

Leelanau Montessori Public School Academy (LMPSA)
Wednesday, October 18, 2023
8527 Government Center Dr. Suttons Bay, MI 49682

1. **Call to Order:** President Bordeaux called the meeting to order at 6:01 pm.
2. **Roll Call:** President Bordeaux, Vice President Abbott, Director Kuhn, Treasurer Lutke joined at 6:04pm

Absent: Director McConnell

Others: Arden Wilson-Head of School, Nora Goodell- Recording Secretary, Abby Mikolowski – Bay Mills

3. **Additions/Approval of October 18, 2023 Agenda:** Vice President Abbott moved to add a resolution to appoint a secretary after the strategic plan as Item #12.

MOVED BY Vice President Abbott SECONDED BY Director Kuhn TO APPROVE THE OCTOBER 18, 2023 MEETING AGENDA AS AMENDED.

YES: ALL NAYS: NONE ABSENT: 2 MOTION CARRIED

4. **Public Comment –** Arden thanks Michael Parsons and Erik Bahle for working the school land every week for 4-8 hours. It is looking beautiful. We appreciate it so much.
5. **Revisions/Approval of September 20, Minutes**

MOVED BY Vice President Abbott SECONDED BY Director Kuhn TO APPROVE THE September 20, 2023 REGULAR MEETING MINUTES AS PRESENTED.

YES: ALL NAYS: NONE ABSENT: 2 MOTION CARRIED

6. **Audit 2022-2023:** Phone with Nick West. Mr. West went over Financial Statements, noting the importance of state funding. Mr. West encouraged putting away funds, as we have, while funding is high. Treasurer Lutke asked about the Payroll Protection Loan as we still have a budget line in Deferred Revenue and where it goes. After the Statute of Limitations passes, it will move to another revenue line, however it will not show up on the fund balance now. Treasurer Lutke asked if it was included on a tax return or would be in 6 years. Mr. West said it would not be taxable income since we are a non-profit.

MOVED BY Treasurer Lutke and SECONDED BY Vice President Abbot TO APPROVE THE 2022-2023 AUDIT AS PRESENTED.

YES: ALL NAYS: NONE ABSENT: 1 MOTION CARRIED

7. **Head of School Report – Written Report.** We need substitute teachers. Behavior interventions are a big piece for instructors right now as well as

lessons in complex math, etc. Landscape Architect will start in November to draw a campus plan.

Questions: Vice President Abbott asked about signs for the school. HOS Wilson reminded Board that new signage is part of the IFF grant that is frozen. Treasurer Lutke inquired regarding preschool spots. HOS Wilson replied that 1e will not fill any spots until January in the preschool. President Bordeaux suggested that we use social media for finding substitutes.

Old Business

Committees

- a. **Academic Excellence – Did not meet. Deb did have a great meeting with a possible new member. Have a meeting scheduled. Wednesday before governance.**
- b. **Finance – Met on Tuesday and notes are attached. Treasurer Lutke will be sure new Accounting Manual aligns with suggestions from Audit.**
- c. **Governance – Notes attached. 2 members expiring in June. Officially went to 5-person board at last meeting. Nora will upload signed document in Epicenter.**
- d. **Grant – Will meeting next week**
- e. **Marketing – Not met; the school is growing the posts on social media a bit.**

Expansion Workgroup – Nothing to report

Motion to approve the September Financials and Committee notes BY DIRECTOR KUHN AND SECONDED BY TRESURER LUTKE

YES: ALL NAYS: NONE ABSENT: 1 MOTION CARRIED

New Business

8. **BMCC Annual Report – Attached. Abby informed Board that the Report shows what Bay Mills looks at and views it through the lens of growth. HOS Wilson asked if there is a Correction Action Plan prior to re-authorization. Abby explained that they send a letter after the initial presentation with areas for us to focus on an a possibility for a reply.**
9. **Board of Directors Manual – A reminder from Vice President Abbott that it is here and can be helpful of the Committee Goals**
10. **Strategic Plan – Another reminder to look at the Strategic Plan when working in committees. This will be examined on December 20th at 4pm during the Board Retreat. The Board will consider what to do at the Staff/Board Retreat on December 12th; what should we do? Bring it to November meeting.**
11. **APPROVAL OF APPOINTMENT OF ANITA ABBOTT AS SECRETARY RESOLUTION #23-2023.**

MOVED BY DIRECTOR KUHN SECONDED BY TREASURER LUTKE TO ADOPT RESOLUTION #23-2023 AS PRESENTED.

ROLL CALL: BORDEAUX-YES, ABBOTT-ABSTAIN, TREASURER LUTKE -YES, DIRECTOR KUHN – YES, DIRECTOR MCONNELL ABSENT

YES: ALL NAYS: NONE ABSTAIN: 1 ABSENT: 1 MOTION CARRIED

12. Public Comment HOS WILSON WANTED TO HEAR BOARD THOUGHTS WHEN THEY THINK OF EXPANSION. VICE-PRESIDENT ABBOTT WORRIES ABOUT FINANCING IT. TREASURER LUTKE WORRIES ABOUT FILLING THE SPOTS. DIRECTOR KUHN, "IF YOU BUILD IT, THEY WILL COME." THE BOARD DISCUSSED THE DIFFICULTY WITH TEST SCORES AND HOW TO MARKET THAT. DIRECTOR KUHN POINTED OUT THAT PEOPLE TEND TO SEE THINGS IN THEIR ENVIRONMENT AS GOOD ENOUGH. BORDEAUX FEELING DISCOMBOBULATED ON HOW TO ATTACK THE EXPANSION. TREASURER LUTKE WORRIES ABOUT MESSING UP OUR FINANCIAL HEALTH THAT WE HAVE WORKED SO HARD FOR.
13. Board Comment - THANK YOU TO DANI GERACI FOR ALL HER HARD WORK ON THE 5K.

**MOVED BY TREASURER LUTKE SECONDED BY VICE PRESIDENT ABBOTT TO
ADJOURN THE MEETING AT 7:30PM AS PRESENTED.**

YES: ALL NAYS: NONE ABSENT: 1 MOTION CARRIED


Secretary


Date

Leelanau Montessori Public School Academy (LMPSA)
Wednesday, September 20, 2023
Leelanau Montessori Public School Academy
7401 E Duck Lake Rd, Lake Leelanau, MI 49653

1. **Call to Order:** President Bordeaux called the meeting to order at 6:01PM
2. **Roll Call:** President Bordeaux, Vice President Abbott, Secretary LeFevre, Director McConnell. Director Kuhn joined at 6:18pm.

Absent: Treasurer Lutke

Others: Arden Wilson-Head of School, Nora Goodell- Recording Secretary, Abby – Bay Mills

3. **Additions/Approval of Amended September 20, 2023 Agenda**
 - a. **President Bordeaux amended the agenda to reflect item Item #9 to Resolution #22-2023**

MOVED BY VICE PRESIDENT ABBOTT SECONDED BY SECRETARY LEFEVRE TO APPROVE THE September, 20, 2023 MEETING AGENDA AS AMENDED.

YES: ALL NAYS: NONE ABSENT: 2 MOTION CARRIED

4. **Public Comment - NONE**
5. **Revisions/Approval of August 16, 2023 Meeting Minutes**

MOVED BY VICE PRESIDENT ABBOTT SECONDED BY DIRECTOR MCCONNELL TO APPROVE THE August 16, 2023 REGULAR MEETING MINUTES AS PRESENTED.

YES: ALL NAYS: NONE ABSENT: 2 MOTION CARRIED

6. **Head of School Report – HOS Wilson presented a written report which is attached.**

President Bordeaux asked how many 504s we have right now. HOS Wilson reported that we only have IEPs which are determined by the ISD evaluation. There are approximately 13 IEPs in the school.

HOS Wilson reported that there are 4 teachers who are seeking a Masters through Grand Valley. Most of the teachers will be working on ELA.

Old Business

7. **Committees**
 - a. **Academic Excellence – Did not meet. Director Kuhn will be the committee head. Secretary LeFevre will share contact information with**

Director Kuhn for interested parents Rebecca Clinton and Sheila Willobee. HOS Wilson shared the 6 points of focus for the Committee.

- b. Finance – Did not meet. Financials were presented and attached. Treasurer Lutke wondered what the deferred revenue line on the PPL? HOS Wilson is emailing Wes to ask for clarification.
- c. Governance – Met on September 13 and notes attached. Discussion with Abby regarding the ability to go to 5 person board.

MOTION TO decrease to a 5 member board as of the end of September BY VICE PRESIDENT ABBOTT AND SECONDED BY DIRECTOR KUHN.

YES: ALL NAYS: NONE ABSENT: 1 MOTION CARRIED

- d. Grant – Met 9/19 BY ZOOM. Notes submitted and attached.
- e. Marketing – Did not meet.

- 8. Expansion Workgroup – Notes from the meeting attached along with Architect and Expansion Proposals. HOS Wilson shared Master Plan. Step 1 would be to build the back building. HOS Wilson said we could send the designs to 2-3 contractors for bids to get a sense of what this would cost. The Expansion Workgroup recommended that the Board arrange to get on the Zoning Board's agenda as there is a 3 month wait. President Bordeaux sees herself as the leader to figure out how to put the plan into action. President Bordeaux and Director McConnell would go to the Zoning Meeting. Tom will be point person for the Construction.

MOTION TO APPROVE COMMITTEE NOTES AND July and August FINANCIALS BY Vice President Abbott AND SECONDED BY DIRECTOR McConnell

YES: ALL NAYS: NONE ABSENT: 1 MOTION CARRIED

New Business

- 9. **APPROVAL OF TEACHER ADMIN EVAL CERTIFICATION WARRANTY RESOLUTION #22-2023**

MOVED BY Vice President Abbott SECONDED BY DIRECTOR Kuhn TO APPROVE THE TEACHER/ADMIN EVALUATION AND EMPLOYEE CERTIFICATION WARRANTY

ROLL CALL: BORDEAUX-YES, MCCONNELL-YES, ABBOTT-YES, LEFEVRE-YES, KUHN - YES

YES: ALL NAYS: NONE ABSENT: 1 MOTION CARRIED

- 10. *Universal Access Presentation by Secretary LeFevre*
- 11. *Public Comment – Thank you to Derenda for all her contributions!*
- 12. *Board Comment – LMFF 5k Sunset Run on October 21st*
- 13. *Adjournment at 7:37pm*

MOVED BY DIRECTOR MCCONNELL SECONDED BY DIRECTOR KUHN TO ADJOURN THE MEETING AT PM AS PRESENTED.

YES: ALL NAYS: NONE ABSENT: 1 MOTION CARRIED

Secretary

Date

**LEELANAU MONTESSORI PUBLIC
SCHOOL ACADEMY**

**REPORT ON FINANCIAL STATEMENTS
(with required supplementary information)**

YEAR ENDED JUNE 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Leelanau Montessori Public School Academy

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Leelanau Montessori Public School Academy, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Leelanau Montessori Public School Academy's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Leelanau Montessori Public School Academy, as of June 30, 2023, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2023 on our consideration of Leelanau Montessori Public School Academy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Leelanau Montessori Public School Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Leelanau Montessori Public School Academy's internal control over financial reporting and compliance.

Maney Costeiran PC

September 19, 2023

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of Leelanau Montessori Public School Academy’s (Academy) annual financial report presents our discussion and analysis of the public school Academy’s financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the Academy’s financial statements, which immediately follow this section.

Financial Highlights

- The Academy had an increase in the fund balance in the general fund of \$136,195, compared to a budgeted increase of \$45,441. This gives the Academy a general fund balance of \$327,624.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management’s discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Academy:

- The first two statements are Academy-wide *financial statements* that provide both short-term and long-term information about the Academy’s overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the Academy, reporting the Academy’s operations in more detail than the Academy-wide statements.
- The *governmental funds* statements tell how basic services like regular and special education were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Academy’s budget for the year. Figure A-1 shows how the various parts of the annual report are arranged and related to one another.

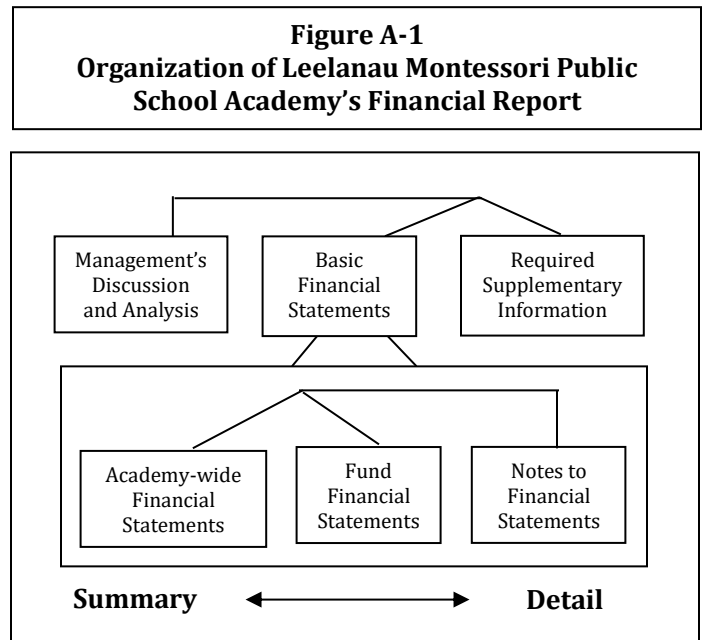


Figure A-2 summarizes the major features of the Academy’s financial statements, including the portion of the Academy’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2 Major Features of the Academy-wide and Fund Financial Statements

	Academy-wide Statements	Governmental Funds
Scope	Entire academy	All activities of the academy that are not fiduciary
Required financial statements	* Statement of net position * Statement of activities	* Balance sheet * Statement of revenues, expenditures, and changes in fund balances
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable

Academy-wide Statements

The Academy-wide statements report information about the Academy as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Academy’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Academy-wide statements report the Academy’s net position and how they have changed. Net position - the difference between the Academy’s assets, liabilities, and deferred inflows, is one way to measure the Academy’s financial health or position.

- Over time, increases or decreases in the Academy’s net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the Academy, you need to consider additional non-financial factors such as changes in the Academy’s enrollment, the condition of school buildings and other facilities, and the Academy’s ability to be competitive with other public school academies and area school districts.

Governmental activities - The Academy’s basic services are included here, such as regular and special education and administration. State foundation aid finances most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Academy's funds, focusing on its more significant or "major" funds - not the Academy as a whole. Funds are accounting devices the Academy uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law and by debt agreements.
- The Academy could establish other funds to control and manage money for particular purposes (like capital projects).

The Academy has one kind of fund:

All of the Academy's basic services are included in governmental funds which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Academy's programs. Because this information does not encompass the additional long-term focus of the Academy-wide statements, we provide additional information with the governmental funds statement that explains the relationship (or differences) between them.

Financial Analysis of the Academy as a Whole

Net position - the Academy's combined net position of \$686,238 increased by \$163,295 during the year. See Figures A-3 and A-4.

The total revenues amounted to \$1,508,073. The state aid foundation allowance included in revenue from state sources accounts for approximately 45% of the Academy's revenue.

The total cost of instruction amounted to \$729,746. Total support service amounted to \$476,480. Total community service amounted to \$33,101. Other expenses amounted to \$105,451.

Academy Governmental Activities

Figure A-3		
Leelanau Montessori Public School Academy's Net Position		
	2023	2022
Current assets	\$ 684,447	\$ 617,932
Capital assets	1,338,573	1,358,737
Total assets	<u>2,023,020</u>	<u>1,976,669</u>
Other liabilities	356,823	368,566
Long-term liabilities	979,959	1,027,223
Total liabilities	<u>1,336,782</u>	<u>1,395,789</u>
Deferred inflows of resources	-	57,937
Net position		
Net investment in capital assets	360,864	337,964
Unrestricted	325,374	184,979
Total net position	<u><u>\$ 686,238</u></u>	<u><u>\$ 522,943</u></u>

Figure A-4		
Changes in Leelanau Montessori Public School Academy's Net Position		
	2023	2022
Revenues		
Program revenues		
Operating grants	\$ 313,036	\$ 229,512
Charges for services	459,533	387,224
Total program revenues	<u>772,569</u>	<u>616,736</u>
General revenues		
State aid - unrestricted	683,298	633,222
Intermediate sources	6,081	9,018
Other	46,125	14,710
Total revenues	<u>1,508,073</u>	<u>1,273,686</u>
Expenses		
Instruction	729,746	569,391
Support services	476,480	453,552
Community service	33,101	17,868
Intergovernmental	31,781	30,761
Interest on long-term debt	63,768	65,806
Unallocated depreciation/amortization	9,902	9,902
Total expenses	<u>1,344,778</u>	<u>1,147,280</u>
Change in net position	<u><u>\$ 163,295</u></u>	<u><u>\$ 126,406</u></u>

Financial Analysis of the Academy's Funds

The Academy's general fund balance increased by \$136,195. Instruction expenditures amounted to \$730,077 and support service expenditures amounted to \$476,792. Instruction expenditures and support service expenditures increased because of additional grant funding, staffing, and programming additions.

General Fund Budgetary Highlights

Over the course of the year, the Academy revised the general fund annual operating budget when necessary. Changes were made in both revenue and expenditures which reflected anticipated increases in state aid, additional grant funding and actual salary figures for staff.

The Academy's final budget for the general fund anticipated revenues would exceed expenditures by \$45,441. The actual results for the year showed revenues over expenditures of \$136,195.

Actual revenues were \$57,005 less than budgeted.

Actual expenditures were \$147,759 less than budgeted, due primarily to the unspent grants and normal expected variances.

By the end of the year ended June 30, 2023, the Academy had invested \$1,338,573 in capital assets net of accumulated depreciation and amortization as summarized in Figure A-5. This amount represents a decrease of \$20,164 from the beginning of the year. Total depreciation and amortization expense for the year was \$45,164. More detailed information about capital assets can be found in Note 4 of the financial statements.

The Academy's capital assets are as follows:

	2023			2022
	Cost	Accumulated Depreciation/ Amortization	Net Book Value	Net Book Value
Land	\$ 84,828	\$ -	\$ 84,828	\$ 84,828
Building and additions	1,328,173	132,813	1,195,360	1,225,179
Land improvements	55,830	5,492	50,338	26,980
Furniture and Equipment	105,503	97,456	8,047	11,848
Right to use - portable classrooms	19,804	19,804	-	9,902
Total	\$ 1,594,138	\$ 255,565	\$ 1,338,573	1,358,737

Long-term Obligations

As of June 30, 2023, the Academy has obligations for compensated absences of \$2,250 and \$977,709 of direct borrowing and direct placements. More detailed information about long term debt can be found in Note 5 to the financial statements.

Factors Bearing on the Academy's Future

At the time these financial statements were prepared and audited, the Academy was aware of existing circumstances that could significantly affect its financial health in the future.

- The per pupil state aid foundation for 2023-24 is \$9,608. This is an increase from the previous school year. The Academy's fund balance will continue to be a major focus of the board/administration this year as raising our fund balance will allow us to ensure the necessary programming required for the Academy. Ensuring we have adequate funds for building maintenance, growth and operation is an essential consideration to maintain our fund balance. LMPSA received ESSER funds to help offset the cost of operating during a pandemic and to help support the academic integrity during a period of instructional loss. These monies are now allocated, and we must operate using state aid and tuition dollars.
- There is a continued commitment to develop board and staff capacity that supports student achievement. The goal is to raise student achievement and further enhance the positive perception of the education the Academy provides area students. This will positively impact student retention and the reputation of the Academy.
- Employment and economic opportunities impact the ability for families to live and work in the region. Demographic trends are unstable though enrollment continues to climb, staffing shortages in education is a local, regional, and national concern. The ability to retain and train qualified teachers will continue to be a focus moving forward. The difficulty in finding a teacher who possesses the appropriate state credentials, along with the Montessori training is challenging and costly.
- We are lacking square footage for expansion thus limiting our ability to achieve sustainability. LMPSA assumes that expanding early childhood programming will serve as a community service and sustain numbers as a feeder program to the Elementary portion of the school.
- Owning the Connie Binsfeld building and securing long-term leases with the current tenants creates financial stability and allows the school to continue focusing on student growth. LMPSA is considering costs of capital expansion and building improvements which will add to the financial pressure of the school.
- Board and management gave consideration to uphold the educational integrity of the program and increased salaries to align with area school teacher salaries and reflect our values as a school.
- Our student achievement data is lower than area schools. Stakeholders have reported this concern. Professional development and instructional coaching are a priority to increase our ability to use data to improve student achievement.

The Board of Education and management have taken appropriate steps to control cost. Primary consideration was given to maintaining the educational integrity of the program and increasing salaries to align with area school teacher salaries.

Contacting the Academy's Financial Management

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Academy's finances and to demonstrate the Academy's accountability for the money it receives. If you have questions about this report or need additional information, contact: Leelanau Montessori Public School Academy, 7401 E. Duck Lake Road, Lake Leelanau, MI 49653. We can be reached by phone at (231) 994-2074.

BASIC FINANCIAL STATEMENTS

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 421,797
Intergovernmental receivables	260,759
Prepays	1,891
Capital assets not being depreciated	84,828
Capital assets, net of accumulated depreciation/amortization	1,253,745
TOTAL ASSETS	2,023,020
LIABILITIES	
Accounts payable	38,686
Accrued expenditures	105,054
Unearned revenue	213,083
Noncurrent liabilities	
Due within one year	35,518
Due in more than one year	944,441
TOTAL LIABILITIES	1,336,782
NET POSITION	
Net investment in capital assets	360,864
Unrestricted	325,374
TOTAL NET POSITION	\$ 686,238

See notes to financial statements.

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	\$ 729,746	\$ 361,051	\$ 207,393	\$ (161,302)
Support services	476,480	87,115	76,937	(312,428)
Community service	33,101	11,367	28,706	6,972
Intergovernmental	31,781	-	-	(31,781)
Interest on long-term debt	63,768	-	-	(63,768)
Depreciation/amortization (unallocated)	9,902	-	-	(9,902)
Total governmental activities	<u>\$ 1,344,778</u>	<u>\$ 459,533</u>	<u>\$ 313,036</u>	<u>(572,209)</u>
General revenues				
State sources - unrestricted				683,298
Intermediate sources				6,081
Other				<u>46,125</u>
Total general revenues				<u>735,504</u>
CHANGE IN NET POSITION				163,295
Net position, beginning of year				<u>522,943</u>
Net position, end of year				<u>\$ 686,238</u>

See notes to financial statements.

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>General Fund</u>
ASSETS	
Cash and cash equivalents	\$ 421,797
Intergovernmental receivables	260,759
Prepays	<u>1,891</u>
TOTAL ASSETS	<u>\$ 684,447</u>
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	\$ 38,686
Accrued expenditures	105,054
Unearned revenue	<u>213,083</u>
TOTAL LIABILITIES	<u>356,823</u>
FUND BALANCES	
Nonspendable	
Prepays	1,891
Assigned	
Subsequent year expenditures	61,079
Unassigned	<u>264,654</u>
TOTAL FUND BALANCES	<u>327,624</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 684,447</u>
Total governmental fund balances	\$ 327,624
 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:	
The cost of the capital assets is	\$ 1,594,138
Accumulated depreciation/amortization is	(255,565)
	1,338,573
Long-term liabilities that are not due and payable in the current period and are not reported in the funds:	
Long-term obligations	(977,709)
Accumulated compensated absences	<u>(2,250)</u>
Net position of governmental activities	<u>\$ 686,238</u>

See notes to financial statements.

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023**

	General Fund
REVENUES	
Local sources	\$ 503,803
State sources	689,968
Federal sources	305,567
Other	8,735
TOTAL REVENUES	1,508,073
EXPENDITURES	
Current	
Instruction	
Basic programs	612,170
Added needs	117,907
Total instruction	730,077
Support services	
Pupil	475
Instructional staff	75,603
General administration	35,572
School administration	182,323
Business services	24,083
Operation and maintenance	116,233
Pupil transportation	2,313
Central services	30,077
Other support services	10,113
Total support services	476,792
Community service	33,101
Outgoing transfers and other transactions	76
Debt service	106,832
Capital outlay	25,000
TOTAL EXPENDITURES	1,371,878
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	136,195
FUND BALANCES	
Beginning of year	191,429
End of year	\$ 327,624

See notes to financial statements.

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Net change in fund balances total governmental funds \$ 136,195

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, these costs are allocated over their estimated useful lives as depreciation/amortization:

Depreciation/amortization expense	(45,164)
Capital outlay	25,000

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences is the treatment of long-term debt and related items and are as follows:

Payments on debt	43,064
------------------	--------

Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:

Accumulated compensated absences, beginning of the year	6,450
Accumulated compensated absences, end of the year	<u>(2,250)</u>

Change in net position of governmental activities \$ 163,295

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

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 Academy. *Governmental activities* normally are supported by intergovernmental revenues.

Reporting Entity

Leelanau Montessori Public School Academy (the "Academy") is a public school academy as part of the Michigan Public School System under Public Act No. 362 of 1993. Beginning July 2018, Bay Mills Community College is the authorizing governing body for the Academy and has contracted with the Academy to charter the public school through June 2026 and the Academy's Board of Directors is approved by the authorizing body for the Academy and has decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for the fiscal matters. The Academy receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the Academy is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. In addition, the Academy's reporting entity does not contain any component units as defined in Governmental Accounting Standards Board (GASB) Statements.

Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds. Separate financial statements are provided for governmental funds.

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

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the Academy's funds. Separate statements for each fund category - governmental - are presented. The emphasis of fund financial statements is on major governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Academy reports the following *Major Governmental Fund*:

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

During the course of operations, the Academy has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, 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, they are eliminated in the preparation of the government-wide financial statements.

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Academy considers revenues to be available if they are generally collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

State and federal aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The foundation is funded from state and local sources. Revenues from state sources are primarily governed by the Academy Aid Act and the Academy Code of Michigan. The Michigan Department of Education administers the allocation of state funds to academies based on information supplied by the Academies. For the current year ended, the foundation allowance was based on pupil membership counts.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principle Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as intergovernmental receivables.

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

The Academy also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

All other revenue items are generally considered to be measurable and available only when cash is received by the Academy.

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). The Academy does not utilize encumbrance accounting.

The Academy follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Superintendent submits to the Academy Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
- b. Prior to July 1, the budget is legally adopted by the Academy Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.
- c. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the Academy Board of Directors.
- d. The budget was amended during the year with supplemental appropriations, the last one approved prior to year-end June 30, 2023. The Academy does not consider these amendments to be significant.

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The Academy's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, building and technology and equipment as summarized below, are reported in the government-wide financial statements. Capital assets are defined by the Academy as assets with an initial, individual cost of more than \$1,000 and a useful life in excess of one year. Group purchases are evaluated on a case by case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Land and construction in progress, if any, are not depreciated. Right to use assets of the Academy are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. The other capital assets of the Academy are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Lives
Building and additions	20 - 50
Land improvements	20 - 50
Furniture and equipment	5 - 20
Right to use - portable classrooms	3

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, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Academy has no items that qualify for reporting in this category.

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Academy has no items that qualifies for reporting in this category related to leases.

Net Position Flow Assumption

Sometimes the Academy will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Academy's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balance Flow Assumptions

Sometimes the Academy will 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 Academy's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

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

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

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

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Leases

Lessee: The Academy is a lessee for a noncancelable lease of equipment. The Academy recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, the Academy initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Academy determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Academy uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Academy generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Academy is reasonably certain to exercise.

The Academy monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

Lessor: The Academy is also a lessor for a noncancelable lease of a building. The Academy recognizes a lease receivable and a deferred inflow of resources in the governmental-wide and governmental fund financial statements.

As the commencement of a lease, the Academy initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the Academy determines (1) the discount rate is used to discount the expected lease receipt to present value, (2) lease term, and (3) lease receipts.

- The Academy uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

Leases (continued)

The Academy monitors changes in circumstances that would require a remeasurement of this lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Unrestricted state aid, interest, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Compensated Absences

The Academy's policy permits employees to accumulate earned but unused leave days, which are eligible for payment upon separation from service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary and related benefits, where applicable.

NOTE 2 - CASH DEPOSITS - CREDIT RISK

In the case of deposits, this is the risk that in the event of a bank failure, the Academy's deposits may not be returned to it. As of June 30, 2023, \$42,619 of the Academy's bank balance of \$423,573 was exposed to custodial credit risk because it was uninsured and uncollateralized. At June 30, 2023, the carrying amount is as follows:

Cash and cash equivalents	\$ 421,797
	<u> </u>

NOTE 3 - INTERGOVERNMENTAL RECEIVABLES

As of June 30, 2023, the Academy had the following amounts due from other governmental units:

Federal	\$ 130,509
State	<u>130,250</u>
	<u>\$ 260,759</u>

No allowance for doubtful accounts is considered necessary.

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - CAPITAL ASSETS

A summary of changes in the Academy's capital assets follows:

	Balance July 1, 2022	Additions	Deletions/ Reclassifications	Balance June 30, 2023
Capital assets not being depreciated				
Land	\$ 84,828	\$ -	\$ -	\$ 84,828
Total capital assets not being depreciated	84,828	-	-	84,828
Capital assets being depreciated/amortized				
Buildings and additions	1,328,173	-	-	1,328,173
Land improvements	30,830	25,000	-	55,830
Furniture and equipment	105,503	-	-	105,503
Right to use - portable classrooms	19,804	-	-	19,804
Total capital assets being depreciated/amortized	1,484,310	25,000	-	1,509,310
Accumulated depreciation/amortization				
Buildings and additions	102,994	29,819	-	132,813
Land improvements	3,850	1,642	-	5,492
Furniture and equipment	93,655	3,801	-	97,456
Right to use - portable classroom	9,902	9,902	-	19,804
Total accumulated depreciation/amortization	210,401	45,164	-	255,565
Net capital assets being depreciated/amortized	1,273,909	(20,164)	-	1,253,745
Net governmental capital assets	\$ 1,358,737	\$ (20,164)	\$ -	\$ 1,338,573

Depreciation/amortization for the fiscal year ended June 30, 2023 amounted to \$45,164 and was charged as follows:

Support services	\$ 3,557
Intergovernmental	31,705
Unallocated	9,902
	<u>9,902</u>
	<u>\$ 45,164</u>

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - LONG-TERM OBLIGATIONS

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

	Notes from Direct Borrowing and Direct Placements	Compensated Absences	Total
Balance July 1, 2022	\$ 1,020,773	\$ 6,450	\$ 1,027,223
Deletions	(43,064)	(4,200)	(47,264)
Balance June 30, 2023	977,709	2,250	979,959
Due within one year	(35,293)	(225)	(35,518)
Due in more than one year	\$ 942,416	\$ 2,025	\$ 944,441

Long-term obligations at June 30, 2023 are comprised of the following issues:

Notes from Direct Borrowings and Direct Placements

Building note - June 2018 purchase and renovation of a building. Interest payments due beginning July 22, 2018, for one year and then the loan will be due in monthly installments of \$8,073 beginning July 22, 2019 through September 22, 2039. The maximum principal amount secured by this instrument at any one time will not exceed \$1,092,000. The mortgage bears interest of 3.50% above a United States Treasury five year index rate for an actual interest rate of 6.30%. The interest rate will change every five years from the loan anniversary date based on the adjustment of this index.

\$ 977,709

Compensated absences

2,250

Total general long-term obligations

\$ 979,959

The Academy's outstanding notes from direct borrowings and direct placements related to governmental activities of \$977,709 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

The annual requirements to amortize long-term obligations outstanding exclusive of compensated absences payments as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Notes from Direct Borrowings and Direct Placements</u>		<u>Compensated Absences</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>		
2024	\$ 35,293	\$ 61,585	-	\$ 96,878
2025	37,784	59,094	-	96,878
2026	40,270	56,608	-	96,878
2027	42,918	53,960	-	96,878
2028	45,601	51,277	-	96,878
2029-2033	277,835	206,554	-	484,389
2034-2038	382,099	102,290	-	484,389
2039-2040	115,909	4,977	-	120,886
	977,709	596,345	-	1,574,054
Compensated absences	-	-	2,250	2,250
	<u>\$ 977,709</u>	<u>\$ 596,345</u>	<u>\$ 2,250</u>	<u>\$ 1,576,304</u>

Interest expense for the year ended June 30, 2023 was \$63,768.

NOTE 6 - OVERSIGHT FEES

The Academy pays an administrative oversight fee of 3% of its state school aid to the Bay Mills Community College, as set forth by contract, to reimburse Bay Mills Community College for the cost of execution of its oversight responsibilities. These oversight responsibilities include the monitoring of the Academy's compliance with the terms and conditions of the contract, and the review of its audited financial statements and periodic reports. During the year ended June 30, 2023, the Academy incurred expense of \$21,538 for oversight fees.

NOTE 7 - MANAGEMENT AGREEMENT

The Academy had entered into an annual (renewable at the end of each twelve month period) management agreement with Traverse City Area Public Schools for operations of the Academy. Under the terms of the management agreement, TCAPS' compensation for operating the Academy was \$17,500 for the fiscal year 2023.

NOTE 8 - RISK MANAGEMENT

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. To minimize the risk, the Academy carries commercial insurance.

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Academy expects such amounts, if any, to be immaterial.

NOTE 10 - UPCOMING ACCOUNTING PRONOUNCEMENTS

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

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

NOTE 11 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2023, the Academy implemented the following new pronouncement: GASB Statement No. 96, *Subscription-based Information Technology Arrangements*.

Summary:

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements*, was issued in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in the right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

There was no material impact on the Academy's financial statement after the adoption of GASB Statement No. 96.

REQUIRED SUPPLEMENTARY INFORMATION

**LEELANAU MONTESSORI PUBLIC SCHOOL ACADEMY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 398,833	\$ 459,358	\$ 503,803	\$ 44,445
State sources	715,900	718,097	689,968	(28,129)
Federal sources	166,500	380,283	305,567	(74,716)
Other	20,208	7,340	8,735	1,395
TOTAL REVENUES	<u>1,301,441</u>	<u>1,565,078</u>	<u>1,508,073</u>	<u>(57,005)</u>
EXPENDITURES				
Instruction				
Basic programs	634,975	646,253	612,170	34,083
Added needs	70,748	176,518	117,907	58,611
Total instruction	<u>705,723</u>	<u>822,771</u>	<u>730,077</u>	<u>92,694</u>
Support services				
Pupil	1,000	1,000	475	525
Instructional staff	108,400	86,900	75,603	11,297
General administration	41,477	42,038	35,572	6,466
School administration	150,149	176,650	182,323	(5,673)
Business services	24,400	24,400	24,083	317
Operation and maintenance	114,700	131,700	116,233	15,467
Pupil transportation	3,500	3,500	2,313	1,187
Central services	28,500	31,425	30,077	1,348
Other support services	20,000	20,000	10,113	9,887
Total support services	<u>492,126</u>	<u>517,613</u>	<u>476,792</u>	<u>40,821</u>
Community service	24,447	41,153	33,101	8,052
Outgoing transfers and other transactions	1,100	1,100	76	1,024
Debt service	97,000	107,000	106,832	168
Capital outlay	-	30,000	25,000	5,000
TOTAL EXPENDITURES	<u>1,320,396</u>	<u>1,519,637</u>	<u>1,371,878</u>	<u>147,759</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (18,955)</u>	<u>\$ 45,441</u>	136,195	<u>\$ 90,754</u>
FUND BALANCE				
Beginning of year			<u>191,429</u>	
End of year			<u>\$ 327,624</u>	



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Leelanau Montessori Public School Academy

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Leelanau Montessori Public School Academy as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Leelanau Montessori Public School Academy's basic financial statements and have issued our report thereon dated September 19, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Leelanau Montessori Public School Academy's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Leelanau Montessori Public School Academy's internal control. Accordingly, we do not express an opinion on the effectiveness of Leelanau Montessori Public School Academy's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Maney Costeiran PC

September 19, 2023



HOS Report October 2023

GENERAL

Our Parent Enrichment Night is next Thursday and will be hosted by staff and children. Childcare is provided. We expect a strong turnout and will focus on the topic that supports resilience and independence.

The Skekamog Raptor Program came to the school this month, SB Library Card collaboration is in full swing and parents participated in this month's Coffee and Conversation.

The 5K, Wreath Sales and Parent-Teacher conference planning are in motion as well.

ENROLLMENT/STAFFING

We are at 77 FTE and will fill a couple of spots in January for pre-school classrooms. Our staff will gather at the annual retreat next weekend to focus on Emotional Intelligence and resilience. We are seeking substitute teachers to help bolster our capacity to cover classrooms while staff are absent.

BUDGET/FINANCE

We are hosting the 5K and Wreath Sales as part of our Annual Fundraising effort. We have collected \$4500 in our DollarADay campaign and \$5500 in local donations. We are keeping regular volunteers busy for 30 hours weekly in classrooms, on campus, cooking and helping our school in essential ways.

ACADEMICS/WHOLE CHILD

NWEA testing is complete and teachers lead a data review to plan for instruction. I will present the test results in November to the Board and share takeaways. Classrooms are at various stages of setting systems and responding to difficult behaviors in the classroom. Our key personnel are being called for for support steadily throughout each day. We are prioritizing our proactive, multi-tiered partnerships and collaborating with families and multiple agencies to alleviate and elevate the students' needs. Children are growing and learning through their practice of initiating choices, problem-solving, conflict resolution, developing attention and regulating emotions. As child development specialists, we observe that several children are simply in their first stage of developing inner discipline. We then can know our response and preparation to help them develop towards the second stage and onward to independence and altruism. Our staff are highly engaged in this aspect of development and how we prepare our environment and ourselves in order to foster this natural progression.

FACILITY

No facility meetings have been set. We are repairing, maintaining and managing the seasonal and situational needs at this time.

I lead a tour and talk at this month's Coffee and Conversation about the campus plans and play area possibilities. We are going to begin work on a Campus Master Plan in November with a local landscape artist. Who would like to join us for those discussions?

Do you have any questions for me?

Leelanau Montessori

Mission: Leelanau Montessori nurtures the whole child in a prepared environment based on respect, individuality, a love of learning, and freedom with responsibility.



Cooperation, Goodwill, Gratitude, Mindfulness, Respect

Title: Finance Committee Meeting

Date: October 17, 2023

Location: LMPSA & Google Meeting Room

Time: 2:00 PM

Participants Present: Sarah Bordeaux, Beth Bassett, Sarah Lutke, Arden Wilson

Code: I= Information D= Discussion R= Reflection A= Action

Time	Agenda Item	Discussion Facilitator	Code
	Financials/Budget Check-In	I, D	
	Enrollment Check-In	I, D	
	Audit	I, D, A	
	Accounting Manual Check-In	I, D, A	
	Admin Compensation	D, A	
	Financial Health Reflection	D, A	

- Goal to have a financial health reflection in November and March following student counts.
- Enrollment is at 77 (budget is based on 74).
- Question for auditor regarding the PPP deferred revenue.
- Accounting manual draft is mostly complete. Planning to get together with Nora and Beth in November to add academy specific procedures before preliminary review/approval.
- We will be creating a matrix for admin. Once complete we will add appropriate increment to the HOS salary retroactively for the 2023-24 school year. Ask Arden for current matrix file to maintain the same structure as other matrices and reviewable all together.

Leelanau Montessori

Title: Governance

Date: October 11, 2023

Location: LMPSA

Time: 2 pm

Participants: Sarah Bordeaux, Anita Abbott, Arden Wilson

Agenda Item	Discussion Facilitator	Notes
Audit; status?		Finacial audit prepared. Will review at October meeting. Nick from Maner Costerisan will call in.
Reduction to 5 person board; status?		Sarah will sign contract amendment and upload to epicenter. Two board appointments expire June 2024: Bordeaux and Kuhn.
Strategic Plan Implementation; review		
Agenda for board meeting;	Sarah	
expansion plans		need to jumpstart the development committee to spearhead fundraising for expansion plan. Arden has some potential participants.

ANNUAL REPORT

2022 - 2023



Leelanau Montessori Public School Academy

The Annual Report allows each academy to see a quick overview of the oversight metrics that the Bay Mills Community College Charter Schools Office uses to evaluate academy progress. For the 2022-2023 school year, the Annual Report will feature a scorecard for each metric: Academic Performance; Compliance and Governance; and Financial Stability.

Academic Performance

The Bay Mills Community College Charter Schools Office closely monitors academic success indicators at each of our schools. Some of those indicators include state assessment data, state rating systems (such as Index Ratings and School Grade Reports), nationally norm referenced assessment (NWEA) data, teacher quality and retention, and graduation rates. Our goal is to ensure that our schools are providing a quality education for its students.

Compliance and Governance

The Bay Mills Community College Charter Schools Office closely monitors whether an academy has submitted required documentation accurately and in a timely manner. Essential documents are uploaded to an online document management system called Epicenter. Each academy is expected to meet all authorizer, state, and federal requirements. Field representatives monitor an academy's compliance and board governance through academy site visits and attendance at monthly board meetings.

Financial Stability

The Bay Mills Community College Charter Schools Office closely monitors the financial sustainability of each of our schools. The financial portion of the annual report focuses on enrollment trends, revenues and expenditures for three years, and current fund balances. The report also includes if there is a Fund Balance deficit, and the State Aid Allowance amount for two years.

Academic Performance

Leelanau Montessori Public School Academy

Points/Risk

NWEA Growth Reading (2 pts. possible)	2022-23	Target- 50% Academy- 46%	-4% ≥10% below target = 1 pt. ≥20% below target = 2 pt.	0
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NWEA Growth Math (2 pts. possible)	2022-23	Target- 50% Academy- 24%	-26% ≥10% below target = 1 pt. ≥20% below target = 2 pt.	2
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Qualified Teaching Staff	2022-23	Similar Schools Avg.- 95% Academy- 83%	-12% ≥10% below similar school = 1 pt.	1
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Teacher Retention	2022	Similar schools Avg.- 68% Academy- 80%	12% ≥10% below similar school = 1 pt.	0
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State Report Card - Growth Grade(K-8)	2022	Grade Report- C	Less than C = 1 pt.	0
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Comparison to Similar Schools Proficiency on State Assessments	2022-23	Similar Schools- 41% Academy- 19%	-22% ≥10% below similar school = 1 pt.	1
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Six Year Comparison State Assessments	2017	33%	Proficient in all subjects	Downward Trend	1
	2018	32%			
	2019	29%			
	2021	34%			
	2022	19%			
	2023	19%			

Percentage of Instructional Costs over Revenue	2023	Baseline or above- 46% Academy- 45%	-1% ≥10% below baseline = 1 pt.	0
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Total Score

5- Moderate Risk



Compliance and Governance

Leelanau Montessori Academy

Points/Risk

Board Status	2023-2024	Full Board= 0 Points	Missing 2 Members	2
		Missing 1 Member= 1 Point Missing 2 Members= 2 Points		

School Compliance	2022-2023	≥95% On-Time/Accuracy= 0 Points	On-Time- 81% Accuracy- 100%	3
		≥ 90% On-Time/Accuracy= 1 Point ≥ 85% On-Time/Accuracy= 2 Points < 85% On-Time/Accuracy= 3 Points		

Board Compliance	2022-2023	≥95% On-Time/Accuracy= 0 Points	On-Time- 80% Accuracy- 98%	3
		≥ 90% On-Time/Accuracy= 1 Point ≥ 85% On-Time/Accuracy= 2 Points < 85% On-Time/Accuracy= 3 Points		

Board Meetings	2022-2023	11-12 Meetings Held= 0 Points	11 Meetings Held	0
		8-10 Meetings Held= 1 Point < 8 Meetings Held= 2 Points		

Total Score

8- High Risk



Financial Stability

Leelanau Montessori Public School Academy

Points/Risk

Enrollment Changes - Current Year	2022	Enrollment	4.23%	0
	2021	74 Enrollment 71		

Enrollment Changes - Prior 1 Year	2021	Enrollment	-13.41%	1
	2020	71 Enrollment 82		

Enrollment Changes - Prior 2 Years	2020	Enrollment	34.43%	0
	2019	82 Enrollment 61		

General Fund Deficit - Target Year	2022	Revenues	4.33%	0
		1,273,686 Expenditures 1,220,815		

General Fund Deficit - Prior 1 Year	2021	Revenues	4.87%	0
		1,125,442 Expenditures 1,073,158		

General Fund Deficit - Prior 2 Year	2020	Revenues 836,157	-3.83%	1
		Expenditures 869,432		

Size of Fund Balance 10%	2022	General Fund Balance	15.03%	0
		191,429		

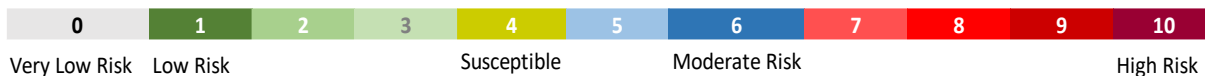
Size of Fund Balance 5%	2022	General Fund Balance	15.03%	0
		191,429		

Size of Fund Balance Deficit	2022	N/A		0
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Foundation Allowance Change	2023	9150-8700	\$450	0
	2022			

Total Score

2- Low Risk



Leelanau Montessori Public School Academy

Board of Directors Manual

Approved: November 17, 2021

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Welcome to Our Board

We are delighted to welcome you to our Board of Directors. The following manual provides background information and structure for our organization and ensures that we operate as good stewards of Leelanau Montessori Public School Academy's (Leelanau Montessori) resources and as dynamic, passionate leaders in pursuing our mission. We hope you enjoy your tenure on our Board and find our work to be fulfilling and rewarding.

SECTION 1: ORGANIZATIONAL OVERVIEW

Our Mission

Leelanau Montessori nurtures the whole child in a prepared environment based on respect, individuality, a love of learning, and freedom with responsibility.

Our Values

Montessori Beliefs are as follows:

1. To nurture a positive attitude towards learning and foster an abiding sense of curiosity while giving the child an opportunity to acquire skills and knowledge essential for a lifetime of learning and living, including but not limited to Montessori curriculum and the required State standards.
2. To build and encourage habits of initiative, concentration, perseverance, and organization while the children strive for their fullest potentials, learning self-pacing and time awareness.
3. To develop a sense of self-respect, confidence, responsibility, and inner discipline in a caring, cohesive, supportive learning community.
4. To foster hypothesis, experimentation, observation, discovery and application.
5. To foster socially acceptable behavior, from a sense of belonging, service, freedom to choose with responsibility to others, life and the environment, and stewardship of peace.
6. To develop a compassion and reverence for life and the earth's environment, and assume a personal responsibility for stewardship of the earth including world peace.
7. To create caring, cohesive, and supportive learning communities.
8. To foster dynamic partnerships with families for a consistent Montessori framework and educational experience.
9. To provide a creative, aesthetically pleasing, adaptive/dynamic, inspirational environment that responds to the child's needs and interests.
10. To develop sensory and motor skills that enable and sharpen the ability to discriminate, judge, and control.

Our Vision

Leelanau Montessori children will attain mastery of essential academic skills, an inner disciplinary drive toward self-fulfillment and actualization while allowing the ongoing development of each child's imagination and creative abilities.

Our History

Leelanau County's Montessori journey began in 1984 with the introduction of the Suttons Bay Children's House, at the base of Herman Road, just a short distance from our present location. As those students matured, requests for a Montessori elementary school arose. In 1991, Suttons Bay Montessori Elementary opened on East Pine View about half a mile west of the Children's House. Two years later it moved out of its portable classroom into a home of its own, situated next door to the Children's House. Both schools were privately owned, and funded through tuition. In 1996, Leelanau Montessori Elementary was invited to become a part of Suttons Bay Public School. In 2001, through the hard work of dedicated alumni, parents, staff, and other community members the primary program also merged with the Suttons Bay Public School, reuniting the Montessori programs. In 2010, Leelanau Montessori became a charter school authorized by Suttons Bay Public Schools and leased space in the former high school building.

In 2018, Leelanau Montessori was granted an 8 year charter by Bay Mills Community College and purchased our own building in Lake Leelanau. Leelanau Montessori's history is long and tells the story of a community that values educational choice in Leelanau County. With strong family support, Leelanau Montessori has grown and nurtured and educated hundreds of children in authentic Montessori environments. We look forward to many more years serving the families in our region.

The Leelanau Montessori staff would love to give you a tour of the classrooms and answer any questions you may have regarding the Montessori philosophy and curriculum.

Leelanau Montessori is tuition free for all five year olds and up, and tuition-based for children 1 1/2 to 4 years old. We are licensed by the State of Michigan.

Leelanau Montessori is a public school and therefore supports a nondiscriminatory open enrollment process.

SECTION 2: THE JOB OF THE BOARD

Role of the Board of Directors

General Responsibilities:

Responsible for ensuring that the academic program of Leelanau Montessori is successful, that the school's program and operation are faithful to the terms of its charter, and that the school is a viable organization.

Term of Length: 3 years.

Specific Responsibilities:

1. **Determine the mission and purpose of Leelanau Montessori and keep it clearly in focus**
 - Create and periodically review the mission statement which:
 - Serves as a guide to organizational planning, Board and staff decision-making, volunteer initiatives, and setting priorities.
 - Is used as the vehicle for assessing program activities to ensure that the organization remains aligned to its original purposes.
 - Understand and support the mission statement.
2. **Select the Head of School**
 - Reach consensus on the Head of School's job description.
 - Undertake a careful search process to find the most qualified individual.
 - Advise and approve contract negotiation and renewal.
3. **Support and review the performance of the Head of School**
 - Provide frequent and constructive feedback.
 - Assist when Board members overstep prerogatives or misunderstand their roles.
 - Compliment for exceptional accomplishments.
 - An *ad hoc* committee appointed by the Board, and led by the Academic Excellence Chair, will provide for an annual written performance review with a process agreed upon with the Head of School well in advance.
4. **Ensure effective strategic planning**
 - Approve a strategic plan that includes concrete, measurable goals consistent with the long-term vision of the school.
 - Develop annual Board goals.
5. **Ensure adequate resources**
 - In conjunction with the Fundraising, Grant and Marketing Committees, approve fundraising targets and goals.
 - Assist in carrying out the resource plan.

6. Manage resources effectively

- Approve the annual budget.
- Monitor budget implementation through periodic financial reports.
- Ensure any 3rd party contractors meet best practice standards in their policies and procedures.
- Provide for an independent annual audit by a qualified CPA.
- Ensure the full Board has the proper training to be effective stewards of public funding.
- Ensure adequate insurance is in force to cover students, staff, visitors, the Board, the assets of the school and as required by our charter agreement.

7. Oversee and strengthen the programs and services

- Assure programs and services are consistent with the mission and the charter.
- Through the Head of School:
 - Approve measurable organizational outcomes.
 - Monitor progress in achieving the outcomes and goals.
 - Assess the quality of the program and services.

8. Enhance Leelanau Montessori's public standing

- Serve as ambassadors, advocates and community representatives of the school.
- Ensure that no Board members represent themselves as speaking on behalf of the Board unless specifically authorized to do so.
- Support the Head of School in providing for a written annual report and public presentation that details Leelanau Montessori's mission, programs, financial condition, and progress made towards charter promises.
- In conjunction with the Development Committee, approve goals of an annual public relations program.

9. Ensure legal and ethical integrity and maintain accountability

- Establish policies to guide the school's Board members and staff.
- Adhere to the provisions of the school's bylaws and articles of incorporation.
- Adhere to local, state, and federal laws and regulations that apply to the school.
- Ensure compliance with all federal, state, and local government regulations.

10. In conjunction with the Governance Committee, recruit and orient new Board members and assess Board performance

- Define Board membership needs in terms of skill, experience, and diversity.
- Cultivate, check the credentials of, and recruit prospective nominees.
- Provide for new Board member orientation.
- Conduct an annual evaluation of the full Board and individual trustees.

Board President Role Description

Member of, Elected by and Reports to: The Leelanau Montessori Board of Directors

Supports: The Head of School

Term of Office: One year; renewable with the approval of a majority vote of the Board.

General Responsibilities:

The Board president is the senior volunteer leader of the school who presides at all meetings of the Leelanau Montessori Board and other meetings as required. The Board president is an *ex officio* member of all committees of the organization. The Board president oversees implementation of Board and school policies.

Specific Responsibilities:

1. Works with the Head of School, other Board officers, and committee chairs to develop the agendas for Leelanau Montessori Board meetings, and presides at these meetings.
2. In consultation with other Board officers, appoints volunteers to key leadership positions, including positions as chair of Board committees and task forces, and cultivates leadership succession.
3. Recognizes his or her responsibility to set the example for other Board members by playing a major role in fundraising activities.
4. Works with the Leelanau Montessori Board, paid staff and volunteers, in accordance with the Leelanau Montessori's bylaws and mission, to establish and maintain systems for:
 - Planning the organization's human and financial resources and setting priorities for future development.
 - Reviewing operational effectiveness and setting priorities for future development.
 - Ensuring the legal and ethical standard.
 - Hiring and evaluating the Head of School.
 - Developing and maintaining an effective Board culture.
 - Developing an effective pipeline of future leaders of the Board.
5. In conjunction with the Governance Committee, manages the development of the Board in order to help it work more effectively and efficiently.
6. Works with the Head of the School and other Board officers to develop both immediate and long-term goals and expectations for the Board that support organizational priorities and governance concerns.
7. Communicates effectively with and supports the Head of the School in his/her job as manager of the school. In this capacity, focuses on ensuring that the Board governs rather than manages.

8. Works with the Committee Chairs and the Head of the School to keep apprised of committee work and to ensure that committees have the resources needed to do their job. Also, works to ensure effective and efficient communications between the committees and the Board.
9. Creates a safe environment for decision-making by inviting participation, encouraging varying points of view and stimulating a frank exchange of ideas in an effort to provide shared decision-making.
10. Communicates with the Board effectively so the Board information system focuses on decision-making, stimulates participation and supports an appropriate balance of responsibility between Board and staff.
11. Links with major stakeholders when it is agreed that the president is the most appropriate person to represent the organization at a key meeting, write an editorial for a newspaper or thank a major donor.

Qualifications:

- Commitment and energy to support Leelanau Montessori and its values; an understanding of the school's mission and goals, and the distinctions between governance and management.
- Strong leadership skills to inspire a shared vision for the school and for the Board's work. Stimulated by a commitment to the mission, the President should guide the Board toward articulating and committing to a commonly held perception of the future of the School.
- Strong network of relationships within the greater community to leverage resources for the organization.
- Strong shared vision with staff about school mission and goals for student achievement.
- Strong facilitation and communication skills and an understanding of group processes.
- Objectivity so that dialog is productive and contributions are encouraged from all sides of an issue.
- Decisiveness in order to tackle and resolve difficult issues and to keep the business of the Board moving.
- An ability and willingness to support, encourage and develop a strong, entrepreneurial school leader.
- Strong organizational skills.

Indicators of effectiveness:

- Meets annual goals as identified and adopted at the beginning of the leadership term, including specific goals for development.
- Is perceived by other Board members as being fair, open to all points of views, decisive, and contributing to a culture that focuses on student growth.
- Is perceived by senior staff as supporting and adding value to their work.
- Is perceived by a majority of parents and other community members as being accessible, fair, constructive, and representative of the interests of the broader school community.

Board Vice President Role Description

Member of, Elected by and Reports to: The Leelanau Montessori Board of Directors

Supports: The Board President

Term of Office: One year; renewable with the approval of a majority vote of the Board.

General Responsibilities:

The Vice President is the secondary volunteer leader of Leelanau Montessori and as such, discharges the duties of the President as required in the President's absence. The Vice President supports the activities of the President including sharing responsibilities as appropriate.

Specific Responsibilities:

1. In the President's absence, presides at meetings of the Leelanau Montessori Board. Serves as *ex officio* member of standing committees.
2. Recognizes his or her responsibility to set an example for other Board members by playing a major role in fundraising activities.
3. Works with the President to assist in developing the agendas for Leelanau Montessori Board meetings.
4. Advises the President on appointing volunteers to key leadership positions, including positions as chair of Board committees and task forces.
5. Assists the President by taking on responsibility as necessary for communication with committee chairs.
6. Supports and challenges the President in all his/her responsibilities to ensure organizational priorities and governance concerns are addressed in the most effective and efficient manner.
7. Represents the Board in the community, especially at events at which the President cannot attend.
8. Other duties as delegated by the President.

Qualifications:

- Commitment and energy to support Leelanau Montessori and its values; an understanding of the school's mission and goals, and the distinctions between governance and management.
- Strong leadership and collaborative skills to support the President and to offer alternative proposals in the interest of best serving the organization.
- Strong facilitation and communication skills and an understanding of group processes.
- Objectivity so that dialog is productive and contributions are encouraged from all sides of an issue.
- Decisiveness in order to tackle and resolve difficult issues and to keep the business of the Board moving.
- Strong organizational skills.

Indicators of effectiveness:

- Meets annual goals as identified and adopted by the Board at the beginning of the leadership term.
- Is perceived by other Board members as being fair, open to all points of views, decisive, and contributing to a culture that focuses on student growth.
- Is perceived by staff as supporting and adding value to their work.
- Is perceived by a majority of parents and other community members as being accessible, fair, constructive, and representative of the interests of the broader school community.

Board Treasurer Role Description

Member of and Elected by: The Leelanau Montessori Board

Reports to: The Board President and the Leelanau Montessori Board

Supports: Head of School, Business Services Provider, Office Manager, and auditors as necessary.

Term of Office: One year; renewable with the approval of a majority vote of the Board.

General Responsibilities:

Provides direction for the financial management of the school and facilitates the Board in meeting its financial oversight responsibilities.

Specific Responsibilities:

1. Acts as chair of the Finance Committee.
2. Provides direction for the oversight of the school's record keeping and accounting policies.
3. Ensures the presentation of timely and meaningful financial reports to the Board.
4. Ensures the development of the annual budget and any necessary budget amendments and their submission to the Board for its approval. Leads the monitoring of budget implementation.
5. Oversees development and Board review of financial policies and procedures. With the Finance Committee, monitors the adherence to financial policies and procedures adopted by the Board.
6. Develops and monitors any investment policies adopted by the Board.
7. Ensures that assets are protected and invested according to Board policy.
8. Leads the Board in assuring compliance with federal, state, and other financial reporting requirements.
9. Presents the recommendation of the auditor to the Board for their approval. With the Finance Committee reviews the results of the audit including the management letter, develops a plan for remediation, if necessary, and presents the results to the Board.
10. Recognizes his or her responsibility to set the example for other Board members by playing a major role in fundraising activities.
11. Takes responsibility for designing an annual Board education program so that all Board members can effectively conduct oversight of the financial health of the organization.

Qualifications:

The Treasurer must display:

- A commitment to Leelanau Montessori and its principles, mission and goals, and the distinctions between governance and management.
- A strong understanding of the record keeping, accounting systems, financial reports and financial policies and procedures.

- An ability to focus on both the short-term and long-term financial health of the organization.

Indicators of effectiveness:

- Meets annual goals as identified and adopted by the Board at the beginning of the leadership term.
- Is perceived by other Board members as being transparent and efficient in delivering financial reports and as being aggressively protective of the integrity of the organization's fiscal management.
- Is perceived by staff as supporting and adding value to their work.
- Is perceived by a majority of parents and other community members as being accessible, fair, constructive, and representative of the interests of the broader school community.

Board Secretary Role Description

Member of and Elected by: The Leelanau Montessori Board

Reports to: The Board President and the Leelanau Montessori Board

Supports: Member of the staff or volunteer taking minutes.

Term of Office: One year; renewable with the approval of a majority vote of the Board.

General Responsibilities:

Provides direction for the keeping of legal documents including minutes of all meetings of the Board of the school.

Specific Responsibilities:

1. Certify and keep at the main office of the school the original, or a copy of the Bylaws as amended or otherwise altered to date.
2. Keep at the main office of the school or at such a place as the Board may determine a book of minutes of all meetings of the Board and meetings of committees. Minutes shall record time and place of meeting, whether regular or special, how called, how notice was given, the names of those present or represented at the meeting and the proceedings thereof.
3. Present for approval by the Board copies of all minutes of meetings of the Board.
4. Ensure that all notices are duly given in accordance with the provisions of the Bylaws or as required by law.
5. In general, serves as the protocol officer of the Board, ensuring that the keeping and posting of meeting minutes, meeting notifications, adherence to open meeting laws, and other procedural requirements are followed legally and ethically.
6. In general, perform all duties incident to the office of the Clerk and such other duties as may be required by law, by the Articles of Incorporation or Bylaws, or which may be assigned to him or her from time to time by the Leelanau Montessori Board.
7. Recognizes his or her responsibility to set the example for other Board members and by playing a major role in fundraising activities.

Qualifications:

- A commitment to the school and an understanding of the school and its values, mission and goals and the distinctions between governance and management.
- An understanding of the required record keeping and the laws of the jurisdiction (Leelanau County, Michigan) in which the school operates.
- A capacity for attention to detail.

Indicators of effectiveness:

- Meets annual goals as identified and adopted by the Board at the beginning of the leadership term.
- Is perceived by other Board members as being an accurate and reasonable steward of the decision-making history of the organization and as being ever mindful of the duties and requirements of public service.
- Is perceived by staff as supporting and adding value to their work.
- Is perceived by a majority of parents and other community members as being accessible, fair, constructive, and representative of the interests of the broader school community.

Board of Directors Annual Calendar

At the annual organizational meeting, held each July, the Board of Directors sets the dates, times, and places of the board's regular meetings for the coming year. Historically, the monthly board meetings have been held on the 3rd Wednesday of the month, at 6 pm, in the Health Department Conference Room. The organizational meeting

Open Meetings Act

All meetings of the Leelanau Montessori Board shall be held in compliance with the [Open Meetings Act \(OMA\), Public Act 267 of 1976](#).

Notice requirements: Board meetings may not be held unless public notice is given consistent with the OMA. To meet this requirement, a public notice is posted within 10 days after the organizational meeting in July stating the dates, times, and places of the board's regular meetings.

For a rescheduled regular or a special meeting, notice must be posted at least 18 hours before the meeting. All decisions of the Board must be made at a meeting open to the public.

Presence: As a general rule, under the OMA, a Board member must be present in person to vote on any business before the board. However, remote participation is permitted if absence is due to:

- military duty,
- a medical condition, or
- a statewide or local state of emergency or state of disaster declared pursuant to law or charter or local ordinance by the governor or a local official, governing body, or chief administrative officer that would risk the personal health or safety of members of the public or the public body if the meeting were held in person.

At a meeting that accommodates members absent due to military duty or a medical condition, only those members absent due to military duty or a medical condition may participate remotely. Each member attending the meeting remotely shall make a public announcement at the outset of the meeting stating that they are attending remotely. If the absence is due to a medical condition, the announcement must further identify specifically the member's physical location by stating the county, city, township, or village and state from which he or she is attending the meeting remotely.

SECTION 3: OUR COMMITTEES

Overview

There are six standing committees that support the Board. The committees include Finance, Governance, Academic Excellence, Marketing, Development, and Grants. The Board President and HOS serve as members or *ex officio* members on all committees. Generally, it is expected that each committee will meet at least once per month, and will report on its activities at the monthly board meeting.

Applicability of the Open Meetings Act to Committee Meetings

The OMA does not apply to committees and subcommittees composed of less than a quorum of the full Board of Directors if they are merely advisory, or are only capable of making recommendations concerning the exercise of governmental authority. Our committees are set up to be advisory in nature. The work of the committees is subject to review and approval by the entire Board. Therefore, the OMA does not apply. That said, interested members of the public are encouraged and welcome to attend committee meetings. In the event a committee is given the power to make a decision on behalf of the board as a whole, the OMA would apply.

The following charters outline each committee's purpose and responsibilities.

Finance Committee

Purpose: The Finance Committee oversees the required monthly financial reports for the Board, oversees the draft budget with the Head of School, anticipates future financial needs, and addresses financial issues that relate to providing adequate resources for operations. This Committee is also responsible for overseeing an annual external financial audit, presenting the final audit to the Board for approval and ensuring appropriate financial controls are in place. The Finance Committee shall prepare and recommend to the Board appropriate policies for the management of the organization's assets.

Primary Responsibilities:

- Review annual budget with Head of School and Business Services Provider prior to its submission to the Board.
- Determine necessary Board financial reports and format.
- Oversee preparation of financial reports as needed.
- Monitor financial reports and identify potential financial issues.
- Through the Head of School, monitor checking account and cash flow/balance.
- Conduct financial forecasts and project future needs, including facilities needs and requirements.
- Identify process and timing for conducting audit including selection of an auditor.
- Facilitate audit process; ensure access to required information and records is available to the auditors.
- Review initial audit reports.
- Provide final audit report and explanations to Board.
- Create specific, measurable Board-level goals for the year as part of the full Board's planning process.
- Serve as ambassadors for the organization and promote a positive image/reputation.

Structure: The Finance Committee includes Board members with the Board Treasurer serving as the Committee's chair. The Head of School (*ex officio*) and Board President (*ex officio*) shall serve on the Committee. The work of the Finance Committee is subject to review and approval by the full Board. It reports routinely to the Board and submits committee minutes.

Schedule: Meets, at a minimum, on a monthly basis.

Academic Excellence Committee

Purpose: The Academic Excellence Committee oversees the development and implementation of academic excellence goals, completes the Michigan School Improvement Framework, supports the Head of School in oversight of the Parent Advisory Committees, and ensures that the HOS evaluation complies with the MDE requirement and is completed. As a primary responsibility, this committee is tasked to ensure equitable access for faculty, staff, students, and their communities.

Primary Responsibilities: It is important to note that this is a governance function, not a management function, and it is anticipated that school leadership will collaborate and help lead the work of this Committee. The Committee's main role is to assure that academic excellence is defined, and that the Board approves annual goals to attain academic excellence goals.

- Define and continue to refine what academic excellence means for Leelanau Montessori.
- Ensure that all Board members understand the key charter promises we have made to our community and to our authorizer.
- Work with the Head of School to devise clear and consistent ways to measure progress towards stated goals.
- Work with the Head of School to set annual academic excellence goals, to be presented to and approved by the full Board.
- Work with the Head of School to share with the Board annual successes, barriers to reaching academic excellence, and strategies to overcome these barriers.
- Arrange for Board training on issues related to academic oversight and academic excellence, as needed.
- Create specific measurable Board-level goals for the year as part of the full Board planning process.
- Report to the Board at regular meetings of the Board in a manner determined by the Board.

Structure: The Academic Excellence Committee includes at least one Board member and the Head of School (*ex officio*). The work of the Academic Excellence Committee is subject to review and approval by the full Board. Reports routinely to the Board and submits Committee minutes.

Schedule: Meets, at a minimum, on a monthly basis.

Governance Committee

Purpose: The Governance Committee has the primary responsibility for matters pertaining to Board of Director recruitment, nomination, orientation, training and evaluation in accordance with the Bylaws as well as established policies and practices approved by the Board. The Governance Committee is also responsible for monitoring governance and compliance matters, and developing and/or updating policies as required.

Primary Responsibilities:

- Analyze the skills and experience needed on the Board.
- Create a short and long-term Board recruitment strategy.
- Work with the Board President and Head of School on a succession plan for Board officers.
- Recruit candidates to serve as members of the Board and develop a slate of candidates for consideration by the Board of Directors in accordance with the nomination procedures outlined in the Bylaws.
- Ensure that all Board of Director candidates nominated by the Board are forwarded to Bay Mills Charter Schools Office for approval by the Bay Mills Board of Regents.
- Develop and review annually the procedures for Board recruitment.
- Develop an orientation and training plan for new Directors.
- Assist in the planning of an annual Board retreat and other deeper strategy sessions as needed.
- Develop and revise a Board member handbook outlining the responsibilities of the Board and Board members, Board policies, and other relevant information (e.g. Board Manual, strategic planning documents, policies, etc.).
- Conduct Board education as needed.
- Create specific measurable Board-level goals for the year as part of the full Board planning process.
- Regularly evaluate the effectiveness of Board meetings, and make recommendations for improvement to the President and the full Board as needed.
- Annually coordinate an evaluation of the full Board and individual Directors.
- Report to the Board at regular meetings of the Board in a manner determined by the Board.
- Work with the HOS to identify new or changed legal mandates that require Board approved policy to implement.
- Review existing Board policies, recommending updates as required.
- Ensure all compliance requirements established by the Charter School Authorizer are met in a timely manner.

Structure: The chair of the Governance Committee shall be a member of the Board of Directors. Other members of this committee shall be the Board President, members of the Board of Directors, and the Head of School (*ex officio*). The work of the Governance Committee is subject to review and approval of the full Board. Reports routinely to the Board and submits committee minutes.

Schedule: Meets, at a minimum, on a monthly basis.

Development Committee

Purpose: The Development Committee's main responsibility is to coordinate and oversee the raising of non-public funds to support the school's mission.

Primary Responsibilities:

- Provide a forum for coordinating all fundraising activities to benefit Leelanau Montessori and its students.
- Establish a fundraising plan and related fundraising strategies and calendar for school-based fundraising. These include, and are not limited to, annual appeals, product sales, house gatherings and 'friend-raising', and planned giving.
- Develop and uphold policies and procedures for fundraising.
- Serve as primary liaison with the Leelanau Montessori Forever Foundation (LMFF), the non-profit supporting organization that raises and distributes funds for the benefit of Leelanau Montessori.
- Ensure that the names of potential Board members of the LMFF nominated by the remaining directors of that Board are presented for consideration and appointment at a Leelanau Montessori Board meeting.
- In conjunction with the Head of School, identify specific funding needs that cannot be met with operational funding or school-based fundraising, and communicate those needs to LMFF for their consideration.
- Coordinate the implementation of the fundraising plan with efforts by board members, staff, parent volunteers, and community members.
- Utilize staff, board and volunteers to successfully carry out the fundraising activities that are part of the annual fundraising plan. Develop prospects, donors, and other mailing/contacts lists.
- Conduct donor meetings focused on soliciting major gifts.
- Involve all board members in fundraising, such as having board members make telephone calls to ask for support, and conduct donor meetings.
- Monitor fundraising efforts by the school and the LMFF to be sure that ethical practices are in place, that donors are acknowledged appropriately, and that fundraising efforts are cost effective.
- Create specific measurable board-level goals for the year as part of the full board planning process.
- Serve as an ambassador and promote the organization's image, visibility and case for support within the community.
- Coordinate with Grant and Marketing Committees on goals/objectives for the school's growth and stability.

Structure: The chair of the Development Committee shall be a member of the Board of Directors. Other members of this committee shall be the Board President, the chairs of the Grand and Marketing Committees, and the Head of School (*ex officio*). The work of the Development Committee is subject to review and approval of the full Board. Reports routinely to the Board and submits committee minutes.

Schedule: Meets, at a minimum, on a biannual basis, generally in September and April.

Grants Committee

Purpose: The Grant Committee shall assist and advise the Board regarding its responsibility for oversight of Leelanau Montessori's financial development by seeking external funding through grants for activities and programming that support and enhance the LPMSA community in accordance with Leelanau Montessori Mission, Vision, and Values.

Structure:

- Appointments of the chair and members of the Grant Committee shall be made annually by the President with the advice and consent of the Board in accordance with the Bylaws.
- The chair of this committee may be a member of the Board.
- A member of the committee shall be appointed to take minutes at every meeting and to submit those minutes to the committee chair.

Responsibilities: The Grant Committee's primary responsibilities include preparation of proposals and grant applications through responsible and professional work in researching, identifying, developing and responding to public and private grant opportunities in the areas of Education, Youth Development, Health, Technology, and other related areas.

- Collaborate with school faculty and the Head of School to identify opportunities.
- Collaborate with the Finance and Development Committees to identify opportunities/needs.
- Report to the Board at regular meetings in a manner determined by the Board.
- Annually evaluate its work as a committee and the objectives it has set.

Schedule: Meets, at a minimum, on a monthly basis.

Marketing Committee

Purpose: The Marketing Committee assumes the primary responsibility for management of the Leelanau Montessori brand, developing and implementing all marketing communications vehicles whether they are broadcast, online or print, and assisting faculty and staff in the promotion of new and ongoing school events.

Primary Responsibilities:

- Develop an annual marketing strategy based on the current situation.
- Help Montessori staff create advertising and marketing materials.
- Work with the Head of School on plans to increase enrollment every year to target levels.
- Differentiate the Montessori Method from others whenever possible.
- Assume the management of and consistency of the Montessori message in all marketing communications vehicles.
- Contain all costs within the parameters of the annual marketing budget.
- Review marketing activities on a monthly basis throughout the school year.
- Engage all opportunities for unpaid media as part of the annual campaign.
- Engage all opportunities for online and social media promotion.
- Evaluate the effectiveness of the various marketing campaigns.
- Keep Board members apprised of all marketing activities.

Structure: The chair of this committee shall be a member of the Board of Directors. Other members of this committee shall be members of the Board of Directors, the Head of School, Leelanau Montessori staff, and volunteers. The work of the Marketing Committee is subject to review and approval of the full Board. Reports routinely to the Board and submits committee minutes.

Schedule: Meets, at a minimum, on a monthly basis

SECTION IV: BOARD POLICIES

The following policies have been approved by the Leelanau Montessori Board of Directors to govern the conduct of Board members in the execution of their duty.

Whistleblower Policy

Leelanau Montessori expects all Board members to be honest and ethical in their conduct, and to comply with applicable Federal and State law, Board policies and administrative guidelines. The Board encourages and requires all Board members to report possible violations of these Board expectations, based on a good faith belief.

It is the responsibility of a Board member who is aware of conduct on the part of any Board member or staff member that possibly violates Federal or State law, or Board policy, to call this conduct to the attention of the Head of School. If the Head of School is not responsive or is the staff member whose behavior is in question, the Board member may report the conduct to the Board President. If the reported conduct relates to the Board President, the report may be filed directly with the Board Vice President. After such a report is made, the Board member will be asked to put the report in writing. Any Board member making such a report shall be protected from discipline, retaliation, or reprisal for making such report as long as the Board member had a good faith belief as to the accuracy of any information reported. Board members may be subject to removal from the Board for knowingly making a false report under this policy. Board members may also be subject to removal from the Board, if they are aware of a violation of Federal, State, or local law involving or relating to the business of the District and they do not make a report confirmed in writing to the Head of School or Board President in accordance with this policy.

Conflict of Interest Policy

Board members shall scrupulously avoid conflicts of interest between the interests of Leelanau Montessori on one hand, and personal, professional, and business interests on the other. This includes avoiding potential and actual conflicts of interest, as well as perceptions of conflicts of interest. An actual or potential conflict of interest occurs when a Board member is in a position to influence a decision that may result in a personal gain for that Board member, or for a relative of a Board member. A “relative” is any person who is related by blood or marriage or whose relationship with the Board member is similar to that of persons who are related by blood or marriage. No “presumption of guilt” is created by the mere existence of a relationship with such potential. If Board members have any influence on transactions involving purchases, contracts or leases, it is, however, required that they disclose such to the Board President promptly so that safeguards can be established to protect all parties.

The purposes of this policy are to protect the integrity of the Leelanau Montessori decision-making process, to enable our students and the community-at-large to have confidence in our integrity, and to protect the integrity and reputations of Board members. Upon or before appointment to the Board, Board members shall make a full, written disclosure of interests, relationships, and listing of holdings that could

potentially result in a conflict of interest, using the Bay Mills Charter School Office Conflict Disclosure Form. This written disclosure will be kept on file and should be updated as appropriate, and annually as required by Bay Mills.

In the course of meetings or activities, Board members shall disclose any interests in a transaction or decision where that member, their family and/or their significant other, employer, or close associates will receive a benefit or gain. After disclosure, the Board member may be asked to leave the room for the discussion and may not be permitted to vote on the question.

This policy is meant to supplement good judgment, and Board members shall respect its spirit as well as its wording.

Absenteeism Policy

Unexcused absence of 25% or more of regular meetings per year shall be considered a resignation. The Board of Directors shall be vested with the authority to remove any member from office, for cause, upon one week's notice of the purpose of the meeting, and providing a majority of the Directors present, a vote of two-thirds of those present and voting in favor of removal of such member. Board members who provide 24 hours or more notice to the Board President may attend Board meetings by conference call or video meeting, but may only participate in, and vote on business of the Board if the requirements of the Open Meetings Act are met (absence due to military service or a medical condition).

Disclosure of News or Information Policy

The Head of School of Leelanau Montessori serves as the principal contact with the news media and the spokesperson for the organization. Employees, Board members, and volunteers will not participate in public interviews or release information related to the organization without consulting with the Head of School. If decided on as part of a planned strategy, the Board President may serve as the principal contact and spokesperson with the media.

Operational, donor and budget planning information as well as Board, staff and volunteer information related to any Leelanau Montessori activities shall not be disclosed or released to any person or public media. Information requests that are subject to the Freedom of Information Act must be referred to the Head of School and will follow the School's protocol for these requests. Questions concerning protocols for specific situations should be directed to the Head of School.

Confidentiality Policy

In the course of your Board service, you may have access to confidential or proprietary information. This information includes employee files, background check results, medical records, billing data, and all other protected health information, as well as information related to business functions including its management, business plan, bullying, collections, human resources, payroll, research, technology and information systems. You are expected to respect and maintain the confidentiality of such records and

information in strictest confidence for the sole and exclusive benefit of Leelanau Montessori. Requests for information shall be referred to the Head of School who will follow the School's Freedom of Information Act procedure.

Sexual Harassment and other Unlawful Harassment Policy

Leelanau Montessori is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive. Actions, words, jokes, or comments based on an individual's sex, race, color, national origin, age, religion, disability, sexual orientation, or any other legally protected characteristic will not be tolerated.

Sexual harassment is defined as unwanted sexual advances, or visual, verbal or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. The following is a partial list of sexual harassment examples:

- Unwanted sexual advances.
- Offering employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual advances.
- Visual conduct that includes leering, making sexual gestures, or displaying sexually suggestive objects or pictures, cartoons or posters.
- Verbal conduct that includes making or using derogatory comments, epithets, slurs, or jokes
- Verbal sexual advances or propositions.
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations.
- Physical conduct that includes touching, assaulting, or impeding or blocking movements.
- Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission or rejection of the conduct is used as a basis for making employment decisions; or, (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

“Harassment” is defined as bullying, intimidation, or humiliating comments or actions intended to humiliate, offend, or embarrass the recipient.

If a Board member experiences or witnesses sexual or other unlawful harassment including receiving notice of harassment by an employee, he/she should report it immediately to the Head of School. If the Head of School is unavailable or you believe it would be inappropriate to contact that person, you should immediately contact the Board President. You can raise concerns and make reports without fear of reprisal or retaliation.

All allegations of harassment will be quickly and discreetly investigated. To the extent possible, the confidentiality of the complainant and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, the complainant will be informed of the outcome of the investigation.

Any Board member who becomes aware of possible sexual or other unlawful harassment must immediately advise the Head of School or Board President so it can be investigated in a timely and confidential manner. Anyone engaging in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment.

Document Destruction Procedure

The Sarbanes-Oxley Act addresses the destruction of business records and documents and turns intentional document destruction into a process that must be carefully monitored. Nonprofit organizations should have a written, mandatory document retention and periodic destruction policy. Policies such as this will eliminate accidental or innocent destruction. In addition, it is important for administrative personnel to know the length of time records should be retained to be in compliance.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank Reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation Schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense Analyses/expense distribution schedules	7 years
Year End Financial Statements	Permanently
Insurance Policies (expired)	3 years

Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Patents and related Papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

SECTION 5: REFERENCES FOR BOARD

Michigan Revised School Code Sections Pertaining to Public School Academies

- [380.501](#) Public school academy; scope; powers; definitions.
- [380.502](#) Public school academy; organization; operation; bodies authorized to issue contract; application to obtain contract; contents; oversight; suspension of powers; fees; presumption of legality; intergovernmental agreement to issue public school academy contracts.
- [380.503](#) Public school academy; issuance of contract; priority; petition to place question on ballot; submission; resolution; contents of contract; compliance with applicable laws; governmental immunity; exemption from taxation; acquisition of property; oath of office.
- [380.504](#) Location; operation at other than single site; documentation that proposed educational model results in measurable progress; discrimination prohibited; admission limits; enrollment; priority; grades and programs offered.
- [380.504a](#) Public school academy; additional powers.
- [380.505](#) Use of certificated teachers; use of noncertificated individuals by public school academy run by state public university or community college; report of new or revised teaching techniques.
- [380.507](#) Authorizing body; duties; powers; fiscal agent; revocation of contract; notice of certain conditions; consideration of other public school options; decision to issue, not issue, or reconstitute contract, or terminate or revoke contract; discretion; corrective measures; transition for affected pupils upon revocation of contract; notice to superintendent of public instruction.

Board Information from Bay Mills Community College Charter Schools Office (our authorizer)

See the “resources” tab at: <https://bmcso.org>

Contract to Charter a Public School Academy issued by Bay Mills Community College Board of Regents to Leelanau Montessori Public School Academy

This is the contract that allows Leelanau Montessori to operate as a Public School Academy. The contract was issued on July 1, 2018, and is valid for eight (8) years. The contract and

subsequent amendments can be viewed on the Bay Mills charter schools office website, under the schools tab, school listing, Leelanau Montessori. <https://bmcsso.org/school-listings/?paged=3?>

Bylaws

The bylaws of Leelanau Montessori, which govern the board of directors, can be accessed on the Leelanau Montessori website, under the board tab:

https://4508c65d-0d3f-46ab-9893-23f3a57496de.filesusr.com/ugd/d1793e_195d4f5aa5004aaf8c821faa4eff5f79.pdf

Leelanau Montessori Policies

The board-approved policies that govern the operations of Leelanau Montessori can be found on the Leelanau Montessori website, under the board tab:

https://4508c65d-0d3f-46ab-9893-23f3a57496de.filesusr.com/ugd/d1793e_76220864636f42729315859d1a8792be.pdf

Board Meeting Agendas and Minutes

Minutes for Leelanau Montessori Board Meetings can be found on the Leelanau Montessori website, under the Board Tab. [Board Agendas & Meetings for Leelanau Montessori School - Suttons Bay, Michigan](#)

Budget and Financial Reports

The annual budget can be obtained by asking the Finance Committee Chair or Head of School. Monthly financial reports are shared with Board members each month prior to the monthly meeting.

Useful acronyms, terms to know

- ISD: Intermediate School District, now referred to as Northwest Education Services.
- M-STEP: Michigan student Test of Educational Progress, a computer-based assessment for students in grades 3 and up.
- NWEA: Testing system used three times per year to measure a student's academic level and growth

Board Policy Acknowledgement Form

The Board of Directors of Leelanau Montessori are committed to the highest ethical and professional standards of conduct in pursuit of its mission.

The Leelanau Montessori Public School Academy Board of Directors Manual contains the following policies in furtherance of that commitment:

- Whistleblower Policy
- Conflict of Interest Policy
- Absenteeism Policy
- Disclosure of News or Information Policy
- Confidentiality Policy
- Sexual Harassment and other Unlawful Harassment Policy
- Document Destruction Procedure

In signing your name below, you are stating that you have reviewed these Board of Directors Policies and agree to abide by them.

Signature

Date

Print your name

Dear LMPSA Board,

Thank you for your attention and feedback to the strategic vision. Our core team has responded to your notes and is submitting the draft below (p3) for your adoption. We designed the plan in response to the current state of our school. Responding to feedback from every pillar of our school community, we prioritized strategies to support organizational health, increased stability, and equitable outcomes. This visionary document is most useful when considered a “living document” - applied to your work every time you plan, implement, and evaluate any initiative. It will bring clarity and accountability to your shared work over the next five years.

NEXT STEPS

(coordinated by Arden, Beth, Lisa Thauvette, and Bethany Sparling)

DESIGN

Once any further edits have been integrated, a graphic designer will create a beautiful document that details the strategic vision artfully. Visuals are a powerful tool for helping us understand our work. This document can be shared with the school community and beyond as a tool to foster engagement.

IMPLEMENTATION

I created a structure for implementation in the following implementation plans. I hope the potential laid out in the implementation plans will dissolve anxieties about how this visionary plan will shape the concrete work to come. Please take what works for you here and **come to consensus on a structure that will organize and support your strategic work** over the next five years. Excel/Google Sheets is one option. I love the work organizational tool [Asana](#) for keeping things clear and integrated when organizing multiple projects and stakeholders.

Implementation plans:

[High-Level Plan](#) - Outlines each area of the plan

[EDUCATORS](#) - Strategies to “Support successful Montessori Educators”

[ENVIRONMENT](#) - Strategies to “Foster a Compelling Environment”

[COMMUNITY](#) - Strategies to “Prioritize Community and Communication”

[SUSTAINABILITY](#) - Strategies to “Ensure Organizational Sustainability”

You will see tabs along the bottom that link to data/findings/plans and ideas. Our stakeholders contributed much to this process and the fine details are included in those

tabs. You can search through them to see the many suggestions and insights our stakeholders provided that may shape your committee work.

The forward-thinking you did at the beginning of the strategic planning process is captured here: [Board Priorities](#). You'll see many of the deliverables suggested have been plugged into the corresponding implementation plans. You now have an opportunity to **set your committee goals in line with the goals you set forward in your [Board Priorities](#)**. Like the strategic vision, the implementation plans will be most useful when all pillars of the organization are consulting and updating them with your ongoing work.

ACCOUNTABILITY

One sure way to make sure your investment in this plan continues to provide returns is to **use it as an assessment and accountability tool**. I suggest that the board check in with the plan biannually to learn from your accomplishments and challenges and adjust course. Don't be afraid to make changes as you go.

With confidence in the work ahead --

Tori Craig

Leelanau Montessori Public School Academy
2022 Strategic Plan

Do everything in service of optimal child development grounded in Montessori theory, practice, and pedagogy.

- 1- Support successful Montessori educators.**
- 2- Foster a compelling environment.**
- 3- Prioritize community and communication.**
- 4- Ensure organizational sustainability.**

Support successful Montessori educators.

Nurturing and retaining high-quality Montessori educators improves student outcomes and enrollment, while promoting aspects of positive work culture like healthy dialogue and collegial mentorship. Specialized training and years of experience are required to excel in the application of the Montessori method. Amid increased staff turnover in recent years, adult skill development is in a building phase.

Attract, nurture, and retain staff dedicated to co-creating an exemplary public Montessori school.

- Foster the culture, reputation, and network that will attract Montessori professionals reflective of our growing regional diversity.
- Support adult development in a community that values continuous learning and healthy relationships.
- Retain talented teachers by responding to their passions and purpose.

- Strengthen and diversify our compensation package by maximizing resources in our network.

Cultivate and expand the implementation of Montessori practice.

- Increase our collective ability to adapt to the complex nature of our work and seek new understandings of the child and self.
- Promote peace, equity, and global citizenship across the planes of development.
- Articulate, measure, and boost child development and student achievement to meet and exceed state standards.
- Modify policies and practices to improve outcomes across the spectrum of identities and cultures represented in our student body.

Foster a compelling environment.

In Montessori, the environment is key - it provides the child with the means for development. In 2020 we moved to our current facility and transformed our facility into a functional and vibrant Montessori school. Additional vision, effort, and resources are needed to maximize and beautify the space to meet our needs.

Build an integrated and well-resourced campus in service of optimal child development.

- Create cohesion in the physical environment by balancing practical needs with nature, order, and beauty in service of the whole child.
- Apply Universal Access principles and equity-minded design to the entire facility.
- Encourage a community work ethic to improve our school environment.
- Maximize the development of the outdoor learning environment.

Prioritize community and communication.

Our school is successful at nurturing deep and enduring relationships among families. We continue to gather over enrichment and volunteer opportunities. Clear communication builds supportive relationships between families and educators and reinforces learning. Families seek improved communication about the school and their children.

Include, inform, and inspire families.

- Provide timely and transparent communication about our school and individual child development.
- Offer enrichment opportunities that are accessible to every family.
- Develop partnerships with families that enrich the child experience and support our school's growth.
- Modify policies and practices to improve outcomes across the spectrum of identities and cultures represented in our school community.

Ensure organizational sustainability

Increasing our stability will help us realize our mission and vision as an exemplary Montessori school, while operating in a responsive and resilient manner. Gaps in funding prevent us from reaching our strategic goals and state revenue sources do not cover the cost of implementing Montessori with fidelity. Enrolling more children, growing our fund balance, and nurturing relationships toward retention will unlock growth and improvement in many areas.

Provide Montessori education to more children.

- Reduce barriers to entry, growing our enrollment in the Montessori way - from the bottom up.
- Develop the cultural humility and competency of staff to serve every child.

- Build our reputation and credibility as a hub of whole child development and public education for children of all learning styles and cultural and socioeconomic backgrounds.

Increase stability in order to anticipate needs and adapt to uncertainty.

- Grow the fund balance from 10% in 2022 to 25% in 2027.
- Create systems that allow us to strategically build fund-development capacity.
- Build relationships at every opportunity among all pillars of our school (students, staff, board, families).
- Align board responsibilities in support of sustainability priorities.

LEELANAU MONTESSORI Board Resolution - #23-2023
Adoption of New Secretary

Moved by _____ and seconded by _____ that the Leelanau Montessori Board approve the following Resolution:

Whereas, the LEELANAU MONTESSORI Bylaws, Article VII, Section 2, state that the Board shall annually elect the officers of the Leelanau Montessori Board; and
Whereas, the LEELANAU MONTESSORI Bylaws define the responsibilities of the officers.

Now Therefore Be It Resolved, that the LEELANAU MONTESSORI Board hereby elects Anita Abbott to serve as Secretary for the remainder of the year or until her successors are duly elected and qualified:

I hereby certify that the foregoing resolution was duly adopted by the LEELANAU MONTESSORI Board of Directors at its meeting on October 17 2023.

Roll Call: Bordeaux Y N Abs. Abbott Y N Abs.

McConnell Y N Abs. Lutke Y N Abs. Kuhn Y N Abs.

Ayes: _____ Nays: _____

Motion Carried/Failed

Secretary

Date