RES instructional staff on the October early release date as part of an extended professional learning cycle related to the recently-adopted Bookworms curriculum.
- **Mio Elementary School** - facilitated a staff discussion analyzing teacher and student friendly features of the CKLA and Bookworms curriculums that are being piloted in four elementary classrooms. This was followed by time to continue a professional learning series about differentiated reading instruction. Both took place on a recent district-wide PD day.
- **Collins Elementary School (HL)** - facilitated three sessions on a district-wide PD day as part of a continuing focus on enhancing foundational skills instruction using the Wonders ELA curriculum.

6. Public Participation

- Any person attending the meeting may raise his/her hand during this session of the meeting. Individuals may speak for a maximum of 5 minutes. Groups may speak for a maximum of 15 minutes.

7. Consent Agenda

(A single member's request shall cause an item on the Consent Agenda to be relocated as an Action Item, eligible for discussion and vote that evening.)

A. Approve minutes of previous meeting on October 11, 2023

121



Meeting Minutes

A regular meeting of the Board of Education (the “Board”) was held at 11051 N Cut Rd, Roscommon, Michigan, on Wednesday, October 11, 2023 at Fairview Area School, 1879 Miller Road, Fairview, MI 48621. President Mangutz called the meeting to order at 6:06 P.M.

1. Call to order & Roll Call

Attendance Taken at 6:06 PM. **Present:** Ian Faulkner, Jim Gendernalik, Kara Mularz, Jim Mangutz DDS, Nancy Persing. **Absent:** Brie Molaison, Lyn Sperry.

2. Opening Ceremonies

- Pledge of Allegiance
- Mission Statement

C.O.O.R. ISD provides programs and services with our partners to support the current and emerging teaching and learning needs of our schools and communities.

read by President Mangutz

He thanked Fairview Area Schools and their Superintendent for hosting the COOR ISD board

3. Adopt the Agenda

Adopt the agenda as presented. This motion, made by Ian Faulkner and seconded by Kara Mularz, Carried (5-0, 2 absent).

4. Department Updates

- Career & Technical Education Department
- Early Childhood Department
- Instructional Services Department
- Special Education Department
- R.O.O.C., Inc.
- K12 ETA (Educational Technology Association)

Katie Keith, Kurt Loll, Somer Quinlan, Melisa Akers, Natalie Davis, and Cameron Kalthoff joined remotely

5. Public Participation

- Any person attending the meeting may raise his/her hand during this session of the meeting. Individuals may speak for a maximum of 5 minutes. Groups may speak for a maximum of 15 minutes.

Superintendent Sarah Taylor thanked the board for traveling to her school. She invited the board to attend a music concert at 7:00pm that evening.

6. Consent Agenda

(A single member's request shall cause an item on the Consent Agenda to be relocated as an Action Item, eligible for discussion and vote that evening.)

Approve all items on the Consent Agenda. This motion, made by Kara Mularz and seconded by Ian Faulkner, Carried (5-0, 2 absent).

6.A. Approve minutes of previous meeting, Sept 13, 2023

6.B. Approval of Bills for September 2023 totaling \$1,601,538.80

6.C. Approve Revenue & Expenditure Reports for September 2023

7. Action Items

7.A. Approve out-of-state travel and expenses and registration for Katie Keith and Rebekah Seelow to attend The National Training Institute (NTI) Conference on Effective Practices: Addressing Challenging Behavior from Monday, April 15th through Friday April 19th, 2024 in Tampa, Florida. This motion, made by Nancy Persing and seconded by Kara Mularz, Carried (5-0, 2 absent).

Katie Keith, Early Childhood Supervisor, stated that this is an extension of the work they started two years ago. Last year, the MiMTTS presented COOR ISD's work at the conference, but they did not attend. Katie & Rebekah will be certified as trainers for future training needs if they attend this year.

These expenses would be covered with grant funds. Registration fills quickly, so there is a chance they will not even be able to register and attend. Grant funds being used are curriculum grant funds allocated to COOR based on a projected budget. The amount already approved by MDE is \$26,505 this year. Last year, it was a little over \$30,000 which was focused primarily on local GSRP programs and staff.

7.B. Approve the hiring of Matt Bowerman, Automotive/Welding/Manufacturing Instructor at the COOR Advanced Technical Innovation Center

This motion, made by Nancy Persing and seconded by Ian Faulkner, Carried (5-0, 2 absent).

They were looking for a paraprofessional for the welding and automotive classes. A retired engineer that lives in the area was interested in utilizing his credentials to fill in as part time instructor substitute. When Josh Meyer or Charles Bissel go to a conference, instruction can continue in their absence.

Bowerman can also help figure out how to operate the robot that was donated to the program. He lives in the Houghton Lake/Prudenville area.

Rich, the bus driver from CASD, is currently volunteering in the welding program to assist with the large class size in labs. (There are 30 students in morning welding class.)

The board suggested that this may be a local strength that we could utilize more - retirees living in the area with a good knowledge base who are happy to help part-time.

8. Information Items

-September Social Media Report Card: monthly reach of 3,072

-Alt Ed of Ogemaw County: September Minutes and October Agenda: Superintendent Petri stated that some AEAOC students are participating in COOR ISD and IRESA career tech programs.

-Flag Raising Ceremony: Ian Faulkner appreciated being part of the flag raising ceremony and the students seemed to enjoy it. They are taking turns with ROOC clients raising and lowering the flag each day.

9. Superintendent's Report

-Vocational Room Update: Superintendent Petri reported that he is waiting for final inspections and occupancy permit. The ISD needs to secure architectural drawings with plans for future use of the space. There is potential of using some of that space for professional development meeting space and/or classroom space. There could potentially be 2-3 classrooms, a bathroom, and kitchen space. This project is reclaiming the space which was primarily used for storage.

-CTE Update: Superintendent Petri has visited CTE/CATIC several days and is confident in the quality of instruction in each program. Instruction starts promptly at 8:30am. Some students have a staggered start time due to travel and scheduling with different local districts. The automotive lab is vacant until 400-amp service is installed. (December is still the estimated timeframe.) Two lifts are currently being used in the wood shop. Cosmetology was working on braids the last time he stopped by.

-Audit presentation in November: Auditors needed a little more time to prepare the final audit. We hope to have them present at the November meeting.

Local district superintendents will be meeting at COOR tomorrow and touring CEC, ROOC, and the ATC.

Trustee Gendernalik stated that he attended the CTE steering committee last week. The committee is asking for representatives from each school district to spread the word of the millage proposal. They generated a list of stakeholder groups for presentations across the nine counties. Voters need to learn that local districts won't have to pay tuition for their students to take CTE classes or pay transportation costs for those students if the proposal passes. President Mangutz was also asked to participate in the Mio AuSable CTE advisory committee.

The press release for the CTE millage proposal has gone out and is posted to the website, www.coorisd.net. ISDs need to have sustainable funding to help local districts, especially when money gets tight.

10. Communications

-Allowable tip amounts for employees at conferences: Superintendent Petri is considering an update to current 15% limit. He will bring a proposal to the board in the future.

- In remembrance: Bernadine Dosch, former board member 1996 to 2018 (Grayling)

- In remembrance: Harry Groulx, former Superintendent 1981 to 1986 (Iron Mountain)

11. Adjournment

Adjourn the meeting. This motion, made by Kara Mularz and seconded by Jim Gendernalik, Carried (5-0, 2 absent). Time: 6:51

Respectfully submitted,



Rebecca Socia,
Recording Secretary

Nancy Persing,
Board Vice President

B. Approval of Bills for October
2023 totaling \$1,206,417.44

126

A/P Check Register

Printed: 11/02/2023 9:10:32AM

COOR ISD

Check Date: 10/1/2023 to 10/31/2023

Vendor #	Vendor Name	Batch #	Check Date	Check #	Checks	Direct Deposit	Total
141619	ALLEGRA	458	10/06/2023	102464	395.00	0.00	395.00
142049	ALORA EHLERT	458	10/06/2023	102465	22.27	0.00	22.27
141200	AMAZON CAPITAL SERVICES INC	458	10/06/2023	102466	4,553.27	0.00	4,553.27
141720	AMERICAN UNITED LIFE INSURANCE COMPANY	458	10/06/2023	102468	1,446.54	0.00	1,446.54
18560	ANNMARIE SPEAR	458	10/06/2023	102469	403.92	0.00	403.92
142065	ASHTIN M. ALLMACHER	458	10/06/2023	102470	1,512.95	0.00	1,512.95
1003	ATECH HEATING AND COOLING	458	10/06/2023	102471	7,695.00	0.00	7,695.00
141145	AUSABLE MEDIA GROUP LLC	458	10/06/2023	102472	213.00	0.00	213.00
141990	AYESHA WEBER	458	10/06/2023	102473	184.06	0.00	184.06
2554	BECKY BUNN	458	10/06/2023	102474	91.70	0.00	91.70
2575	BURMAX COMPANY, INC	458	10/06/2023	102475	8,252.47	0.00	8,252.47
142070	CAROLINE MONG	458	10/06/2023	102476	153.60	0.00	153.60
11592	CARRIE MACKO	458	10/06/2023	102477	80.00	0.00	80.00
8392	CHARLTON HESTON ACADEMY	458	10/06/2023	102478	24,015.53	0.00	24,015.53
19631	CHRISTINA TAPPAN	458	10/06/2023	102479	476.18	0.00	476.18
3729	CLINTON COUNTY RESA	458	10/06/2023	102480	90.00	0.00	90.00
141865	COMPLETE SOURCE INC	458	10/06/2023	102481	1,785.92	0.00	1,785.92
4183	CONSTRUCTIVE PLAYTHINGS	458	10/06/2023	102482	1,547.81	0.00	1,547.81
4100	CONSUMERS ENERGY PAYMENT CENTER	458	10/06/2023	102483	112.41	0.00	112.41
4440	CRAWFORD AUSABLE SD	458	10/06/2023	102484	25.20	0.00	25.20
4470	CRWFD CNTY TRANSP AUTH	458	10/06/2023	102485	1,124.00	0.00	1,124.00
141894	CULLIGAN WATER CONDITIONING	458	10/06/2023	102486	35.00	0.00	35.00
4900	DEAN TRANSPORTATION INC	458	10/06/2023	102487	23,990.58	0.00	23,990.58
8420	EAST HIGGINS LAKE TRUE VALUE	458	10/06/2023	102488	355.37	0.00	355.37
142053	ELITE COATINGS LLC	458	10/06/2023	102489	4,472.70	0.00	4,472.70
142069	ELIZABETH MITCHELL	458	10/06/2023	102490	79.26	0.00	79.26
141691	EMILY GUBANCSIK	458	10/06/2023	102491	133.79	0.00	133.79
18577	EMS LINQ LLC	458	10/06/2023	102492	9,445.10	0.00	9,445.10
141724	FIDELITY SECURITY LIFE INSURANCE COMPANY	458	10/06/2023	102493	336.47	0.00	336.47
6349	FIRST BOOK	458	10/06/2023	102494	1,396.50	0.00	1,396.50
141408	FOSTER BLUE WATER OIL LLC	458	10/06/2023	102495	833.28	0.00	833.28
141697	FUN FIRST THERAPY	458	10/06/2023	102496	19,556.26	0.00	19,556.26
141918	GERRISH TOWNSHIP	458	10/06/2023	102497	125.00	0.00	125.00
141738	GILL-ROY'S HARDWARE	458	10/06/2023	102498	254.36	0.00	254.36
141883	HANNAH VANCURA	458	10/06/2023	102499	108.08	0.00	108.08
141969	HARDWOOD HILLS CONSTRUCTION INC	458	10/06/2023	102500	1,717.20	0.00	1,717.20
141941	HELEN SHASTAL	458	10/06/2023	102501	411.35	0.00	411.35
8700	HOME DEPOT CREDIT SERVICES	458	10/06/2023	102502	3,908.12	0.00	3,908.12
142025	HOUGHTON LAKE COOPERATIVE PRESCHOOL INC	458	10/06/2023	102503	23,053.59	0.00	23,053.59
9160	IMPACT OFFICE PRODUCTS	458	10/06/2023	102504	207.96	0.00	207.96
141911	INTEGRITY CONSTRUCTION SERVICES	458	10/06/2023	102505	8,186.58	0.00	8,186.58
141231	INTRADO INTERACTIVE SERVICES CORPORATION	458	10/06/2023	102506	1,249.99	0.00	1,249.99
141886	IST INTEGRATED SYSTEMS TECHNOLOGIES	458	10/06/2023	102507	6,000.00	0.00	6,000.00
141970	JE JOHNSON CONTRACTING INC	458	10/06/2023	102508	3,699.00	0.00	3,699.00
142068	JENNIFER BELL	458	10/06/2023	102509	34.06	0.00	34.06
141997	JIMCO FIRE PROTECTION INC	458	10/06/2023	102510	35,235.00	0.00	35,235.00
141203	JULIE BELL	458	10/06/2023	102511	36.08	0.00	36.08
142066	JUSTIN ALLMACHER	458	10/06/2023	102512	1,512.95	0.00	1,512.95
141667	KAREN WALTON EBNIT	458	10/06/2023	102513	6,695.00	0.00	6,695.00
10030	KATIE KEITH	458	10/06/2023	102514	361.82	0.00	361.82

126

A/P Check Register

Printed: 11/02/2023 9:10:32AM

COOR ISD

Check Date: 10/1/2023 to 10/31/2023

Vendor #	Vendor Name	Batch #	Check Date	Check #	Checks	Direct Deposit	Total
10020	KEENAN THERAPEUTICS PC	458	10/06/2023	102515	7,188.44	0.00	7,188.44
141492	KERRI SMITZ	458	10/06/2023	102516	35.52	0.00	35.52
141813	K-LOG INC	458	10/06/2023	102517	4,936.76	0.00	4,936.76
142036	KYM NARAYANA	458	10/06/2023	102518	123.67	0.00	123.67
10690	LAKESHORE LEARNING MTL	458	10/06/2023	102519	705.19	0.00	705.19
12280	MAASE	458	10/06/2023	102520	500.00	0.00	500.00
142052	MAG INSULATION	458	10/06/2023	102521	2,039.00	0.00	2,039.00
142042	MAGNA TILES	458	10/06/2023	102522	419.88	0.00	419.88
142067	MARGUERITE GAHAGAN NATURE PRESERVE	458	10/06/2023	102523	75.00	0.00	75.00
8099	MARIE HARRIS	458	10/06/2023	102524	304.17	0.00	304.17
141945	MARILYNN ELLENBERGER	458	10/06/2023	102525	15.00	0.00	15.00
141656	MARK A SLOANE DO PC	458	10/06/2023	102526	2,875.00	0.00	2,875.00
141830	MARY SORENSON	458	10/06/2023	102527	12.27	0.00	12.27
11451	MCGRAW HILL LLC	458	10/06/2023	102528	0.00	0.00	0.00
Void by KLM on 10/6/2023							
11598	MELISSA MAEDER	458	10/06/2023	102529	559.24	0.00	559.24
141961	METAL ARTS CONSTRUCTION INC	458	10/06/2023	102530	10,940.00	0.00	10,940.00
13651	MIO AUSABLE SCHOOL DISTRICT	458	10/06/2023	102531	10,982.79	0.00	10,982.79
141929	MITCHELL1	458	10/06/2023	102532	1,231.00	0.00	1,231.00
13160	MSBO	458	10/06/2023	102533	380.00	0.00	380.00
141971	NIGHTHAWK ELECTRIC INC	458	10/06/2023	102534	73,820.70	0.00	73,820.70
141968	NORTH COUNTRY LOG COATINGS	458	10/06/2023	102535	3,800.00	0.00	3,800.00
142050	NORTHERN MICHIGAN GLASS LLC	458	10/06/2023	102536	24,244.20	0.00	24,244.20
141928	NORTHERN MICHIGAN WELDING EDUCATORS	458	10/06/2023	102537	200.00	0.00	200.00
141526	OGEMAW COUNTY TREASURER	458	10/06/2023	102538	191.48	0.00	191.48
15078	ORKIN PEST	458	10/06/2023	102539	103.00	0.00	103.00
15860	PURCHASE POWER	458	10/06/2023	102540	1,005.00	0.00	1,005.00
141711	PURITY CYLINDER GASES INC	458	10/06/2023	102541	927.06	0.00	927.06
16250	QUILL CORP	458	10/06/2023	102542	41.98	0.00	41.98
141875	RADIO NORTH LLC	458	10/06/2023	102543	1,500.00	0.00	1,500.00
16390	RAY'S PARTS CENTER	458	10/06/2023	102544	66.21	0.00	66.21
141124	REBEKAH SEELow	458	10/06/2023	102545	335.24	0.00	335.24
19081	ROBERT J GORDON DOFAA-INS PLLC	458	10/06/2023	102546	69.00	0.00	69.00
3182	ROSCOMMON COUNTY - CMDHD	458	10/06/2023	102547	1,060.00	0.00	1,060.00
7161	ROSCOMMON FOOD SERVICE	458	10/06/2023	102548	1,063.24	0.00	1,063.24
142057	ROY SIMMONS & SON WELL DRILLING INC	458	10/06/2023	102549	20,774.80	0.00	20,774.80
141653	SARAH KAY RONDO	458	10/06/2023	102550	1,849.00	0.00	1,849.00
141893	SCHOOL PSYCHOLOGICAL SERVICES PLLC	458	10/06/2023	102551	5,775.00	0.00	5,775.00
17870	SEG WORKERS COMPENSATION FUND	458	10/06/2023	102552	1,880.00	0.00	1,880.00
141133	SHANNON REA	458	10/06/2023	102553	293.56	0.00	293.56
15685	SHAWN PETRI	458	10/06/2023	102554	255.41	0.00	255.41
141286	SHELDON MEDICAL SUPPLY	458	10/06/2023	102555	632.60	0.00	632.60
18154	SKYWARD INC.	458	10/06/2023	102556	1,188.00	0.00	1,188.00
141307	SNAP ON INDUSTRIAL	458	10/06/2023	102557	3,996.91	0.00	3,996.91
141649	STAPLES	458	10/06/2023	102558	92.56	0.00	92.56
141814	SUPERIOR AUTOMOTIVE EQUIPMENT	458	10/06/2023	102559	133.74	0.00	133.74
20152	TAMMY TYLER	458	10/06/2023	102560	322.46	0.00	322.46
19545	TEACHING STRATEGIES LLC	458	10/06/2023	102561	4,825.00	0.00	4,825.00
141511	THALMA HIBBARD	458	10/06/2023	102562	356.32	0.00	356.32
141979	THREE RIVERS CORPORATION	458	10/06/2023	102563	6,014.95	0.00	6,014.95
141901	TIA BOYCE	458	10/06/2023	102564	28.82	0.00	28.82
141426	TOBII DYNAVOX	458	10/06/2023	102565	1,197.00	0.00	1,197.00
141944	TRACEY STEIN	458	10/06/2023	102566	235.02	0.00	235.02

127

A/P Check Register

Printed: 11/02/2023 9:10:32AM

COOR ISD

Check Date: 10/1/2023 to 10/31/2023

Vendor #	Vendor Name	Batch #	Check Date	Check #	Checks	Direct Deposit	Total
142064	UAW BLACK LAKE CONFERENCE CENTER	458	10/06/2023	102567	90.00	0.00	90.00
141582	VISION CONSULTING LLC	458	10/06/2023	102568	465.47	0.00	465.47
141833	WEST BRANCH NAPA AUTO TRUCK	458	10/06/2023	102569	1,696.74	0.00	1,696.74
21181	WEST BRANCH ROSE CITY SCHOOL DISTRICT	458	10/06/2023	102570	900.00	0.00	900.00
21235	WEXFORD-MISSAUKEE ISD	458	10/06/2023	102571	388.35	0.00	388.35
20970	WM CORPORATE SERVICES INC	458	10/06/2023	102572	124.83	0.00	124.83
2651	XELLO INC	458	10/06/2023	102573	10,658.70	0.00	10,658.70
11451	MCGRAW HILL LLC	462	10/06/2023	102574	652.87	0.00	652.87
141731	AMBER AKIN	463	10/09/2023	102575	652.38	0.00	652.38
11056	DESIREE LIPSKI	463	10/09/2023	102576	616.86	0.00	616.86
141972	LILLIE MEADOWS	463	10/09/2023	102577	456.21	0.00	456.21
141288	MELANIE GREEN	463	10/09/2023	102578	639.28	0.00	639.28
1415	TAMMY BAUDOUX	463	10/09/2023	102579	408.07	0.00	408.07
7552	GRAYLING COOPERATIVE PRESCHOOL, INC.	464	10/09/2023	102580	53,090.95	0.00	53,090.95
7937	HAMPTON INN EAST LANSING	465	10/09/2023	102581	188.07	0.00	188.07
13220	MICHIGAN STATE DISBURSEMENT UNIT	93	10/13/2023	102582	35.17	0.00	35.17
20310	UNITED WAY OF ROSCOMMON COUNTY	93	10/13/2023	102583	2.00	0.00	2.00
141441	VELO LAW OFFICE	93	10/13/2023	102584	212.22	0.00	212.22
225	AFLAC	99	10/10/2023	102585	1,124.64	0.00	1,124.64
141726	BLUE CROSS BLUE SHIELD OF MI	99	10/20/2023	102586	685.12	0.00	685.12
142078	MOBILITYWORKS, WMK, LLC	467	10/17/2023	102587	76,962.00	0.00	76,962.00
12880	MESSA	99	10/20/2023	102588	3,987.43	0.00	3,987.43
142078	MOBILITYWORKS, WMK, LLC	468	10/17/2023	102589	2,289.00	0.00	2,289.00
141879	ALEXIS FERGUSON	469	10/17/2023	102590	176.85	0.00	176.85
11592	CARRIE MACKO	470	10/17/2023	102591	51.09	0.00	51.09
6592	4IMPRINT	466	10/20/2023	102592	1,601.94	0.00	1,601.94
141283	ACTE	466	10/20/2023	102593	400.00	0.00	400.00
142074	ADELINE A. CHAFFEE	466	10/20/2023	102594	304.72	0.00	304.72
141924	ALEXANDREA WARREN	466	10/20/2023	102595	81.90	0.00	81.90
141200	AMAZON CAPITAL SERVICES INC	466	10/20/2023	102596	2,204.07	0.00	2,204.07
141726	BLUE CROSS BLUE SHIELD OF MI	466	10/20/2023	102598	1,564.91	0.00	1,564.91
141726	BLUE CROSS BLUE SHIELD OF MI	466	10/20/2023	102599	737.54	0.00	737.54
142075	BRITTANY M. KALASZ	466	10/20/2023	102600	162.10	0.00	162.10
3253	CEPD COUNCIL	466	10/20/2023	102601	100.00	0.00	100.00
142041	CHARLES BISSELL	466	10/20/2023	102602	102.07	0.00	102.07
141931	CHRISTINA PUDVAN	466	10/20/2023	102603	205.54	0.00	205.54
4183	CONSTRUCTIVE PLAYTHINGS	466	10/20/2023	102604	9.87	0.00	9.87
4100	CONSUMERS ENERGY PAYMENT CENTER	466	10/20/2023	102605	2,373.60	0.00	2,373.60
4400	CRAF CENTER	466	10/20/2023	102606	2,400.00	0.00	2,400.00
4440	CRAWFORD AUSABLE SD	466	10/20/2023	102607	13,979.76	0.00	13,979.76
141892	DEALERS SUPPLY COMPANY	466	10/20/2023	102608	425.66	0.00	425.66
5385	DTE ENERGY	466	10/20/2023	102609	813.48	0.00	813.48
5812	EMERGENCY SERVICES OF HOUGHTON LAKE	466	10/20/2023	102610	680.00	0.00	680.00
141920	FRANCES JACOBS	466	10/20/2023	102611	285.94	0.00	285.94
6781	FRONTIER	466	10/20/2023	102612	687.00	0.00	687.00
141738	GILL-ROY'S HARDWARE	466	10/20/2023	102613	197.34	0.00	197.34
141842	GRAYLING REGIONAL CHAMBER OF COMMERCE	466	10/20/2023	102614	150.00	0.00	150.00
141981	HEATHER SHARPE	466	10/20/2023	102615	201.61	0.00	201.61
141941	HELEN SHASTAL	466	10/20/2023	102616	267.50	0.00	267.50

A/P Check Register

Printed: 11/02/2023 9:10:32AM

COOR ISD

Check Date: 10/1/2023 to 10/31/2023

Vendor #	Vendor Name	Batch #	Check Date	Check #	Checks	Direct Deposit	Total
8791	HOUGHTON LAKE COMMUNITY SCHOOL	466	10/20/2023	102617	15,280.16	0.00	15,280.16
8830	HOUGHTON LK RESORTER	466	10/20/2023	102618	85.00	0.00	85.00
141886	IST INTEGRATED SYSTEMS TECHNOLOGIES	466	10/20/2023	102619	42,920.00	0.00	42,920.00
141506	JOSH MEYER	466	10/20/2023	102620	35.98	0.00	35.98
9950	KAPLAN EARLY LEARNING COMPANY	466	10/20/2023	102621	1,717.76	0.00	1,717.76
19892	KATHRYN TOONSTRA	466	10/20/2023	102622	132.31	0.00	132.31
141488	KATIE FUELLING	466	10/20/2023	102623	411.93	0.00	411.93
10020	KEENAN THERAPEUTICS PC	466	10/20/2023	102624	7,797.86	0.00	7,797.86
141492	KERRI SMITZ	466	10/20/2023	102625	78.60	0.00	78.60
5155	LI'L WILLIES	466	10/20/2023	102626	115.00	0.00	115.00
20675	MADISON VINEYARD	466	10/20/2023	102627	125.00	0.00	125.00
71480	MATTHEW BARNES	466	10/20/2023	102628	109.34	0.00	109.34
12880	MESSA	466	10/20/2023	102629	50,382.43	0.00	50,382.43
142077	MICHELLE CULTON EKSTROM	466	10/20/2023	102630	303.85	0.00	303.85
141775	MICHELLE EWALD	466	10/20/2023	102631	514.70	0.00	514.70
142071	MTEK EQUIPMENT LLC	466	10/20/2023	102632	9,555.00	0.00	9,555.00
141772	NATALIE DAVIS	466	10/20/2023	102633	157.73	0.00	157.73
14631	NMCAA	466	10/20/2023	102634	11,926.05	0.00	11,926.05
15585	PELION BENEFITS, INC.	466	10/20/2023	102635	250.00	0.00	250.00
141229	PITNEY BOWES GLOBAL FINANCIAL SVS LLC	466	10/20/2023	102636	500.46	0.00	500.46
16105	PRO-TECH CABLING SYSTEMS, INC	466	10/20/2023	102637	857.00	0.00	857.00
16390	RAY'S PARTS CENTER	466	10/20/2023	102638	71.82	0.00	71.82
141124	REBEKAH SEELOW	466	10/20/2023	102639	1,998.72	0.00	1,998.72
142072	REGION INSIGHTS	466	10/20/2023	102640	7,542.61	0.00	7,542.61
19081	ROBERT J GORDON DOFAA-INS PLLC	466	10/20/2023	102641	39.00	0.00	39.00
7160	ROSCOMMON AREA PUBLIC SCHOOLS BUSINESS OFFICE	466	10/20/2023	102642	52,251.31	0.00	52,251.31
142079	ROSCOMMON COUNTY CLERK	466	10/20/2023	102643	175.00	0.00	175.00
17030	ROSCOMMON COUNTY TRANSPORTATION AU	466	10/20/2023	102644	1,244.00	0.00	1,244.00
7161	ROSCOMMON FOOD SERVICE	466	10/20/2023	102645	1,750.49	0.00	1,750.49
141583	SALONCENTRIC	466	10/20/2023	102646	1,345.76	0.00	1,345.76
141992	SHARON MCMILLAN	466	10/20/2023	102647	56.05	0.00	56.05
15685	SHAWN PETRI	466	10/20/2023	102648	87.48	0.00	87.48
141307	SNAP ON INDUSTRIAL	466	10/20/2023	102649	21.93	0.00	21.93
18555	SPARTAN STORES LLC	466	10/20/2023	102650	362.75	0.00	362.75
142076	STACEY TACKETT	466	10/20/2023	102651	158.23	0.00	158.23
141994	STACY SHAFTO	466	10/20/2023	102652	47.03	0.00	47.03
19345	STAPLES BUSINESS ADVANTAGE	466	10/20/2023	102653	368.74	0.00	368.74
141993	STEPHENIE IRISH	466	10/20/2023	102654	110.77	0.00	110.77
141425	SUNNY SPOT	466	10/20/2023	102655	1,000.00	0.00	1,000.00
141814	SUPERIOR AUTOMOTIVE EQUIPMENT	466	10/20/2023	102656	608.36	0.00	608.36
7180	TERESA GERTISER	466	10/20/2023	102657	26.20	0.00	26.20
20571	VERIZON WIRELESS	466	10/20/2023	102658	1,180.14	0.00	1,180.14
141582	VISION CONSULTING LLC	466	10/20/2023	102659	780.44	0.00	780.44
20900	WALMART BUSINESS CARD	466	10/20/2023	102660	36.83	0.00	36.83
21110	WEINLANDER-FITZHUGH-	466	10/20/2023	102661	4,000.00	0.00	4,000.00
21122	WELLINGTON FARM PARK	466	10/20/2023	102662	0.00	0.00	0.00
Void by KLM on 10/25/2023							
141659	WEST BRANCH OPTIMIST CLUB	466	10/20/2023	102663	115.00	0.00	115.00
21181	WEST BRANCH ROSE CITY SCHOOL DISTRICT	466	10/20/2023	102664	90,187.89	0.00	90,187.89
141468	WPS Publishing	466	10/20/2023	102665	381.70	0.00	381.70
21770	XEROX CORP	466	10/20/2023	102666	1,224.38	0.00	1,224.38

A/P Check Register

Printed: 11/02/2023 9:10:32AM

COOR ISD

Check Date: 10/1/2023 to 10/31/2023

Vendor #	Vendor Name	Batch #	Check Date	Check #	Checks	Direct Deposit	Total
21181	WEST BRANCH ROSE CITY SCHOOL DISTRICT	471	10/20/2023	102667	312.48	0.00	312.48
13220	MICHIGAN STATE DISBURSEMENT UNIT	93	10/27/2023	102668	35.17	0.00	35.17
19978	TSA CONSULTING GROUP INC	93	10/27/2023	102669	1,710.00	0.00	1,710.00
20310	UNITED WAY OF ROSCOMMON COUNTY	93	10/27/2023	102670	2.00	0.00	2.00
141441	VELO LAW OFFICE	93	10/27/2023	102671	48.37	0.00	48.37
142013	BLUE CARE NETWORK	99	10/23/2023	102672	67.22	0.00	67.22
141720	AMERICAN UNITED LIFE INSURANCE COMPANY	99	10/25/2023	102673	440.98	0.00	440.98
225	AFLAC	99	10/25/2023	102674	1,124.64	0.00	1,124.64
141879	ALEXIS FERGUSON	472	10/25/2023	102675	184.71	0.00	184.71
141720	AMERICAN UNITED LIFE INSURANCE COMPANY	472	10/25/2023	102676	1,441.65	0.00	1,441.65
142013	BLUE CARE NETWORK	472	10/25/2023	102677	33,592.31	0.00	33,592.31
4440	CRAWFORD AUSABLE SD	472	10/25/2023	102678	8,537.36	0.00	8,537.36
141429	KIMBERLY MURPHY	472	10/25/2023	102679	198.83	0.00	198.83
142062	MEAGHAN MAYNARD	472	10/25/2023	102680	46.57	0.00	46.57
13073	MPAAA	472	10/25/2023	102681	90.00	0.00	90.00
10250	KIRTLAND COMMUNITY COLLEGE	473	10/26/2023	102682	900.00	0.00	900.00
141724	FIDELITY SECURITY LIFE INSURANCE COMPANY	99	10/31/2023	102683	283.95	0.00	283.95
141103	ORS	94	10/06/2023	201705239	0.00	72,699.18	72,699.18
141105	HEALTH EQUITY	94	10/13/2023	201705240	0.00	2,079.24	2,079.24
20245	US TREASURY	94	10/13/2023	201705241	0.00	41,734.81	41,734.81
20245	US TREASURY	96	10/20/2023	201705242	0.00	335.64	335.64
141103	ORS	94	10/20/2023	201705243	0.00	77,813.55	77,813.55
141105	HEALTH EQUITY	94	10/27/2023	201705244	0.00	2,079.24	2,079.24
141106	MICHIGAN DEPT OF TREASURY	94	10/27/2023	201705245	0.00	14,195.88	14,195.88
20245	US TREASURY	94	10/27/2023	201705246	0.00	40,331.55	40,331.55
Report Totals					\$955,148.35	\$251,269.09	\$1,206,417.44

C. Approve Revenue & Expenditure
Reports for October 2023

132

**Revenue and Expenditure Report
CAREER TECH FUND
10/31/2023**

Revenue		October Activity	Open Encumbrance	Year to Date	Adopted Budget
4000	PERKINS	19,664.44	-	19,664.44	167,242
3440	61 A	32,630.79	-	32,630.79	372,624
3550	61 B	-	-	-	383,078
3790	61 C	-	-	-	576,923
2530	61 I	-	-	-	183,795
0000	CTE	201,000.00	-	207,136.31	491,709
Total Revenue		253,295.23	-	259,431.54	2,175,371

Expense		October Activity	Open Encumbrance	Year to Date	Adopted Budget
4000	PERKINS	18,055	1,083	37,712	167,242
3440	61 A	22,905	27,084	64,691	372,624
3550	61 B	3,300	222	9,591	383,078
3790	61 C	63,346	49,075	278,924	576,923
2530	61 I	1,849	-	25,482	183,795
0000	CTE	51,890	97	168,257	469,964
Total Expense		161,345	77,561	584,656	2,153,626

Revenues over Expenses

(325,224)

11/1/2023
12:38 PM

**Revenue and Expenditure Report
GENERAL FUND
10/31/2023**

Revenue	October Activity	Open Encumbrance	Year to Date	Adopted Budget
100 Revenue from Local Sources	69,655	-	240,570	1,092,778
300 Revenue from State Sources	409,701	-	419,701	4,996,310
400 Revenues from Federal Sources	39,360	-	104,357	1,183,219
500 LEAs	72,017	-	164,229	412,921
600 Fund Modifications (Transfers In)	-	-	-	-
Total Revenue	590,733	-	928,857	7,685,228

Expense	October Activity	Open Encumbrance	Year to Date	Adopted Budget
125 Compensatory Education	-	-	-	5,461
211 Truancy	-	-	-	5,000
213 Behavioral Services	17,699	1,409	42,543	200,757
216 Social Work Services	14,701	1	98,942	746,881
221 Improvement of Instruction	59,975	3,145	238,386	762,637
226 Supervision of Instructional Staff	17,059	160	73,251	248,451
229 Other Instructional Staff Services	11,830	-	50,756	150,215
231 Board of Education	1,573	-	29,215	149,143
232 Executive Administration	34,289	221	169,282	383,817
252 Fiscal Services	34,076	381	132,165	317,906
259 Other Business Services	55	-	2,028	3,200
261 Operations Buildings Services	4,058	45	22,641	131,170
283 Staff/Personnel Services	467	-	2,557	3,000
284 Information Management Services	5,071	-	179,782	234,450
285 Pupil Accounting	7,982	8	38,957	104,040
299 Other Support Services	-	-	314	2,500
311 Community Services Direction	10,709	218	10,709	-
331 Community Activities	19,388	197	74,561	128,662
351 Custody and Care of Children	43,840	717	196,653	170,267
411 Payments to LEAs GSRP	114,610	135,018	491,566	2,550,040
445 TRAILS GRANT SEC 31 P	-	-	-	625,000
456 Building Improvements Services	7,695	-	8,545	5,000
626 Fund Modifications (Transfers Out)	-	-	-	360,000
Total Expense	405,077	141,520	1,862,852	7,287,597

Revenues over Expenses

(933,995)

11/1/2023
9:58 AM

**Revenue and Expenditure Report
ROOC FUND
10/31/2023**

Revenue

	October Activity	Open Encumbrance	Year to Date	Adopted Budget
INTEREST	-	-	54	775
PRODUCTION	141	-	5,984	30,000
DONATIONS	-	-	77	11,500
GRANTS	-	-	82,397	75,431
SERVICES	92,262	-	288,760	866,600
STATE	-	-	-	54,135
Total Revenue	92,403	-	377,272	1,038,441

Expense

232	Program Administration	17,626	9	80,458	221,319
252	Fiscal Services	1,068	-	4,804	14,547
259	Other Business Services	-	-	2,802	2,802
261	Operations Buildings Services	5,392	90	29,804	68,556
271	Transportation	82,455	-	97,050	131,693
284	Technology				1,100
289	Consumers	4,764	264	19,336	58,707
290	Staff Retention	-	-	-	522
321	Summer Work Program	390	1	24,973	40,107
391	Direct Care Workers and Supervision	31,615	12	145,082	425,953
	Total Expense	143,310	376	404,308	965,306

Revenues over Expenses

(27,036)

11/1/2023
11:45 AM

**Revenue and Expenditure Report
SPECIAL EDUCATION FUND
10/31/2023**

Revenue	October Activity	Open Encumbrance	Year to Date	Adopted Budget	
100	Revenue from Local Sources	236,194	-	767,250	3,468,500
300	Revenue from State Sources	290,436	-	290,436	2,844,495
400	Revenues from Federal Sources	96,551	-	460,716	2,996,839
500	Incoming Transfers and Other Transactions	5,240	-	5,240	758,068
600	Fund Modifications (Other Operating Transfers In)	-	-	-	70,000
	Total Revenue	628,422	-	1,523,643	10,137,902

Expense	October Activity	Open Encumbrance	Year to Date	Adopted Budget	
122	Instruction	183,641	894	600,342	2,251,894
212	Early On	12,588	997	38,760	299,991
213	Health Services	48,344	61	133,492	547,716
214	Psychological Services	16,561	372	37,589	238,475
215	Speech Pathology and Audiology Services	65,670	45,637	164,693	781,932
216	Social Work Services	17,463	4,204	47,148	334,197
217	Visual Aid Services	1,246	-	2,495	31,200
218	Teacher Consultant-Special Education Programs	12,953	-	34,822	134,881
221	Improvement of Instruction	740	378	4,266	11,732
226	Supervision and Direction of Instructional Staff	45,318	297	187,249	369,400
231, 232, 252	Board of Education, Fiscal, Executive	8,136	1,238	47,133	81,307
241	Office of the Principal	19,793	589	82,260	187,209
249	Graduation Supplies and Materials	-	-	-	600
259	Other Business Services	137	-	6,594	18,728
261	Operations Buildings Services	12,008	2,281	77,828	271,004
271	Pupil Transportation Services	35,966	194	237,179	1,020,986
281	Planning, Research, Development, and Evaluation	11,837	260	54,388	150,914
284	Information Management Services	36	3,184	144	9,433
299	Staff Appreciation	-	-	106	-
371	Non-Public School Pupils	-	-	1,131	30,000
411	Payments to LEAs	120,655	-	120,655	2,284,719
441	Payments to Other Govern. Entities	-	-	859	48,600
456	Building Improvements Services	22,109	-	399,892	422,810
	Total Expense	635,202	60,584	2,279,024	9,527,728

Revenues over Expenses (755,381)

11/2/2023
10:00AM

8. Action Items

A. Accept amendment to the 23-24
ROOC, Inc. budget as presented

137

ROOC
Fiscal Year Ending June 30, 2024
Proposed Amended November 8, 2023

	AUDITED 22 23	AMENDED 9-Aug-23	Proposed Amended
INTEREST	0	775	775
PRODUCTION	30688	30000	30000
DONATIONS	0	11500	11500
GRANTS	70133	75431	82397
SERVICES	952857	866600	881000
STATE	0	54135	54135
Total Revenue	\$ 1,053,678	\$ 1,038,441	\$ 1,059,807

EXPENSES by FUNCTION

Program Administration	372137	221319	229395	232
Financial Services	0	14547	14679	252
Insurance	0	2802	2802	259
Operations Building Services	72826	68556	80708	261
Transportation	52272	131693	138878	271
Technology	0	1100	1100	284
Consumers	79715	58707	74065	289
Staff Retention	0	522	522	290
Summer Work Program	0	40107	40275	321
Direct Care Workers and Supervision	374460	425953	466718	391
Total Expenses	\$ 951,410	\$ 965,305	\$ 1,049,142	

Total Revenues	\$ 1,053,678	\$ 1,038,441	\$ 1,059,807
Total Expenses	\$ 951,410	\$ 965,305	\$ 1,049,142
CHANGE IN NET ASSETS	\$ 102,268	\$ 73,136	\$ 10,665

NET ASSETS JULY 1	\$ 378,861	\$ 378,861	\$ 481,129	Audited July 1, 2023
NET ASSETS JUNE 30	\$ 481,129	\$ 451,997	\$ 491,794	

B. Approve the Talent Together Consortium agreement for the provision of Teacher Apprenticeships for 2024

139

TALENT TOGETHER CONSORTIUM AGREEMENT

THIS TALENT TOGETHER CONSORTIUM AGREEMENT (the “Agreement”), entered into as of January 01, 2024 (the “Effective Date”), by and between those intermediate school districts (“ISDs”) that have approved and executed this Agreement as set forth in Appendix A (collectively the “Consortium Member(s)”).

RECITALS

- A. The Consortium established pursuant to this Agreement of member ISDs from all over the state of Michigan known as “Talent Together” will provide programs designed to create pathways for individuals who aspire to enter the teaching profession. The Talent Together Consortium will serve as an intermediary for apprenticeships for teachers. The Consortium will offer financial resources through partnerships with Michigan Educator Preparation Programs and the federal Registered Apprenticeship Program model.
- B. Talent Together intends to target the teacher shortage in Michigan. In this past decade, the state of Michigan has faced a 66% decline in the number of available new teachers. The Consortium Members are currently developing an Alternative Certification Program to expeditiously fill vacancies in education across the state of Michigan.
- C. The purpose of this Agreement is to set forth the terms and conditions whereby the Consortium will create an efficient mechanism by which each Consortium Member will aim to meet the following goals (collectively “Program Goals”):
 - i. Emphasize ISD collaboration around teacher growth and development to increase the quantity of highly qualified and certified educator candidates in all participating constituent local school districts and ISDs of Consortium Members.
 - ii. Eliminate vacancies in the certification areas identified as highest need, including special education and early childhood settings.
 - iii. Improve alignment of educator and student demographics in participating local school districts and ISDs by targeting recruitment efforts toward underrepresented candidates and by removing common barriers to program entry and completion.
 - iv. Improve educational outcomes for students served by program participants through the development of essential teacher skills and mindsets and differential retention of highly qualified and well-prepared teaching candidates.

- v. Increase retention of novice and experienced teachers through the development of professional learning experiences and career development opportunities.
 - vi. Improve the economic mobility of candidates in support staff roles by providing paid, job-embedded opportunities to advance their careers in PreK-12 education in Michigan.
- D. The Consortium Members have the authority to enter into this Agreement pursuant to Section 601a(2) of the Revised School Code, MCL 380.601a(2), which grants the ISDs the authority to enter into agreements or cooperative arrangements with other entities, public or private, or join organizations as part of performing the functions of the intermediate school district.
- E. By executing this Agreement, the Consortium Members voluntarily agree to legally bind themselves to the covenants contained herein and the mutual consideration that establishes this Agreement.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the Consortium Members agree as follows:

I. ORGANIZATION AND GOVERNANCE

1.1. **Establishment of Consortium.** The Consortium Members set forth in **Appendix A** hereby establish the Consortium. The Consortium Members hereby agree to be bound by the covenants and terms and conditions of this Agreement.

1.2. **Consortium Authority.** The Consortium shall, on behalf of the Consortium Members, have the authority to identify areas of need for teacher training and development to fulfill its Program Goals. Additionally, the Consortium shall have the authority to create agreements, and internal policies and procedures to develop the educational talent for pre-K – 12 educators.

1.3. Board

1.3.1. **Members.** The Consortium’s controlling board shall consist of fifteen (15) members (each a “Board Member” and collectively the “Board”). The Board Members shall consist of one (1) representative from each of the ten (10) ISD Regions in the State of Michigan, as set forth in **Appendix B**, plus five (5) additional at-large ISD members which shall consist of one (1) additional member from five (5) additional ISDs. Each Board member must be from a separate ISD and no two (2) Board members may be from the same ISD. Each Board Member will be the superintendent of the ISD or the superintendent’s designee. Each ISD Region will use its own internal processes to elect a designee to serve as a Board Member for that Region. The ten (10) ISD Region Board Members will then select the five (5) additional at-large Board Members by a three-fourth (3/4) majority vote. If the position of a Board Member of an ISD Region is vacant or

vacated for any reason, if a designee from that ISD Region has not already been appointed, the Board shall appoint an interim representative for that ISD Region to serve until the ISD Region elects a new representative to serve as a Board Member. If an at-large Board Member seat becomes vacant, the remaining Board Members, by a three-fourth (3/4) majority vote, shall appoint a new Board Member to fill that vacancy.

- 1.3.2. Duties of the Board.** The duties of the Board shall include, but shall not be limited to: (i) providing direction and criteria to, and making recommendations for, the selection of Talent Together Directors and/or Project leads; (ii) providing direction and criteria to, and making recommendations for, the project budget and other financial management matters; (iii) approving all policies of the Consortium, including the appropriate Project Goals and related/amended scope of the program; and (iv) undertaking such other matters as may be the subject of this Agreement or are otherwise required in the furtherance of the operation and implementation of this Agreement.
- 1.3.3. Meetings of the Board.** The Board shall meet at least quarterly, or more often as may be required by the Board, to carry out its duties and responsibilities. Meetings shall be called and chaired by a Chief Board Member. Every 3 years, the Board shall commence a study to evaluate the Talent Together Program and this Agreement's execution. After this study, the Board should commence a meeting to discuss and determine whether Termination of this Agreement is warranted, as more fully described in Section 7.2 of this Agreement.
- 1.3.4. Board Member Term.** The initial terms of five (5) of the ISD Region representative Board Members shall be 2 years and initial terms of the remaining five (5) of the ISD Region representative shall be 3 years, commencing on the Effective Date of this Agreement. Thereafter, each ISD Region representative Board Member shall serve a term of three (3) years. Each of the five (5) at-large Board Members shall serve a one (1) year term commencing on the Effective Date of this Agreement. New at-large Board Members will be appointed for each successive one-year term. Before the expiration of an ISD Region Board Member's term, each ISD Region will use its own internal processes to elect a designee to serve on the Board or to renew the term of ISD's current Board Member effective as of such expiration. Before the expiration of the one-year term for each at-large Board Member, the Board shall appoint a successor at-large Board Member effective as of such expiration.
- 1.3.5. Board Committees.** The Board may create Board committees that it deems necessary for the operation and implementation of this Agreement and necessary to meet the Consortium's Program Goals.
- 1.3.6. Action by the Board.** The Board shall make every reasonable attempt to reach decisions by unanimous consent of the membership of the Board. In the event unanimous consent cannot be reached, a majority vote (51%) of the Board's

membership is required to pass an action item, unless otherwise required by the terms of this Agreement. Each member on the Board shall have one (1) vote.

1.3.7. Policies, Standards and Requirements. The Board shall collectively consider and shall establish any internal policies, standards and requirements it deems necessary for the Talent Together Program and the ISDs' utilization of the Talent Together Program desired beyond the terms of this Agreement.

1.3.8. Fiscal Agent. One ISD from one of the ten (10) ISD regions shall serve as the Fiscal Agent and shall be responsible for the keeping of financial records and all other responsibilities related to accounting and audits, as outlined in Section 4.4 of this Agreement. The Consortium Members agree that Marquette-Alger RESA will serve as the initial Fiscal Agent for the Initial Term of this Agreement. For Renewal Term(s) of this Agreement, the Board may appoint a new Fiscal Agent by a three-fourth (3/4) majority vote. The Fiscal Agent may resign by providing notice to the Board and such resignation shall only become effective at the end of the Fiscal Year. If the then current Fiscal Agent elects to resign as the Fiscal Agent, the Board shall work to select a new Fiscal Agent. An outgoing Fiscal Agent shall continue in the Fiscal Agent role until the effective date of its resignation/expiration and shall provide reasonable cooperation and assistance to the new Fiscal Agent to transition all duties to the new Fiscal Agent. Moreover, any outgoing Fiscal Agent shall facilitate and participate in the final audit for all years the Fiscal Agent acted in such role.

1.3.9. Open Meetings Act. Meetings and other operations of the Board and its Committees shall be governed in accordance with the Open Meetings Act ("OMA"), MCL 15.261 *et seq.* For OMA purposes, the principal office of the Consortium shall be the principal office of the Fiscal Agent.

1.3.10. Freedom of Information Act. To the extent that the Consortium maintains its own records, the Board shall be governed in accordance with the Freedom of Information Act ("FOIA"), MCL 15.231 *et seq.* The Board shall appoint one (1) FOIA coordinator. The Board shall also establish a system for responding to FOIA requests directed to the Consortium.

II. TALENT TOGETHER PROGRAM

II.1. Description of Talent Together Program. The "Talent Together Program" (or "Program") generally includes the ISDs that form the Consortium and have come together for the purpose of developing programs that will create pathways towards achieving the Program Goals and enhancing and diversifying the teaching profession across the State of Michigan by providing teaching certification credentials through Traditional and/or Alternative Certification Programs. The Consortium shall not be an employer of teachers and support staff. Teachers and support staff participating in the Program shall remain employed exclusively by a local or intermediate school district. The Program includes partnership with colleges and universities across the State of Michigan for the purposes of using provided funding to offset the cost of tuition for

aspiring teachers in the Talent Together Program. The component parts and other specific details of the Talent Together Program are more fully described in Appendix C.

II.2. Modification of Talent Together Program. The Program may be expanded, reduced or otherwise modified as set forth in greater detail in Appendix C.

II.3. Partnership with Colleges and Universities. The Talent Together Program will include close partnership with colleges and universities as set forth in greater detail in Appendix D.

III. PARTICIPATION, OPT-IN AND WITHDRAWAL

III.1. Participation. The participating ISDs identified in Appendix A are the initial Consortium Members, provided however, that new Consortium Members can be admitted to the Consortium as described in Section 3.2. and existing Consortium Members may withdraw from the Consortium as described in Section 3.3. Existing Consortium Members may also be subject to removal as described in Section 3.5.

III.2. Admission of New Consortium Members. Any ISD in Michigan who is not a party to this Agreement may be admitted to the Consortium as an additional ISD with the approval of the Board, at any time during the Initial Term or Renewal Term(s) of this Agreement. The Board shall inform all Consortium Members when a change in Appendix A is necessitated due to the admission of any additional ISDs, as permitted by this Agreement, and at such time Appendix A shall be updated and the updated Appendix A shall supersede any prior version. Admission requirements for new Consortium Members will not exceed any requirements for current Consortium Members.

III.3. Withdrawal of Consortium Members.

III.3.1. Timing for Withdrawal. A Consortium Member may withdraw from participation in this Agreement during the Initial Term of this Agreement with ninety (90) days' notice in writing of an intent to withdraw. After the Initial Term, a Consortium Member may elect not to continue participating in this Agreement for a Renewal Term; however, if a Consortium Member elects to continue participation in this Agreement for a Renewal Term(s), said Consortium Member may only withdraw from participation in this Agreement at the expiration of said Renewal Term(s). No withdrawal by a Consortium Member shall operate to: (i) annul this Agreement during the Initial Term or any Renewal Term or (ii) relieve the withdrawing Consortium Member from its obligations in Section 3.3.2. Notwithstanding the foregoing, any withdrawal by a Consortium Member shall not relieve it from any of its obligations, monetary or otherwise, to the extent those have arisen under this Agreement prior to the effective date of such withdrawal.

III.3.2. Effect of Member Withdrawal. Upon a Consortium Member's withdrawal, the Consortium Member must initiate a process of terminating the enrollment of new

candidates for the Program and finalize the completion of the Program for candidates who are currently enrolled in the Consortium Member's cohort. A unilateral withdrawal of a Consortium Member shall not relieve the withdrawing Consortium Member of the following obligations under this Agreement:

- a.** Continuation of enrollment of its Candidates in the Program to the end of the Program year, and through graduation from the Program if desired by one or more of the Candidates enrolled in the Program through the withdrawing Consortium Member.
- b.** Responsibility to pay for all costs associated with the continuation of any Candidates in the Program or otherwise required under this Agreement until the Candidate(s) leave or complete the Program.
- c.** Responsibility of current year and future year costs as provided for under this Agreement.
- d.** Responsibility for its share of any liabilities incurred, whether already incurred or approved to be incurred later, during the period of its participation in the Consortium.

A member who withdraws from the Consortium shall automatically lose, on the withdrawal's effective date, the right to hold any seat on the Consortium Board.

- III.4. **Returning Monetary Contributions:** Upon withdrawal, a Consortium Member must return, and will not be entitled to, any monetary contributions or funds distributed to it except program costs for remaining Candidates in the Program. The return of funds must be completed by the end of the Fiscal Year of withdrawal.
- III.5. **Removal.** If an ISD who is admitted to this Consortium breaches the terms of this Agreement and said ISD fails to cure such breach within thirty (30) days of receipt of notice from the Board identifying such breach, the Board may conduct a majority vote (51%) to remove said ISD from the Consortium. Notwithstanding the foregoing, any removal of an ISD shall not relieve it from any of its obligations under Sections 3.3.2 and 3.4.

IV. **FINANCIAL PROVISIONS**

IV.1. **Fiscal Year.** The Fiscal Year of the Consortium shall be July 1 through June 30.

IV.2. **Talent Together Program Costs.**

IV.2.1. **Requests for Funds.** The Board shall determine whether to grant a Consortium Member's request for funds in accordance with allocations determined during the yearly budget development process which will take place in the Fall of each year. Available funds will be set aside on a prorated basis that will be proportional to

the number of Candidates in the Program. Any funds that are not used within the Fiscal Year will be returned to the Board for reallocation.

IV.2.2. Grant Funds. The costs associated with the Consortium will be covered by grant funds to the greatest extent possible. Any additional costs incurred that are not covered by grant funds will be allocated in accordance with Section 4.3 of this Agreement.

IV.2.3. Additional Training Costs. If a Consortium Member wishes to receive additional apprenticeship opportunities, the Consortium Member will have an opportunity to pay an additional cost. This will occur after the Board has allocated the initial funds to each Consortium Member.

IV.3. Allocation of Consortium Costs. Costs incurred by the Consortium as a result of this Agreement (the “Consortium Costs”) shall be allocated among the Consortium Members as determined by the Board, in accordance with Section 6.1 hereof. When allocating costs, the Board will consider factors such as the number of acceptable candidates for the Talent Together Program, the availability of mentors in the sponsoring Consortium Member, the availability of college and university partnership, and the sufficiency of available funds. The Board will be limited to a maximum five-thousand-dollar (\$5,000) allocation without a three-fourth (3/4) majority vote of the Consortium Members. For any additional ISDs which subsequently join this Agreement, the Board shall determine how to appropriately allocate such Consortium Costs among the initial and new Consortium Members.

IV.4. Accounting and Audits. The Board shall establish a procedure for the accounting and payment of Consortium Costs, subject to review and comment by the Consortium Members, and shall establish procedures for the receipt and accounting of those funds. Separate accounts within the Consortium related to other costs associated with the Talent Together Program shall be maintained by the Consortium, which shall be included in the general annual audit of the Consortium.

IV.5. Budget Updates. The Board shall prepare budget updates and shall provide said updates to the Consortium Members at frequencies determined by the Board, but no less than biannually.

IV.6. Annual Member Contributions. If costs to operate the Consortium exceed revenue from grants or other funding sources, the Board may vote to approve additional contributions from Consortium Members based upon three-fourth (¾) majority vote of the Board. The contribution amount approved by the Board may be a one-time contribution or a recurring annual contribution. Every effort shall be made to provide annual Consortium Member contributions six (6) months in advance of the fiscal year. The amount of these additional contributions will be subject to the factors described and set forth in Section 6.2.

V. CONSORTIUM BOARD AUTHORITY AND DUTIES

- V.1. Designation.** The Board shall serve as the operating agent and legal agent of the Consortium with respect to the Talent Together Program.
- V.2. Duties of Board.** The Board shall conduct, control and have authority over the day-to-day administration Program. The Board shall also be responsible for providing staffing for such administration, either by its own staff or by such other persons as the Board may deem necessary and appropriate, including employees of any of ISD within the Consortium with that ISD's consent.
- V.3. Legal Authority.** The Board shall implement the Program and may commence, on behalf of the Consortium, any litigation or other regulatory or arbitration proceedings against other parties, including a Consortium Member.
- V.4. Accountability.** The Board shall provide written updates to each Consortium Member, not less than annually, outlining the Board's activities with respect to details regarding the Consortium Costs, Board costs, and any additional matters which the Board determines to be pertinent. Consortium Members may provide a written request to the Board of any additional matters that they would like to have addressed in the Board's written updates.
- V.5. Reliance on Information.** In carrying out its duties and responsibilities, the Board may rely upon any document submitted by a Consortium Member and may rely upon any professional advisor which the Board believes to be qualified.
- V.6. Compensation.** The Board expects no compensation or reimbursement for any internal overhead or personnel costs incurred by it, except to the extent such costs may be approved by the Consortium Members as Consortium Costs, but the Board shall not be required by this Agreement to expend out-of-pocket or risk its own funds for payment any individual Consortium Member or other third party in the performance of its duties and responsibilities under this Agreement.

VI. CONSORTIUM MEMBER OBLIGATIONS AND DUTIES

- VI.1. Payment of Consortium Costs.** Each Consortium Member acknowledges and understands the provisions of this Agreement for the determination and allocation of the Consortium Costs among the respective Consortium Members and shall fully and promptly pay to the Consortium, thereby reimbursing the Consortium, its share of Consortium Costs as determined by the Board, and in accordance with the payment schedule approved by the Board. The payment of Consortium Costs and payment schedule are described in greater detail in **Appendix E**. At a minimum, each Consortium Member shall pay its portion of the Consortium Costs to the Consortium within thirty (30) days of the date it receives an invoice from the Board.
- VI.2. Proportion of Consortium Costs.** Each Consortium Member's Consortium Costs will follow a tiered payment system based on the following factors:
- a. The student population size of the ISD region.
 - b. The number of Candidates in the Program assigned to each Consortium Member during each Program year.

VI.3. **General Cooperation.** Each Consortium Member will cooperate and assist and make available such staff and facilities as may reasonably be required by the Board in the administration of this Agreement and the shared responsibilities for the Talent Together Program as defined herein among the Consortium Members. Each Consortium Member shall provide such information and documentation as may be determined necessary to administer and enforce this Agreement, if such is available. To the extent necessary to further the purposes of this Agreement, decisions that must be made collectively by the Consortium Members shall be made by a three-fourth (3/4) majority vote of all Consortium Members.

VI.4. **Record Keeping and Reporting Requirements**

6.4.1. **Records.** The Consortium shall keep Program records, student records and files in accordance with the most current state-approved record retention schedule unless otherwise directed by the Board.

6.4.2. **Family Educational Rights and Privacy Act Compliance.** The Consortium shall comply with all laws, rules and regulations, including the Family Educational Rights and Privacy Act, 20 USC 1232g (“FERPA”).

VI.5. **Conduct of Users.** Each Consortium Member shall be separately responsible for establishing and enforcing policy, regulations, and rules governing the conduct of its students or those students for which the Consortium Member is responsible while carrying out responsibilities for the Program and for any of its staff aiding students in the Program. In the event of a conflict between such policy, regulations and rules and this Agreement, this Agreement shall govern.

VI.6. **Reports.** Each Consortium Member shall provide such completed reports, data and information as reasonably required by the Board to enable it to carry out its responsibilities under this Agreement.

VI.7. **Compliance with Laws.** Each Consortium Member shall take such action(s) as shall be necessary to cause this Agreement and the Program to comply with applicable law, and shall refrain from taking action(s) that could cause this Agreement or the Program to conflict with applicable laws.

VII. **TERM, TERMINATION AND WITHDRAWAL**

VII.1. **Initial Term and Renewal Terms of this Agreement.** The term of this Agreement shall be for a period of approximately five (5) years, commencing on the Effective Date and ending June 30, 2028 (the “Initial Term”). This Agreement may be renewed for additional terms after the Initial Term, provided that each such additional term does not exceed three (3) years (each a “Renewal Term”). During the Initial Term or Renewal Term(s), a Consortium Member may elect not to continue participation in this Agreement in accordance with Section 3.3 above.

VII.2. **Termination.** Termination of this Agreement at the conclusion of the Initial Term or any Renewal Term shall require provision, reasonable and satisfactory to the Board, for

payment of any financial obligations of any Consortium Member to the Consortium, following at least fifteen (15) days' notice by the Consortium to the attention of the board of education of each Consortium Member. The Consortium shall proceed to wind up the affairs of the Consortium Members under this Agreement. The Consortium shall execute appropriate conveyances of interests in any property or moneys in accordance with an allocation of such property or moneys as determined by the Board as part of their approval of the dissolution. Notwithstanding the foregoing, any termination of this Agreement shall not relieve a Consortium Member from any of its obligations, monetary or otherwise, that may have arisen under this Agreement prior to the effective date of such termination.

VIII. PERSONNEL/LABOR ISSUES

VIII.1. Staffing for Program. Consortium Members shall be responsible for providing all necessary teachers and administrative personnel to meet the Program Goals and as may be required by law.

VIII.2. Staff Distribution. The Board shall determine the appropriate staffing distribution on an annual basis. The Board shall communicate details to each Consortium Member outlining the number of staff that will be assigned in each ISD region, and other necessary roles and associated costs.

VIII.2. Employer of Record. Each Consortium Member shall be the Employer of Record with respect to each person/personnel performing any obligations of the respective Consortium Member under this Agreement. Each party to this Agreement expressly agrees that each such person shall remain an employee of the respective party for which the person was hired/engaged, consistent with the terms of the applicable employment or collective bargaining agreement, if any, governing the employment of such personnel and such respective party shall be responsible for costs of employment (salary, taxes, fees, fringe benefits etc.) relative to that personnel. This Agreement shall not be construed as authority for any party to act for another party in any agency or other capacity or to make commitments of any kind for the account of, or on behalf of, another party, except to the extent, and for the purposes, expressly provided for and set forth herein, and no partnership or joint venture is created hereby. A party, or its respective employees are not entitled to participate in any plans, arrangements, or distributions by another party pertaining to or in connection with any fringe, pension, bonus, profit sharing, or similar benefits, or any medical, dental, life or disability insurance plans.

VIII.3. Trailing Costs. The Consortium is operating Talent Together on a cost-recovery-only basis, and it is understood and agreed that the total costs charged shall cover the complete costs of Talent Together, including trailing employment costs, such as unemployment compensation, vacation payout, etc.

IX. INSURANCE AND LIABILITIES

IX.2. Insurance. The Consortium shall be responsible to obtain and maintain in full force and effect comprehensive general liability and errors and omissions insurance (including

contractual liability coverage) to cover its actions as agent for the ISDs that make up the Consortium, in an amount as the Consortium Members may determine and naming the Consortium Members as additional insureds. Moreover, each Consortium Member shall be responsible for maintaining any insurance coverages as required for the Talent Together Program, as determined by that Consortium Member.

- IX.3. Liability.** Each Consortium Member will be responsible for its own acts or omissions and the acts of its employees and officers, the costs associated with those acts, and the defense of those acts, provided however, and notwithstanding any other provision of this Agreement, this Agreement does not, and is not intended to, impair, divest, delegate, or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of any Consortium Member.

X. DISPUTE RESOLUTION

- X.2. Matters to be Submitted to Arbitration.** The Consortium Members shall endeavor to resolve, through decision by the Board, all disputes and controversies of every kind and nature among any Consortium Members to this Agreement arising out of or in connection with the performance of this Agreement, or as to the validity, meaning, performance, enforcement, breach, or termination/dissolution of this Agreement (each, a “Claim”). A Consortium Member with a Claim shall first submit the Claim to the Board for decision. If within 30 days of submitting the Claim to the Board the Board fails to issue a decision or if the Consortium Member is not satisfied with the Board decision, the Consortium member may submit the Claim to arbitration under the voluntary Commercial Arbitration Rules of the American Arbitration Association which shall likewise govern the Arbitration proceedings.

X.3. Procedure.

X.3.1. If submission to arbitration is to occur, a Consortium Member may demand such arbitration in writing within 30 days of the Board’s decision on the Claim or within 30 days of the expiration of the time period for the Board to issue a decision, whichever is earlier.

X.3.2. The arbitration costs and expenses of each Consortium Member shall be borne by that Consortium Member. The fees and expenses of the arbitrator shall be shared equally by the Consortium Members to the arbitration dispute.

X.3.3. The arbitration hearing shall be held within Ingham County, Michigan, or such other location within the geographic area of the Consortium as the affected Consortium Members may agree, upon at least thirty (30) days' advance notice to the Consortium Members.

X.3.4. After a case on which the arbitrator is empowered to rule has been referred to him/her, it may not be withdrawn by any party except by mutual consent.

X.4. Effect of Arbitration Award.

X.4.1. An award rendered by an arbitrator appointed under and pursuant to this Agreement shall be final and binding on all Consortium Members to the proceeding, and judgment on the award shall be rendered and enforceable in any Michigan circuit court located within the geographic area of the Consortium and having jurisdiction and venue for such matter.

X.4.2. Nothing contained in this Agreement shall be deemed to give the arbitrator any authority, power, or right to alter, change, amend, modify, add to, or subtract from any of the provisions of this Agreement.

X.5. Arbitration to Bar Suit.

X.5.1. The Consortium Members stipulate that the provisions of this Agreement shall be a complete defense to any suit, action, or proceeding instituted in any federal, state, or local court or before any administrative tribunal with respect to any controversy or dispute arising between or among them under this Agreement and which is arbitrable as set forth in this Agreement.

X.5.2. The arbitration provisions of this Agreement shall, with respect to such controversy or dispute arising hereunder, survive the termination or expiration of this Agreement.

X.5.3. With respect to any dispute or controversy that is made subject to arbitration under the terms of this Agreement, no suit at law or in equity based on such dispute or controversy shall be instituted by any Consortium Member, except to enforce the award of the arbitrator.

XI. AMENDMENT AND WAIVER

XI.2. Entire Agreement. This Agreement contains all of the terms of the Agreement among the Consortium Members with respect to the Program and supersedes any and all prior and contemporaneous agreements and understandings, whether oral, written, express or implied, between the Consortium Members relating to the subject matter of this Agreement.

XI.3. Amendment. After initial approval by all Consortium Members, the Board may approve amendments and modifications to this Agreement that are within the authority of the Board as set forth herein. However, for any material modifications to this Agreement or the Program that are outside the scope of authority of the Board, such material amendment to this Agreement shall require the written agreement of all then current Consortium Members.

XI.4. Waiver. Failure to enforce or insist upon compliance with any of the terms or provisions of this Agreement shall not constitute a general waiver or relinquishment of any terms or provisions of this Agreement.

XII. MISCELLANEOUS PROVISIONS

- XII.2. Notices.** All notices, bills, or other communications required or permitted under this Agreement shall be in writing and shall be deemed to be duly given on the day of service if served personally, or by certified mail return receipt requested or e-mail delivery, upon the Consortium Member to whom notice is given at its administrative office address to the attention of the Consortium Member's Superintendent.
- XII.3. Non-Discrimination.** All Consortium Members shall comply with all federal and Michigan laws and regulations prohibiting discrimination and, in accordance therewith, no person, on the basis of race, color, religion, national origin and ancestry, age, sex, marital status or handicap, political affiliation or belief, or other legally protected classification shall be discriminated against, excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in any program or activity for which it is responsible or for which it receives financial assistance from the U.S. Department of Education or Michigan Department of Education.
- XII.4. Successors and Assigns.** The terms and conditions of this Agreement shall be binding upon the successors or assigns of any of the Consortium Members. No Consortium Member may assign or transfer any of its rights or duties under this Agreement in whole or in part without prior written notice to and the prior written consent of each of the Consortium Members.
- XII.5. Headings and Titles.** The section headings used throughout this Agreement are provided for reader convenience only and shall not be controlling in the interpretation of this Agreement.
- XII.6. Severability.** The unenforceability of any provision of this Agreement shall not affect the enforceability of the remaining provisions of this Agreement, and to this end, the provisions hereof are severable.
- XII.7. Governing Laws.** The Agreement shall be governed by and enforced in accordance with the laws of the State of Michigan.
- XII.8. Force Majeure.** In the event and to the extent any Consortium Member is unable to perform its obligations under this Agreement because of any act of nature, civil disturbance, fire, flood, riot, war, terrorist attack, picketing, strike, lockout, work stoppage, loss of transportation facilities, oil or fuel shortage or embargo, governmental action or any condition or cause beyond such Consortium Member's control, such Consortium Member shall be excused from performance of the Agreement for the duration of such condition or cause beyond its control.
- XII.9. Counterparts.** This Agreement may be executed in counterparts separately by each Consortium Member, and each of which counterparts shall be deemed an original and all of which shall constitute one and the same instrument.
- XII.10. Signer's Representation.** Each party to this Agreement represents and warrants that this Agreement has been approved by the Board of Education of the ISD on whose behalf this Agreement is signed, and that s/he has been authorized to sign this Agreement.

IN WITNESS WHEREOF: the Parties hereto execute this TALENT TOGETHER CONSORTIUM AGREEMENT as of the Effective Date.

APPENDIX A

LIST OF PARTICIPATING INTERMEDIATE SCHOOL DISTRICTS and SIGNATURES

Allegan Area Educational Service Agency	Ionia ISD
Alpena-Montmorency-Alcona ESD	Iosco RESA
Barry ISD	Jackson ISD
Bay-Arenac ISD	Kalamazoo RESA
Berrien RESA	Lenawee ISD
Branch ISD	Livingston ESA
C.O.O.R. ISD	Marquette-Alger RESA
Calhoun Intermediate School District	Mecosta-Osceola ISD
Charlevoix-Emmet ISD	Menominee ISD
Cheb-Otsego-Presque Isle ESD	Midland County ESA
Clare-Gladwin Regional ESA	Monroe ISD
Clinton County RESA	Montcalm Area ISD
Copper Country ISD	Newaygo County RESA

Delta-Schoolcraft ISD	Northwest Education Services
Dickinson-Iron ISD	Oakland Schools
Eastern Upper Peninsula ISD	Ottawa Area ISD
Eaton RESA	Saginaw ISD
Genesee ISD	Shiawassee Regional ESD
Gogebic-Ontonagon ISD	St. Clair County RESA
Gratiot-Isabella RESD	St. Joseph County ISD
Heritage Southwest ISD	Tuscola ISD
Hillsdale ISD	Washtenaw ISD
Huron ISD	Wayne RESA
Ingham ISD	West Shore Educational Service District

APPENDIX B

DESCRIPTION OF ISD REGIONS IN THE STATE OF MICHIGAN

Region 1

Area: Upper Peninsula

Region 2

Area: Alcona, Alpena, Antrim, Benzie, Charlevoix, Cheboygan, Crawford, Emmet, Grand Traverse, Iosco, Kalkaska, Leelanau, Manistee, Missaukee, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, Roscommon, Wexford

Region 3

Area: Allegan, Barry, Ionia, Kent, Lake, Mason, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola, Ottawa

Region 4

Area: Arenac, Bay, Clare, Gladwin, Gratiot, Isabella, Midland, Saginaw

Region 5

Area: Huron, Genesee, Lapeer, St Clair, Sanilac, Tuscola

Region 6

Area: Clinton, Eaton, Ingham, Shiawassee

Region 7

Area: Berrien, Branch, Calhoun, Cass, Kalamazoo, St Joseph, Van Buren

Region 8

Area: Hillsdale, Jackson, Lenawee, Livingston, Monroe, Washtenaw

Region 9

Area: Macomb, Oakland, Wayne

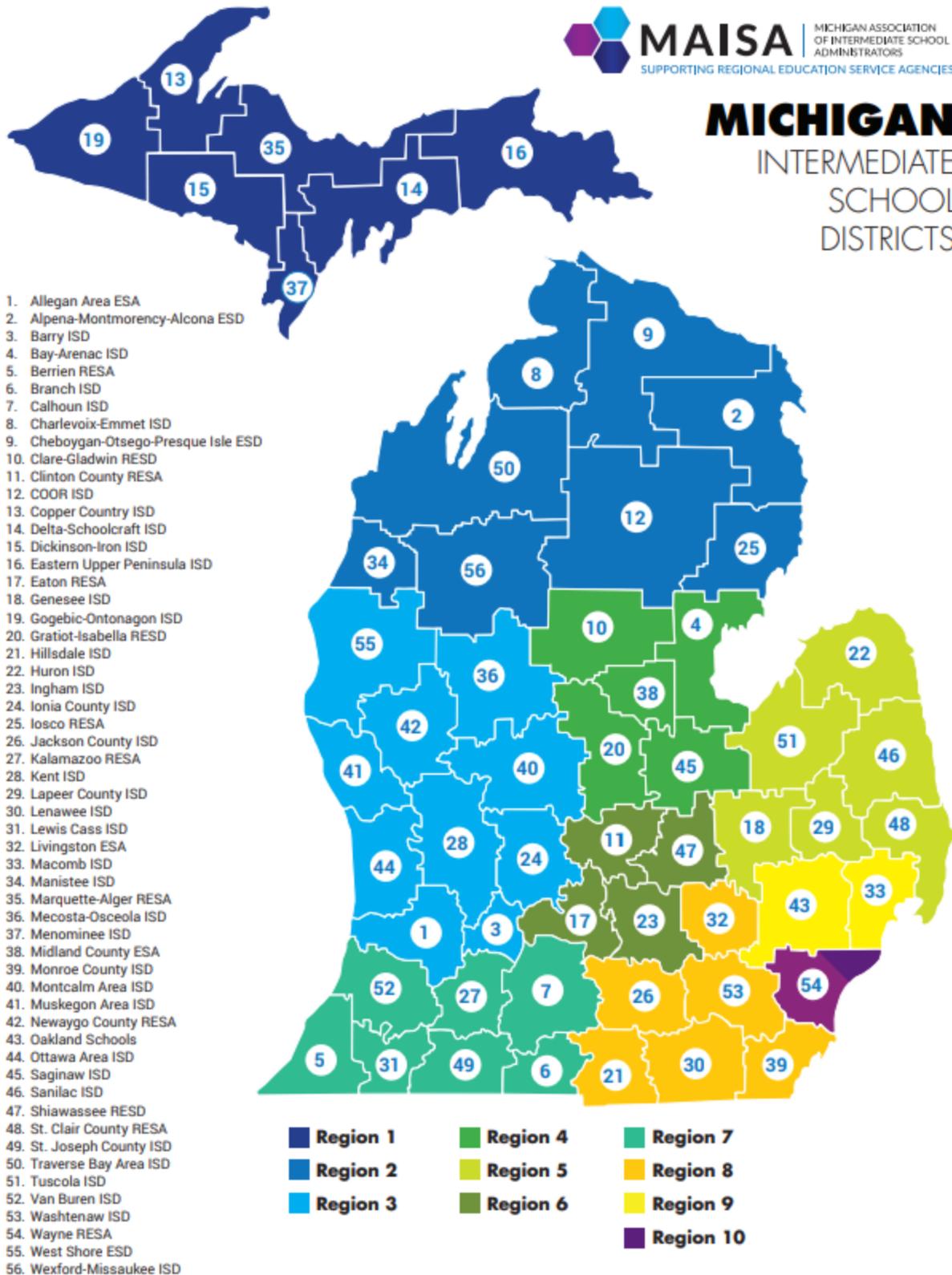
Region 10

Area: City of Detroit



MICHIGAN

INTERMEDIATE SCHOOL DISTRICTS



APPENDIX C

DESCRIPTION OF TALENT TOGETHER PROGRAM

Forming in the fall of 2022, the Talent Together Program consists of 48 Intermediate School Districts (ISDs) and Regional Education Service Areas (RESAs), serving over 1.1 million students in urban, rural, and suburban districts. This consortium has committed to working closely together and with key partners, including Educator Preparation Programs, the Michigan Department of Education, the U.S. Department of Labor, and the Michigan Educator Workforce Initiative to design and implement a suite of programs that provide pathways into the teaching profession, including a federal Registered Apprenticeship Program. Talent Together will provide pathways into teaching for candidates at any point of their own educational journey, including aspiring teachers who do not yet hold a valid Michigan teaching certificate and currently certified teachers who seek to earn additional endorsements and/or become teacher leaders through Talent Together.

Program Overview

The Talent Together consortium is committed to drastically reducing Michigan’s growing educator talent gap. The following goals are at the forefront of the consortium’s work:

1. Improve educational outcomes for Michigan’s students served by program participants through the development of essential skills and mindsets and differential retention of highly-qualified and well-prepared teaching candidates.
2. Reduce barriers to entry and persistence in the teaching field by creating flexible and accessible pathways for aspiring teachers.
3. Significantly reduce vacancies in the certification areas identified as highest-need, including special education and early childhood settings.
4. Increase educator diversity so that students have opportunities to learn from a more diverse teacher workforce, subject to compliance with applicable laws, rules and regulations.
5. Increase retention of novice and experienced teachers through the development of professional learning experiences and career advancement opportunities.
6. Improve economic mobility of candidates in support staff roles by providing paid, job-embedded opportunities to advance their careers.
7. Improve the economic mobility of candidates in support staff roles by providing paid, job-embedded opportunities to advance their careers.

Key Design Elements

Talent Together programs are designed with the values and research base described above in mind and will incorporate the following elements to program design:

- Multiple entry-points and pathways to degree and certification that distributes instructional leadership and provides opportunities and incentives for developing essential skills, including additional credentials, increased compensation, and career advancement.

- A fully-funded teacher certification program that leverages federal and state workforce and education funding streams to ensure participants can earn teacher certification without financial burden.
- Targeted recruitment of current school-based staff members who represent the diversity of their communities and possess deep content knowledge and/or relevant classroom experience.
- A rigorous, competency-based framework for selection, training, and evaluation tied to performance and not seat time to ensure the most qualified teachers are in front of our students.
- A Registered Apprenticeship Program pathway that uses a “learn and earn” model where participants receive job-embedded, differentiated development focused on developing deep content knowledge, pedagogy, and culturally responsive practices.
- A cohort model to help program participants develop meaningful and supportive relationships that in turn increase their own engagement and success.

Program Summary

Talent Together participants are recruited and selected jointly by Talent Together consortium staff members, ISD leadership, and district/school leadership through a multi-step, rigorous selection process. Once selected in Talent Together, candidates will work with consortium staff members to identify the best-fit Educator Preparation Program (EPP) for their needs and interests. The Talent Together staff will collaborate with EPP staff members to support candidates through the EPP application and admissions process.

Once accepted into Talent Together, participants will receive wrap-around supports and job-embedded coaching and development. These supports will be differentiated for participants and will vary by pathway and EPP program and include:

- Support creating and implementing a Michigan Test for Teacher Certification (MTTC) study plan.
- Engagement in Professional Learning Communities and participation in teaching labs, facilitated by Talent Together teacher leader.
- Job-embedded coaching, including a full-year co-teaching experience with a mentor teacher for participants in the Apprenticeship Teacher pathway.
- Access to additional supports as needed to remove barriers to program participation and completion.

Talent Together participants will be required to demonstrate proficiency in training competencies and will be evaluated jointly by Talent Together consortium staff, district/school leadership, and faculty/staff from the EPP.

APPENDIX D

**DESCRIPTION OF PARTICIPATING MICHIGAN-BASED COLLEGES AND
UNIVERSITIES**

Talent Together Partnership Letters with participating Educator Preparation Programs, January 30, 2023.

Participating Educator Preparation Programs:

1. Adrian College
2. Alma College
3. Aquinas College
4. Central Michigan University
5. Davenport University
6. Lake Superior State University
7. Northern Michigan University
8. University of Michigan – Flint
9. Western Michigan University

APPENDIX E

DESCRIPTION OF CONSORTIUM COSTS AND PAYMENT SCHEDULE

Budget and Description of Revenues. The Talent Together Program will have its own budget prepared by the Executive Director in consultation with, and as directed by, the chief financial officer of the Fiscal Agent, and must be approved by the Talent Together Board no later than two weeks preceding each fiscal year. During that subsequent fiscal year, the Talent Together Board may revise the budget on the recommendation of the Executive Director. A copy of the budget or any budget revision shall be submitted to the Superintendent of each Consortium Member. Each program budget for each fiscal year shall be based on the number of student positions for which the program is obligated and shall set forth expected annual Program operating costs and expected revenues for that fiscal year sufficient to cover Costs. The budget should sufficiently cover Program and Services costs. Any Consortium or Program Costs in excess of Revenues may be funded by Consortium Members only in accordance with the Approval of the Board. Any membership fee would include a tiered fee based upon Consortium member size. All Consortium Members shall receive a report regarding the financial status of the Consortium and the Program, not less than annually.

The Talent Together Board shall annually determine the number of funded candidates based on the following:

- Number of acceptable candidates that meet the criteria with sponsoring district,
- Availability of College/University program,
- Availability of funds/revenue.

Description of Program Costs. The Talent Together Program will be covering the following costs:

1. University Tuition & Fees
2. Talent Together Staff & related costs
3. Reimbursement of Apprenticeship Candidates
4. Reimbursement of Mentor Teachers
5. Fees to Fiscal Agent

By not later than May 15 each year, the Talent Together Executive Director shall review current enrollment levels and prepare a table of projected continuing and new Apprentices for the succeeding school year. The projected numbers of continuing and new enrollments will serve as a planning benchmark for purposes of Consortium budgeting, staffing, and facilities usage.

State Aid and General Grants. The Fiscal Agent, on behalf of, and for the benefit of, the Consortium, may request, may apply for and receive any state educational funds available to the Program in accordance with their rights and responsibilities under this Agreement. The Fiscal Agent may also solicit and receive grants or donations consistent with the mission of the Talent Together Program.

Billing of Consortium Participants. Billing for Consortium Revenues shall be solely by the Fiscal Agent in accordance with the Talent Together Board determinations, and subject to the

provisions of this agreement. The Fiscal Agent will bill each Consortium Member in advance of each billing period, regularly as determined by the Talent Together Board, that Consortium Member support payments, share of excess Costs, start-up costs, or other funds to be advanced by participants, as budgeted or as actually expected to be incurred for that billing period, as determine by the Talent Together Board. Bills shall be paid by participating Consortium Members within 30 days of receipt.

To: **Talent Together ISD Superintendents**

Date: **September 14, 2023**

Re: **Talent Together 2023-24**

“I have been in schools working or volunteering since high school! I especially love working with children on the spectrum. I have thought about going back to school many times and have stopped due to fear of dropping out due to financial reasons! ...I know I can do more with a teaching certificate. I am a single mom to a 1st grader and rely only on the help of many to get by. I would love to be able to support myself and my son and becoming a teacher would help me greatly in continuing to grow in the field I love!”

- Talent Together Applicant and Current Paraeducator

Last winter, 48 intermediate school districts (ISDs) - from as far as the Northwest Upper Peninsula to the borders of Ohio and Indiana, pledged to develop an innovative, unprecedented partnership to address one of the most urgent needs across Michigan schools: the teacher shortage. Now, each of those ISDs - with more potentially joining this year - are engaged in a process to sign a formal consortium agreement, codifying the way this program will be governed starting January 1, 2024.

In partnership with the Michigan Educator Workforce Initiative, our 48 ISD consortium founded Talent Together to uplift and diversify the teaching profession. Together, we committed to eliminating the barriers that so often prevent would-be excellent educators from leading classrooms of their own: the cost of college tuition, the need to earn a living wage, the flexibility to support a family, and the support to complete a rigorous program.

Of the 1,500 applications Talent Together received last spring, the vast majority of them were from current district employees: paraeducators, short and long-term substitute teachers, food service workers,, and more. These candidates have deep experience in schools and with our children and, as a result, each of the 900+ accepted candidates starting in programs this school year was strongly recommended by administrators at their district. All in, roughly 300 districts statewide have at least one Talent Together teacher candidate.

Talent Together offers multiple pathways for people to enter the teaching profession. Through our partnerships with 10 colleges and universities, 9 of which are Michigan-based, we are offering degree and certification opportunities for candidates who still need to obtain or complete their bachelor’s degree, as well as opportunities to add endorsements to existing certificates for current teachers who want to extend their impact. Given our breadth of offerings and scale of partnership, Talent Together may now be one of the country’s largest “grow your own” programs for the teaching profession.



From the beginning, Talent Together has focused on quality preparation of teacher candidates. There are available ways for aspiring teachers to become certified that do not provide the kind of rigorous experience our schools and students deserve. In contrast, the majority of Talent Together participants will complete a year-long registered apprenticeship, working closely under a mentor teacher and honing their skills on a set of standards developed by education leaders from across our state. In addition, every candidate will receive comprehensive instructional and wrap-around support via Talent Together staff.

All of our expected outcomes are closely monitored by the Talent Together leadership, including a comprehensive set of OKRs (Objectives and Key Results), as overseen by the Governing Board consisting of a rotating group of ISD superintendents. The program is staffed by capable educators from around the state, serving in roles such as teacher leader facilitators, success navigators, and regional program directors. Staff are onboarding during the month of September and have already begun to work with schools, candidates, and university partners.

Talent Together was provided funding totaling \$66.4M in the July 2023 school aid budget, demonstrating strong support from the legislature. In January of 2023, 48 ISDs committed \$12,500 each as “start-up” funding for the program; now, we expect to receive the funding appropriated via the legislature from the Michigan Department of Education in early October. Marquette-Alger Regional Educational Services Agency is the fiduciary for the project and has offered a “bridge loan” to cover the expenses of the program for the month of October as we await the arrival of the funds. Marquette-Alger RESA has taken on additional staff to support this project, and we are grateful to them for their leadership and commitment to our ISD consortium.

The full programmatic budget for Talent Together is \$44M for this year, with an expected additional cost of \$22M for the following school year. In the 2023-24 budget, each of the 900 candidates’ full costs are paid for, meaning that if a candidate requires 4 years of tuition, the full amount of the tuition costs through certification are accounted for in the 2023-24 budget. We are making promises to candidates that we can keep, financially and otherwise. Within this budget, the biggest cost drivers are college tuition and fees (\$27M), staffing (\$6M), and program expenses (\$2M). With funding from the legislature in place, we do not anticipate that any program costs will need to be covered by ISDs for at least the next two years.

Talent Together has tapped into a significant need and revealed the opportunity that comes when innovative thinking is applied to complex problems. To date, we have experienced strong media coverage from local (and even national) news outlets, and have strong support from the Michigan Association of School Administrators (MASA), the Michigan Association of Intermediate School Administrators (MAISA), the U.S. Department of Labor, and hundreds of teacher candidates, school principals, and local superintendents.

STAFF REPORT FOR BOARD AGENDA ITEMS
BERRIEN REGIONAL EDUCATION SERVICE AGENCY

TO: Board of Education
FROM: Eric Hoppstock, Superintendent
DATE: September 11, 2023
SUBJECT: Approval of the Talent Together Consortium agreement for the provision of Teacher Apprenticeships

Reasons for Board Consideration:

The Consortium Members have the authority to enter into this Agreement pursuant to Section 601a(2) of the Revised School Code, MCL 380.601a(2), which grants the ISDs the authority to enter into agreements or cooperative arrangements with other entities, public or private, or join organizations as part of performing the functions of the intermediate school district.

Facts: The Consortium established pursuant to this Agreement of member ISDs from all over the state of Michigan known as “Talent Together” will provide programs designed to create pathways for individuals who aspire to enter the teaching profession. The Talent Together Consortium will serve as an intermediary for apprenticeships for teachers. The Consortium will offer financial resources through partnerships with Michigan Educator Preparation Programs and the federal Registered Apprenticeship Program model.

Analysis and Conclusion:

This is a wonderful opportunity to expand the number of teachers in Michigan through the development of a collaborative effort to open a pathway of Registered Teacher Apprenticeships. Talent Together is now fully registered with the U.S. Department of Labor to offer a registered apprenticeship for teachers.

Recommended Action:

Motion by _____ and supported by _____ that the Superintendent be authorized to sign the contract with Talent Together for participate in a consortium of ISD’s providing a teacher apprenticeship program.

Approved for presentation to the Board of Education:

Superintendent

Date

C. Approve the discontinuation of the contract with D M Burr Facilities Management, Inc. for custodial services.

166



SERVICE AGREEMENT

This agreement is entered into November 4, 2020, by and between **D. M. Burr Facilities Management, Inc.** (hereinafter referred to as Contractor), located at 4252 Holiday Dr., Flint, MI, 48507, and COOR ISD (hereinafter referred to as Owner), located at 11051 N Cut Rd, Roscommon, MI 48653.

RECITALS

Owner is the Owner and/or Operator of business property known as COOR ISD, located at 11051 N Cut Rd, Roscommon, MI 48653. The business property, for convenience, will from time to time be referred as “the premises.”

Contractor is engaged in the business of furnishing building services, including custodial, and associated property services.

The Owner and Contractor desire to enter into an agreement whereby Owner will engage the Contractor to perform certain services on the premises under the terms and conditions set forth below.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Engages.** Owner hereby engages Contractor and Contractor agree to perform custodial services for the Owner according to the terms and conditions set forth below.
2. **Relationship of Parties.** The parties intend that an independent contractor/owner relationship will be created by this agreement. Owner is interested in the results to be achieved and the conduct and control of the work involved in performing this contract will be a joint effort with the Contractor and the Owner. The Contractor’s employees, officers, owners or agents are not an employee of the Owner and are not entitled to the benefits provided by the Owner to its employees, if any.
3. **Nature and Quality of Services to Be Performed.** Contractor agrees to perform custodial and light maintenance services on the premises in accordance with previous agreements and schedules hereto in a good and workmanlike manner.

Notification of deficiencies in the performance of the agreement may be made either of two ways:

- a. In writing (electronically, or otherwise), stating the exact nature of the deficiency.
- b. By telephone call to the Contractor.

In any event, Contractor shall acknowledge the alleged deficiency. After investigation, if Contractor is at fault, the deficiency shall be corrected immediately. If the deficiency is caused by factors other than the Contractor's error, Owner may, at extra charge, hire Contractor to correct deficiency.

4. **Frequency of Service.** Contractor will provide custodial and light maintenance services in a reliable manner 5 days per week Monday-Friday. On holidays and other days when the building is closed, no cleaning duties will be required, but special projects can be completed with customer approval.
5. **Supervision.** In order to insure the highest quality cleaning services, the Contractor agrees to employ a fully trained divisional manager to make regular inspections of the premises, noting any deficiencies to be corrected, as well as pointing out the areas of superior service to the regular cleaning staff. In addition, the divisional manager will be available for follow-up of inspections if the inspection warrants such attention. Quality control inspections will be done no less than one time per month.
6. **Added Labor.** If additional labor is needed and the Contractor will incur overtime charges, the Contractor will bill the Owner at a rate of \$30.78 per hour for the custodian position. If additional labor is needed for permanent or semi-permanent time frames the Contractor will bill the Owner at a rate of \$20.52/hour for the custodian position. If any employees are required to work on a holiday, the holiday rate will be \$41.04/hour for the custodian position.
7. **Disputes.** In the event a suit of legal action is commenced to enforce any of the provisions of this agreement, the prevailing party shall be entitled to reasonable attorney fees and costs, including costs of appeal to be fixed by the Court hearing this matter.
8. **Indemnity.** Owner agrees that Contractor shall not be liable for liability or loss incurred by Owner for loss or damage or for personal injury, whether such liability or loss is incurred directly by Owner, or as a result of claims asserted against the Owner by others, and whether such property loss or damage or personal injury, except arising out of the willful misconduct, by performance or nonperformance of obligations imposed by this Agreement, including those related to the hiring, training, supervision or retention of personnel, by Contractor, its agents or employees, except as caused by the sole neglect acts or omissions by the Contractor. In no event, however, shall Contractor be liable for incidental,

special or exemplary damages or loss of profits, the Contractor's liability shall be for compensatory damages only.

Contractor shall carry and provide evidence of a minimum of \$1,000,000 for liability and \$5,000,000 excess liability coverage. Said certificates shall specify that Owner will be furnished with ten (10) days written notice prior to any cancellation of said coverage.

Contractor agrees to indemnify Owner against all liability and loss in connection with, and shall assume all liability for payment of all Federal, State, and Local taxes or contributions imposed or required under Unemployment Insurance, Social Security, Workers' Compensation, and Income Taxes with respect to Contractor or Contractor's employees engaged in the performance of the agreement.

9. **Termination.** This agreement may be modified from time to time as set forth above, and may be terminated in its entirety by either the Owner or the Contractor at any time by giving notice in writing of the desire to do so at least thirty (30) days prior to the desired date of termination.

In no event will any notice of termination give rise to or result of any reduction of service by Contractor, or in any manner reduce or diminish the agreed amount due Contractor for any services performed under the terms of this agreement.

Owner agrees that during the period of this agreement and for six (6) months after the termination thereof, that it will not employ, engage, or contract with any present or past employee of Contractor to perform any services outlined in this agreement. If the Owner decides to change to a different contract company, the same will apply and current Contractor employees will be ineligible to transfer to new company without expressed written permission from the Contractor.

10. **Prior Agreements.** This agreement supersedes any and all earlier agreements between Owner and Contractor, whether written or oral, relating to its subject matter.
11. **Severability.** In the case that any provision in this agreement is determined to be invalid or illegal, or unenforceable as written, both the Owner and Contractor intend and desire that such provision be enforced to the fullest extent allowed by law, and that the remainder of this agreement shall not be affected in any way.
12. **Modification.** This agreement is the final and complete agreement of the Owner and Contractor and supersedes and replaces all written and oral agreements heretofore made or existing by and between them. This agreement may not be modified in any respect except upon mutual agreement of the Owner and the Contractor in writing signed by each of them.

13. **Adjustments.** The prices set forth in this agreement are based on the present wage scales and other benefits prevailing in this locality, the services provided, and the frequency of work. In the event of any changes in the above conditions, the contract price may be increased or decreased; however, the Owner will receive a written notification from the Contractor thirty days prior to any price changes, and will have to be mutually agreed upon before any price change is to go into effect.
14. **Health Insurance.** Owner will be billed separately for any health insurance elected by the employees. It will be a straight pass-through with no mark-up to the actual cost for any full-time employees that elect coverage.
15. **Supplies and Consumables.** All supplies and cleaning chemicals are to be furnished by the Contractor and installed/utilized by the Contractor to perform the outlined scope of work. All consumables are to be furnished by the Contractor and installed/utilized by the Contractor including paper products, hand soap, and trash can liners.
16. **Equipment.** Contractor will provide all equipment necessary to complete the outlined scope of work. Any repairs or upkeep to equipment will be handled by the Contractor.
17. **Fees.** Owner agrees to pay Contractor for Custodial Services a monthly fee of:

Year 1: \$8,154/month

Year 2: \$8,399/month

Year 3: \$8,651/month

*If for any reason the school is forced to go virtual or close down for any period of time and cleaning services are not needed, an appropriate credit will be administered on the monthly invoice.

The above amounts include a total of 2 FTE (see chart below) with a working lead performing a .75 run. If the Owner requires additional services, Owner will be charged the hourly rates as described in section 6 (Added Labor).

Administration Building	.5 FTE
Education Center	.75 FTE
ATC Building	.5 FTE
Supervision	.25 FTE

The Contractor will send an invoice to the owner by the 1st of each month. The payment will be due within thirty business days of the date of the invoice.

The Owner will pay a late charge of one percent (1%) per month on any past due amounts. The late charge will be included on the following month's invoice.

18. **Additions and Deletions.** Additions or deletions will be calculated and agreed upon, as provided in Section 13.

19. **Term Length.** This contract will commence on December 1, 2020 and will be in effect for the initial term of three (3) years ending November 30, 2023. It will automatically renew each year unless either party chooses to cancel the contract according to the terms in section 9.

ACCEPTANCE:

D.M. Burr Facilities Management, Inc.

Mark Langkos
Director of Sales

Date

The prices, terms, and conditions of this agreement are satisfactory and hereby accepted. Contractor is authorized to do work as specified. Payments will be made as outlined above.

_____ (sign)

Date

Name _____ (print)

Its _____



C.O.O.R.
INTERMEDIATE SCHOOL DISTRICT
Crawford • Oscoda • Ogemaw • Roscommon

11051 N. Cut Road
Roscommon MI, 48653
Phone: 989-275-9555
Fax: 989-275-5881

October 30, 2023

Isaac Burr
D.M. Burr Facilities Management, Inc.
4252 Holiday Drive
Flint, MI 48507

Dear Mr. Burr

We are writing your company to inform you that C.O.O.R. ISD will not be renewing our contract with you that ends on 11/30/23 as stated in Section nineteen (Term of Contract) of the contract entered into on 11/04/2020. Also, under Section nine (Termination) we are issuing this letter effective today 10/30/23 to meet the thirty-day notice. The last day of services needed will be 11/30/23.

We appreciate your partnership over the last several years but have decided to change providers for the service rendered. If you have any questions, please feel free to reach out.

Sincerely,

Shawn Petri
Superintendent

D. Approve Contract with Axium for
custodial services from December 1,
2023 to November 30, 2026

173



Pricing & Contract

section twelve - cost/contract/RFP documents



C.O.O.R. INTERMEDIATE SCHOOL DISTRICT CUSTODIAL SERVICES PROPOSAL - PRICING

Year One:	December 1, 2023 - November 30, 2024	\$ <u>130,565.00</u>
Year Two:	December 1, 2024 - November 30, 2025	\$ <u>134,467.00</u>
Year Three:	December 1, 2025 - November 30, 2026	\$ <u>134,467.00</u>
TOTAL Three Contract Amount		\$ <u>399,499.00</u>

The contracted amounts listed are for labor only - no equipment or supplies included.

The contracted amounts listed include the following annual special services work:

- Carpet: high traffic carpet
- Carpet: full carpet
- Hard Surface Floor: buff and wax where needed
- Hard Surface Floor: total strip and wax

David A. Mroz
Printed Name of Executive Official for Contract

October 23, 2023
Date


Signature of Executive Official for Contract

October 23, 2023
Date



Custodial Service Contract

**C.O.O.R. Intermediate School District
11051 North Cut Road
Roscommon, MI 48653**

This contract will allow *Axium Services, Inc* (Axium) to provide custodial services to the *C.O.O.R. Intermediate School District*. The scope of those services are in the agreed upon specifications.

Contract Start Date: December 1st, 2023

Year One - Contracted Annual Rate:	<u>\$130,565.00</u>
Year Two - Contracted Annual Rate:	<u>\$134,467.00</u>
Year Three - Contracted Annual Rate:	<u>\$134,467.00</u>

Axium Services will invoice *C.O.O.R. Intermediate School District* on the first day of each month for that month's service. Payment to *Axium Services* will be due the 15th of each month.

This contract is for three (3) years, with the option to renew for each year after. While in effect, this contract may be terminated by either party. *C.O.O.R. Intermediate School District* may terminate the contract upon sixty (60) days written notification to *Axium Service*. The contract may also be terminated by *Axium Services* upon sixty (60) days written notice to *C.O.O.R. Intermediate School District*.

In the event of federal, state, or local legislation changes such as an increase in minimum wage or a sales tax on these services, *Axium Services* reserves the right to increase the monthly billing amount to reflect that change.

In the event of an unforeseen emergency (act of God) and holidays, *Axium Services* does not adjust the monthly billing amount.

If at any time during the term of this contract, the contractor shall be obligated to perform services in any additional areas of the building, or if the type of services required becomes more difficult by virtue of changes made in the nature of space utilization, the contractor's compensation shall be increased/decreased by an amount to be agreed upon.



Since 1988

AXIUM SERVICES, INC

9385 State Road
Millington, MI 48746

P: 989-871-6780
F: 989-871-2370

Custodial Service Contract, Page 2

Should you require special services not covered by this agreement; we will bill for those services an amount to be agreed upon.

Axiom Services will provide employees, materials, supplies, and equipment that in our judgment are necessary to perform services. Consequently, we must be provided a secure storage area in which to store these supplies. Customer consumable produces such as toilet paper, hand soap, hand towels, etc. will be provided by **C.O.O.R. Intermediate School District**.

Axiom Services has an automated timekeeping system that requires the use of a telephone for clocking in and out. The calls are to a toll-free number.

Axiom Services will maintain public liability and property damage insurance, and state workers' compensation to cover all our employees on your work site. A copy of this insurance certificate will be forwarded to **C.O.O.R. Intermediate School District** each year.

Axiom Services, Inc

10/23/2023

Date

C.O.O.R. Intermediate School District

Date



**AXIUM
SERVICES, INC**

9385 State Road
Millington, MI 48746

P: 989-871-6780
F: 989-871-2370

GENERAL TERMS AND CONDITIONS:

Custodial Service Contract, Page 3

Addenda Acknowledgements. *Axiom Services* acknowledges receipt of any and all addendums' issues for custodial services and/or other relatable services pertaining to this contract.

No Exceptions to RFP. *Axiom Services* has no exceptions to the specifications on the RFP; additionally, *Axiom Services* agrees to all contract specifications outlined in this contract.

Familial Relationship Statement. The undersigned, the owner or authorized officer of *Axiom Services, Inc.* (the "Bidder"), pursuant to any familial disclosure requirement provided in the advertisement for bids, hereby represent and warrant, except as provided below, that no familial relationship exists between the bidder(s) or any employee of *Axiom Services Inc.*, and any member of the board.

Relationship between Parties. *Axiom Services* is retained and engaged by the client only for the purpose and to the extent set forth herein. *Axiom Services* shall not be considered an employee of the client, nor is *Axiom Services* entitled to participate in any plans, arrangements, or distributions by the client pertaining to or in connection with any fringe, pension, bonus, profit sharing, or similar benefits, or any medical, dental, life or disability insurance plans. Further, the client will not withhold or pay any state, federal, or local taxes, FICA, FUTA, MESC insurance or workers' compensation insurance.

Business Relationship Affidavit. *Axiom Service* certifies that no elected or appointed official or employee of the client has benefited or will benefit financially or materially from any consideration of its proposal, the selection of *Axiom Services* or the contract.

Collusive Bidding. *Axiom Services* certifies that the proposal is made without any previous understanding, agreement or connection with any person, firm or corporation making a proposal for the same project and is in all respects fair, without outside control, collusion, fraud or other illegal action.

Proposal Costs. *Axiom Services* is responsible for any and all costs incurred by it, or others acting on its behalf, in preparing or submitting a proposal for services or otherwise responding to a RFP, or any negotiations incidental to its proposal or RFP.

Governing Law. *Axiom Services* shall be governed by and construed in accordance with the laws of the State of Michigan.

Compliance with Laws. While performing services pursuant to the RFP and contract or while in/on the facilities, *Axiom* and its employees and agents, shall comply with all applicable federal, state and local laws, rules, regulations and ordinances. The customer shall use its best efforts, as reasonably requested by *Axiom*, to assist in complying with any applicable federal, state and local laws, rules, regulations and ordinances. This contract indemnification from *Axiom* represents and warranties that the contract is in compliance with all applicable federal and state law and indicates that *Axiom* will comply with all policies, county ordinances and/or state and federal laws that may be applicable to its performance under the contract.



**AXIUM
SERVICES, INC**

9385 State Road
Millington, MI 48746

P: 989-871-6780
F: 989-871-2370

GENERAL TERMS AND CONDITIONS:

Custodial Service Contract, Page 4

Taxes. Except to the extent the client purchases supplies, materials and/or equipment, *Axiom Services* is responsible for all applicable taxes related to the services provided under this contract.

Equal Employment Opportunity Requirements. *Axiom Services* will comply with all laws and all published rules, regulations, reporting requirements, directives and orders of the Michigan Civil Rights Commission relevant to 1976 PA 453, as amended which may be in effect prior to the taking of bids for any individual project. This may include providing information as to the practices, policies, and employment statistics of *Axiom Services* and each subcontractor, and will permit access to any books, records and accounts by the client and/or its designee and its agents, for purposes of investigating compliance with this contract and with the rules, regulations and orders of the Michigan Civil Rights Commission. It is understood that any findings that *Axiom Services* has not complied with the contractual obligations under this agreement may result in the cancellation of the contract or ineligibility for future contracts.

Sexual Harassment. *Axiom Services* is committed to providing a safe and positive environment for all staff and cliental. Sexual harassment, intentional or not, diminishes the quality of the overall atmosphere and climate. Consistent with state and federal laws, the right to freedom from sexual harassment has been defined and failure to comply may result in immediate termination of employment or the contract.

Discrimination. *Axiom Services* will not discriminate against any individuals because of race, religion, color, national origin, age or sex. *Axiom Services* will take affirmative action to ensure that applicants for employment and employees during employment are treated without regard to their race, religion, color, national origin, age or sex. Such action shall include, but not be limited to employment, upgrading, demotion or transfer; recruitment advertising, solicitations or advertisements for employees; layoff or termination; rates or pay or other forms of compensation; and selection for training and apprenticeship.

Warranty. Unless otherwise specified, all materials and equipment shall be new or in like-new condition; all work shall be of good quality and in conformance with the contract documents. The client endeavors to buy products made in the United States of America whenever an American-made product is available that meets or exceeds the specifications requested and the price is equal to or lower than a foreign-made product.

OSHA compliance. All goods and/or services are to be furnished by *Axiom Services* and the working conditions and employment practices of *Axiom Services* shall comply with all applicable state and federal requirements, including, but not limited to, the Federal and State Occupational Safety and Health Acts. If the customer or *Axiom Services* is/are fined for any alleged violations or deviations, *Axiom Services* shall be liable for all costs and expenses associated with responding to, or paying, any such non-compliance issues or fines and affected conditions or practices must be corrected.

Repairs to Property Damage. Any damage to property caused by *Axiom Services*, its agents or employees shall be repaired so that the properties, or facilities are in as good condition as found. All repairs shall be accomplished at no cost to the client and with client approval.



**AXIUM
SERVICES, INC**

9385 State Road
Millington, MI 48746

P: 989-871-6780
F: 989-871-2370

GENERAL TERMS AND CONDITIONS:

Custodial Service Contract, Page 5

Contract Assignment or Sub-Contract. The resulting contract shall not be assigned, transferred or subcontracted in whole or in part without prior approval of the client. *Axiom Services* shall not subcontract with any entity or person with whom the client has a reasonable objection. *Axiom Services* shall not change subcontractors without client consent. *Axiom Services* shall ensure that each subcontractor be bound to *Axiom Services*, to the contract, and to the terms and rights of these documents, including all generally and supplementary conditions.

Indemnification by *Axiom Services Inc.* *Axiom Services* shall indemnify, defend and hold harmless the client, its board and its members in their official capacities, its agents and employees from and against all claims, damages, losses and expenses including attorney's fees arising out of or in connection with the services to be performed pursuant to this contract by *Axiom Services*. *Axiom Services* shall not be obligated to indemnify, defend or hold harmless the client, its board and its members in their official capacity, its agents and employees, from and against claims, damages, losses and expenses arising from the acts or omissions of the client or its employees. The client shall indemnify, defend and hold harmless *Axiom Services*, its agents and employees from any and all claims, damages, losses and expenses, including reasonable attorney's fees arising out of any claim with regards to asbestos materials of any type or kind at the clients' facilities.

Indemnification by Client. To the extent permitted by law, the client shall indemnify, defend and hold harmless *Axiom Services*, its agents and employees, from and against all claims, damages, losses and expenses, including reasonable attorney's fees, arising out of the obligations of the client under this contract. The client shall not be obligated to indemnify, defend or hold harmless *Axiom Services*, claims, damages, losses and expenses arising from the acts or omissions of *Axiom Services* or its employees.

Environmental Indemnification. Throughout the initial term, or any renewal term of this contract, *Axiom Services* shall not permit itself or any third party to use, generate, handle, store or dispose of any hazardous substances in, on, under, upon or affecting any cliental property in violation of any applicable law or regulation. Without limiting any other provisions of this contract or the other contract documents, *Axiom Services* shall indemnify, defend and hold harmless the client, its board and its members from and against all claims, damages, losses and expenses, including reasonable attorney's fees, arising out of the obligations of the client under this contract. As used herein, the term "hazardous substance" shall mean any hazardous or regulated substance as defined by all federal, state and local environmental laws.

Insurance Requirements. The Contractor shall purchase and maintain insurance at all times during the initial term, and any renewal term(s) of the contract, with limits of liability as required by law or as set forth by the contract, whichever is greater. The customer shall be named as additional insured for the minimum limits and these coverages and limits are to be considered minimum requirements under this contract.



Since 1988

AXIUM SERVICES, INC

9385 State Road
Millington, MI 48746

P: 989-871-6780

F: 989-871-2370

GENERAL TERMS AND CONDITIONS:

Custodial Service Contract, Page 6

FERPA Compliance. *Axium Services* and its employees and agents agree to comply with the requirements of the Family Education Rights and Privacy Act (FERPA), 20 USC 1232 g with respect to the confidentiality of student records and personally identifiable student information, including but not limited to the requirement not to disclose any student record or personal identifiable student information to any other party without the prior written consent of the student's parent or legal guardian or from an eligible student who has reached majority age.

Confidentiality Requirements. In connection with services provided by *Axium Services* and its employees hereunder, *Axium Services* agrees that all information obtained, including limitation information regarding all personal affiliated with the customer, or information of a confidential nature concerning the operation, financial conditions, asserts, know how or any other information regarding the customer provided or otherwise disclosed to *Axium Services* or its employees in any form, and other proprietary information of any kind, shall be considered confidential information. *Axium Services* and its employees agree to maintain the confidence of the confidential information received so as to prevent its unauthorized dissemination, and not to use the confidential information for any purpose.

Independent Contractor. It is expressly agreed between *Axium Services* and the customer that *Axium Services* will act as an independent contractor in the performance of all services under the contract and under no circumstances shall any of the employees of one party be deemed the employees of the other party for any purpose. Accordingly, *Axium Services* shall meet all of its obligations and responsibilities for payment of all taxes including federal, state and local taxes arising out of *Axium's* services in accordance with the contract, including by way of illustration but not limitation, federal and state income tax, FICA, FUTA, social security tax, unemployment insurance taxes, worker's compensation insurance, and any other taxes or business license fees as required. *Axium Services* shall not be construed as authority for either party to act for the other party in any agency or other capacity or to make commitments of any kind for the account of, or on behalf of, the other party, except to the extent, and for the purposes, expressly provided for and set forth herein, and no partnership or joint venture is created hereby.

Termination.

Axium Services, on sixty (60) days written notice to the client, may terminate this contract for any reason, including convenience, without incurring any penalty, expense or liability. In the case of non-compliance, termination can be effective immediately. The client, on sixty (60) days written notice to *Axium Services*, may terminate this contract for any reason, including convenience, without incurring any penalty, expense or liability. In the case of non-compliance, termination can be effective immediately.

Scholarship

Andrew & Barbara Mroz Memorial Scholarship

As part of our affiliation with your District, Axium Services will provide a **\$500** scholarship to a graduating college bound senior to support their efforts in seeking a higher education.

Annual \$500 Scholarship

Presented at the End of the School Year

Awarded at the Discretion of District Administrators



12

181

E. Approve a contract with Kym Narayana for 20 days (160 hours) of GSRP Help from October 1, 2023 through September 30, 2024.

F. Resolution to Collect Summer Taxes - to adopt the Resolution prepared by Thrun Law Firm, P.C. to collect 2024 Summer Taxes in the Crawford AuSable School District and in the Mio AuSable School District.

183

C.O.O.R. Intermediate School District (the “District”)

A regular meeting of the board of education of the District (the “Board”) was held in the county of Oscoda, within the boundaries of the District, on the 8th day of November, 2023, at six o’clock in the p.m.

The meeting was called to order by _James Mangutz,President.

Present: Members

Absent: Members

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

WHEREAS, this Board previously adopted a resolution to impose a summer tax levy to collect 100% of annual school property taxes, including debt service, upon property located within the District and continuing from year-to-year until specifically revoked by the Board.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board, pursuant to 1976 PA 451, as amended (the Revised School Code), invokes for 2023 its previously adopted ongoing resolution imposing a summer tax levy of all of annual school property taxes, including debt service, upon property located within the District and continuing from year-to-year until specifically revoked by the Board and requests that each city and/or township in which the District is located collect those summer taxes.

2. The Superintendent or designee is authorized and directed to forward to the governing body of each city and/or township in which the District is located a copy of this Board’s resolution imposing a summer property tax levy on an ongoing basis and a copy of this resolution requesting that each such city and/or township agree to collect the summer tax levy for 2024 in the amount specified in this resolution. Such forwarding of the resolutions and the request to collect the summer tax levy shall be performed so that they are received by the appropriate governing bodies before January 1, 2024.

3. Pursuant to and in accordance with Section 1613(1) of the Revised School Code, the Superintendent or designee is authorized and directed to negotiate on behalf of the District with the governing body of each city and/or township in which the District is located for the reasonable expenses for collection of the District’s summer tax levy that the city and/or township may bill under MCL 380.1611 or MCL 380.1612. Any such proposed agreement shall be brought before this Board for its approval or disapproval.

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

Ayes: Members

Nays: Members

Resolution declared adopted.

Secretary, Board of Education

The undersigned duly qualified and acting Secretary of the Board of Education of the C.O.O.R. Intermediate School District hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by the Board at a regular meeting held on November 8, 2023, 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).

Secretary, Board of Education

9. Information Items

186

- New part-time Cosmetology Instructor,
Kayla Moore
- October Social Media Report
- MASB Members Matter Webinar Nov 14,
12pm-1pm
- CBA 223: Parlimentary Procedure -
virtual. Nov 20, 6pm-9pm \$99

October Social Media Report



C.O.O.R.
INTERMEDIATE
SCHOOL DISTRICT



Facebook Monthly Reach: 7,333 (up 138.7%)

Facebook Followers: 1,067

Reach
1,267

3 shares
62 reactions

Oct 31st
Halloween
Fun



Reach
1,253

2 Shares
11 reactions
Oct 12th
MDE presenter
at CTE Teacher
Cadet class



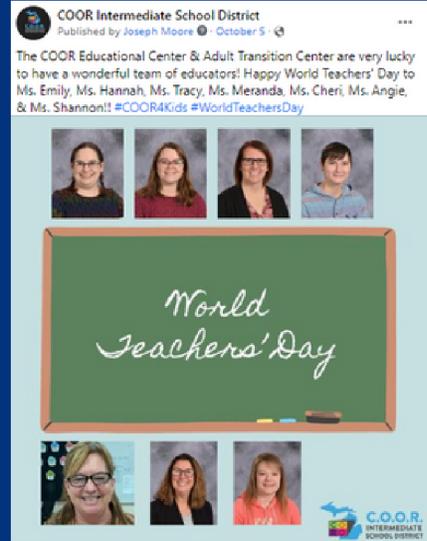
Reach
1,227

4 shares
32 reactions
Oct 31st
Job
Postings



Reach
1,223

5 Shares
46 reactions
Oct 5th
World Teachers'
Day



Please comment, like & share our posts to celebrate our staff and students!

10. Superintendent's Report

- Facilities
- New CEA leadership
- Voc room at CEC
- CTE millage update

11. Communications

188

- Thank you letter from the family of Bernadine Dosch
- State Bidding Threshold update to \$29,572
- AEAOC minutes- October 9th meeting
- AEAOC agenda - November 11th meeting

To: COOR ISD

Shawn Petri, Board & Staff

Thank you for the beautiful floral arrangement & your kind words of condolence to honor our mother's memory.

She loved serving on the COOR board & having the opportunity to impact the lives of young children, a true passion of hers.

The Family of Beنادine Dosch

October 20¹⁸⁸23



189

J. G. Janson



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

GRETCHEN WHITMER
GOVERNOR

MICHAEL F. RICE, Ph.D.
STATE SUPERINTENDENT

MEMORANDUM

DATE: October 26, 2023

TO: Local and Intermediate School District Superintendents
Public School Academy Directors

FROM: Dr. Diane L. Golzynski, Deputy Superintendent 
Finance and Operations

SUBJECT: FY 2023-24 Thresholds for Competitive Bids, Posting Travel Expenses,
and Value of Awards

The Michigan Department of Education (MDE) is providing updated information on statutory requirements that determine thresholds for competitive bids, travel expenses, and the value of awards.

Sections 623a, 1267, and 1274 (MCLs [380.623a](#), [380.1267](#), and [380.1274](#)) of Michigan's Revised School Code establish a base above which competitive bids must be obtained for school construction projects (including renovation, repair, or remodeling) and procurement of supplies, materials, and equipment. The state laws also provide for an increase in the base amount corresponding to increases in the Consumer Price Index (CPI). The fiscal year 2023-2024 base amount for Section 1267 (pertaining to construction, renovation, repair, or remodeling) and the new base for Sections 623a and 1274 (pertaining to procurement of supplies, materials, and equipment) are each \$29,572.

Section 620(1) of the Revised School Code (MCL [380.620\(1\)](#)) establishes a base above which travel expenses paid with Intermediate School District (ISD) funds must be posted to the ISD website. Section 620(1) provides for an increase in the base that corresponds with increases in the CPI. For fiscal year 2023-2024, the base amount of \$4,591 for travel increases by \$250 to \$4,841.

There are changes to the limits on the value of awards given by an ISD to an employee, volunteer, or pupil, as well as the value above which an ISD administrator may not accept a gift from a vendor or potential vendor. Section 634 of the Revised School Code (MCL [380.634](#)) places an upper limit on the value of awards given by an ISD to an employee, volunteer, or pupil, as well as the value above which an ISD administrator may not accept a gift from a vendor or

STATE BOARD OF EDUCATION

PAMELA PUGH – PRESIDENT • ELLEN COGEN LIPTON / TIFFANY D. TILLEY – CO-VICE PRESIDENTS
JUDITH PRITCHETT – SECRETARY • MARSHALL BULLOCK II – TREASURER
MITCHELL ROBINSON – NASBE DELEGATE • TOM MCMILLIN • NIKKI SNYDER

190

potential vendor. The fiscal year 2022-2023 cap of \$160 for awards increases to \$169 for 2023-24, and the cap of \$69 for gifts increases to \$73 due to the increase in the average CPI.

Please note that all the thresholds and caps mentioned in this communication are effective as of October 26, 2023, and are in effect until the next communication revises them. A chart is provided below that summarizes the new amounts, requirements, and sections of the Revised School Code to which they pertain.

If you have any questions, please contact Phil Boone in MDE’s Office of State Aid and School Finance, at 517-899-0796 or boonep2@michigan.gov.

	Section	Requirement	Base Amount	2005-06 Base	2022-2023 Thresholds	2023-2024 Thresholds
ISD Travel expenditures	620	Posting	\$ 3,000	\$ 3,093	\$ 4,591	\$4,841
ISD Procurement of supplies, materials, and equipment	623a	Comp. Bid	\$ 17,932	\$ 18,489	\$ 28,048	\$29,572
ISD Award value limit	634, 1814	Award Cap	\$ 100	\$ 105	\$ 160	\$169
ISD Gift value limit (monthly)	634	Gift Cap	\$ 44	\$ 46	\$ 69	\$73
School building construction, addition, renovation, or repair	1267	Comp. Bid	\$ 17,932	\$ 18,915	\$ 28,048	\$29,572
School District or PSA Procurement of supplies, materials, and equipment	1274	Comp. Bid	\$ 17,932	\$ 18,489	\$ 28,048	\$29,572

cc: Michigan Education Alliance
 Confederation of Michigan Tribal Education Departments

Alternative Educational Academy of Ogemaw County Board Meeting
9:00 a.m.-Michigan Works Service Center in West Branch, MI
Agenda-November 11, 2023

1. Call to Order
2. Roll Call
3. Mission and Vision Statement

The mission of the Alternative Educational Academy is to provide innovative and responsive educational experiences through non-traditional programs that effectively meet the needs of at-risk students. The Academy will enhance educational opportunities for students by developing programs based on students' individual needs and circumstances.

“Recognizing Unlimited Potential”

4. Additions to Agenda
5. Approval of Agenda
6. Approval of Minutes from October 9, 2023
7. Discussion Items:
 - a. 2022-2023 Financial Audit Presentation
 - b. Staffing
 - c. Current Enrollment
 - d. Enrollment Process
 - e. 31aa Grant
 - f. CTE Millage Proposal
8. Personnel Action Items
none
9. Discussion Items with Action:
 - a. 2022-2023 Financial Audit
 - b. Forms 990 and 8879
 - c. 2023-2024 1st Quarter Account Activity
10. Future Meeting Date – December 11, 2023
11. Community Input
 - a. 31aa-Mental Health and School Security Needs
12. Board comments
13. Adjournment

Alternative Educational Academy of Ogemaw County Board Meeting
9:00 a.m.-Michigan Works, West Branch, MI
Minutes-October 9, 2023

Location: Michigan Works Service Center
2389 S. M-76
West Branch MI, 48661

9:10 Call to Order by Tina Williams

Roll Call

Board Present: Mike Ehinger, Gail Hughey, Lisa Bolen, Lisa Bolen, Trisha Ziegler

Staff Present: Tina Williams

Guest Present: Shawn Petri

Mission and Vision statement read aloud.

Additions to Agenda:

none

Approval of Agenda:

Motion by Lisa Bolen; Second by Gail Hughey to approve agenda as presented

Motion passes 5-0

Approval of Minutes from August 7, 2023:

Motion by Mark Berdan; Second by Trisha Ziegler; to approve the minutes.

Motion passes 5-0

Discussion Items:

- a. Staffing was discussed; IRESA hired Kathy Splan for the Special Education Teacher and the School Social Worker position is still posted
- b. Current Enrollment was discussed; WB-RC (50), WP (30), Other (50)/total 130
- c. Enrollment process was discussed; No concerns noted
- d. Tina reviewed the goal and strategy updates to the AEAO MICIP plan

Personnel Action Items:

Motion by Mark Berdan; Second by Mike Ehinger to approve Richard Bowers and Tina Williams to attend the MiData Hub Conference Nov. 2-3.

Motion passes 5-0

Discussion with Action Items:

Motion by Mike Ehinger; Second by Gail Hughey to approve the 2023-2024 calendar adjustment as presented.

Motion passes 5-0

Next meeting: November 13, 2023 9:00 a.m. at Michigan Works

Community Input

None

Board Comments

Mark Berdan thanked the board for supporting the MiCareer Quest and shared observations/experiences at the event.

Adjourned at 9:45 a.m.

Minutes respectfully submitted by Tina Williams

12. **Adjournment**