

Britton Deerfield Schools: Tax Information and Investigation Summary

January 4, 2023: district contacted by treasury department stating, “there is a discrepancy in the millage being reported.”

January 5, 2023: Superintendent responds thinking they were referring to Britton having the bond listed on the L-4029 and Deerfield not having the bond on the L-4029; email returned from treasury stating, “It appears Lenawee County & Monroe County have different millage rates for Britton School District debt, wondering which is correct and what went out on the tax bills. Thank you.”

January 5, 2023, to January 27, 2023: The district works with the different offices to see what forms they have and brings Thrun Lawyer, Michael Gresens into the situation.

February 2023: The Board of Education, at its reorganization meeting earlier in January, authorized Superintendent Johnson, and the business office, the authority to conduct electronic transactions including ACH (computer-based electronic network for processing transactions). This can be seen in the approved meeting minutes of the Board of Education in February 2023. This is done every year.

April 2023: Multiple discussions take place with legal team and business manager that a loan will be taken from the School Loan Revolving Fund to make the bond payment due in May. This was the only legal option and was required of the district. It did not require a vote of the Board.

June 2023: On June 26, 2023 a PUBLIC HEARING started at 6:45. The published meeting announcement read: **THE PROPERTY TAX MILLAGE RATE PROPOSED TO BE LEVIED TO SUPPORT THE PROPOSED BUDGETS WILL BE A SUBJECT OF THIS HEARING.**

During the June 26 Budget Meeting, the Board of Education moved to approve the amended budget for 2022-2023, the proposed budget for 2023-2024, and the tax rates. Part of that public meeting was the 2016 Refinancing page that clearly showed the absence of the bond collection in the amount of \$328,860. This was discussed under letters “a,” “b,” and “c.”

August 2023: The Board of Education approves the meeting minutes from July 26, 2023, where the amended budget of 2022-2023 was approved. The Board approves the finalized loan paperwork from Michigan School Loan Revolving fund with voted on tax rates and discusses the two-page application document under letter “g” on the meeting agenda.

September 2023: The Board of Education approves the meeting minutes from August with the approved loan paperwork from the Michigan school Loan Revolving Fund.

Summary of Investigation:

Britton Deerfield Schools, after careful investigation, inquiry, and advice from legal counsel, has determined that a clerical error with the L-4029 tax form was made. The district stands firm in its belief that manipulation of the L-4029 was made outside the district’s possession. Legal counsel did suggest all forms be submitted to the Federal Bureau of Investigation for a forensic analysis. The district agreed to proceed with this investigation. However, after discovering that only copies of the original forms sent to multiple offices through the United States Postal Service existed, it was determined that the forensic analysis would not be beneficial or showcase any findings. The original L-4029 forms are still maintained by the district and are fully executed with accurate information. Only one form for each building—Britton

and Deerfield—was created by the district. The district does not have any document in the business office that shows missing information on the L-4029 forms.

During this internal investigation, past mistakes were found within Lenawee County on tax forms. In the same year, 2022, the Veteran's Relief Fund was left off the tax bill. This was reported by The Advance Newspaper on December 13, 2023. The paper states, "The county has a veterans fund and they didn't get it in last year in time to go on the 2022 taxes. That is why there is a double bill this year."

Also, another local school district within Lenawee County had an issue with an error on a L-4029 in 2020. The district's bond had expired, and the Superintendent of Schools did NOT place it on the L-4029. However, it was levied anyway. The taxpayers paid the amount, and the township sent a letter to the taxpayers notifying them of the mistake. A decision had to be made whether to refund the monies or to repurpose the monies. It was decided to use the amount levied for another bond on the tax bill. Britton Deerfield Schools reached out to the Superintendent of this local district and asked if the school informed the taxpayers, through any form of communication, about this clerical error. The Superintendent said they did not send any notice out or any information to the community affected.

In conclusion, the district is empathetic to the community and sorry for any inconvenience this issue caused. We understand mistakes happen and want to assure the community that our focus is to make improvements to the current system so mistakes do not happen again. As a district we have implemented the following action items: we will only be sending tax forms out to township and village entities after they have been approved by our legal team. All forms will be sent electronically, with information going directly to all parties and the Board of Education. Also, we will work with the county offices to ensure better communication regarding changes that may have an impact on our community members.

The district has fulfilled its legal obligation to make the 2006 (ref. 2016) bond payment and has established an improvement plan for the completion of all L-4029 forms. We hope to continue working in partnership with the county offices and with our community members. Our local schools exist because of the relationships we have built over the years, and the coming generations of children deserve to have local schools operating within our neighborhoods. Thank you for helping us to ensure this happens.