NEW ISSUE-Book-Entry-Only **RATINGS†*: S&P Global Ratings: "AA"**
BAM Insured

In the opinion of Thrun Law Firm, P.C., Bond Counsel, under existing law, (i) the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof, and (ii) interest on the Bonds is included in gross income for federal income tax purposes. See "TAX MATTERS" herein.

$90,770,000
LIVONIA PUBLIC SCHOOLS SCHOOL DISTRICT
COUNTY OF WAYNE, STATE OF MICHIGAN
2020 REFUNDING BONDS
(GENERAL OBLIGATION – UNLIMITED TAX)
(FEDERALLY TAXABLE)

Dated: October 21, 2020 **Due: May 1, as shown below**

The 2020 Refunding Bonds (General Obligation – Unlimited Tax) (Federally Taxable) (the "Bonds") were authorized by resolutions of the Board of Education of the Livonia Public Schools School District, County of Wayne, State of Michigan (the "School District"). The Bonds are being issued for the purpose of advance refunding portions of prior bond issues of the School District. The Bonds were authorized by the Board of Education of the School District by resolutions adopted on August 17, 2020 and expected to be adopted on September 28, 2020 (the "Resolutions"). The Bonds will pledge the full faith and credit of the School District for payment of the principal and interest thereon and will be payable from ad valorem taxes, which may be levied on all taxable property in the School District without limitation as to rate or amount, as provided by Article IX, Section 6 of the Michigan Constitution of 1963, as amended.

The Bonds are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "THE BONDS--Book-Entry-Only System" herein.

Principal of and interest on the Bonds will be paid by the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan (the "Paying Agent"). So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to such Bondholder. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein. Interest will be payable semiannually on May 1 and November 1, commencing May 1, 2021, to the Bondholders of record as of the applicable record dates herein described.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY.

(Base CUSIP§: 539243)

Maturity	Amount	Interest Rate	Price	CUSIP§	Maturity	Amount	Interest Rate	Price	CUSIP§
2021	$1,000,000	0.311%	100.000%	UF0	2033	$4,405,000	2.109%	100.000%	US2
2023	1,245,000	0.528	100.000	UG8	2034	4,420,000	2.209	100.000	UT0
2024	1,255,000	0.741	100.000	UH6	2035	4,435,000	2.309	100.000	UU7
2025	6,920,000	0.871	100.000	UJ2	2036	4,470,000	2.516	100.000	UV5
2026	4,285,000	1.163	100.000	UK9	2037	4,510,000	2.616	100.000	UW3
2027	4,300,000	1.313	100.000	UL7	2038	4,545,000	2.716	100.000	UX1
2028	4,315,000	1.519	100.000	UM5	2039	4,580,000	2.816	100.000	UY9
2029	4,335,000	1.629	100.000	UN3	2040	4,615,000	2.866	100.000	UZ6
2030	4,355,000	1.719	100.000	UP8	2041	4,645,000	2.916	100.000	VA0
2031	4,370,000	1.879	100.000	UQ6	2042	4,670,000	2.966	100.000	VB8
2032	4,385,000	2.019	100.000	UR4	2043	4,710,000	3.016	100.000	VC6

THE BONDS MATURING ON OR AFTER MAY 1, 2031 ARE SUBJECT TO OPTIONAL REDEMPTION BEGINNING MAY 1, 2030, IN THE MANNER AND AT THE TIMES DESCRIBED HEREIN. See "THE BONDS – Optional Redemption" herein.

The Bonds will be offered when, as and if issued by the School District and accepted by the Underwriters subject to the approving legal opinion of Thrun Law Firm, P.C., Novi, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriters by Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan. It is expected that the Bonds will be available for delivery through The Depository Trust Company on or about October 21, 2020.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

J.P. Morgan

Stifel, Nicolaus & Company, Incorporated **Huntington Securities, Inc.**

The date of this Official Statement is September 24, 2020

† For an explanation of ratings, see "RATINGS" herein.
* As of date of delivery.
§ Copyright 2020, American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The School District shall not be responsible for the selection of CUSIP numbers, nor any representation made as to their correctness on the Bonds or as indicated above.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement in connection with the offer made hereby and, if given or made, such other information or representation must not be relied upon as having been authorized by the School District or the Underwriters. This Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy these securities be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Information herein has been obtained from the School District, The Depository Trust Company, and other sources believed to be reliable. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information (except for information under the section captioned "UNDERWRITING" which was obtained from the Underwriters).

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and "APPENDIX F - Specimen Municipal Bond Insurance Policy".

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency will have passed upon the adequacy of this Official Statement, or, except for the School District, approved the Bonds for sale.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE INFORMATION PRESENTED IN THIS OFFICIAL STATEMENT CONCERNING THE SCHOOL DISTRICT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

LIVONIA PUBLIC SCHOOLS SCHOOL DISTRICT
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Phone: (734) 744-2500

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Novi, Michigan

MUNICIPAL ADVISOR

PFM Financial Advisors LLC
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TABLE OF CONTENTS

OFFICIAL STATEMENT
relating to

$90,770,000
LIVONIA PUBLIC SCHOOLS SCHOOL DISTRICT
COUNTY OF WAYNE, STATE OF MICHIGAN
2020 REFUNDING BONDS
(GENERAL OBLIGATION – UNLIMITED TAX)
(FEDERALLY TAXABLE)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices, is to furnish information in connection with the issuance and sale by Livonia Public Schools School District, County of Wayne, State of Michigan (the "School District") of its 2020 Refunding Bonds (General Obligation - Unlimited Tax) (Federally Taxable) (the "Bonds") in the amount of $90,770,000.

PURPOSE AND SECURITY

The Bonds are being issued for the purpose of advance refunding all or a portion of the School District's outstanding 2013 School Building and Site Bonds, Series I, dated June 27, 2013, which are due and payable May 1, 2025 through May 1, 2043, inclusive, and School District's outstanding 2014 Refunding Bonds, dated February 13, 2014, which are due and payable May 1, 2025 (collectively, the "Prior Bonds"), and paying the costs of issuing the Bonds.

The Bonds, as authorized for issuance by resolutions of the Board of Education adopted on August 17, 2020 and expected to be adopted on September 28, 2020 (the "Resolutions"), are a full faith and credit unlimited tax general obligation of the School District. The principal of and interest on the Bonds are payable from the proceeds of ad valorem taxes levied on all taxable property in the School District which may be levied without limitation as to rate or amount.

PLAN OF REFUNDING

A portion of the proceeds of the Bonds, together with other available funds, will be used to pay certain costs of issuance relating to the refunding of the Prior Bonds and to establish an escrow fund (the "Escrow Fund") composed of cash and non-callable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing. The Escrow Fund will be held by the corporate trust office of The Huntington National Bank, Grand Rapids, Michigan, as escrow agent (the "Escrow Agent") and will be used to pay the principal of and interest on the Prior Bonds when due and at call for redemption. The Escrow Fund will be held by the Escrow Agent pursuant to an escrow agreement (the "Escrow Agreement") which irrevocably directs the Escrow Agent to make the payment of principal of and interest on the Prior Bonds when due and at call for redemption. The Escrow Fund will be such that the cash and the principal of and interest payments received on investments will be sufficient, without reinvestment except as provided in the Escrow Agreement, to pay the principal of and interest on the Prior Bonds when due and as they are called for early redemption, as set forth in the following table.

Principal of and Interest on the
Prior Bonds to be paid from the Escrow Fund

Date	Principal	Interest	Total
11/01/2020		$2,060,475.00	$2,060,475.00
05/01/2021		2,060,475.00	2,060,475.00
11/01/2021		2,060,475.00	2,060,475.00
05/01/2022		2,060,475.00	2,060,475.00
11/01/2022		2,060,475.00	2,060,475.00
05/01/2023	$83,255,000.00	2,060,475.00	85,315,475.00
TOTAL	$83,255,000.00	$12,362,850.00	$95,617,850.00

The accuracy of the mathematical computations of the adequacy of the obligations to be held in the Escrow Fund and used, together with the earnings thereon, to pay the principal of and interest on the Prior Bonds when due or at call for redemption will be verified by Robert Thomas CPA, LLC, Shawnee Mission, Kansas (the "Verification Agent"). Such verification of accuracy of the computations shall be based upon information supplied by the Underwriters.

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES	
Par Amount of Bonds	$90,770,000.00
Contribution from Prior Bonds Debt Retirement Funds	5,111,401.00
Total Sources	$95,881,401.00
USES	
Escrow Fund	$95,303,631.31
Underwriters' Discount	132,679.84
Estimated Costs of Issuance[1]	445,089.85
Total Uses	$95,881,401.00

THE BONDS

Description and Form of the Bonds

The Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of $5,000 or any integral multiple thereof. The Bonds will be dated as of and bear interest from the date of issuance. Interest on the Bonds shall be payable semiannually each May 1 and November 1 to maturity or early redemption, commencing May 1, 2021. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months, and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the cover of this Official Statement.

The corporate trust office of The Huntington National Bank, Grand Rapids, Michigan or its successor will serve as the paying agent (the "Paying Agent") and also as bond registrar and transfer agent if the Bonds cease to be held in book-entry-only form. For a description of payment of principal and interest, transfers and exchanges and notice of redemption on the Bonds, which are held in the book-entry-only system, see "Book-Entry-Only System" below. In the event the Bonds cease to be held in the

[1] Includes municipal bond insurance premium.

book-entry-only system, then interest on the Bonds shall be payable when due by check or draft to the person or entity who or which is, as of the fifteenth (15th) day of the month preceding each interest payment date (the "Record Date"), the registered owner of record, at the owner's registered address. See "Transfer Outside Book-Entry-Only System" below.

Book-Entry-Only System

The information in this section has been furnished by The Depository Trust Company, New York, New York ("DTC"). No representation is made by the School District, the Paying Agent or the Underwriters as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the School District, the Paying Agent or the Underwriters to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the School District nor the Paying Agent will have any responsibility or obligation to DTC Participants, Indirect Participants (both as defined below) or the persons for which they act as nominees with respect to the Bonds, or for any principal, premium, if any, or interest payment thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal and interest amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the School District or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), Paying Agent, or School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, interest and redemption amounts, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the School District or Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the School District or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Transfer Outside Book-Entry-Only System

In the event that the book-entry-only system is discontinued, the following provisions would apply to the Bonds. The Paying Agent shall keep the registration books for the Bonds (the "Bond Register") at its corporate trust office. Subject to the further conditions contained in the Resolutions, the Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof at the corporate trust office of the Paying Agent by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Paying Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations; during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or any time following the mailing of any notice of redemption, the Transfer Agent shall not be required to effect or register any transfer or exchange of any Bond which has been selected for such redemption, except the Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion; the School District and the Paying Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owners of such Bonds for all purposes under the Resolutions. No transfer or exchange made other than as described above and in the Resolutions shall be valid or effective for any purposes under the Resolutions.

Optional Redemption

The Bonds or portions of the Bonds in multiples of $5,000, maturing on or after May 1, 2031, are subject to redemption prior to maturity at the option of the School District in such order as the School District may determine and by lot within any maturity, on any date occurring on or after May 1, 2030, at par and accrued interest to the date fixed for redemption.

Notice of Redemption and Manner of Selection

Notice of redemption of any Bond shall be given not less than thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption by mail to the registered owner at the registered address shown on the registration books kept by the Paying Agent. The Bonds shall be called for redemption in multiples of $5,000 and Bonds of denominations of more than $5,000 shall be treated as representing the number of Bonds obtained by dividing the face amount of the Bond by $5,000 and such Bonds may be redeemed in part. The notice of redemption for Bonds redeemed in part shall state that upon surrender of the Bond to be redeemed a new Bond or Bonds in an aggregate face amount equal to the unredeemed portion of the Bond surrendered shall be issued to the registered owner thereof.

If less than all of the Bonds of any maturity shall be called for redemption prior to maturity, unless otherwise provided, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Paying Agent, in the principal amounts designated by the School District. Any Bonds selected for redemption will cease to bear interest on the date fixed for redemption, whether presented for redemption, provided funds are on hand to redeem said Bonds. Upon presentation and surrender of such Bonds at the corporate trust office of the Paying Agent, such Bonds shall be paid and redeemed.

So long as the book-entry-only system remains in effect, in the event of a partial redemption the Paying Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by such partial redemption, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

TAX PROCEDURES

Article IX, Section 3, of the Michigan Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true cash value. The Michigan Legislature by statute has provided that property shall be assessed at 50% of its true cash value, except as described below. The Michigan Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Beginning in 1995, taxable property has two valuations -- State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year, adjusted for losses, and increased by the lesser of the inflation rate or 5%, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV.

When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

Responsibility for assessing taxable property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local board of review, the Michigan Tax Tribunal, and ultimately to the Michigan appellate courts.

The Michigan Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the county's department of equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in the Official Statement. Property granted tax abatements under Act 198, Public Acts of Michigan, 1974, amended, is recorded on a separate tax roll while subject to tax abatement. The valuation of tax-abated property is based upon SEV but is not included in either the SEV or Taxable Value data in the Official Statement except as noted. Under limited circumstances, other state laws permit the partial abatement of certain taxes for other types of property for periods of up to 12 years.

LEVY AND COLLECTION OF TAXES FOR PAYMENT OF THE BONDS AND BONDHOLDERS' REMEDIES

The Resolutions authorizing the issuance of the Bonds and State law obligate the School District to levy a tax annually in an amount sufficient so that the estimated collections therefrom will be sufficient to pay promptly when due the principal of and interest on the Bonds becoming due prior to the time of the next tax levy. The tax levy shall not be subject to limitation as to rate or amount. Taxes for the payment of the principal of or interest on the Bonds are certified for collection each year with the school tax levies. In the event of the failure of the proper officials to certify taxes for the payment of the principal and interest requirements, a timely action in the nature of mandamus could compel certification and collection of adequate taxes.

Registered owners of the Bonds may attempt to obtain a money judgment against the School District for the principal amount of the Bonds or interest not paid when due and may periodically attempt to enforce the collection of the money judgment by requiring the tax assessing officers for the School District to place the amount of such judgment on the next tax rolls of the School District. The rights of the holders of the Bonds and the enforceability thereof are subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and their enforcement also may be subject to the exercise of judicial discretion in appropriate cases.

SOURCES OF SCHOOL OPERATING REVENUE

On March 15, 1994, the electors of the State of Michigan approved a ballot proposition to amend the State Constitution of 1963, in part, to increase the State sales tax from 4% to 6% as part of a complex plan to restructure the source of funding of public education (K-12) in order to reduce reliance on local property taxes for school operating purposes and to reduce the per pupil finance resource disparities among school districts. The State school aid package passed by the Legislature as part of the school finance reform legislation instituted a per pupil foundation allowance beginning in fiscal year 1994/95. The Legislature appropriated funds to establish a base foundation allowance in 2019/20 ranging from $8,111 to $8,529 per pupil, depending upon the school district's 1993/94 revenue. In the future, the foundation allowance may be adjusted annually by an index based upon the change in revenues to the State school aid fund and change in the total number of pupils statewide and the spread between the high and low per pupil allowance is reduced. The foundation allowance is funded by locally raised property taxes plus State school aid. The revenues for the State's contribution to the foundation allowance are derived from a mix of taxing sources, including, but not limited to, a statewide property tax of 6 mills on all taxable property[1], a State sales and use tax, a real estate transfer tax and a cigarette tax.

Generally, school districts are required to levy a local property tax of not more than 18 mills or the number of mills levied in 1993 for school operating purposes, whichever is less, on non-homestead properties[2] in order for the school district to receive its full per pupil foundation allowance. An intermediate school district may seek voter approval for up to three enhancement mills for distribution to local constituent school districts on a per pupil basis. Proceeds of the enhancement mills are not counted toward the foundation allowance. Furthermore, school districts whose per pupil foundation allowance in 2019/20 calculates to an amount in excess of $8,529 are authorized to levy additional millage to obtain the foundation allowance, first by levying such amount of the 18 mills against homestead property[3] as is necessary to hold themselves harmless and, if the 18 mills is insufficient, to then levy such additional mills against all property uniformly as is necessary to obtain the foundation allowance. The School District's 2019/20 per pupil foundation allowance does not exceed $8,529, and the School District does not levy such additional millage.

State aid appropriations and the payment schedule for State school aid may be changed by the Legislature at any time. See "STATE AID PAYMENTS" in APPENDIX A. If the amount appropriated

[1] "Taxable property" in this context does not include industrial personal property.

[2] "Non-homestead property" includes all taxable property other than principal residence, qualified agricultural property, qualified forestry property, supportive housing property, property occupied by a public school academy, and industrial personal property. Commercial personal property, to the extent not otherwise exempt, is exempt from the first 12 mills of not more than 18 mills levied by school districts.

[3] "Homestead property", in this context, means principal residence, qualified agricultural property, qualified forestry property, supportive housing property, property occupied by a public school academy, certain industrial personal property and certain commercial personal property, to the extent not otherwise exempt.

from the State School Aid Fund exceeds the amount available for expenditure for a fiscal year, in the absence of overriding legislative action by the legislature, the School Aid Act subjects most state aid payable to school districts for that fiscal year to an automatic proration on a per pupil basis in an amount necessary to eliminate the portion of the overage attributable to the appropriation to all school districts. See "STATE AID PAYMENTS" IN APPENDIX A and "POTENTIAL IMPACT OF COVID-19 PANDEMIC ON THE SCHOOL DISTRICT" below.

Public Act 265 of 2018 ("Act 265") amended the State School Aid Act for the 2018/19 fiscal year and increased the School District's per pupil foundation allowance to $8,409. Act 265 provided the School District with an additional $25 per pupil in grades 9 to 12 and the School District's potential receipt of various categorical funds for specific purposes.

Public Act 58 of 2019 ("Act 58") amended the State School Aid Act for the 2019/20 fiscal year and increased the School District's per pupil foundation allowance to $8,529. Act 58 may also provide the School District various categorical grants for specific purposes, such as special education, "at-risk" students, meal programs, early education, career and technical education programs, and other instructional and non-instructional programs. The annual amendments to the State School Aid Act determine the type and amount of those categorical funds. For further information regarding the School District's receipt of categorical funds for the prior fiscal year, see the School District's Audited Financial Statements in APPENDIX C.

Public Act 146 of 2020 ("PA 146") reduced State School Aid payments to school districts by $175 per pupil for the State's fiscal year 2019/20. However, PA 146 also earmarked federal funds from the Coronavirus Aid, Relief, and Economic Security Act equal to $350 per pupil for the State's fiscal year 2019/20 to offset the loss to State School Aid payments and provide additional funds to school districts. On September 23, 2020 the Michigan Legislature passed legislation impacting the State School Aid Act for the 2020/21 fiscal year. In part, the legislation restores the $175 per pupil decrease to the State School Aid for the 2020/21 fiscal year and adds other appropriations for qualifying school districts. Under this legislation the School District's foundation allowance remains unchanged from fiscal year 2019/20. The legislation has been approved by the Governor and assigned Public Act 165 of 2020.

THE SOURCES OF THE SCHOOL DISTRICT'S OPERATING REVENUE DO NOT IMPACT THE TAXING AUTHORITY OF THE SCHOOL DISTRICT FOR PAYMENT OF GENERAL OBLIGATION UNLIMITED TAX SCHOOL BONDS AND DO NOT AFFECT THE OBLIGATION OF THE SCHOOL DISTRICT TO LEVY TAXES FOR PAYMENT OF DEBT SERVICE ON GENERAL OBLIGATION UNLIMITED TAX BONDS OF THE SCHOOL DISTRICT, INCLUDING THE BONDS OFFERED HEREIN.

POTENTIAL IMPACT OF COVID-19 PANDEMIC ON THE SCHOOL DISTRICT

In response to the ongoing COVID-19 pandemic, President Donald Trump declared a national emergency on March 13, 2020 and Michigan Governor Gretchen Whitmer declared a state of emergency across the State of Michigan (the "State") on March 10, 2020 pursuant to Executive Order No. 2020-4. The Governor has repeatedly issued executive orders extending the state of emergency, which continues today. There are several ongoing legal challenges to the Governor's declaration of a state of emergency related to the COVID-19 pandemic, including an ongoing legal challenge by the Michigan Legislature.

The Governor issued Executive Order 2020-142 on June 30, 2020 setting guidelines and requirements for school districts to operate with in-person instruction for the 2020/21 school year. Executive Order 2020-142 required school districts to adopt and implement a COVID-19 Preparedness and Response Plan (the "Preparedness Plan"). The School District adopted a Preparedness Plan by August 15, 2020, which was timely approved by Wayne RESA.

The Michigan Legislature enacted Public Acts 147-149 of 2020 amending the State School Aid Act for the 2020/21 school year to accommodate various delivery methods for pupil instruction. The amendments place additional requirements on school districts and adjust how a school district's pupil count will be determined for the 2020/21 school year. The Governor signed the legislation on August 20, 2020. Among other requirements, the legislation requires school districts to prepare and submit an "Extended COVID-19 Learning Plan" (the "Extended Plan") in addition to the Preparedness Plan. The Extended Plan must include educational goals that a school district expects to achieve by the middle and end of the 2020/21 school year along with other statements describing how the school district will deliver instruction. The Extended Plan is intended to describe how a school district will deliver instruction and achieve stated educational goals for its students. A school district must establish those educational goals for the 2020/21 school year by September 15, 2020. The Extended Plan must be submitted to a school district's intermediate school district by October 1, 2020 and approved by the intermediate school district by October 12, 2020. Throughout the 2020/21 school year a school district must meet certain requirements associated with the Extended Plan. The School District established its educational goals for its Extended Plan by September 15, 2020, and expects to have Wayne RESA approve the Extended Plan as required.

On June 30, 2020, the Governor released the "MI Safe Schools: Michigan's 2020-21 Return to School Roadmap" (the "Roadmap") which contains COVID-19 safety requirements and recommendations for schools. A school district's Preparedness Plan is to be informed by the Roadmap, which is in turn informed by the Governor's "MI Safe Start Plan" issued on May 7, 2020. The MI Safe Start Plan identifies different regions (Regions 1-8) of the State and a grading system that categorizes regions in different phases (Phases 1-6) of COVID-19 preparedness based on a number factors including growth/decline of COVID-19 infections, health system capacity, and testing.

A school district's ability to utilize in-person instruction depends on the MI Safe Start Plan phase for the region in which the school district is located. The Preparedness Plan must provide for policies and procedures for instruction depending on the current phase applicable to the school district. The Roadmap identifies four different scenarios for school districts to utilize in-person instruction.

Previously, the Governor issued Executive Order 2020-21, which directed that, effective as of March 24, 2020, all individuals currently living within the State stay at home or their place of residence, and further that businesses temporarily suspend in-person operations that are not necessary to sustain or protect life, subject to certain limited exceptions, including a business's ability to conduct minimum basic operations. On June 1, 2020, the Governor issued Executive Order 2020-110 that effectively replaced Executive Order 2020-21 to allow for increased business operations and social interactions in the State. The Governor has since modified Executive Order 2020-110 to allow for a greater degree of business operations and social interactions. Some areas of the State have seen increased restrictions while other areas have seen decreased restrictions. Public comments by the Governor raise the potential of further increased restrictions in the future.

Absent severe economic hardship causing a significant increase in the property tax delinquency rate, the School District does not anticipate that the levy and collection of property taxes, its primary revenue source for the repayment of the Bonds, will be materially affected by the COVID-19 pandemic. See "LEVY AND COLLECTION OF TAXES FOR PAYMENT OF THE BONDS AND BONDHOLDERS' REMEDIES," in this Official Statement.

The COVID-19 pandemic is having a negative effect on the State's finances, which has affected the amount of State School Aid appropriated in current and future fiscal years to public schools, including the School District. See "SOURCES OF SCHOOL OPERATING REVENUE" above. As of the date of this Official Statement, the School District cannot predict the effect the COVID-19 pandemic will have on its future finances, operations, revenues or expenses.

MICHIGAN PROPERTY TAX REFORM

On November 5, 2013, March 28, 2014, and April 1, 2014, a package of bills amended and replaced legislation enacted in 2012 to phase-out most personal property taxation in Michigan. The bills were contingent on Michigan voters approving a ballot question authorizing a new municipal entity, the Local Community Stabilization Authority ("LCSA"), to levy a local component of the statewide use tax and distribute that revenue to local units of government to offset their revenue losses resulting from the personal property tax reform. On August 5, 2014, voters approved that ballot question.

The bill package, together with the original 2012 legislation, created two new exemptions from the personal property tax. Under the "small taxpayer exemption," the commercial and industrial personal property of each owner with a combined true cash value in a local tax collecting unit of less than $80,000 became exempt from ad valorem taxes in that collecting unit beginning in 2014. For businesses that do not qualify for the "small taxpayer exemption," all "eligible manufacturing personal property" (personal property used more than 50% of the time in industrial processing or direct integrated support) purchased and placed into service before 2006 or during or after 2013 became exempt beginning in 2016. Taxation on "eligible manufacturing personal property" placed into service after 2006 but before 2013 will be phased-out over time; with the exemption taking effect after the property has been in service for the immediately preceding 10 years. The legislation extends certain personal property tax exemptions and tax abatements for technology parks, industrial facilities and enterprise zones that were to expire after 2012, until the voter approved personal property tax exemptions take effect.

Pursuant to voter approval in August 2014, the legislation also includes a formula to reimburse school districts for 100% of their lost operating millage revenue and lost sinking fund millage revenue. To provide the reimbursement, the legislation reduces the state share of the use tax and authorizes the LCSA to levy a local component of the use tax and distribute that revenue to qualifying local units. However, the reimbursement for the school district's operating millage will come from the State use tax component, which is deposited into the school state aid fund.[1] While the legislation provides reimbursement for prospective school operating losses, pursuant to legislative changes made in 2018, school districts will be reimbursed for 2019 for either (a) debt losses attributable to debt obligations that voters approved before January 1, 2015 or were incurred before January 1, 2015, or (b) debt millage calculated pursuant to a statutory formula. For 2020 and thereafter, the reimbursement shall be for either (a) debt losses attributable to debt obligations that voters approved before January 1, 2013 or were incurred before January 1, 2013, or (b) debt millage calculated pursuant to a statutory formula.

Because the Prior Bonds received voter approval prior to January 1, 2013, the School District expects to be reimbursed for debt millage revenue it could have otherwise generated, without the exemptions, to make payments on the Bonds.

LITIGATION

The School District has not been served with any litigation, administrative action or proceeding, and to the knowledge of the appropriate officials of the School District no litigation or administrative action or proceeding has been threatened against it, seeking to restrain or enjoin the issuance and delivery of the Bonds, or questioning or contesting the validity of the Bonds or the proceedings or authorities

[1] A school district that increases its millage rate, without voter approval, to replace debt millage revenue loss would not be eligible to receive reimbursement distributions. Because much of the reimbursement funds are deposited into the State school aid fund, the legislature may, in the future, change the funding formulas in the State School Aid Act of 1979 or appropriate funds therein for other purposes.

under which they are authorized to be issued, sold, executed and delivered. A certificate to such effect will be delivered to the Underwriters at the time of the original delivery of the Bonds.

TAX MATTERS

State

In the opinion of Thrun Law Firm, P.C., Novi, Michigan ("Bond Counsel"), based on its examination of the documents described in its opinion, under existing State of Michigan statutes, regulations, rulings and court decisions, the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

Federal

In the opinion of Bond Counsel, based upon its examination of the documents described in its opinion, under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is included in gross income for federal income tax purposes.

Future Developments

No assurance can be given that any future legislation or clarifications or amendments to the Michigan statutes, if enacted into law, will not contain proposals which could cause the interest on the Bonds to be subject directly or indirectly to state income taxation, adversely affect the market price or marketability of the Bonds, or otherwise prevent bondholders from realizing the full current benefit of the status of the interest thereon.

Furthermore, no assurance can be given that the impact of any future court decisions will not cause the interest on the Bonds to be subject directly or indirectly to state income taxation, adversely affect the market price or marketability of the Bonds, or otherwise prevent bondholders from realizing the full current benefit of the status of the interest thereon.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization, issuance and sale by the School District of the Bonds are subject to the approving opinion of Thrun Law Firm, P.C., Novi, Michigan, Bond Counsel. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds, Bond Counsel has made no inquiry as to any financial information, statements or materials contained in any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial information, statements or materials.

Certain legal matters will be passed upon for the Underwriters by their counsel, Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan.

APPROVAL BY MICHIGAN DEPARTMENT OF TREASURY

The School District has received a letter from the Department of Treasury of the State of Michigan stating that the School District is in material compliance with the criteria of the Revised Municipal Finance Act, Act 34, Public Acts of Michigan, 2001, as amended, for a municipality to be granted qualified status. The School District may therefore proceed to issue the Bonds without further approval from the Department of Treasury of the State of Michigan.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $488.7 million, $143.6 million and $345.1 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

RATINGS

S&P Global Ratings ("S&P") will assign, as of the date of delivery of the Bonds, its municipal bond rating of "AA" to the Bonds based upon the fact that each Bond will be fully insured by BAM. See "BOND INSURANCE" and APPENDIX F, "Specimen Municipal Bond Insurance Policy," herein.

S&P will also assign, as of the date of delivery of the Bonds, its underlying rating of "A" to the Bonds without regard to municipal bond insurance on the Bonds.

No application has been made to any other ratings service for a rating on the Bonds. The School District furnished to S&P certain materials and information in addition to that provided here. Generally, the rating agency bases its rating on such information and materials, and on investigations, studies and assumptions. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Any rating assigned represent only the view of S&P. Further information is available upon request from S&P Global Ratings, 55 Water Street, New York, NY 10014, (212) 438-1000.

UNDERWRITING

J.P. Morgan Securities, LLC, Stifel, Nicolaus & Company, Incorporated and Huntington Securities, Inc., dba Huntington Capital Markets (the "Underwriters") have agreed, subject to the terms of the Bond Purchase Agreement, to purchase the Bonds from the School District. The Bond Purchase Agreement provides, in part, that the Underwriters, subject to certain conditions, will purchase from the School District the aggregate principal amount of Bonds for a purchase price as set forth therein. The Underwriters have further agreed to offer the Bonds to the public at the approximate initial offering prices as set forth on the cover hereto. The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the cover hereto. The offering prices may be changed from time to time by the Underwriters. The aggregate underwriting fee equals 0.146171 percent of the aggregate principal amount of the Bonds.

The Bond Purchase Agreement provides that the obligations of the Underwriters are subject to certain conditions, including, among other things, that (i) no event has occurred which impairs or threatens to impair the status of the Bonds or interest on the Bonds as exempt from taxation in the State of Michigan (except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof) and (ii) proceedings relating to the Bonds are not pending or threatened by the Securities and Exchange Commission. The Bond Purchase Agreement further provides that the School District will provide to the Underwriters within seven business days of the date of the Bond Purchase Agreement sufficient copies of the Official Statement to enable the Underwriters to comply with the requirements of Rule 15c2-12(b)(4) under the Securities Exchange Act of 1934, as amended.

J. P. Morgan Securities LLC ("JPMS"), has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings, including the Bonds, at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

MUNICIPAL ADVISOR'S OBLIGATION

PFM Financial Advisors LLC, Ann Arbor, Michigan (the "Municipal Advisor") has been retained by the School District to provide certain municipal advisory services. The information contained in the Official Statement was prepared in part by the Municipal Advisor and is based on information supplied by various officials from records, statements and reports required by various local, county or state agencies of the State of Michigan in accordance with constitutional or statutory requirements.

To the best of the Municipal Advisor's knowledge, all of the information contained in the Official Statement, which it assisted in preparing, while it may be summarized is (i) complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material fact, or make any untrue statement which would be misleading in light of the circumstances under which these statements are being made. However, the Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statement.

The Municipal Advisor's duties, responsibilities and fees arise solely as municipal advisor to the School District, and it has no underwriting, secondary market obligations or other responsibility to the School District. The Municipal Advisor's fees are expected to be paid from Bond proceeds.

Further information concerning the Bonds may be secured from PFM Financial Advisors LLC, 555 Briarwood Circle, Suite 333, Ann Arbor, Michigan, telephone: (734) 994-9700, Municipal Advisor to the School District.

CONTINUING DISCLOSURE

Prior to delivery of the Bonds, the School District will execute a Continuing Disclosure Agreement (the "Agreement") for the benefit of the holders of the Bonds and the Beneficial Owners (as hereinafter defined under this caption only) to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. "Beneficial Owner" means, under this caption only, any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or any other intermediaries). The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Agreement, are set forth in APPENDIX E, "Form of Continuing Disclosure Agreement." Additionally, the School District shall provide certain annual financial information and operating data generally consistent with the information contained within the tables under the headings "ENROLLMENT - Historical Enrollment," "STATE AID PAYMENTS," "PROPERTY VALUATIONS - History of Valuations," "MAJOR TAXPAYERS," "SCHOOL DISTRICT TAX RATES - (Per $1,000 of Valuation)," "TAX LEVIES AND COLLECTIONS," "RETIREMENT PLAN – Contribution to MPSERS," "LABOR RELATIONS," "DEBT STATEMENT - DIRECT DEBT," in APPENDIX A and "General Fund Budget Summary" in APPENDIX B.

A failure by the School District to comply with the Agreement will not constitute an event of default under the Resolutions and holders of the Bonds or Beneficial Owners are limited to the remedies described in the Agreement. A failure by the School District to comply with the Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The School District has not, in the previous five years, failed to comply, in any material respect, with any previous agreement or undertaking executed by the School District pursuant to the Rule.

OTHER MATTERS

All information contained in this Official Statement, in all respects, is subject to the complete body of information contained in the original sources thereof. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

LIVONIA PUBLIC SCHOOLS SCHOOL DISTRICT
COUNTY OF WAYNE
STATE OF MICHIGAN

By: /s/ Andrea L. Oquist
Its: Superintendent of Schools

APPENDIX A[*]

LIVONIA PUBLIC SCHOOLS SCHOOL DISTRICT

GENERAL FINANCIAL, ECONOMIC AND SCHOOL INFORMATION

LOCATION AND AREA

The School District occupies an area of 38.9 square miles in northwestern Wayne County encompassing approximately 93% of the population of the City of Livonia and 26% of the population of the City of Westland.

The School District is located the following distances from these commercial and industrial areas:

23 miles west of downtown Detroit
24 miles east of Ann Arbor
60 miles southeast of Flint
67 miles southeast of Lansing
90 miles southeast of Saginaw

POPULATION

The U.S. Census reported and 2018 estimated populations for the School District and the City of Livonia are as follows:

	School District	City of Livonia
2018 Estimate	112,110	94,567
2010 U.S. Census	114,666[1]	96,942
2000 U.S. Census	118,716[1]	100,545

[1]Based upon an extrapolation of the figures of the local units within the School District.
Source: U.S. Census Bureau via American FactFinder website

BOARD OF EDUCATION

The Board of Education (the "Board") consists of seven members who are elected at large and serve overlapping terms. The Board annually elects a President, Vice President, and Secretary. The Board is responsible for the selection and appointment of the Superintendent of Schools. The Board meets as a single body to set or amend policy, develop long-range educational goals and act upon recommendations of the Superintendent of Schools. The Board is also responsible for adopting and periodically amending the operating budget and evaluating school programs in accordance with governing laws.

ENROLLMENT

Historical Enrollment

Historical fall enrollment for the School District is as follows:

School Year End 30-Jun	Fall Enrollment Count	Change	School Year End 30-Jun	Fall Enrollment Count	Change
2020	14,100	-0.75%	2015	14,894	-1.49%
2019	14,206	-0.05	2014	15,119	-2.68
2018	14,213	-0.98	2013	15,535	-2.10
2017	14,354	-2.01	2012	15,869	-2.40
2016	14,648	-1.65	2011	16,260	--

[*] Information included in Appendix A of this Official Statement was obtained from the School District unless otherwise noted.

2019/2020 Fall Count

Kindergarten	1,025	7th	1,062
1st	1,000	8th	1,020
2nd	1,027	9th	1,070
3rd	991	10th	1,159
4th	997	11th	1,150
5th	927	12th	1,098
6th	1,096	Sub Total	13,622
		Special Ed.	478
		Total	14,100

SCHOOL DISTRICT FACILITIES

The following is a table showing the existing School District facilities.

Facility	Grades Served	Year Built	Last Remodel/Addition	Type of Construction	Pupil Capacity
Elementary Schools					
Buchanan	K - 4	1966	2018	Brick	630
Cass	K - 4	1965	--	Brick	660
Cleveland	K - 4	1958	2014	Brick	690
Coolidge	K - 4	1959	2014	Brick	840
Garfield	K - 4	1956	2017	Brick	690
Grant	K - 4	1956	2016	Brick	730
Hayes	K - 4	1960	2015	Brick	570
Hoover	K - 4	1963	2016	Brick	720
Kennedy	K - 4	1963	2015	Brick	600
Niji Iro	K – 5	1968	2019	Brick	585
Randolph	K - 4	1965	2016	Brick	630
Roosevelt	K - 4	1958	2015	Brick	750
Rosedale	K - 4	1960	2014	Brick	480
Webster/Tyler	1 - 6	1959	2016	Brick	870
Upper Elementary Schools					
Cooper	5 - 6	1954	2014	Brick	630
Johnson	5 - 6	1960	2016	Brick	990
Riley	5 - 6	1957	2015	Brick	1,470
Middle Schools					
Emerson	7 - 8	1958	2015	Brick	1,350
Frost	7 - 8	1963	2014	Brick	1,440
Holmes	7 - 8	1967	2016	Brick	1,170
High Schools					
Churchill	9 - 12	1969	2017	Brick	2,250
Franklin	9 - 12	1962	2015	Brick	2,340
Stevenson	9 - 12	1964	2016	Brick	2,500
Career Center	11 - 12	1969	2018	Brick	570
Other Educational Facilities					
Dickinson Center		1968	--	Brick	Gym Leased
Jackson Day Care Center		1956	2018	Brick	750
McKinley	K - 4	1955	1992	Brick	Vacant
Hull	K - 4	1963	1992	Brick	Demolished
Adams/Perrinville	K - 4	1957	1992	Brick	Vacant

OTHER SCHOOLS

The following are the private, charter, or parochial schools located within the School District's boundaries:

Name of School	Grades Served	Approximate Enrollment
American Montessori Academy - Lower	K - 1	186
American Montessori Academy - Upper	2 - 8	300
Branch Line School	K - 8	142
Grand River Academy	K - 8	788
Montessori Center of Our Lady	PreK - K	135
Brookfield Academy Montessori	PK - 5	70
Peace Evangelical Lutheran School	PK - 8	94
Concordia Lutheran School	5 - 7	31
Huron Valley Lutheran High School	9 - 12	84
St. Edith Catholic School	K - 8	176
St. John's Evangelical Lutheran	P - 8	42
St. Michael Catholic School	K - 8	664
St. Paul's Lutheran School	P - 8	120
		2,832

Source: 2020 Michigan Education Directory

STATE AID PAYMENTS

The School District's primary source of funding for operating costs is the State School Aid per pupil foundation allowance. The base foundation allowance has been set from $8,111 to $8,529 per pupil for fiscal year 2019/2020.

In future years, this allowance may be adjusted by an index based upon the change in revenues to the state school aid fund and the change in the total number of pupils statewide. The State may reduce State School Aid appropriations at any time if the State's revenues do not meet budget expectations. See "SOURCES OF SCHOOL OPERATING REVENUE" herein for additional information.

The following table shows a five year history of the School District's total state aid revenues, including categoricals and other amounts, and the per pupil state aid foundation allowance, which reflects the changes in sources of school operating revenue described herein:

Fiscal Year End 30-Jun	Foundation Allowance per Pupil	Total State Aid Payments	Blended Pupil Count	Amount Received per Pupil[1]
2020	$8,529	$126,221,447[2]	14,123.72	$8,931[2]
2019	8,409	122,093,933	14,252.64	8,566
2018	8,289	122,226,927	14,412.39	8,481
2017	8,229	119,223,192	14,563.41	8,186
2016	8,169	118,547,122	14,648.17	8,093

[1]Represents the "Total State Aid Payments" divided by the "Blended Pupil Count".
[2]Public Act 146 of 2020 provides for a prorated reduction in State school aid payments to the School District, but also provides for additional funds from the federal Coronavirus Aid, Relief, and Economic Security Act to offset the state aid loss and provide additional funds to school districts. The legislation has been approved by the Governor and assigned Public Act 165 of 2020. The negative impact of the COVID-19 pandemic on state revenues makes a reduction in State school aid possible in the future. See "POTENTIAL IMPACT OF COVID-19 PANDEMIC ON THE SCHOOL DISTRICT" and "SOURCES OF SCHOOL OPERATING REVENUE" herein.
Source: Michigan Department of Education via website www.michigan.gov

PROPERTY VALUATIONS

In accordance with Act No. 539, Public Acts of Michigan, 1982, and Article IX, Section 3 of the Michigan Constitution, the ad valorem State Equalized Valuation (SEV) represents 50% of true cash value. SEV does not include any value of tax exempt property (e.g. churches, governmental property) or property granted tax abatements under Act No. 198, Public Acts of Michigan, 1974, as amended. **Since 1994, ad valorem property taxes are assessed on the basis of Taxable Value, which is subject to assessment caps. SEV is used in the calculation of debt margin and true cash value**. See **"TAX PROCEDURES"** herein for further information.

Taxable property in the School District is assessed by the local municipal assessor, and is subject to review by the County Equalization Department.

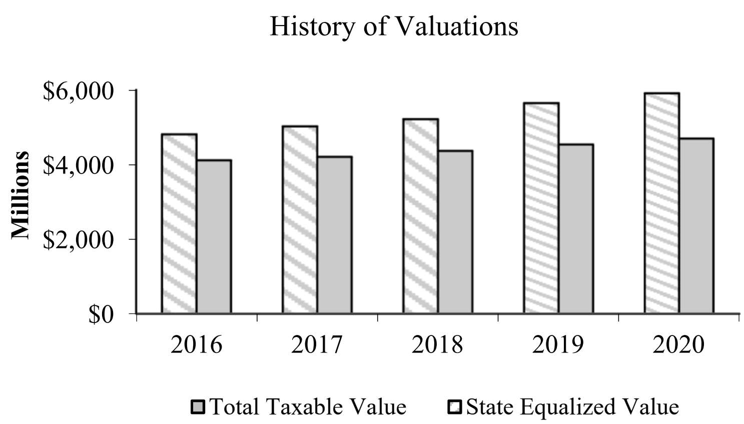
History of Valuations

A history of the property valuations in the School District is shown below:

Year	Principal Residence[1]	Non- Principal Residence[1]	Total Taxable Value	Percent Change	State Equalized Value	Percent Change
2020	$3,318,033,669	$1,378,792,305	$4,696,825,974	3.49%	$5,913,207,350	4.66%
2019	3,194,224,237	1,344,371,668	4,538,595,905	3.95	5,649,787,187	8.33
2018	3,080,611,332	1,285,632,454	4,366,243,786	3.83	5,215,530,661	3.81
2017	2,964,070,766	1,241,110,111	4,205,180,877	2.23	5,024,327,190	4.43
2016	2,888,967,819	1,224,530,369	4,113,498,188	----	4,811,082,330	----

[1]All industrial personal property is included in the principal residence tax base. While commercial personal property continues to be included in the non-principal residence tax base, it is exempt from 12 of the 18 operating mills levied on non-principal residence property only. In 2020, industrial personal property had a taxable value of $28,456,800 and commercial personal property had a taxable value of $191,991,200 in the School District.

Source: Cities of Livonia and Westland and Wayne County Equalization Department



A summary of the 2020 valuation subject to the debt millage is as follows:

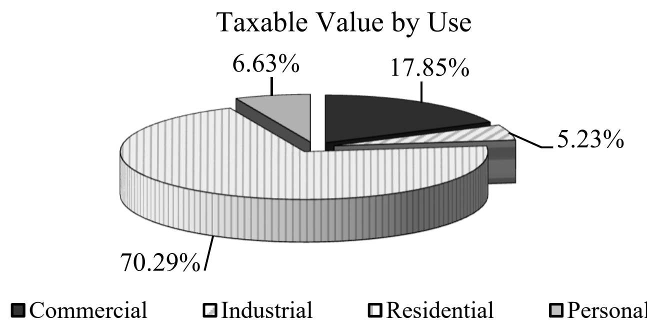
2020 Taxable Value	$4,696,825,974
Plus: 2020 Equivalent IFT Taxable Value[1]	44,605,290
Total 2020 Equivalent Taxable Value	$4,741,431,264

[1]See "INDUSTRIAL FACILITY TAX ABATEMENTS" herein.
Source: City of Livonia and Wayne County Equalization Department

Taxable Value by Class and Use

A breakdown of the School District's 2020 Taxable Value by class and use is as follows:

By Class:	2020 Taxable Value	Percent of Total
Real Property	$4,385,491,974	93.37%
Personal Property	311,334,000	6.63
TOTAL	$4,696,825,974	100.00%
By Use:		
Commercial	$838,285,271	17.85%
Industrial	245,649,160	5.23
Residential	3,301,557,543	70.29
Personal	311,334,000	6.63
TOTAL	$4,696,825,974	100.00%



Source: Wayne County Equalization Department

Tax Base Composition

A breakdown of the School District's 2020 Taxable Value by municipality is as follows:

Municipality	Taxable Value	of Total
County of Wayne		
City of Livonia	$4,162,188,943	88.62%
City of Westland	534,637,031	11.38
TOTAL	$4,696,825,974	100.00%

Source: Wayne County Equalization Department

INDUSTRIAL FACILITY TAX ABATEMENTS

Under the provisions of Act 198 of the Public Acts of Michigan, 1974 ("Act 198"), plant rehabilitation districts and/or industrial development districts may be established. Businesses in these districts are offered certain property tax incentives to encourage restoration or replacement of obsolete facilities and to attract new facilities to the area. An industrial facilities tax ("IFT") is paid, at a lesser effective rate and in lieu of ad valorem property taxes, on such facilities for a period of up to 12 years. Qualifying facilities are issued abatement certificates for specific periods.

After expiration of the abatement certificate, the then-current SEV of the facility is returned to the ad valorem tax roll. The owner of such facility may obtain a new certificate, provided it has complied with the provisions of Act 198.

The 2020 Taxable Value for the properties which have been granted IFT abatements within the School District's boundaries is $89,210,579, all of which is taxed at ½ rate. For purposes of computing "Equivalent" Taxable Value, it has been shown in the "History of Valuations" section as 50% of the Taxable Value.

Source: City of Livonia

MAJOR TAXPAYERS

Shown below are the ten largest identifiable taxpayers in the School District based on their 2020 total valuation subject to taxation.

Taxpayer	Product/Service	2020 Taxable Value	"Equivalent" IFT Value[1]	2020 Total Valuation
Ford Motor Company	Automotive	$53,723,332	$11,859,550	$65,582,882
Detroit Edison Company	Utility	43,531,231	0	43,531,231
Consumers Energy	Utility	37,400,021	0	37,400,021
Ashley Livonia North/South LLC	Real Estate Management	22,262,722	0	22,262,722
CF Livonia DST	Real Estate	2,168,300	14,183,900	16,352,200
RNDC-NWS LLC	Wine wholesaler & importer	1,599,000	12,451,942	14,050,942
T-Mobile Central LLC	Communication	13,001,200	0	13,001,200
Schoolcraft College	Higher Education	12,807,272	0	12,807,272
Laurel Park Retail Properties LLC	Real Estate Management	12,446,159	0	12,446,159
Universal Properties SMC Livonia LLC	Real Estate	12,002,150	0	12,002,150
TOTALS		$210,941,387	$38,495,392	$249,436,779
Total 2020 Taxable Value		$4,696,825,974		$4,741,431,264
Top 10 Taxpayers as a % of 2020 Total Values		4.49%		5.26%

[1]Represents 50% of the actual Taxable Value.
Source: Cities of Livonia and Westland

CONSTITUTIONAL MILLAGE ROLLBACK

Article IX, Section 31 of the Michigan Constitution (also referred to as the "Headlee Amendment") requires that if the total value of existing taxable property (Taxable Valuation) in a local taxing unit, exclusive of new construction and improvements, increases faster than the U.S. Consumer Price Index from one year to the next, the maximum authorized tax rate for that local taxing unit must be reduced through a Millage Reduction Fraction unless new millage is authorized by a vote of the electorate of the local taxing unit.

SCHOOL DISTRICT TAX RATES - (Per $1,000 of Valuation)

The following table shows the total School District tax rates for the past four years and current year.

	2020	2019	2018	2017	2016
Operating – Voted	18.0000	18.0000	18.0000	18.0000	18.0000
Debt	4.1000	4.1000	4.6000	4.5400	4.5400
Sinking Fund	1.5934	1.1101	1.1142	1.1157	1.1200
Total Non-Principal Residence	23.6934	23.2101	23.7142	23.6557	23.6600
Total Principal Residence	5.6934	5.2101	5.7142	5.6557	5.6600

The School District levies voted operating millage on non-principal residence property and sinking fund millage and authorized debt millage on all taxable property within the School District. The voted operating millage expires with the 2030 levy. The sinking fund millage expires with the 2029 levy.

OTHER JURISDICTIONS' TAX RATES - (Per $1,000 of Valuation)

The following table provides the 2019 and 2018 tax rates for select municipal units of government that overlap with the School District's boundaries.

	2019	2018
State Education Tax	6.0000	6.0000
Wayne County	7.8220	7.8220
City of Livonia	13.3510	13.8927
City of Westland	18.8112	18.8798
Huron Clinton Metro Authority	0.2117	0.2129
Wayne County Arts Authority	0.2000	0.2000
Wayne County Zoological Authority	0.1000	0.1000
Wayne RESA	5.4643	5.4643

Source: Wayne County Equalization Department

TAX LEVIES AND COLLECTIONS

The School District's fiscal year begins July 1 and ends June 30. School District property taxes are due July 1 and December 1 of each fiscal year and are payable without interest on or before the following September 14 and February 14, respectively, without penalty on or before the following February 14. All real property taxes remaining unpaid on March 1st of the year following the levy are turned over to the County Treasurer for collection. Wayne County (the "County") annually pay from its Tax Payment Funds delinquent taxes on real property to all taxing units in the County, including the School District, shortly after the date delinquent taxes are returned to the County Treasurer for collection.

A history of operating tax levies and collections for the School District is as follows:

Levy Year	Operating Tax Levy	Collections to March 1, Each Year		Collections Plus Funding to June 30, Each Year	
2020	$51,009,416	(In process of collection)		N/A	
2019	48,768,861	$47,954,824	98.33%	$48,768,861	100.00%
2018	47,220,977	46,253,645	97.95	47,220,977	100.00
2017	46,853,100	45,887,483	97.94	46,856,100	100.01
2016	46,034,943	44,988,084	97.73	46,015,283	99.96

RETIREMENT PLAN

For the period October 1 through September 30, the School District pays an amount equal to a percentage of its employees' wages to the Michigan Public School Employees Retirement System ("MPSERS"), which is a statewide retirement plan for employees of Michigan public schools administered by the State of Michigan. These contributions are established and required by law and are calculated by using the contribution rates as determined annually by the State.

MPSERS is a cost-sharing, multi-employer, statewide plan. Pension benefits, and retiree health benefits, are established by law and funded through employer contributions. The cost of retiree health benefits is funded annually on a pay-as-you-go basis, with retirees paying some of the costs. Current year liability for retiree health benefits is reflected in the figures provided below. Further information regarding MPSERS, including retiree health benefits, can be found at www.michigan.gov/orsschools.

Public Act 75 of 2010 ("Act 75") significantly modified MPSERS and among other provisions required all employees hired after July 1, 2010 to participate in a new Pension Plus Plan which provides a combined defined benefit and defined contribution structure. Public Act 92 of 2017 ("Act 92") further modified MPSERS for all employees hired on or after February 1, 2018. Act 92 requires all employees hired on or after February 1, 2018 to elect to participate in a new 401(k) style defined contribution plan or a new hybrid plan with different assumptions and cost sharing.

Contribution to MPSERS

The School District's estimated annual contribution to MPSERS for the 2019-20 school year and the previous four school years are shown below:

Fiscal Year Ended 30-Jun	Amount
2020	$38,910,881*
2019	37,454,251
2018	37,702,936
2017	35,301,008
2016	33,855,743

Effective for fiscal years beginning after June 15, 2014, GASB Statement 68 requires all reporting units in a multi-employer cost sharing pension plan to record a balance sheet liability for their proportionate share of the net pension liability of the plan. The School District implemented GASB 68 in its year ended June 30, 2015 financial statements. In its June 30, 2019 financial statements, the School District reported a proportionate share of the net pension liability of $333,583,678 as of September 30, 2018.

*Estimated

Source: Audited Financial Statements and School District

OTHER POST EMPLOYMENT BENEFITS

Effective for fiscal years beginning after June 15, 2017, GASB Statement 75 requires all reporting units in a multi-employer cost sharing OPEB plan to record a balance sheet liability for their proportionate share of the net OPEB liability of the plan. The School District implemented GASB 75 in its year ended June 30, 2018 financial statements. In its June 30, 2019 financial statements, the School District reported a proportionate share of the net OPEB liability of $88,042,409 as of September 30, 2018.

Source: Audited Financial Statements and School District

LABOR RELATIONS

The School District has labor agreements with the following employee groups. The agreements all provide for complete and comprehensive salary, wage, fringe benefit and working conditions provisions. The number of employees and duration of the agreements are as follows:

Employee Group	No. of Employees	Affiliation	Exp. Date of Contract
Central Administrators	9	Non-Affiliated	N/A
Supervisors	10	Non-Affiliated	N/A
Administrative Assistants	3	Non-Affiliated	N/A
Administrators/Principals	52	LEADS	06/30/22
Teachers	931	LEA/MEA/NEA	08/15/22
Secretaries	83	LSA	06/30/22
Custodial/Maint./Food Svc./Trans.	255	AFSCME	06/30/22
Head Custodians	44	SEALS	06/30/22
Para Professionals	244	LPA	06/30/22
Monitors/Vocational Tech/Other	167	Non-Affiliated	N/A
TOTAL	1,798		

The School District has not experienced a strike by any of its bargaining units within the past ten years.

DEBT STATEMENT - (As of 09/24/20 – including the Bonds described herein)

DIRECT DEBT:

Dated Date	Purpose	Bond Type	Final Maturity	Principal Outstanding before Refunding	Refunding (Refunded) Bonds	Principal Outstanding after Refunding
06/27/13	Building & Site	UTNQ	05/01/43	$83,375,000	($79,075,000)	$4,300,000
02/13/14	Refunding	UTNQ	05/01/25	27,705,000	(4,180,000)	23,525,000
02/24/16	Building & Site	UTNQ	05/01/45	71,650,000	0	71,650,000
10/21/20	Refunding	UTNQ	05/01/43	0	90,770,000	90,770,000
NET DIRECT DEBT				$182,730,000		$190,245,000

OVERLAPPING DEBT:

Percent Share	Municipality	Net Debt	District's Share
95.15%	City of Livonia	$22,515,000	$21,423,023
29.21	City of Westland	28,115,000	8,212,392
10.65	Wayne County	281,016,697	29,928,278
10.47	Wayne RESA	0	0
30.50	Schoolcraft Comm. College	48,275,000	14,723,875

TOTAL OVERLAPPING DEBT	$74,287,568
NET DIRECT AND OVERLAPPING DEBT	$264,532,568

Source: Municipal Advisory Council of Michigan

OTHER DEBT

The School District has no short-term borrowing outstanding.

DEBT HISTORY

The School District has no record of default on its obligations.

FUTURE FINANCING

The School District does not have plans for any capital financings in the next 12 months.

DEBT RATIOS

Estimated School District Population	112,110
2020 Taxable Value	$4,696,825,974
2020 State Equalized Value (SEV)	$5,913,207,350
2020 True Cash Value (TCV)	$11,826,414,700
Per Capita 2020 Taxable Value	$41,894.80
Per Capita 2020 State Equalized Value	$52,744.69
Per Capita 2020 True Cash Value	$105,489.38
Per Capita Net Direct Debt	$1,696.95
Per Capita Net Direct and Overlapping Debt	$2,359.58
Percent of Net Direct Debt of 2020 Taxable Value	4.05%
Percent of Net Direct and Overlapping Debt of 2020 Taxable Value	5.63%
Percent of Net Direct Debt of 2020 SEV	3.22%
Percent of Net Direct and Overlapping Debt of 2020 SEV	4.47%
Percent of Net Direct Debt of 2020 TCV	1.61%
Percent of Net Direct and Overlapping Debt of 2020 TCV	2.24%

LEGAL DEBT MARGIN - (As of 09/24/20 – including the Bonds described herein)

2020 State Equalized Value		$5,913,207,350
Legal Debt Limit - 15% of SEV		$886,981,103
Total Bonded Debt Outstanding	$190,245,000	
Less: SLRF Qualified Bonds[1]	0	
Net Amount Subject to Legal Debt Limit		190,245,000
LEGAL DEBT MARGIN AVAILABLE		$696,736,103

[1] Section 1351(3) of Act 451, Public Acts of Michigan, 1976, as amended, provides that the bonded indebtedness of a school district shall not exceed 15% of the total assessed valuation of the district. Bonds not included in the computation of the legal debt margin are (1) any bond qualified under Article IX, Section 16 of the Michigan constitution of 1963, and (2) deficit budget bonds as authorized under Section 1356. In addition, Section 605 of Act 34, Public Acts of Michigan, 2001, as amended, provides, in relevant part, that debt evidenced by a refunding security shall not be deemed to be within any statutory or charter limitation of outstanding debt limit.

EMPLOYMENT CHARACTERISTICS

Listed below are the largest employers that are located within the School District and Wayne County:

Employer	Product or Service	Approx. No. of Employees
Within the School District (250 or more employees)		
The Bartech Group	Technology	2,500
Roush Industries (HQ)	Automotive & Race Car Parts	2,400
Livonia Public Schools School District	Education	1,798
Trinity Health-Catholic Health Care Systems	Health Care Provider	1,400
Schoolcraft College	Higher Education	1,365
ZF North America, Inc. (HQ)	Automotive Suspension Components	1,200
TRW Automotive	Automotive Supplier	1,197
ZF Friedrichshafen AG	Advanced Active Safety Systems	1,164
Ford Motor Company (included below)	Automobile Transmissions	1,000
St. Mary's Hospital	Health Care Provider	990
NYX, Inc. (HQ)	Plastic Injection	980
Valassis Communications, Inc.	Offset & Color Printing	800
Madonna University	Higher Education	768
Quality Metalcraft, Inc.	Auto Stampings	650
City of Livonia	Government	500
Technicolor Video Services	Video Cassettes Duplication	500
Tower Automotive, Inc. (HQ)	Metal Stampings	400
PSI Repair Services, Inc.	Robotic Parts	360
Walmart	Retail	350
AM General, LLC	Commercial/Military Vehicles	339
Harvard Drug Group, LLC (HQ)	Pharmaceuticals	300
Workforce Software	Management Software	300
McKesson Pharmacy Systems, Inc.	Pharmacy Mgmt. Software	250
Meijer	Retail	250
Wayne County (15 Largest Employers)		
Ford Motor Company	Automotive	42,740
Rock Ventures	Investment & Real Estate	17,819
Henry Ford Health System	Health Care System	10,008
City of Detroit	Government	9,565
Beaumont Health	Health Care System	9,096
Detroit Medical Center	Health Care System	8,738
U.S. Government	Government	6,279
General Motors Co.	Automotive Manufacturer	5,932
Wayne State University	Higher Education	5,910
FCA US LLC	Automotive Manufacturer	5,778
Detroit Public Schools	Education	5,700
Ilitch Companies	Food, Sports & Entertainment	5,630

Source: 2019 Michigan Manufacturers Directory, Crain's Detroit Business Book of Lists 2019 edition, Manta via www.manta.com and individual employers.

As a result of the restrictions put in place by the various Executive Orders of the Governor of the State of Michigan, some entities listed above may be currently closed. See "POTENTIAL IMPACT OF COVID-19 PANDEMIC ON THE SCHOOL DISTRICT" in this Official Statement.

EMPLOYMENT BREAKDOWN

The U.S. Census Bureau, 2014-2018 American Community Survey reports the occupational breakdown of persons 16 years and over for the City of Livonia and County of Wayne as follows:

	City of Livonia		County of Wayne	
	Number	Percent	Number	Percent
PERSONS BY OCCUPATION	48,717	100.00%	734,480	100.00%
Management, Business, Science & Arts	21,388	43.91	237,631	32.36
Service	7,358	15.10	146,307	19.92
Sales & Office	10,988	22.55	161,317	21.96
Natural Resources, Construction & Maintenance	3,421	7.02	49,969	6.80
Production, Transportation & Material Moving	5,562	11.42	139,256	18.96

The U.S. Census Bureau, 2014-2018 American Community Survey reports the breakdown by industry for persons 16 years and over in the City of Livonia and County of Wayne are as follows:

	City of Livonia		County of Wayne	
	Number	Percent	Number	Percent
PERSONS BY INDUSTRY	48,717	100.00%	734,480	100.00%
Agriculture, Forestry, Fishing, Hunting & Mining	63	0.13	2,316	0.32
Construction	2,404	4.93	30,291	4.12
Manufacturing	8,220	16.87	130,381	17.75
Wholesale Trade	1,468	3.01	17,593	2.40
Retail Trade	4,587	9.42	77,964	10.61
Transportation, Warehousing & Utilities	2,113	4.34	44,301	6.03
Information	724	1.49	11,257	1.53
Finance, Insurance & Real Estate	3,914	8.03	41,328	5.63
Professional, Scientific & Management Services	5,201	10.68	76,338	10.39
Educational, Health & Social Services	11,412	23.43	166,094	22.62
Arts, Entertainment, Recreation & Food Services	4,457	9.15	77,406	10.54
Other Services except Public Administration	2,487	5.10	35,211	4.79
Public Administration	1,667	3.42	24,000	3.27

UNEMPLOYMENT

The U.S. Department of Labor, Bureau of Labor Market Statistics, reports unemployment averages for the City of Livonia and the County of Wayne as compared to the State of Michigan as follows:

Annual Average	City of Livonia	County of Wayne	State of Michigan
July, 2020*	5.7%	12.4%	9.5%
2019	2.2	5.1	4.1
2018	2.3	5.2	4.1
2017	2.5	5.6	4.6
2016	2.8	6.3	5.0

*The above unemployment figures reflect job losses arising from the recent COVID-19 pandemic.

POPULATION BY AGE

The 2010 U.S. Census estimate of population by age for the City of Livonia and County of Wayne are as follows:

	City of Livonia		County of Wayne	
	Number	Percent	Number	Percent
Total Population	96,942	100.00%	1,820,584	100.00%
0 through 18 years	22,532	23.24	518,587	28.48
19 through 64 years	57,244	59.05	1,071,294	58.85
65 years and over	17,166	17.71	230,703	12.67
Median Age	44.5 years		41.0 years	

INCOME

The U.S. Census Bureau, 2014-2018 American Community Survey estimates of household income for the City of Livonia and County of Wayne are as follows:

	City of Livonia		County of Wayne	
	Number	Percent	Number	Percent
HOUSEHOLDS BY INCOME	37,107	100.00%	676,587	100.00%
Less than $ 10,000	1,224	3.30	78,679	11.63
$ 10,000 to $ 14,999	799	2.15	40,678	6.01
$ 15,000 to $ 24,999	2,271	6.12	78,856	11.65
$ 25,000 to $ 34,999	2,820	7.60	73,805	10.91
$ 35,000 to $ 49,999	4,179	11.26	91,961	13.59
$ 50,000 to $ 74,999	6,810	18.35	111,924	16.55
$ 75,000 to $ 99,999	6,019	16.22	71,375	10.55
$100,000 to $149,999	7,766	20.94	75,669	11.18
$150,000 to $199,999	2,976	8.02	27,756	4.10
$200,000 or MORE	2,243	6.04	25,884	3.83
Median Income	$76,819		$45,321	

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APPENDIX B

GENERAL FUND BUDGET SUMMARIES AND COMPARATIVE FINANCIAL STATEMENTS

Livonia Public Schools School District
General Fund Budget Summaries

	As Amended 2019/20	As Adopted 2020/21
Revenues		
Local Sources	$35,813,808	$36,555,269
State Sources	108,296,859*	105,721,059
Federal Sources	30,089	1,037,107
Incoming Transfers & Other Transactions	7,297,205	8,759,205
Total Revenues	$151,437,961	$152,072,640
Expenditures		
Instructional Services		
Basic Program	$76,799,832	$77,903,351
Added Needs	18,463,996	18,771,246
Support		
Pupil	8,646,458	8,674,224
Instructional Staff	7,046,021	6,966,076
General Administration	861,693	873,396
School Administration	9,700,356	9,897,964
Business Services	2,104,708	2,056,028
Operation & Maintenance	15,910,490	16,221,320
Transportation	8,221,630	8,842,875
Other Central Support	3,959,994	3,794,937
Athletics	2,249,514	2,110,229
Community Services		
Community Recreation	125,952	87,100
Custody & Child Care	2,868,619	2,742,227
Total Expenditures	$156,959,263	$158,940,973
Excess of Expenditures (over) under Revenues	($5,521,302)*	($6,868,333)
Other Financing Sources (Uses)		
Transfers Out	(20,000)	(20,000)
Total Other Financing Sources (Uses)	($20,000)	($20,000)
Net Change in Fund Balance	($5,541,302)	($6,888,333)
Beginning Fund Balance - July 1	$30,898,559	$25,357,257*
Projected Fund Balance - June 30	$25,357,257*	$18,468,924

Source: School District

*The revenue from State sources listed for 2019/20 includes a $650 per pupil cut in funding based on revenue estimates published by the Senate Fiscal Agency on May 19, 2020. On July 22, 2020, the Senate Fiscal Agency published subsequent guidance that indicated the actual cut to K-12 schools would be $175 per pupil. This change is expected to result in an additional $6.5 million of revenue from State sources above what is listed in the final amended budget. As a result, it is expected expenditures will not exceed revenues in 2019/20 and the projected ending fund balance will be in line with or higher than the beginning fund balance for that year. This will also positively impact the beginning fund balance for fiscal year 2020/21.

Livonia Public Schools School District
General Fund

Comparative Balance Sheet

	For Fiscal Years Ended June 30th		
	2017	2018	2019
Assets			
Cash and Investments	$24,158,637	$28,107,553	$30,021,834
Receivables			
Taxes Receivable	16,228	--	563,926
Accounts Receivable	106,603	58,949	765,492
Due from Other Governmental Units	22,971,944	23,995,677	24,592,378
Due from Other Funds	44,640	24,614	4,928,557
Inventory	112,346	106,757	114,134
Prepaid Assets	13,515	6,100	70,253
Total Assets	$47,423,913	$52,299,650	$61,056,574
Liabilities			
Accounts Payable	$899,585	$1,106,009	$918,750
Accrued Liabilities & Other	10,090,888	10,375,299	10,719,975
Due to Other Governmental Units	2,113,749	2,075,927	3,338,669
Due to Other Funds	15,439,453	14,235,794	12,950,909
Unearned Revenue	1,827,235	1,360,713	1,616,664
Deferred Inflows of Resources			
Unavailable Revenue	$365,443	$615,685	$613,048
Total Liabilities & Deferred Inflow of Resources	$30,736,353	$29,769,427	$30,158,015
Fund Balance			
Nonspendable:			
Inventory & Prepaid Assets	$125,861	$112,857	$184,387
Committed:			
Approved Purchases	--	845,571	1,512,860
Assigned:			
Subsequent Year's Budget	--	1,085,575	1,146,967
Unassigned	16,561,699	20,486,220	28,054,345
Total Fund Balance	$16,687,560	$22,530,223	$30,898,559
Total Liabilities, Deferred Inflows of	$47,423,913	$52,299,650	$61,056,574

Source: Audited Financial Statements

Livonia Public Schools School District
General Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

	For Fiscal Years Ended June 30th		
	2017	2018	2019
Revenue			
Local Sources	$30,436,499	$30,324,533	$31,141,319
State Sources	115,258,737	118,198,597	117,545,521
Federal Sources	6,581,072	6,348,051	6,485,955
Interdistrict Sources	5,958,283	8,160,139	10,029,120
Total Revenue	$158,234,591	$163,031,320	$165,201,915
Expenditures			
Current:			
Instruction	$89,987,733	$95,499,300	$96,925,400
Supporting Services	54,366,476	56,854,587	56,707,048
Athletics	1,981,261	2,247,341	2,153,158
Community Services	3,432,908	3,408,786	2,925,453
Capital Outlay	520,676	544,738	1,405,240
Payments to Other Public Schools (ISDs, LEAs)	47,131	--	--
Interdistrict Payments	--	59,838	--
Total Expenditures	$150,336,185	$158,614,590	$160,116,299
Excess of Revenue Over (Under) Expenditures	$7,898,406	$4,416,730	$5,085,616
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	$66,594	$425,933	$1,762,131
Operating Transfers In	1,820,000	2,300,000	1,520,589
Operating Transfers Out	(1,420,780)	(1,300,000)	--
Other	4,816	--	--
Total Other Financing Sources (Uses)	$470,630	$1,425,933	$3,282,720
Excess of Revenue & Other Sources Over (Under) Expenditures & Other Uses	$8,369,036	$5,842,663	$8,368,336
Fund Balance - Beginning	$8,318,524	$16,687,560	$22,530,223
Fund Balance - Ending	$16,687,560	$22,530,223	$30,898,559

Source: Audited Financial Statements

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APPENDIX C

AUDITED FINANCIAL STATEMENTS

The auditor was not requested to examine or review and therefore has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds and accordingly has not conducted any post-audit review procedures and will not express any opinion with respect to the accuracy or completeness of such financial documents, statements or materials.

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Independent Auditor's Report

To the Board of Education
Livonia Public Schools

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools (the "School District") as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise Livonia Public Schools' basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Livonia Public Schools as of June 30, 2019 and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Education
Livonia Public Schools

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Livonia Public Schools' basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, is 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 7, 2019 on our consideration of Livonia Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 Livonia Public Schools' internal control over financial reporting and compliance.

October 7, 2019

This section of Livonia Public Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2019. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

Using This Annual Report

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Livonia Public Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term, as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds, the General Fund, the Special Education Fund, and the 2013 Bond Series II Fund, with all other funds presented in one column as nonmajor funds. One of the remaining statements, the statement of fiduciary net position, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. The other remaining statements related to the School District's Health and Welfare Fund.

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplemental Information

Budgetary Comparison Schedule - General Fund

Budgetary Comparison Schedule - Major Special Revenue Fund

Schedule of Proportionate Share of the Net Pension Liability

Schedule of Pension Contributions

Schedule of Proportionate Share of the Net OPEB Liability

Schedule of OPEB Contributions

Other Supplemental Information

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

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

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

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

Reporting the School District's Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Agency Funds and Trust Funds

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

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. The following table provides a summary of the School District's net position as of June 30, 2019 and 2018:

	Governmental Activities	
	2019	2018
	(in millions)	
Assets		
Current and other assets	$ 87.3	$ 106.2
Capital assets	264.4	247.6
Total assets	351.7	353.8
Deferred Outflows of Resources	119.2	63.4
Liabilities		
Current liabilities	30.2	32.8
Noncurrent liabilities	211.9	222.8
Net pension liability	333.6	287.2
Net OPEB liability	88.0	97.9
Total liabilities	663.7	640.7
Deferred Inflows of Resources	63.9	39.2
Net Position		
Net investment in capital assets	69.2	66.8
Restricted	4.4	3.2
Unrestricted	(330.3)	(332.7)
Total net position	**$ (256.7)**	**$ (262.7)**

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was $(256.7) million at June 30, 2019. Net investment in capital assets totaling $69.2 million compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position ($(330.3) million) was unrestricted.

The $(330.3) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. This deficit includes the impact of the Governmental Accounting Standards Board (GASB) requirement to report the School District's portion of the net pension and OPEB liabilities on its statement of net position. Absent the net pension and OPEB liabilities, the unrestricted net position of the School District would be positive $33.5 million. The unrestricted net position balance enables the School District to meet working capital and cash flow requirements, as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2019 and 2018:

	Governmental Activities	
	2019	2018
	(in millions)	
Revenue		
Program revenue:		
Charges for services	$ 7.2	$ 7.6
Operating grants	59.9	59.3
General revenue:		
Taxes	46.7	47.6
State aid not restricted to specific purposes	91.5	91.2
Other	3.9	1.2
Total revenue	209.2	206.9
Expenses		
Instruction	109.5	103.5
Support services	66.4	68.1
Athletics	2.2	2.2
Food services	3.7	3.6
Community services	3.0	3.4
Interdistrict payments	-	0.1
Debt service	8.6	8.4
Depreciation expense (unallocated)	9.8	9.3
Total expenses	203.2	198.6
Change in Net Position	6.0	8.3
Net Position - Beginning of year (as restated) (Note 9)	(262.7)	(271.0)
Net Position - End of year	**$ (256.7)**	**$ (262.7)**

As reported in the statement of activities, the cost of all of our governmental activities this year was $203.2 million. Certain activities were partially funded from those who benefited from the programs ($7.2 million) or by other governments and organizations that subsidized certain programs with grants and contributions ($59.9 million). We paid for the remaining "public benefit" portion of our governmental activities with $46.7 million in taxes, $91.5 million in state foundation allowance, and with $3.9 million of other revenue (i.e., interest and general entitlements).

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

The School District's Funds

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

As the School District completed this year, the governmental funds reported a combined fund balance of $56.6 million, which is a decrease of $15.1 million from last year. This decrease is primarily the result of expending the proceeds from the 2013 Bond Series II on capital project expenditures that have included major upgrades to school buildings across the School District and the continuation of technology infrastructure upgrades throughout the School District.

The School District is pleased to report that in the General Fund, our principal operating fund, the fund balance increased from $22.5 million to $30.9 million. The presence of a fund balance allows the School District to better manage the impact of myriad things, such as midyear reductions in funding, declining enrollment, and increased healthcare costs, all while avoiding drastic changes in educational programs and/or employee layoffs during the school year. The increase is a direct result of a district priority focus on establishing financial stability. Our goal is to be responsible stewards of our district's finances and resources and to use our financial resources to maximize educational achievement, sustain effective programming, and promote an environment of fiscal responsibility. General Fund revenue (including proceeds from sale of capital assets) was $3.5 million higher in 2018-2019 than in the 2017-2018 school year. Increased proceeds from the sale of capital assets, a larger reimbursement of our special education-related transportation costs, and higher interest earnings on our investments account for a large portion of the increased revenue.

Fund balance of our special revenue funds decreased from $1.6 million last year to $1.5 million this year, primarily as a result of the planned use of some of the fund balance in our Food Service Fund.

Combined, the fund balance of our debt service funds increased $0.5 million. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Millage rates were lowered in 2018 to 4.1 mills from 4.54 mills in 2017, but due to the increased property tax values, the levy still generated additional revenue in excess of the debt service payments due in fiscal year 2019. This fund balance is reserved and is required to remain in the debt service funds to be used for future debt service payments.

Combined, the fund balance of our capital project funds decreased $23.9 million. This decrease was planned and is primarily due to continued construction related to the 2013 bond issues and repairs made possible through our voter-approved sinking fund. The fund balances in our capital project funds will continue to decrease as the School District utilizes the funds for the purposes approved by the community.

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted in June 2019. 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.

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

During the course of the 2018-2019 school year, General Fund (excluding the Funded Projects Fund) budgeted revenue and proceeds from sales of capital assets were increased from the original budget by $3.9 million. The increased revenue was a result of a few different revenue items: additional revenue from the Wayne County Enhancement Millage, sales of capital assets beyond what was originally budgeted, increased earnings on investments, a larger reimbursement of special education-related costs over what was reimbursed by the intermediate school district and the State the previous year, and an increase in certain categorical revenue from the State. Budgeted expenditures were adjusted down $0.7 million from the original budget primarily to align staffing costs with actual staffing levels.

There were no significant variances between the final budget and actual amounts. Actual revenue and expenditure variances were less than 2 percent from the final budget, which is in line with sound budgeting practices.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2019, the School District had $264.4 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of approximately $16.7 million, or 6.8 percent, from last year.

	Governmental Activities	
	2019	2018
Land	$ 6,487,078	$ 6,603,825
Construction in progress	17,388,890	31,024,918
Buildings and improvements	223,828,397	192,738,863
Furniture and equipment	11,293,737	12,400,290
Buses and other vehicles	5,379,629	4,879,251
Total capital assets - Net of accumulated depreciation	**$ 264,377,731**	**$ 247,647,147**

This year's additions of $26.7 million included vehicles, buses, cafeteria equipment, technology, and building renovations. This year marked the sixth year of major expenditures of the 2013 bond proceeds. Major renovation and upgrade projects that were started in the 2017-2018 school year and completed during the 2018-2019 school year included work at Buchanan Elementary, Webster Elementary, Jackson Early Childhood Center, the Livonia Career and Technical Center, and Churchill High School. Also continued this fiscal year were district-wide technology equipment purchases and infrastructure upgrades. We present more detailed information about our capital assets in the notes to the financial statements.

Debt

At the end of this year, the School District had $192.0 million in bonds outstanding versus $200.7 million in the previous year - a change of 4.4 percent. Those bonds consisted of the following:

Those bonds consisted of the following:

	2019	2018
General obligation bonds	$ 191,950,000	$ 200,705,000

The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt" (i.e., debt backed by the State of Michigan), such obligations are not subject to this debt limit. The School District's outstanding unqualified general obligation debt of $192.0 million is significantly below the statutorily imposed limit.

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

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration considered many factors when setting the School District's 2019-2020 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2020 fiscal year is 10 percent of the February 2019 student count and 90 percent of the October 2019 student count. The 2019-2020 budget was adopted in June 2019 based on an estimate of students who will enroll in September 2019. Based on early enrollment data at the start of the 2019 school year, we anticipate that the fall student count will be approximately 80-90 students higher than the estimates used in creating the 2019-2020 budget. Once the final student count and related per pupil funding are validated, the School District will amend the budget based on the impact of the actual student. The School District amends the budget throughout the year to reflect the most accurate projections in revenue, including state aid, local revenue, and other revenue sources. We also amend our budgeted expenditures based on our analysis of potential changes in staffing, benefit costs, utilities, and other costs.

One additional revenue source that alleviates pressure on the General Fund is the availability of Sinking Fund revenue. The School District's current Sinking Fund levy, which generates approximately $5 million per year, will expire in December 2019. The School District put forth a Sinking Fund replacement proposal on August 6, 2019, and voters approved the millage. This replacement Sinking Fund levy will begin in calendar year 2020 and is estimated to generate $7 million per year, which will go towards supporting the School District's long-term facility needs. In addition, these funds will be used for instructional technology purchases and security improvements.

Contacting the School District's Management

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

Statement of Net Position

June 30, 2019

	Governmental Activities
Assets	
Cash and investments (Note 4)	$ 30,722,247
Receivables:	
Property taxes receivable	779,873
Other receivables	911,200
Due from other governments	24,704,636
Inventory	145,199
Prepaid expenses and other assets	119,300
Restricted assets - Cash and cash equivalents (Note 4)	29,937,048
Capital assets - Net (Note 6)	264,377,731
Total assets	351,697,234
Deferred Outflows of Resources	
Deferred pension costs (Note 9)	104,115,364
Deferred OPEB costs (Note 9)	15,071,216
Total deferred outflows of resources	119,186,580
Liabilities	
Accounts payable	8,278,607
Due to other governmental units	6,915,958
Accrued liabilities and other	13,373,007
Unearned revenue (Note 5)	1,616,664
Noncurrent liabilities:	
Due within one year: (Note 8)	
Compensated absences	516,864
Current portion of bonds and contracts payable	10,296,501
Due in more than one year (Note 8)	201,126,626
Net pension liability (Note 9)	333,583,678
Net OPEB liability (Note 9)	88,042,409
Total liabilities	663,750,314
Deferred Inflows of Resources	
Deferred benefit on bond refunding (Note 8)	2,486,911
Revenue in support of pension contributions made subsequent to the measurement date (Note 9)	12,214,482
Deferred pension cost reductions (Note 9)	29,375,160
Deferred OPEB cost reductions (Note 9)	19,791,589
Total deferred inflows of resources	63,868,142
Net Position	
Net investment in capital assets	69,224,567
Restricted:	
Debt service	2,349,450
Capital projects	1,997,084
Unrestricted	(330,305,743)
Total net position	**$ (256,734,642)**

See notes to financial statements.

Statement of Activities

Year Ended June 30, 2019

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Governmental Activities: Net (Expense) Revenue and Changes in Net Position
Functions/Programs				
Primary government - Governmental activities:				
Instruction	$ 109,425,254	$ 71,926	$ 35,935,933	$ (73,417,395)
Support services	66,441,205	86,617	22,025,250	(44,329,338)
Athletics	2,186,243	913,083	-	(1,273,160)
Food services	3,728,421	1,759,508	1,984,062	15,149
Community services	3,019,470	4,336,280	-	1,316,810
Interest	8,618,045	-	-	(8,618,045)
Other debt costs	28,892	-	-	(28,892)
Depreciation expense (unallocated) (Note 6)	9,755,527	-	-	(9,755,527)
Total primary government	**$ 203,203,057**	**$ 7,167,414**	**$ 59,945,245**	(136,090,398)
General revenue:				
Taxes:				
Property taxes levied for general purposes				23,689,263
Property taxes levied for debt service				18,091,449
Property taxes levied for capital projects				4,893,204
State aid not restricted to specific purposes				91,461,427
Interest and investment earnings				1,426,596
Gain on sale of capital assets				2,140,263
Other				358,136
Total general revenue				142,060,338
Change in Net Position				5,969,940
Net Position - Beginning of year				(262,704,582)
Net Position - End of year				**$(256,734,642)**

See notes to financial statements.

Governmental Funds Balance Sheet

June 30, 2019

	General Fund	Special Education Fund	2013 Bond Series II Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments (Note 4)	$ 30,021,834	$ -	$ -	$ 700,413	$ 30,722,247
Receivables:					
Property taxes receivable	563,926	-	-	215,947	779,873
Other receivables	765,492	-	-	145,708	911,200
Due from other governments	24,592,378	-	-	112,258	24,704,636
Due from other funds (Note 7)	4,928,557	5,286,143	-	2,731,111	12,945,811
Inventory	114,134	-	-	31,065	145,199
Prepaid expenses and other assets	70,253	-	-	6,061	76,314
Restricted assets (Note 4)	-	-	13,645,025	16,292,023	29,937,048
Total assets	**$ 61,056,574**	**$ 5,286,143**	**$ 13,645,025**	**$ 20,234,586**	**$ 100,222,328**
Liabilities					
Accounts payable	$ 918,750	$ 9,334	$ 1,903,839	$ 2,334,172	$ 5,166,095
Due to other governmental units	3,338,669	3,569,350	7,939	-	6,915,958
Due to other funds (Note 7)	12,950,909	-	-	4,922,939	17,873,848
Accrued liabilities and other	10,719,975	751,083	-	2,315	11,473,373
Unearned revenue (Note 5)	1,616,664	-	-	-	1,616,664
Total liabilities	29,544,967	4,329,767	1,911,778	7,259,426	43,045,938
Deferred Inflows of Resources - Unavailable revenue (Note 5)	613,048	-	-	-	613,048
Fund Balances					
Nonspendable - Inventory and prepaid expenses	184,387	-	-	37,126	221,513
Restricted:					
Debt service	-	-	-	3,808,658	3,808,658
Capital projects	-	-	11,733,247	6,753,534	18,486,781
Food service	-	-	-	530,292	530,292
Committed - Approved purchases	1,512,860	-	-	-	1,512,860
Assigned:					
Subsequent year's budget	1,146,967	-	-	-	1,146,967
Capital projects	-	-	-	1,845,550	1,845,550
Center programs	-	956,376	-	-	956,376
Unassigned	28,054,345	-	-	-	28,054,345
Total fund balances	30,898,559	956,376	11,733,247	12,975,160	56,563,342
Total liabilities, deferred inflows of resources, and fund balances	**$ 61,056,574**	**$ 5,286,143**	**$ 13,645,025**	**$ 20,234,586**	**$ 100,222,328**

See notes to financial statements.

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

June 30, 2019

Fund Balances Reported in Governmental Funds	$ 56,563,342
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
Cost of capital assets	417,243,211
Accumulated depreciation	(152,865,480)
Net capital assets used in governmental activities	264,377,731
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	613,048
Deferred inflows related to bond refundings are not reported in the funds	(2,486,911)
Bonds payable, including premiums, are not due and payable in the current period and are not reported in the funds	(209,155,950)
Accrued interest is not due and payable in the current period and is not reported in the funds	(1,459,208)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(2,784,041)
Net pension liability and related deferred inflows and outflows	(258,843,474)
Net OPEB liability and related deferred inflows and outflows	(92,762,782)
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	(12,214,482)
Internal service funds (Health and Welfare Fund) are included as part of governmental activities	1,418,085
Net Position of Governmental Activities	**$ (256,734,642)**

Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2019

	General Fund	Special Education Fund	2013 Bond Series II Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Local sources	$ 31,141,319	$ -	$ 524,656	$ 25,101,212	$ 56,767,187
State sources	117,545,521	5,256,750	-	1,220,708	124,022,979
Federal sources	6,485,955	-	-	1,981,472	8,467,427
Interdistrict sources	10,029,120	9,140,815	-	-	19,169,935
Total revenue	165,201,915	14,397,565	524,656	28,303,392	208,427,528
Expenditures					
Current:					
Instruction	96,925,400	9,085,753	-	-	106,011,153
Support services	56,707,048	3,948,164	299,804	165,845	61,120,861
Athletics	2,153,158	-	-	-	2,153,158
Food services	-	-	-	3,683,962	3,683,962
Community services	2,925,453	-	-	-	2,925,453
Debt service:					
Principal	-	-	-	8,755,000	8,755,000
Interest	-	-	-	9,926,450	9,926,450
Other debt costs	-	-	-	28,892	28,892
Capital outlay	1,405,240	63,570	19,193,554	10,046,884	30,709,248
Total expenditures	160,116,299	13,097,487	19,493,358	32,607,033	225,314,177
Excess of Revenue Over (Under) Expenditures	5,085,616	1,300,078	(18,968,702)	(4,303,641)	(16,886,649)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets (Note 6)	1,762,131	-	-	-	1,762,131
Transfers in (Note 7)	1,520,589	-	-	-	1,520,589
Transfers out (Note 7)	-	(1,320,589)	-	(200,000)	(1,520,589)
Total other financing sources (uses)	3,282,720	(1,320,589)	-	(200,000)	1,762,131
Net Change in Fund Balances	8,368,336	(20,511)	(18,968,702)	(4,503,641)	(15,124,518)
Fund Balances - Beginning of year	22,530,223	976,887	30,701,949	17,478,801	71,687,860
Fund Balances - End of year	**$ 30,898,559**	**$ 956,376**	**$ 11,733,247**	**$ 12,975,160**	**$ 56,563,342**

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

Year Ended June 30, 2019

Net Change in Fund Balances Reported in Governmental Funds	$ (15,124,518)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capitalized capital outlay	26,682,979
Depreciation expense	(9,755,527)
Net book value of assets disposed of	(196,868)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(2,637)
Revenue in support of pension contributions made subsequent to the measurement date	(817,157)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds	10,257,829
Interest expense is recognized in the government-wide statements as it accrues	(194,424)
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(3,973,933)
Internal service funds (Health and Welfare Fund) are included as part of governmental activities	(905,804)
Change in Net Position of Governmental Activities	**$ 5,969,940**

Proprietary Funds
Statement of Net Position

June 30, 2019

	Internal Service Fund - Health and Welfare Fund
Assets	
Current assets:	
Due from other funds (Note 7)	$ 3,648,780
Prepaid expenses and other assets	42,986
Total assets	3,691,766
Liabilities	
Current liabilities:	
Accounts payable	1,833,255
Claims payable (Note 10)	440,426
Total liabilities	2,273,681
Net Position - Unrestricted	**$ 1,418,085**

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

Year Ended June 30, 2019

	Internal Service Fund - Health and Welfare Fund
Operating Revenue	
Employee contributions	$ 3,626,182
Employee contributions - Purchased insurance	545,942
Charges for services	15,753,208
Total operating revenue	19,925,332
Operating Expenses	
Cost of insurance claims	207,159
Employee premiums - Purchased insurance	545,942
Premiums and administrative costs	20,078,035
Total operating expenses	20,831,136
Change in Net Position	(905,804)
Net Position - Beginning of year	2,323,889
Net Position - End of year	**$ 1,418,085**

C-9

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2019

	Internal Service Fund - Health and Welfare Fund
Cash Flows from Operating Activities	
Receipts from interfund services and reimbursements	$ 20,403,058
Claims, premium, and administrative fees paid	(20,403,058)
Net Change in Cash	-
Cash - Beginning of year	-
Cash - End of year	**$ -**
Reconciliation of Change in Net Position to Net Cash from Operating Activities	
Change in net position	$ (905,804)
Adjustments to reconcile change in net position to net cash from operating activities -	
Changes in assets and liabilities:	
Due from other	708,096
Deposits	139,752
Accounts payable	69,672
Claims payable	(11,716)
Net cash provided by operating activities	**$ -**

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2019

	Scholarship	Student Activity
Assets		
Cash and investments	$ 35,088	$ -
Due from other funds (Note 7)	-	1,284,875
Total assets	35,088	$ 1,284,875
Liabilities		
Accounts payable	-	$ 25,837
Due to agency fund activities	-	1,259,038
Due to other funds (Note 7)	5,618	-
Total liabilities	5,618	$ 1,284,875
Net Position - Restricted for endowments	$ 29,470	

C-10

Livonia Public Schools

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2019

	Scholarship
Additions - Local sources	$ 500
Deductions - Scholarships awarded	3,029
Change in Net Position	(2,529)
Net Position - Beginning of year	31,999
Net Position - End of year	$ 29,470

Note 1 - Nature of Business

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

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

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

Reporting Entity

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

Report Presentation

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

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

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

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

Basis of Accounting

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

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

Note 2 - Significant Accounting Policies (Continued)

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

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

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

Fund Accounting

<u>Governmental Funds</u>

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Special Education Fund is a special revenue fund used to account for the proceeds of revenue sources that are restricted for special education center program expenditures. Any operating deficit generated by these activities is the responsibility of the General Fund.
- The 2013 Bond Series II Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring equipment and technology and for remodeling and equipping school facilities. The fund operates until the purpose for which it was created is accomplished.

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

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.
- Capital projects funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, equipment, and technology upgrades and for remodeling and repairs. The funds operate until the purpose for which they were created is accomplished.
- The Sinking Fund is used to record the Sinking Fund property tax levy and other revenue and the disbursement of invoices specifically designated for acquiring new school sites and construction or repair of school buildings and sites.

Note 2 - Significant Accounting Policies (Continued)

- Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.
- The 2012 Capital Projects Fund is used to account for the proceeds derived from the sale of real estate. These proceeds will be held in trust in a special capital project fund identified separately from any other capital project funds, which shall be used for purchasing other real estate for the School District and/or for renovating, replacing, or developing real estate, facilities, or capital equipment, as authorized by the Board of Education.

Proprietary Fund

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

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the School District's programs. Activities that are reported as fiduciary include the following:

- The Private Purpose Trust Fund is used to account for resources legally held in trust, including contributions received by the School District to be awarded in the form of scholarships.
- The Agency Fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. This fund is used to record the transactions of student groups for schools and school-related purposes. The funds are segregated and are held for the students.

Interfund Activity

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

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

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. The investments in commercial paper, U.S. Treasury bonds, and federal agency bonds are valued at amortized cost. Investment income is recorded in the fund for which the investment account was established.

Note 2 - Significant Accounting Policies (Continued)

Inventories and Prepaid Items

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

Restricted Assets

The following amounts are reported as restricted assets:

- Unspent bond proceeds and related interest of the capital projects funds required to be set aside for construction
- Unspent property taxes levied in the debt service funds and Sinking Fund are required to be set aside for future bond principal and interest payments, school building construction or repair, and capital projects

Capital Assets

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

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

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

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

Long-term Obligations

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

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

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

Deferred Outflows/Inflows of Resources

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

Note 2 - Significant Accounting Policies (Continued)

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

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

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

Net Position

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

C-13

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

In the fund financial statements, governmental funds report the following components of fund balance:

- Nonspendable: Amounts that are not in spendable form or are legally or contractually required to be maintained intact.
- Restricted: Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose.
- Committed: Amounts that have been formally set aside by the Board of Education for use for specific purposes. Commitments are made and can be rescinded only via resolution of the Board of Education.

Note 2 - Significant Accounting Policies (Continued)

- Assigned: Intent to spend resources on specific purposes expressed by the Board of Education, superintendent, or finance committee, which is authorized by resolution approved by the Board of Education to make assignments.
- Unassigned: Amounts that do not fall into any other category above. This is the residual classification for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

Property Tax Revenue

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

Grants and Contributions

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

Pension and Other Postemployment Benefit (OPEB) Plans

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

Employee-related Liabilities

The employment-related liabilities reported in the government-wide statements consist of earned but unused accumulated vacation and sick leave benefits. A liability for these amounts is reported in governmental funds as it comes due for payment. The liability for compensated absence has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments at normal retirement age and other employees who are expected to become eligible in the future to receive such payments upon normal retirement are included.

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

Note 2 - Significant Accounting Policies (Continued)

Use of Estimates

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

Upcoming Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The School District has evaluated the impact this standard will have on the financial statements. As of July 1, 2019, the School District will report the activities and related balances currently reported as fiduciary in the Agency Fund in a newly created special revenue fund.

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

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

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

The General Fund budget is presented consistent with the original and amended budgets adopted. The budget for funded projects was adopted separately, and a separate budget for these activities has been presented accordingly.

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

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

Excess of Expenditures Over Appropriations in Budgeted Funds

The School District did not have significant expenditure budget variances.

Note 4 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper rated prime at the time of purchase that matures 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.

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

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost except for that investments may not be redeemed for at least 14 calendar days with certain exceptions for the MILAF MAX Class investments. Redemptions made prior to the applicable 14-day period are subject to a penalty equal to 15 days' interest on the amount redeemed.

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At year end, the School District had $1,668,817 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The School District believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy. At June 30, 2019, there were no investment securities that were uninsured and unregistered.

Interest Rate Risk

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

Note 4 - Deposits and Investments (Continued)

Credit Risk

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

Investment	Carrying Value	Rating	Rating Organization
Federal Money Market Fund*	$ 16,992,436	AAAmf	Moody's
U.S. Treasury Securities Money Market Fund*	29,983,242	AAAmf	Moody's
Michigan Liquid Asset Fund - Investment Pool*	12,347,113	AAAm	S & P
Total	$ 59,322,791		

*Investment fair value reported at amortized cost

Concentration of Credit Risk

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

Foreign Currency Risk

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

Note 5 - Unavailable/Unearned Revenue

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

At June 30, 2019, the various components of unearned and unavailable revenue were as follows:

	Governmental Funds	
	Deferred Inflow - Unavailable	Liability - Unearned
Unavailable proceeds from sale of land for use in the current period	$ 575,000	$ -
Delinquent property taxes	38,048	-
Grant and categorical aid payment received prior to meeting all eligibility requirements	-	1,340,943
Program fees and tuition	-	216,955
Other	-	58,766
Total	$ 613,048	$ 1,616,664

Note 6 - Capital Assets

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

	Balance July 1, 2018	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2019
Capital assets not being depreciated:					
Land	$ 6,603,825	$ -	$ -	$ (116,747)	$ 6,487,078
Construction in progress	31,024,918	(17,277,209)	3,641,181	-	17,388,890
Subtotal	37,628,743	(17,277,209)	3,641,181	(116,747)	23,875,968
Capital assets being depreciated:					
Buildings and improvements	317,603,064	17,277,209	21,701,656	-	356,581,929
Furniture and equipment	27,139,644	-	292,737	-	27,432,381
Buses and other vehicles	8,706,133	-	1,047,405	(400,605)	9,352,933
Subtotal	353,448,841	17,277,209	23,041,798	(400,605)	393,367,243
Accumulated depreciation:					
Buildings and improvements	124,864,201	-	7,889,331	-	132,753,532
Furniture and equipment	14,739,354	-	1,399,290	-	16,138,644
Buses and other vehicles	3,826,882	-	466,906	(320,484)	3,973,304
Subtotal	143,430,437	-	9,755,527	(320,484)	152,865,480
Net capital assets being depreciated	210,018,404	17,277,209	13,286,271	(80,121)	240,501,763
Net governmental activities capital assets	$ 247,647,147	$ -	$ 16,927,452	$ (196,868)	$ 264,377,731

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

The School District reported a $575,000 deferred inflow related to unavailable revenue on the governmental funds balance sheet for the unreceived sale proceeds.

Construction Commitments

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

	Spent to Date	Remaining Commitment
Sinking Fund	$ 3,545,975	$ 4,444,865
2013 Bond Fund - Series II	19,953,273	2,131,747
Total	$ 23,499,248	$ 6,576,612

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Fund Due To	Fund Due From: General Fund	Private Purpose Trust Fund	Nonmajor Funds	Total
General Fund	$ -	$ 5,618	$ 4,922,939	$ 4,928,557
Special Education Fund	5,286,143	-	-	5,286,143
Internal service - Health and Welfare Fund	3,648,780	-	-	3,648,780
Agency Fund	1,284,875	-	-	1,284,875
Nonmajor funds	2,731,111	-	-	2,731,111
Total	$ 12,950,909	$ 5,618	$ 4,922,939	$ 17,879,466

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

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
Special Education Fund	General Fund	$ 1,320,589
Nonmajor governmental funds	General Fund	200,000
	Total	$ 1,520,589

Transfers from the Special Education Fund and Food Service Fund to the General Fund help offset the indirect costs of running those programs incurred in the General Fund.

Note 8 - Long-term Debt

Long-term debt activity for the year ended June 30, 2019 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
Other debt - General obligation	$ 200,705,000	$ -	$ (8,755,000)	$ 191,950,000	$ 9,220,000
Unamortized bond premiums	18,282,451	-	(1,076,501)	17,205,950	1,076,501
Total bonds payable	218,987,451	-	(9,831,501)	209,155,950	10,296,501
Compensated absences	3,804,143	-	(1,020,102)	2,784,041	516,864
Total governmental activities long-term debt	$ 222,791,594	$ -	$ (10,851,603)	$ 211,939,991	$ 10,813,365

The School District had deferred inflows of $2,486,911 related to deferred benefit on bond refundings at June 30, 2019.

Note 8 - Long-term Debt (Continued)

General Obligation Bonds and Contracts

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The School District's qualified bonds are fully guaranteed by the State of Michigan. The primary source of any required repayment is from the School District's property tax levy; however, the State of Michigan may withhold the School District's state aid funding in order to recover amounts it has paid on behalf of the School District. General obligations outstanding at June 30, 2019 are as follows:

Purpose	Remaining Annual Installments	Interest Rates	Maturing May 1	Outstanding
$65,025,000 qualified refunding bonds	$4,125,000 - $7,810,000	4.00 - 5.00%	2025	$ 34,800,000
$103,330,000 qualified school building and site bonds	$850,000 - $5,550,000	4.00 - 5.00%	2043	84,225,000
$76,180,000 qualified school building and site bonds	$1,275,000 - $4,175,000	5.00%	2045	72,925,000
Total governmental activities				$ 191,950,000

Debt Service Requirements to Maturity

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

Years Ending June 30	Governmental Activities - Other Debt: Principal	Interest	Total
2020	$ 9,220,000	$ 9,496,950	$ 18,716,950
2021	9,680,000	9,044,450	18,724,450
2022	10,160,000	8,560,450	18,720,450
2023	7,210,000	8,061,450	15,271,450
2024	7,425,000	7,700,950	15,125,950
2025-2029	30,580,000	33,818,450	64,398,450
Thereafter	117,675,000	50,230,000	167,905,000
Total	$ 191,950,000	$ 126,912,700	$ 318,862,700

Note 9 - Michigan Public School Employees' Retirement System

Plan Description

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

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the pension and postemployment healthcare plans. That report is available on the web at http://www.michigan.gov/orsschools, or by writing to the Office of Retirement System (ORS) at 7150 Harris Drive, P.O. Box 30171, Lansing, MI 48909.

Note 9 - Michigan Public School Employees' Retirement System (Continued)

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and 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 for the defined benefit pension plan and the postemployment healthcare plan.

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

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

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

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

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

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

Contributions

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

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

Livonia Public Schools

Notes to Financial Statements

June 30, 2019

Note 9 - Michigan Public School Employees' Retirement System (Continued)

Under Public Act 300 of 2012, members were given the choice between continuing the 3 percent contribution to the retiree health care and keeping the premium subsidy benefit described above, or choosing not to pay the 3 percent contribution and, instead, opting out of the subsidy benefit and becoming 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 percent employee contribution into their 457 account as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stopped paying the 3 percent contribution to the retiree health care as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

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

The range of rates is as follows:

	Pension	OPEB
October 1, 2017 - January 31, 2018	13.54% - 17.89%	7.42% - 7.67%
February 1, 2018 - September 30, 2018	13.54% - 19.74%	7.42% - 7.67%
October 1, 2018 - September 30, 2019	13.39% - 19.59%	7.57% - 7.93%

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

The School District's required and actual pension contributions to the plan for the year ended June 30, 2019 were $29,507,472, which include the School District's contributions required for those members with a defined contribution benefit. The School District's required and actual pension contributions include an allocation of $12,214,482 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2019.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2019 were $7,691,668, which include the School District's contributions required for those members with a defined contribution benefit.

Net Pension Liability

At June 30, 2019, the School District reported a liability of $333,583,678 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2017, which used updated procedures to roll forward the estimated liability to September 30, 2018. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2018 and 2017, the School District's proportion was 1.11 percent.

Note 9 - Michigan Public School Employees' Retirement System (Continued)

Net OPEB Liability

At June 30, 2019, the School District reported a liability of $88,042,409 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2019 was measured as of September 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2017, which used updated procedures to roll forward the estimated liability to September 30, 2018. The School District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2018 and 2017, the School District's proportion was 1.11 percent.

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

For 2019, the School District recognized pension expense of $39,421,916, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2019, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,547,891	$ (2,424,095)
Changes in assumptions	77,257,705	-
Net difference between projected and actual earnings on pension plan investments	-	(22,808,644)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	341,002	(4,142,421)
The School District's contributions to the plan subsequent to the measurement date	24,968,766	-
Total	$ 104,115,364	$ (29,375,160)

The $12,214,482 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2020	$ 19,536,749
2021	14,745,774
2022	10,963,820
2023	4,525,095
Total	$ 49,771,438

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

C-18

Note 9 - Michigan Public School Employees' Retirement System (Continued)

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

For the year ended June 30, 2019, the School District recognized OPEB expense of $4,325,359.

At June 30, 2019, 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	$ -	$ (16,386,954)
Changes in assumptions	9,323,736	-
Net difference between projected and actual earnings on OPEB plan investments	-	(3,383,680)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	147,313	(20,955)
Employer contributions to the plan subsequent to the measurement date	5,600,167	-
Total	$ 15,071,216	$ (19,791,589)

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

Years Ending	Amount
2020	$ (2,552,313)
2021	(2,552,313)
2022	(2,552,313)
2023	(1,862,135)
2024	(801,466)
Total	$ (10,320,540)

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2018 are based on the results of an actuarial valuation as of September 30, 2017 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00% - 7.05%	Net of investment expenses based on the groups
Investment rate of return - OPEB	7.15%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75 percent for 2019 and 3.50 percent for 2018
Healthcare cost trend rate - OPEB	7.50%	Year 1 graded to 3.0 percent year 12
Mortality basis		RP2014 Male and Female Employee Annuitant Mortality tables, scaled 100 percent (retirees: 82 percent for males and 78 percent for females) and adjusted for mortality improvements using projection scale MP2017 from 2006
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

Note 9 - Michigan Public School Employees' Retirement System (Continued)

Assumption changes as a result of an experience study for the periods from 2012 to 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2017 valuation.

Discount Rate

The discount rate used to measure the total pension liability was 6.00 to 7.05 percent as of September 30, 2018 depending on the plan option. The discount rate used to measure the total OPEB liability was 7.15 percent as of September 30, 2018. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	28.00 %	5.70 %
Private equity pools	18.00	9.20
International equity pools	16.00	7.20
Fixed-income pools	10.50	0.50
Real estate and infrastructure pools	10.00	3.90
Absolute return pools	15.50	5.20
Short-term investment pools	2.00	-
Total	100.00 %	

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

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

	1 Percent Decrease (5.00 - 6.05%)	Current Discount Rate (6.00 - 7.05%)	1 Percent Increase (7.00 - 8.05%)
Net pension liability of the School District	$ 437,969,605	$ 333,583,678	$ 246,855,941

Note 9 - Michigan Public School Employees' Retirement System (Continued)

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

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

	1 Percent Decrease (6.15%)	Current Discount Rate (7.15%)	1 Percent Increase (8.15%)
Net OPEB liability of the School District	$ 105,693,121	$ 88,042,409	$ 73,196,003

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

The following presents the net OPEB liability of the School District, calculated using the current healthcare cost trend rate. It also reflects what the School District's net OPEB 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:

	1 Percent Decrease (6.50%)	Current Rate (7.50%)	1 Percent Increase (8.50%)
Net OPEB liability of the School District	$ 72,413,911	$ 88,042,409	$ 105,971,486

Pension Plan and OPEB Plan Fiduciary Net Position

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

Payable to the Pension Plan and OPEB Plan

At June 30, 2019, the School District reported a payable of $4,730,732 and $614,108 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2019.

Note 10 - Risk Management

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

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

Note 10 - Risk Management (Continued)

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

	2019	2018
Estimated liability - Beginning of year	$ 452,142	$ 783,970
Estimated claims incurred, including changes in estimates	207,159	154,593
Claim payments	(218,875)	(486,421)
Estimated liability - End of year	$ 440,426	$ 452,142

Note 11 - Tax Abatements

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

For the fiscal year ended June 30, 2019, the School District's property tax revenue was reduced by approximately $1,992,000 under these programs.

The School District is reimbursed for lost revenue caused by tax abatements on the operating millage of nonhomestead properties from the State of Michigan under the School Aid formula. The School District received approximately $1,328,000 in reimbursements from the State of Michigan. The School District is not reimbursed for lost revenue from the Sinking Fund or debt service millages. There are no abatements made by the School District.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	$ 29,324,677	$ 30,464,351	$ 31,006,482	$ 542,131
State sources	114,948,102	114,388,650	115,626,857	1,238,207
Federal sources	36,700	26,634	28,670	2,036
Interdistrict sources	7,524,801	9,708,495	10,029,120	320,625
Total revenue	151,834,280	154,588,130	156,691,129	2,102,999
Expenditures				
Current:				
Instruction:				
Basic programs	76,012,443	75,364,680	74,622,809	(741,871)
Added needs	15,015,709	16,198,236	16,196,655	(1,581)
Support services:				
Pupil	11,618,692	9,670,079	9,629,403	(40,676)
Instructional staff	6,648,543	6,463,940	6,353,235	(110,705)
General administration	1,026,855	951,466	815,896	(135,570)
School administration	9,532,197	9,431,857	9,364,429	(67,428)
Business	2,523,101	2,188,173	1,977,683	(210,490)
Operations and maintenance	15,901,031	16,614,854	16,463,251	(151,603)
Pupil transportation services	8,311,255	9,075,657	8,020,906	(1,054,751)
Central	3,372,970	3,336,867	3,280,172	(56,695)
Athletics	2,175,000	2,311,607	2,187,383	(124,224)
Community services	3,097,114	2,954,369	2,782,797	(171,572)
Interdistrict payments	59,945	-	-	-
Total expenditures	155,294,855	154,561,785	151,694,619	(2,867,166)
Excess of Revenue (Under) Over Expenditures	(3,460,575)	26,345	4,996,510	4,970,165
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	575,000	1,758,665	1,762,131	3,466
Transfers in	1,800,000	1,800,000	1,621,788	(178,212)
Transfers out	-	(12,093)	(12,093)	-
Total other financing sources	2,375,000	3,546,572	3,371,826	(174,746)
Net Change in Fund Balance	(1,085,575)	3,572,917	8,368,336	4,795,419
Fund Balance - Beginning of year	22,530,223	22,530,223	22,530,223	-
Fund Balance - End of year	**$ 21,444,648**	**$ 26,103,140**	**$ 30,898,559**	**$ 4,795,419**

Required Supplemental Information
Budgetary Comparison Schedule
General Fund - Funded Projects

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
Local sources	$ 116,936	$ 250,533	$ 134,837	$ (115,696)
State sources	1,667,302	2,190,216	1,918,664	(271,552)
Federal sources	6,160,000	7,018,602	6,457,285	(561,317)
Total revenue	7,944,238	9,459,351	8,510,786	(948,565)
Expenditures				
Current:				
Instruction	5,777,050	6,512,093	6,258,300	(253,793)
Support services	1,906,617	2,661,912	2,020,724	(641,188)
Community services	158,885	186,759	142,656	(44,103)
Total expenditures	7,842,552	9,360,764	8,421,680	(939,084)
Excess of Revenue Over Expenditures	101,686	98,587	89,106	(9,481)
Other Financing Sources (Uses)				
Transfers in	-	12,093	12,093	-
Transfers out	(101,686)	(110,680)	(101,199)	9,481
Total other financing uses	(101,686)	(98,587)	(89,106)	9,481
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	**$ -**	**$ -**	**$ -**	**$ -**

Required Supplemental Information
Budgetary Comparison Schedule
Major Special Revenue Fund
Special Education Fund

Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	(Under) Over Final Budget
Revenue				
State sources	$ 5,519,129	$ 5,662,556	$ 5,256,750	$ (405,806)
Interdistrict sources	11,006,461	10,513,707	9,140,815	(1,372,892)
Total revenue	16,525,590	16,176,263	14,397,565	(1,778,698)
Expenditures				
Current:				
Instruction	10,281,463	10,146,566	9,149,323	(997,243)
Support services	4,451,544	4,507,895	3,948,164	(559,731)
Total expenditures	14,733,007	14,654,461	13,097,487	(1,556,974)
Excess of Revenue Over Expenditures	1,792,583	1,521,802	1,300,078	(221,724)
Other Financing Uses - Transfers out	(1,800,000)	(1,500,000)	(1,320,589)	179,411
Net Change in Fund Balance	(7,417)	21,802	(20,511)	(42,313)
Fund Balance - Beginning of year	976,887	976,887	976,887	-
Fund Balance - End of year	**$ 969,470**	**$ 998,689**	**$ 956,376**	**$ (42,313)**

See notes to required supplemental information.

Livonia Public Schools

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

Last Five Plan Years

Plan Years Ended September 30

	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	1.10966 %	1.10839 %	1.11646 %	1.14578 %	1.15492 %
School District's proportionate share of the net pension liability	$ 333,583,678	$ 287,231,919	$ 278,547,083	$ 279,856,068	$ 254,389,073
School District's covered payroll	$ 94,116,658	$ 92,678,036	$ 93,062,218	$ 95,140,276	$ 96,119,058
School District's proportionate share of the net pension liability as a percentage of its covered payroll	354.44 %	309.92 %	299.31 %	294.15 %	264.66 %
Plan fiduciary net position as a percentage of total pension liability	62.12 %	63.96 %	63.01 %	62.92 %	66.20 %

See notes to required supplemental information.

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

Last Five Fiscal Years

Years Ended June 30

	2019	2018	2017	2016	2015
Statutorily required contribution	$ 29,162,712	$ 28,273,165	$ 26,551,658	$ 26,167,534	$ 20,507,422
Contributions in relation to the statutorily required contribution	29,162,712	28,273,165	26,551,658	26,167,534	20,507,422
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -
School District's Covered Payroll	$ 95,355,911	$ 93,813,172	$ 95,901,095	$ 92,940,215	$ 93,694,674
Contributions as a Percentage of Covered Payroll	30.58 %	30.14 %	27.69 %	28.16 %	21.89 %

See notes to required supplemental information.

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

Last Two Plan Years

Plan Years Ended September 30

	2018	2017
School District's proportion of the net OPEB liability	1.10760 %	1.10567 %
School District's proportionate share of the net OPEB liability	$ 88,042,409	$ 97,912,644
School District's covered payroll	$ 94,116,658	$ 92,678,036
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	93.55 %	105.65 %
Plan fiduciary net position as a percentage of total OPEB liability	43.10 %	36.53 %

See notes to required supplemental information.

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

Last Two Fiscal Years
Years Ended June 30

	2019	2018
Statutorily required contribution	$ 7,413,228	$ 6,728,930
Contributions in relation to the statutorily required contribution	7,413,228	6,728,930
Contribution Deficiency	$ -	$ -
School District's Covered Payroll	$ 95,355,911	$ 93,813,172
Contributions as a Percentage of Covered Payroll	7.77 %	7.17 %

C-24

See notes to required supplemental information.

Notes to Required Supplemental Information

June 30, 2019

Pension Information

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

Benefit Changes

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

Changes in Assumptions

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

- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percent.
- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percent.

OPEB Information

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

Benefit Changes

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

Changes in Assumptions

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

- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percent.

APPENDIX D

FORM OF LEGAL OPINION

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THRUN
LAW FIRM, P.C.

39555 ORCHARD HILL PLACE, SUITE 430
NOVI, MI 48375-5523
PHONE: (248) 533-0741
FAX: (248) 349-3237

DRAFT LEGAL OPINION

Livonia Public Schools School District
County of Wayne
State of Michigan

We have acted as bond counsel in connection with the issuance by Livonia Public Schools School District, County of Wayne, State of Michigan (the “Issuer”), of its bonds in the aggregate principal amount of $90,770,000 designated 2020 Refunding Bonds (General Obligation - Unlimited Tax) (Federally Taxable) (the “Bonds”). The Bonds are in fully registered form and issued without coupons, are dated October 21, 2020, are of $5,000 denomination or any integral multiple thereof, are subject to redemption prior to maturity at the option of the Issuer in the manner and at the times as set forth in the Bonds, mature on May 1 of each year, and bear interest payable on May 1, 2021, and semiannually thereafter on November 1 and May 1 of each year in the amounts and at the rates as follows:

Year	Amount	Rate	Year	Amount	Rate
2021	$1,000,000	0.311%	2033	$4,405,000	2.109%
2023	1,245,000	0.528	2034	4,420,000	2.209
2024	1,255,000	0.741	2035	4,435,000	2.309
2025	6,920,000	0.871	2036	4,470,000	2.516
2026	4,285,000	1.163	2037	4,510,000	2.616
2027	4,300,000	1.313	2038	4,545,000	2.716
2028	4,315,000	1.519	2039	4,580,000	2.816
2029	4,335,000	1.629	2040	4,615,000	2.866
2030	4,355,000	1.719	2041	4,645,000	2.916
2031	4,370,000	1.879	2042	4,670,000	2.966
2032	4,385,000	2.019	2043	4,710,000	3.016

We have examined the documents which we deem authentic and pertinent to the validity of the Bonds, including the certified record evidencing the authorization of the Bonds by the board of education of the Issuer, a copy of the approval of the Department of Treasury of the State of Michigan to issue the Bonds, and a specimen of the Bond certificates.

Based upon the foregoing, we are of the opinion that under existing law:

(1) the Bonds have been lawfully authorized and issued and are enforceable obligations of the Issuer in accordance with their terms;

(2) the Bonds are the general obligation of the Issuer for which its full faith, credit and resources have been irrevocably pledged;

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(3) the Issuer has the power, and is obligated, to levy taxes on all taxable property now situated within the corporate boundaries of the Issuer, without limitation as to rate or amount, sufficient to pay the principal of and interest on the Bonds;

(4) the Bonds and the interest thereon are exempt from all taxation in the State of Michigan, except inheritance and estate taxes and taxes on gains realized from the sale, payment or other disposition thereof; and

(5) the interest on the Bonds is included in gross income for federal income tax purposes.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement of such rights may also be subject to the exercise of judicial discretion in appropriate cases.

THRUN LAW FIRM, P.C.

TLF/MFH

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

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FORM OF
CONTINUING DISCLOSURE AGREEMENT

$90,770,000
LIVONIA PUBLIC SCHOOLS SCHOOL DISTRICT
COUNTY OF WAYNE
STATE OF MICHIGAN
2020 REFUNDING BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)
(FEDERALLY TAXABLE)

This Continuing Disclosure Agreement (the "Agreement") is executed and delivered by Livonia Public Schools School District, County of Wayne, State of Michigan (the "Issuer"), in connection with the issuance of its $90,770,000 2020 Refunding Bonds (General Obligation - Unlimited Tax) (Federally Taxable) (the "Bonds"). The Bonds are being issued pursuant to resolutions adopted by the Board of Education of the Issuer on August 17, 2020 and September 28, 2020 (together, the "Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Agreement is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with the Rule. The Issuer acknowledges that this Agreement does not address the scope of any application of Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act to the Annual Reports or notices of the Listed Events provided or required to be provided by the Issuer pursuant to this Agreement.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Agreement.

"Bondholder" means the registered owner of a Bond or any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including any person holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

"Dissemination Agent" means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access which provides continuing disclosure services for the receipt and public availability of continuing disclosure documents and related information required by Rule 15c2-12 promulgated by the SEC.

"Financial Obligation" shall mean (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b) provided; however, that a "Financial Obligation" shall not include any municipal security for which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

"Official Statement" shall mean the final Official Statement for the Bonds dated September 24, 2020.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Resolution" shall mean the resolutions duly adopted by the Issuer authorizing the issuance, sale and delivery of the Bonds.

"Rule" shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time.

"SEC" shall mean the Securities and Exchange Commission.

"State" shall mean the State of Michigan.

SECTION 3. Provision of Annual Reports.

(a) Each year, the Issuer shall provide, or shall cause the Dissemination Agent to provide, on or prior to the end of the sixth month after the end of the fiscal year of the Issuer commencing with the fiscal year ending June 30, 2020, to EMMA an Annual Report for the preceding fiscal year which is consistent with the requirements of Section 4 of this Agreement. Currently, the Issuer's fiscal year ends on June 30. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by specific reference other information as provided in Section 4 of this Agreement; provided, however, that if the audited financial statements of the Issuer are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements in a format similar to the financial statements contained in the Official Statement shall be included in the Annual Report.

(b) The Annual Report shall be submitted to EMMA either through a web-based electronic submission interface or through electronic computer-to-computer data connections with EMMA in accordance with the submission process, document format and configuration requirements established by the MSRB. The Annual Report shall also include all related information required by MSRB to accurately identify: (i) the category of information being provided; (ii) the period covered by the Annual Report; (iii) the issues or specific securities to which the Annual Report is related (including CUSIP number, Issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the Issuer; (v) the name and date of the document; and (vi) contact information for the Dissemination Agent or the Issuer's submitter.

(c) If the Issuer is unable to provide to EMMA an Annual Report by the date required in subsection (a), the Issuer shall send a notice in a timely manner to the MSRB in substantially the form attached as Appendix A.

(d) If the Issuer's fiscal year changes, the Issuer shall send a notice of such change to the MSRB in substantially the form attached as Appendix B. If such change will result in the Issuer's fiscal year ending on a date later than the ending date prior to such change, the Issuer shall provide notice of such change to the MSRB on or prior to the deadline for filing the Annual Report in effect when the Issuer operated under its prior fiscal year. Such notice may be provided to the MSRB along with the Annual Report, provided that it is filed at or prior to the deadline described above.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) audited financial statements of the Issuer prepared pursuant to State laws, administrative rules and guidelines and pursuant to accounting and reporting policies conforming in all material respects to generally accepted accounting principles as applicable to governmental units as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time; and

(b) additional annual financial information and operating data as set forth in the Official Statement under "CONTINUING DISCLOSURE".

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which previously have been provided to each of the Repositories or filed with the SEC. If the document included by specific reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Issuer covenants to provide, or cause to be provided, notice in a timely manner not in excess of ten business days of the occurrence of any of the following events with respect to the Bonds in accordance with the Rule:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
(7) modifications to rights of security holders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the securities, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the Issuer or other obligated person;
(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or other obligated person or the sale of all or substantially all of the assets of the Issuer or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
(15) incurrence of a Financial Obligation of the Issuer or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or other obligated person, any of which affect security holders, if material;
(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer or other obligated person, any of which reflect financial difficulties.

(b) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event would constitute material information for the Bondholders, provided, that any event other than those listed under Section 5(a)(1), (3), (4), (5), (9), (11) (only with respect to any change in any rating on the Bonds), (12) or (16) above will always be deemed to be material. Events listed under Section 5(a)(6) and (8) above will always be deemed to be material except with respect to that portion of those events which must be determined to be material.

(c) The Issuer shall promptly cause a notice of the occurrence of a Listed Event, determined to be material in accordance with the Rule, to be electronically filed with EMMA, together with a significant event notice cover sheet substantially in the form attached as Appendix C. In connection with providing a notice of the occurrence of a Listed Event described in Section 5(a)(9) above, the Issuer shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(d) The Issuer acknowledges that the "rating changes" referred to above in Section 5(a)(11) of this Agreement may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Issuer is liable.

(e) The Issuer acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

SECTION 6. Termination of Reporting Obligation.

(a) The Issuer's obligations under this Agreement shall terminate upon the legal defeasance of the Resolution or the prior redemption or payment in full of all of the Bonds.

(b) This Agreement, or any provision hereof, shall be null and void in the event that the Issuer (i) receives an opinion of nationally recognized bond counsel, addressed to the Issuer, to the effect that those portions of the Rule, which require such provisions of this Agreement, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion, and (ii) delivers notice to such effect to the MSRB.

SECTION 7. Dissemination Agent. The Issuer, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 8. Amendment. Notwithstanding any other provision of this Agreement, this Agreement may be amended, and any provision of this Agreement may be waived to the effect that:

(a) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the Issuer, or the types of business in which the Issuer is engaged;

(b) this Agreement as so amended or taking into account such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, in the opinion of independent legal counsel; and

(c) such amendment or waiver does not materially impair the interests of the Bondholders, in the opinion of independent legal counsel.

If the amendment or waiver results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Agreement, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. If the amendment or waiver involves a change in the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared based on the new accounting principles and those prepared based on the former accounting principles. The comparison should include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles should be sent by the Issuer to the MSRB. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution or the Bonds, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with the Agreement shall be an action to compel performance.

SECTION 11. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the Bondholders and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Agreement shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

LIVONIA PUBLIC SCHOOLS SCHOOL
DISTRICT
COUNTY OF WAYNE
STATE OF MICHIGAN

By:______________________________________
Its: Superintendent

Dated: October 21, 2020

APPENDIX A

NOTICE TO THE MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Livonia Public Schools School District, Wayne County, Michigan
Name of Bond Issue:	2020 Refunding Bonds (General Obligation - Unlimited Tax) (Federally Taxable)
Date of Bonds:	October 21, 2020

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of its Continuing Disclosure Agreement with respect to the Bonds. The Issuer anticipates that the Annual Report will be filed by ______________.

LIVONIA PUBLIC SCHOOLS SCHOOL
DISTRICT
COUNTY OF WAYNE
STATE OF MICHIGAN

By: ____
Its: Superintendent

Dated: _________________________

APPENDIX B

NOTICE TO THE MSRB OF CHANGE IN ISSUER'S FISCAL YEAR

Name of Issuer:	Livonia Public Schools School District, Wayne County, Michigan
Name of Bond Issue:	2020 Refunding Bonds (General Obligation - Unlimited Tax) (Federally Taxable)
Date of Bonds:	October 21, 2020

NOTICE IS HEREBY GIVEN that the Issuer's fiscal year has changed. Previously, the Issuer's fiscal year ended on ______________. It now ends on _________________.

LIVONIA PUBLIC SCHOOLS SCHOOL DISTRICT
COUNTY OF WAYNE
STATE OF MICHIGAN

By: ______________________________________
Its: Superintendent

Dated: ________________________

THRUN LAW FIRM, P.C.

APPENDIX C

SIGNIFICANT EVENT NOTICE COVER SHEET

This cover sheet and significant event notice should be provided in an electronic format to the Municipal Securities Rulemaking Board pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or other Obligated Person's Name: ______________________________

Issuer's Six-Digit CUSIP Number(s): ______________________________

or Nine-Digit CUSIP Number(s) to which this significant event notice relates: ______________________________

Number of pages of attached significant event notice: ______________________________

Description of Significant Events Notice (Check One):

1. ______ Principal and interest payment delinquencies
2. ______ Non-payment related defaults
3. ______ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ______ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ______ Substitution of credit or liquidity providers, or their failure to perform
6. ______ Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. ______ Modifications to rights of security holders
8. ______ Bond calls
9. ______ Tender offers
10. ______ Defeasances
11. ______ Release, substitution, or sale of property securing repayment of the securities
12. ______ Rating changes
13. ______ Bankruptcy, insolvency, receivership or similar event of the Issuer or other obligated person
14. ______ The consummation of a merger, consolidation, or acquisition involving the Issuer or other obligated person or the sale of all or substantially all of the assets of the Issuer or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms
15. ______ Appointment of a successor or additional trustee or the change of name of a trustee
16. ______ Incurrence of a financial obligation of the Issuer or other obligated person
17. ______ Agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation that affect security holders
18. ______ Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Issuer or other obligated person that reflect financial difficulties
19. ______ Other significant event notice (specify) ______________________________

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: ______________________________

Name: ______________________________ Title: ______________________________

Employer: ______________________________

Address: ______________________________

City, State, Zip Code: ______________________________

Voice Telephone Number: (____________)______________________________

The MSRB Gateway is www.msrb.org or through the EMMA portal at emma.msrb.org/submission/ Submission_Portal.aspx. Contact the MSRB at (703) 797-6600 with questions regarding this form or the dissemination of this notice. The cover sheet and notice may also be faxed to the MAC at (313) 963-0943.

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APPENDIX F

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on] Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ______________________________________
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

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Purpose • Passion • Pride

LIVONIA
PUBLIC SCHOOLS

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

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