Orchard View Schools

REPORT ON FINANCIAL STATEMENTS

(with required supplementary information)

Year ended June 30, 2023

Orchard View Schools

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Orchard View Schools
Muskegon, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Orchard View Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Orchard View Schools' 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, each major fund, and the aggregate remaining fund information of Orchard View Schools, as of June 30, 2023, and the respective changes in financial position 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 Orchard View Schools 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.

Emphasis of Matter – Correction of Prior Year Misstatement

As described in Note N to the financial statements, the School District's Net Position and Fund Balance as of July 1, 2022 has been restated to correct an error in the accounting of due from other governmental units.

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.

Report on the Audit of the Financial Statements—Continued

Responsibilities of Management for the Financial Statements—Continued

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Orchard View Schools' 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, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 Orchard View Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Orchard View Schools' 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, budgetary comparison schedules and pension information 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 Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2023, on our consideration of Orchard View Schools' 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 Orchard View Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Orchard View Schools' internal control over financial reporting and compliance.

Brickley DeLong, P.C.

Muskegon, Michigan
November 1, 2023

Orchard View School District's (the District) Management Discussion and Analysis is intended to assist the reader in focusing on significant financial issues, provide an overview of the District's financial activity, and identify changes in the District's financial position and its ability to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and is intended to provide the financial results for the fiscal year ending June 30, 2023.

District-Wide Financial Statements

The District-wide statements provide a perspective of the District as a whole. The Statement of Net Position and the Statement of Activities, which appear first in the financial statements, report information on the School District as a whole and its activities to indicate the financial condition of the District. These statements are prepared using the full accrual basis of accounting and include all assets, deferred inflows/outflows, and liabilities, which is similar to private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position combines and consolidates governmental funds' current financial resources (short-term expendable resources) with capital assets and long-term obligations, regardless of whether they are currently available or not. The footnotes to the financial statements contain the details.

The District has adopted GASB Statement 96—*Subscription based IT Arrangements*. The prior year Statement of Net Position and Statement of Activities were not restated for the effect of GASB Statement 96 as the data is not available. The footnotes to the financial statements contain the details of the adoption.

Consistent with the full accrual basis method of accounting, the Statement of Activities accounts for current year revenues and expenses regardless of when cash is received or paid. The intent of this statement is to summarize and simplify the user's analysis of the costs of various District services.

Fund Financial Statements

Under this basis of accounting, revenues are recorded when received, except where they are not measurable and available, and therefore, represent resources that may be appropriated. Expenditures are accounted for in the period that goods and services are used in school programs. In addition, capital asset purchases are expensed and are not recorded as assets. Debt payments are recorded as expenditures in the current year and future debt obligations are not recorded.

Fund types include the General Fund, Community Education Fund, and other special revenue funds, capital projects fund, sinking fund and a debt retirement fund. The General Fund is used primarily to account for the general education requirements of the District. Its revenues are derived from property taxes, state and federal distributions, grants, and other intergovernmental revenues. The Community Education Fund is comprised of some general education requirements for Alternative Education, Adult Education, and Preschool. It also is comprised of Child Care, Head Start, and other community services of which revenue may be provided through grants and self-supporting programs (local revenues). Special revenue funds are used to account for Food Service, Student/School Activities and Technology. The Debt Retirement Fund accounts for the tax revenues received from taxpayers and the payments for the building project debt.

Financial Analysis of the District as a Whole

Summary Comparison of Net Position

	2021/2022, as restated*	2022/2023
Assets		
Current assets	$ 14,366,843	$ 14,362,010
Non-depreciable Capital Assets	1,115,429	3,501,405
Capital Assets, net of accumulated depreciation/amortization	34,420,059	33,096,453
Deferred outflows of resources	11,512,550	21,909,354
Total assets and deferred outflows of resources	$ 61,414,881	$ 72,869,222
Liabilities		
Current liabilities	$ 5,317,733	$ 6,314,601
Long-term liabilities		
Due within one year	2,679,000	2,656,400
Due in more than one year		
Bonds, capital leases, and contracts	70,906,824	89,915,219
Deferred inflows of resources	22,897,897	10,686,447
Total liabilities and deferred inflows of resources	$ 101,801,454	$ 109,572,667
Net position		
Net investment in capital assets	5,972,019	9,961,340
Restricted	509,397	392,252
Unrestricted	(46,867,989)	(47,057,037)
Total net position	**$(40,386,573)**	**$(36,703,445)**

*The 2021/2022 figures have not been updated for the adoption of GASB 96.

As indicated by the statement above, total net position is $(36,703,445). In comparison with the previous year's summary of net position, there was a total net position increase of $3,683,128. This increase was the net result of the following: non-depreciable capital assets increased due to construction in progress; net capital assets decreased due to the depreciation of those assets; current liabilities increased due to the difference in salaries payable for the fiscal year; deferred inflows decreased and long-term liabilities and deferred outflows increased due to changes in assumptions of pension and other postemployment benefit liabilities. Net Position can be separated into three categories: net investment in capital assets, restricted assets, and unrestricted assets. Net investment in capital assets compares the original cost (less depreciation/amortization) of the School District's capital assets to long-term debt used to finance the acquisition of those assets. The original cost of capital assets is $65,209,797, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation/amortization is the accumulation of depreciation/amortization expense since acquisition. In accordance with Generally Accepted Accounting Principles (GAAP), depreciation/amortization expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation/amortization is $28,611,939. Total long-term debt related to capital assets is $26,636,518, resulting in net investment in capital assets of $9,961,340. The District has $392,252 in restricted net position. The remaining net deficit of $(47,057,037) is unrestricted. The unrestricted net deficit is an accumulation of prior years' operating results. This balance is directly affected each year by the District's operating results.

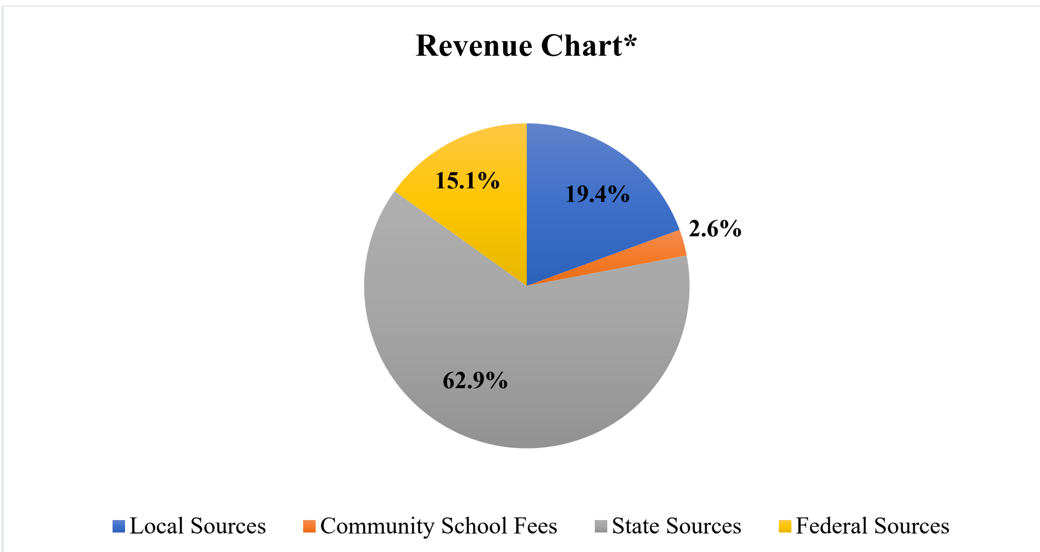
Results of Operations (Comparison)	**2021/2022 Amounts, as restated***	**2022/2023 Amounts**	**% of Total**
Program Revenue			
Charges for service - local and intermediate	$ 1,496,252	$ 1,487,967	3.6%
Operating grants - federal and state	14,384,749	16,525,824	41.4%
Total program revenue	$ 15,881,001	$ 18,013,791	45.0%
General Revenue			
Property taxes, levied for general purposes	$ 2,359,745	$ 2,523,711	6.3%
State of Michigan aid, unrestricted	15,124,308	15,985,767	40.1%
Total foundation allowance	$ 17,484,053	$ 18,509,478	46.4%
Property taxes, levied for debt services	$ 2,936,598	$ 3,036,082	7.7%
Property taxes, levied for sinking fund	300,971	327,105	0.8%
Unrestricted investment earnings	4,381	29,117	0.1%
Total revenues	$ 36,607,004	$ 39,915,573	100.0%
Expenses			
Instruction	$ 16,808,329	$ 19,596,598	54.0%
Support services	8,870,465	10,854,651	30.0%
Community services	1,886,155	1,796,931	5.0%
Food services	1,902,243	2,096,326	5.8%
Student/school activities	167,249	273,875	0.8%
Athletics	280,344	398,132	1.1%
Interest on long-term debt	1,196,483	1,215,932	3.3%
Total expenses	$ 31,111,268	$ 36,232,445	100.0%
Change in net position	**$ 5,495,736**	**$ 3,683,128**	

*The 2021/2022 figures have not been updated for the adoption of GASB 96.

As indicated above, net position increased by $3,683,128. In comparison with the previous year's statement of activities, some of the significant differences are as follows: Operating Grants increased due to increased usage of the allocated ESSER funds; instruction and support services increased due to spending more of the allocated ESSER funds, including summer school; instruction and support services increased due to additional supports for special education; per pupil state aid increased; increase in property values increased the amount of taxes levied for debt services and sinking fund; athletics increased due to hosting of additional district tournaments and increase in costs for programming, including game managers.

Revenues from Statement of Revenues, Expenditures and Changes in Fund Balances

The following chart illustrates the District's sources of revenues by percentage:



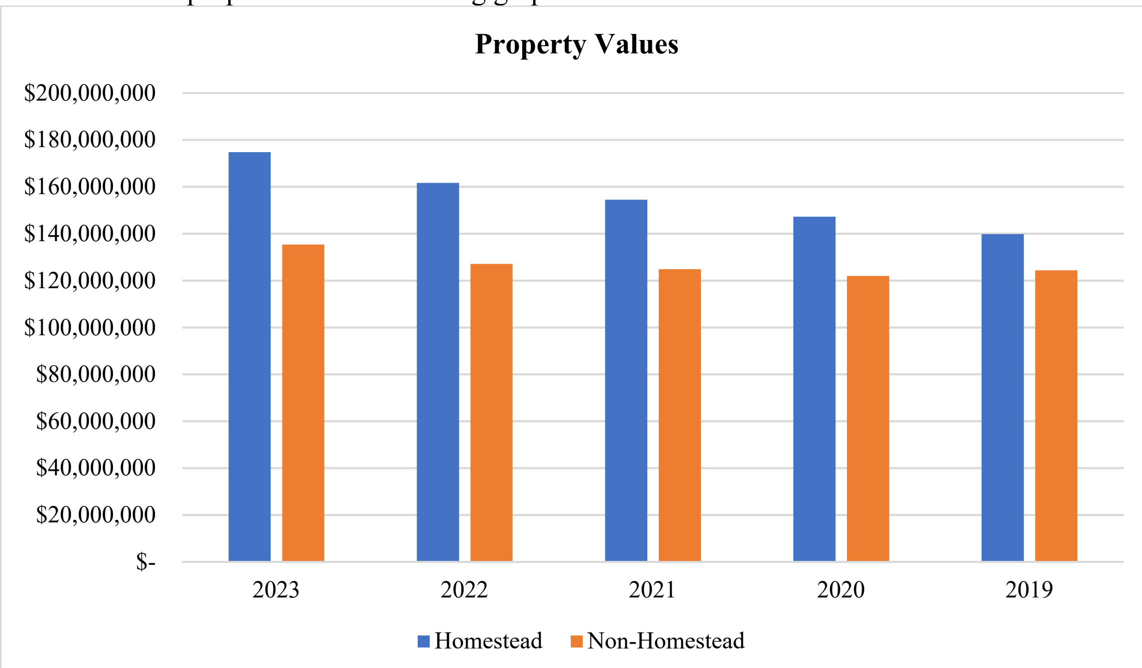
*Revenue chart is based on all District Funds combined

Sources of Revenues from Statement of Revenues, Expenditures and Changes in Fund Balances

Local sources of revenues total $8,987,307, and include revenues to the General Fund of $3,666,476, Food Service Fund of $87,161, Technology Fund of $483,808, Student/School Activities of $287,102, Sinking Fund of $327,105 and Debt Service of $3,038,426. In addition, Community Education fees total $1,097,229, and include revenues received by the Community Education Fund for services provided to the community. State sources revenue total $25,625,566, and include revenues to the General Fund of $22,718,700, Community Education Fund of $2,832,742, and Food Service Fund of $74,124. Included in the state source revenue is the membership foundation allowance of $15,985,767. State sources of revenue make up 55% of General Fund revenues. This ties the District directly to the State's overall economy. Federal sources of revenue total $6,179,547, and include revenue to the General Fund of $2,701,499, Community Education Fund of $1,300,953 and Food Service Fund of $2,177,095.

Property Taxes

A significant portion of local revenues is provided from property taxes for the General Fund. General Fund property tax revenue totaled $2,523,711. This amount is obtained through a voter approved 18-mill levy on the taxable value of non-homestead properties for the District's operations. Over the last 5 years taxable values have increased each year on average 5.4% for homestead properties and increased 2.3% for non-homestead properties. The following graph illustrates this increase:



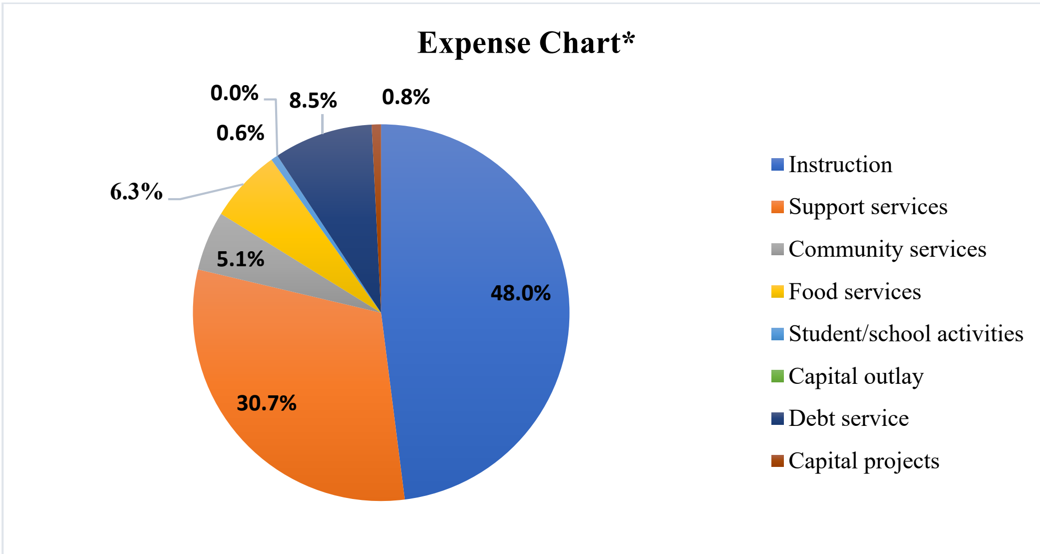
Unrestricted State Aid Foundation Allowance

A significant portion of state funding to the District is through the foundation allowance. The foundation allowance is funding from the state for each student, set annually. The District's foundation allowance is $9,150 per student for the 2022/2023 fiscal year, which is an increase of $450 from the 2021/2022 school year. The number of students to be funded is calculated by student enrollment blended at 90% of current year's October count and 10% of prior year's February count. Total blended student enrollment for this fiscal year is 2,139.41.

Expenses

Expenses include instruction of $20,581,517, support services of $13,143,930, community services of $2,157,830, food services of $2,669,531, student/school activities of $273,875, capital outlay of $20,355, debt service of $3,620,443, and capital projects of $361,487. In the District-wide statements, instruction includes instructional support and related fringe benefits whereas these expenses are included in support services in the fund level statements for budgeting purposes.

The following chart illustrates the District's expenses by percentages from Statement of Revenues, Expenditures and Changes in Fund Balances:



*Expense chart is based on all District Funds combined

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

The major revisions made to the 2022/2023 General Fund's original budget were:

Revenues:

- State sources were increased during the year to account for additional 147 grant funds flowed through the state for retirement costs.
- Federal sources were increased significantly during the year to account for additional COVID and Title carryover grants received.

Expenditures:

- Basic Programs were increased due to hiring of additional teachers to assist in rectifying learning loss.
- Added Needs were increased due to additional staffing and hours for additional special education support.
- School Administration was increased due to additional hiring of MTSS Coordinator.
- Central was increased due to increased legal expenses and accounting services.
- Community Services were increased due to additional parent outreach and activities.

The major revisions made to the 2022/2023 Community Education original budget were:

Revenues:
- No significant budget amendments were made.

Expenditures:
- Community Services expenditures were increased due to additional hiring needs at the Innovative Learning Center and the construction of a new entrance at OV Community Education.

Capital Assets

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Capital assets, being depreciated/amortized				
Buildings and improvements	$ 55,285,248	$ -	$ -	$ 55,285,248
Furniture and equipment	5,602,137	97,489	-	5,699,626
Vehicles and equipment	244,897	10,000	-	254,897
Right to use – vehicles	403,039	-	-	403,039
Right to use – subscription-based IT	-	65,582	-	65,582
Total Capital assets, being depreciated/amortized	61,535,321	173,071	-	61,708,392
Less accumulated depreciation/amortization:				
Buildings and improvements	22,703,645	1,078,041	-	23,781,686
Furniture and equipment	4,065,752	230,128	-	4,295,880
Vehicles and equipment	181,543	11,196	-	192,739
Right to use – vehicles	164,322	164,322	-	328,644
Right to use – subscription-based IT	-	12,990	-	12,990
Total accumulated depreciation/amortization	27,115,262	1,496,677	-	28,611,939
Total Capital Assets being depreciated/amortized, net	34,420,059	(1,323,606)	-	33,096,453
Assets, not being depreciated/amortized				
Land	200,000	-	-	200,000
Construction in Progress	915,429	2,385,976	-	3,301,405
Capital Assets, net	**$ 35,535,488**	**$ 1,062,370**	**$ -**	**$ 36,597,858**

At June 30, 2023, the District had $36,597,858 invested in a broad range of capital assets, including land, buildings, furniture and equipment. This is an increase in capital assets of $1,062,370 from last year and includes all building improvements, equipment purchases and subscription-based IT purchases. Significant current year additions were $2,385,976 to construction in progress for unit ventilation and controls at Cardinal Elementary, cafeteria renovations at Orchard View Middle School, Cardinal Elementary and Orchard View Early Elementary, secure entry vestibules at Cardinal Elementary and Orchard View Middle Schools and secure entrance/office at Orchard View Community Education.

Long – Term Debt

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

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due within one year
Governmental Activities:					
Bonds	$29,737,913	$ -	$ 2,594,980	$27,142,933	$2,540,000
Other obligations	6,780,688	493,200	181,597	7,092,291	76,400
Compensated absences	323,484	85,570	106,770	302,284	40,000
	$36,842,085	**$ 578,770**	**$ 2,883,347**	**$34,537,508**	**$2,656,400**

The additions for other obligations represent $216,599 of new draws on the School Loan Revolving Fund, $226,197 of accrued interest on the School Loan Revolving Fund and $50,404 for subscription-based IT arrangements.

Economic Factors and Next Year's Budgets and Rates

The Orchard View School District Administration considers many factors when setting the District's 2023/2024 fiscal year budget. One of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2023/2024 fiscal year will be 90% of the Fall 2023 and 10% of Spring 2023. Approximately 64% of the General Fund revenue is from the foundation allowance. The 2023/2024 original budgets reflect an increase of $458 in the foundation allowance. The state will continue the use of School Aid to help pay for Districts' retirement obligations with the Office of Retirement Services. These funds are received by the District and disbursed immediately during the month it is received back to the retirement office through the District's payroll account. Beginning with the 2012/13 fiscal year, there have been several different retirement rates set depending on which retirement plan individuals chose based on eligibility. Although there are many, the majority of our employees are on the same rate but are budgeted in the plan that they have elected as of February 2014.

The implementation of GASB 68 and 75 has reduced the Net Position of the School District significantly. The reduction for the District was $54,964,854 for the net pension liability and $3,069,257 for the net OPEB liability. These liabilities create a significantly large negative net position for the District.

The District has settled a contract with the support staff and with the teachers' union for the 2023/2024 school year. The support staff contract will expire on June 30, 2025, and the teachers will expire on August 14, 2025.

Contacting the School District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administration Office, 35 S. Sheridan Drive, Muskegon, Michigan 49442.

Orchard View Schools
STATEMENT OF NET POSITION
June 30, 2023

	Governmental activities
ASSETS	
Current assets	
Cash and cash equivalents	$ 4,629,610
Receivables	28
Due from other governmental units	9,598,626
Inventories	32,559
Prepaid items	101,187
Total current assets	14,362,010
Noncurrent assets	
Capital assets, net	
Nondepreciable/amortizable	3,501,405
Depreciable/amortizable	33,096,453
Total noncurrent assets	36,597,858
Total assets	50,959,868
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	674,539
Related to other postemployment benefits	4,246,430
Related to pensions	16,988,385
Total deferred outflows of resources	21,909,354
Total assets and deferred outflows of resources	72,869,222
LIABILITIES	
Current liabilities	
Checks in excess of deposits	77,224
Accounts payable and accrued liabilities	3,975,781
Due to other governmental units	827,342
Unearned revenue	1,434,254
Bonds and other obligations, due within one year	2,656,400
Total current liabilities	8,971,001
Noncurrent liabilities	
Bonds and other obligations, less amounts due within one year	31,881,108
Net other postemployment benefit liability	3,069,257
Net pension liability	54,964,854
Total noncurrent liabilities	89,915,219
Total liabilities	98,886,220
DEFERRED INFLOWS OF RESOURCES	
Related to other postemployment benefits	6,462,907
Related to pensions	4,223,540
Total deferred inflows of resources	10,686,447
Total liabilities and deferred inflows of resources	109,572,667
NET POSITION	
Net investment in capital assets	9,961,340
Restricted	
Debt service	226,758
Technology	165,494
Unrestricted	(47,057,037)
Total net position	**$ (36,703,445)**

The accompanying notes are an integral part of this statement.

Orchard View Schools
STATEMENT OF ACTIVITIES
For the year ended June 30, 2023

Functions/Programs	Expenses	Program Revenue: Charges for services	Program Revenue: Operating grants and contributions	Net (Expense) Revenue and Changes in Net Position: Governmental activities
Governmental activities				
Instruction	$ 19,596,598	$ 257,528	$ 8,373,539	$ (10,965,531)
Support services	10,854,651	-	4,537,672	(6,316,979)
Community services	1,796,931	1,097,229	1,013,211	313,509
Food services	2,096,326	86,618	2,314,300	304,592
Student/school activities	273,875	-	287,102	13,227
Athletics	398,132	46,592	-	(351,540)
Interest on long-term debt	1,215,932	-	-	(1,215,932)
Total governmental activities	**$ 36,232,445**	**$ 1,487,967**	**$ 16,525,824**	(18,218,654)
General revenues				
Property taxes				5,886,898
Grants and contributions not restricted to specific programs				15,985,767
Investment earnings				29,117
Total general revenues				21,901,782
Change in net position				3,683,128
Net position at beginning of year, as restated				(40,386,573)
Net position at end of year				**$ (36,703,445)**

The accompanying notes are an integral part of this statement.

Orchard View Schools
BALANCE SHEET
Governmental Funds
June 30, 2023

	General Fund	Special revenue Community Education	Other governmental funds	Total governmental funds
ASSETS				
Cash and cash equivalents	$ 3,451,435	$ -	$ 1,178,175	$ 4,629,610
Receivables	28	-	-	28
Due from other governmental units	7,946,683	1,328,223	323,720	9,598,626
Due from other funds	-	-	560,007	560,007
Inventories	-	-	32,559	32,559
Prepaid items	36,187	-	65,000	101,187
Total assets	**$ 11,434,333**	**$ 1,328,223**	**$ 2,159,461**	**$ 14,922,017**
LIABILITIES				
Checks in excess of deposits	$ -	$ 77,224	$ -	$ 77,224
Accounts payable	904,854	134,823	371,299	1,410,976
Accrued liabilities	2,250,499	162,416	2,790	2,415,705
Due to other governmental units	811,841	13,359	2,142	827,342
Due to other funds	558,412	125	1,470	560,007
Unearned revenue	1,432,205	-	2,049	1,434,254
Total liabilities	5,957,811	387,947	379,750	6,725,508
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	638,434	120,153	-	758,587
FUND BALANCES				
Nonspendable				
Inventories	-	-	32,559	32,559
Prepaid items	36,187	-	65,000	101,187
Restricted				
Community service	-	820,123	-	820,123
Debt service	-	-	375,858	375,858
Food service	-	-	791,258	791,258
Technology	-	-	165,494	165,494
Committed				
Capital projects	-	-	56,968	56,968
Student/school activities	-	-	316,074	316,074
Assigned to subsequent year's budget appropriations	288,518	-	-	288,518
Unassigned	4,513,383	-	(23,500)	4,489,883
Total fund balances	4,838,088	820,123	1,779,711	7,437,922
Total liabilities, deferred inflows of resources and fund balances	**$ 11,434,333**	**$ 1,328,223**	**$ 2,159,461**	**$ 14,922,017**

The accompanying notes are an integral part of this statement.

Orchard View Schools

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

June 30, 2023

Total fund balances—governmental funds		$ 7,437,922
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and are not reported in the governmental funds.		
Cost of capital assets	$ 65,209,797	
Accumulated depreciation/amortization	(28,611,939)	36,597,858
Deferred charges on refunding are not capitalized and amortized in the governmental funds.		
Deferred charges on refunding	2,325,533	
Accumulated amortization	(1,650,994)	674,539
Deferred inflows and outflows of resources related to pensions and other postemployment benefits are not reported in the governmental funds.		
Deferred outflows of resources - related to other postemployment benefits	4,246,430	
Deferred inflows of resources - related to other postemployment benefits	(6,462,907)	
Deferred outflows of resources - related to pensions	16,988,385	
Deferred inflows of resources - related to pensions	(4,223,540)	10,548,368
Accrued interest in governmental activities is not reported in the governmental funds.		(149,100)
Other assets that are not available to pay for current period expenditures and are reported as unavailable revenue in the governmental funds.		758,587
Long-term obligations in governmental activities are not due and payable in the current period and are not reported in the governmental funds.		(92,571,619)
Net position of governmental activities		**$ (36,703,445)**

The accompanying notes are an integral part of this statement.

Orchard View Schools
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Governmental Funds
For the year ended June 30, 2023

	General Fund	Special revenue Community Education	Other governmental funds	Total governmental funds
REVENUES				
Local sources				
Property taxes	$ 2,523,711	$ -	$ 3,363,187	$ 5,886,898
Investment earnings	26,014	-	3,103	29,117
Fees and charges	46,592	40,993	86,618	174,203
Student/school activity income	-	-	287,102	287,102
Other	1,070,159	1,056,236	483,592	2,609,987
Total local sources	3,666,476	1,097,229	4,223,602	8,987,307
State sources	22,718,700	2,832,742	74,124	25,625,566
Federal sources	2,701,499	1,300,953	2,177,095	6,179,547
Total revenues	29,086,675	5,230,924	6,474,821	40,792,420
EXPENDITURES				
Current				
Instruction	18,617,539	1,963,978	-	20,581,517
Support services	10,898,876	1,821,311	423,743	13,143,930
Community services	150,583	2,007,247	-	2,157,830
Food services	-	-	2,669,531	2,669,531
Student/school activities	-	-	273,875	273,875
Capital outlay	-	20,355	-	20,355
Debt service				
Principal repayment	179,334	2,264	2,485,000	2,666,598
Interest and other charges	7,744	491	944,610	952,845
Bond issuance costs	-	-	1,000	1,000
Capital projects	-	-	361,487	361,487
Total expenditures	29,854,076	5,815,646	7,159,246	42,828,968
Excess (deficiency) of revenues over (under) expenditures	(767,401)	(584,722)	(684,425)	(2,036,548)
OTHER FINANCING SOURCES (USES)				
Transfers in	71,000	-	-	71,000
Transfers out	-	-	(71,000)	(71,000)
Loan proceeds	-	-	216,599	216,599
Proceeds from subscription-based IT arrangements	50,404	-	-	50,404
Total other financing sources (uses)	121,404	-	145,599	267,003
Net change in fund balances	(645,997)	(584,722)	(538,826)	(1,769,545)
Fund balances at beginning of year, as restated	5,484,085	1,404,845	2,318,537	9,207,467
Fund balances at end of year	**$ 4,838,088**	**$ 820,123**	**$ 1,779,711**	**$ 7,437,922**

The accompanying notes are an integral part of this statement.

Orchard View Schools

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2023

Net change in fund balances—total governmental funds		$ (1,769,545)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures; in the Statement of Activities these costs are depreciated over their estimated useful lives.		
Depreciation/amortization expense	$ (1,496,677)	
Capital outlay	2,559,047	1,062,370
Governmental funds report outlays for deferred charges on refunding as expenditures; in the Statement of Activities these costs are amortized over the bond period.		(155,127)
Debt proceeds are other financing sources in the governmental funds, but the proceeds increase long-term debt in the Statement of Net Position.		(442,796)
Revenue reported in the Statement of Activities that does not provide current financial resources are not reported as revenue in the governmental funds.		758,587
Proceeds from subscription-based IT arrangements are other financing sources in the governmental funds, but the proceeds increase long-term debt in the Statement of Net Position.		(50,404)
Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.		2,776,578
Interest expense on long-term obligations is recorded in the Statement of Activities when incurred, but is not reported in governmental funds until paid.		9,257
Compensated absences reported in the Statement of Activities do not require the use of current financial resources. They are reported as expenditures when financial resources are used in the governmental funds.		21,200
Some other postemployment benefit related expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(1,114,537)
Some pension related expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		2,587,545
Change in net position of governmental activities		**$ 3,683,128**

The accompanying notes are an integral part of this statement.

Orchard View Schools
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

	Custodial Funds		
	Combined	Other organizations	Student Loan Fund
ASSETS			
Cash and cash equivalents	$ 452,192	$ 420,273	$ 31,919
LIABILITIES			
Accounts payable	-	-	-
NET POSITION			
Restricted for individuals and organizations	**$ 452,192**	**$ 420,273**	**$ 31,919**

The accompanying notes are an integral part of this statement.

Orchard View Schools
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended June 30, 2023

	Custodial Funds		
	Combined	Other organizations	Student Loan Fund
ADDITIONS			
Investment earnings	$ 592	$ 536	$ 56
Travel activities	1,281,251	1,281,251	-
Total additions	1,281,843	1,281,787	56
DEDUCTIONS			
Travel activities	1,147,869	1,147,869	-
Total deductions	1,147,869	1,147,869	-
Change in net position	133,974	133,918	56
Net position at beginning of year	318,218	286,355	31,863
Net position at end of year	**$ 452,192**	**$ 420,273**	**$ 31,919**

The accompanying notes are an integral part of this statement.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Orchard View Schools (School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

Reporting Entity
The School District is governed by an elected seven-member Board of Education (Board), which has responsibility and control over all activities related to public school education within the School District. The School District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities.

Generally accepted accounting principles require that if the School District is considered to be financially accountable for other organizations, those organizations should be included as component units in the School District's financial statements. Since no organizations met this criterion, none are included in the financial statements.

Basis of Presentation—Government-wide and Fund 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 School District. All fiduciary activities are reported only in the fund financial statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

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

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

The fund financial statements provide information about the School District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School District reports the following major governmental funds:

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

The Community Education Fund accounts for community education, early childhood, adult and alternative education, and employment development programs.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Presentation—Government-wide and Fund Financial Statements—Continued

Additionally, the School District reports the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The School District accounts for its food service, student/school activities, and technology activities in the school service special revenue funds.

The debt service funds account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The capital projects funds account for the financial resources to be used for the acquisition of fixed assets or construction of major capital projects.

The custodial funds are custodial in nature and used to account for assets held by the School District as an agent for another organization or individual.

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

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 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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 School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. 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.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Measurement Focus and Basis of Accounting—Continued
Property taxes, 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 School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the school districts. For the current fiscal year, the foundation allowance was based on pupil membership counts taken in October and February.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-PRE property taxes which may be levied at a rate of up to 18 mills. 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 due from other governmental units.

The School District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain 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 considered to be measurable and available only when cash is received by the government.

The custodial funds are reported using the economic resources measurement focus and the accrual basis of accounting.

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

Cash and Investments
The School District'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.

Investments for the School District are reported at fair value (generally based on quoted market prices). Standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the School District intends to hold the investment until maturity.

State statutes authorize the School District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The School District is also authorized to invest in U. S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above. The School District's deposits and investments are in accordance with statutory authority.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Inventories and Prepaid Items
All inventories are valued at cost using the first-in/first-out method. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both 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, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

As the School District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated fair value at the date of donation.

Land and construction in progress are not depreciated. Right to use assets of the School District are amortized using the straight-line method over the shorter of the lease period or the estimated useful life. The other property, plant, and equipment, of the School District are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Years
Buildings and improvements	20-50
Furniture and equipment	5-20
Vehicles and equipment	8
Right to use - vehicles and equipment	2-5
Right to use - subscription-based IT	3

Long-term Obligations
In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

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

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/expenditures) until then.

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.

Net Position Flow Assumption
Sometimes the government 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 of net position to report as restricted and unrestricted 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 School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

In the computation of net investment in capital assets, School Loan Revolving Fund debt is not considered to be capital related debt.

Fund Balance Flow Assumptions
Sometimes the School District 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 School District'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.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

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 government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as committed. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally 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.

Leases and Subscription Based IT Arrangements (SBITA)
Lessee/subscriber: The School District is a lessee for a noncancelable lease/subscription of equipment and an IT arrangement. The School District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The School District recognizes a lease/SBITA liability and an intangible right-to-use lease/SBITA asset in the government-wide financial statements

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

Key estimates and judgements related to leases included how the School District determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments.

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

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Leases and Subscription Based IT Arrangements (SBITA)—Continued
The School District monitors changes in circumstances that would require a remeasurement of its lease/SBITA and will remeasure the lease/SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/SBITA liability.

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

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

For fund financial statements, no compensated absence liability is reported for current employees, and a compensated absence liability is reported for terminated employees only when the termination date is on or before year end.

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 or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, unrestricted state aid, interest and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes
Property taxes levied by the School District are collected by various municipalities and periodically remitted to the School District. The taxes are levied as of July 1 and December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting
Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, Community Education Fund and special revenue funds. All annual appropriations lapse at year end.

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY—Continued

Budgets and Budgetary Accounting—Continued

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

1. The Superintendent submits to the School 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.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally adopted by Board of Education resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). 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 and Community Education Fund are noted in the required supplementary information section.
4. The Superintendent is authorized to transfer budgeted amounts within 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 Board of Education.
5. Formal budgetary integration is employed as a management control device during the year.
6. The budget is amended during the year with supplemental appropriations, the last one approved prior to June 30, 2023.

Sinking Fund

The Sinking Fund Capital Project Fund records capital project activities funded with a Sinking Fund millage. For this fund the School District has complied with the applicable provisions of §1212 of the Revised School Code.

NOTE C—DEPOSITS AND INVESTMENTS

Interest rate risk

The School District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

State law limits investments in commercial paper and corporate bonds to the three highest classifications issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices.

Concentration of credit risk

The School District does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the School District investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

NOTE C—DEPOSITS AND INVESTMENTS—Continued

Custodial credit risk - deposits

In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. As of June 30, 2023, $5,179,530 of the School District's bank balance of $5,679,530 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk - investments

This is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District will minimize custodial credit risk by limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, brokers, dealers, intermediaries and advisors with which the School District will do business.

Foreign currency risk

The School District is not authorized to invest in investments which have this type of risk.

NOTE D—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July, 1, 2022	Additions	Deductions	Balance June 30, 2023
Capital assets, not being depreciated/amortized:				
Land	$ 200,000	$ -	$ -	$ 200,000
Construction in progress	915,429	2,385,976	-	3,301,405
Total capital assets, not being depreciated/amortized	1,115,429	2,385,976	-	3,501,405
Capital assets, being depreciated/amortized:				
Buildings and improvements	55,285,248	-	-	55,285,248
Furniture and equipment	5,602,137	97,489	-	5,699,626
Vehicles and equipment	244,897	10,000	-	254,897
Right to use - vehicles and equipment	403,039	-	-	403,039
Right to use - subscription-based IT	-	65,582	-	65,582
Total capital assets, being depreciated/amortized	61,535,321	173,071	-	61,708,392
Less accumulated depreciation/amortization:				
Buildings and improvements	22,703,645	1,078,041	-	23,781,686
Furniture and equipment	4,065,752	230,128	-	4,295,880
Vehicles and equipment	181,543	11,196	-	192,739
Right to use - vehicles and equipment	164,322	164,322	-	328,644
Right to use - subscription-based IT	-	12,990	-	12,990
Total accumulated depreciation/amortization	27,115,262	1,496,677	-	28,611,939
Total capital assets, being depreciated/amortized, net	34,420,059	(1,323,606)	-	33,096,453
Capital assets, net	**$ 35,535,488**	**$ 1,062,370**	**$ -**	**$ 36,597,858**

NOTE D—CAPITAL ASSETS—Continued

Depreciation/amortization
Depreciation/amortization expense has been charged to functions as follows:

	Amount
Instruction	$ 1,056,415
Support services	370,650
Community services	41,682
Food services	18,951
Athletics	8,979
	$ 1,496,677

NOTE E—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2023 is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
Other governmental funds	General Fund	$ 558,412
Other governmental funds	Community Education Fund	125
Other governmental funds	Other governmental funds	1,470
		$ 560,007

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers
The Food Service Fund transferred $71,000 to the General Fund to cover allowable indirect costs.

NOTE F—SHORT-TERM DEBT

The School District issues State of Michigan school aid anticipation notes to provide short-term operating funds. The notes are obligations of the General Fund, which received the note proceeds, and are backed by the full faith, credit and resources of the School District. In the event of default, the State of Michigan can withhold future state aid payments. The short-term debt activity for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
State aid anticipation note 2021/2022 0.39% due August 2022	**$ 1,600,000**	**$ -**	**$ 1,600,000**	**$ -**

NOTE G—LONG-TERM OBLIGATIONS

The School District issues bonds, notes and other contractual commitments to provide for the acquisition, construction and improvement of major capital facilities and for the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Notes from direct borrowings and direct placements include the School Loan Revolving Fund, capital leases and lease obligations.

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

	Balance July, 1, 2022	Additions	Reductions	Balance June 30, 2023	Due within one year
Governmental activities					
Bonds	$ 28,950,000	$ -	$ 2,485,000	$ 26,465,000	$ 2,540,000
Premium	787,913	-	109,980	677,933	-
Notes from direct borrowings and direct placements	6,563,914	442,796	18,863	6,987,847	19,900
Leases	216,774	-	145,257	71,517	40,300
SBITA	-	50,404	17,477	32,927	16,200
Compensated absences	323,484	85,570	106,770	302,284	40,000
	$ 36,842,085	**$ 578,770**	**$ 2,883,347**	**$ 34,537,508**	**$ 2,656,400**

The additions for notes from direct borrowings and direct placements represent new School Loan Revolving Fund proceeds of $216,599, accrued interest added to principal of $226,197.

The governmental activities refunding bonds are secured by future state aid and property tax revenues of the School District. If the School District defaults, the bonds are callable.

The governmental activity notes from direct borrowings and direct placements are comprised of notes payable to the State of Michigan under the School Loan Revolving Fund which are secured by future state aid and property tax revenues of the School District. In the event of default, the State of Michigan can withhold future state aid payments. The capital lease and right to use transportation equipment are non-cancellable by the School District and are secured by the equipment. The capital lease obligations include a 10 percent late charge if any payment is not made within 5 days of its original due date. The right to use assets for transportation equipment do not contain any late payment penalties.

NOTE G—LONG-TERM OBLIGATIONS—Continued

General obligation bonds and notes from direct borrowings and direct placements consist of the following:

	Interest Rate	Date of Maturity	Balance
Governmental activities			
General obligation bonds			
2015A Refunding General Obligation Bond	4%	May 2026	$ 3,400,000
2016 Refunding General Obligation Bond	4%	May 2033	6,345,000
2017 Refunding General Obligation Bond	4%	May 2030	6,375,000
2019 Refunding General Obligation Bond	2.02-2.69%	May 2031	10,345,000
			$ 26,465,000
Notes from direct borrowings and direct placements			
School Loan Revolving Fund	1.19%	May 2039	$ 6,924,166
Capital lease obligation	3%	October 2026	4,356
Capital lease obligation	3%	June 2026	59,325
			$ 6,987,847

The annual requirements of principal and interest to amortize the bonds and notes from direct borrowings and direct placements outstanding as of June 30, 2023 follow:

	Governmental activities			
Year ended June 30,	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2024	$ 2,540,000	$ 894,339	$ 19,900	$ 4,614
2025	2,615,000	839,852	21,100	2,277
2026	2,705,000	750,555	22,200	688
2027	2,805,000	658,253	481	3
2028	2,885,000	561,583	-	-
2029-2033	12,915,000	1,298,572	-	-
2034-2038	-	-	-	-
2039	-	-	6,924,166	4,795,615
	$ 26,465,000	**$ 5,003,154**	**$ 6,987,847**	**$ 4,803,197**

NOTE H—LEASES AND SUBSCRIPTION BASED IT ARRANGEMENTS (SBITA)

The School District leases the right to use assets from various third parties. These assets include vehicles under lease agreements and IT subscription assets under SBITAs. Payments on leases and SBITAs are generally fixed annual amounts. The lease term is 3 years and has a discount rate of 3 percent. The SBITA term is 3 years and has a discount rate of 4 percent.

Right-to-use leased vehicle assets and right-to-use subscription-based IT assets are included in Note D. Lease and SBITA obligations are included in Note G.

NOTE H—LEASES AND SUBSCRIPTION BASED IT ARRANGEMENTS (SBITA)—Continued

The annual requirements of principal and interest to amortize the lease and SBITA obligations outstanding as of June 30, 2023 follows:

	Governmental activities			
Year ended	Leases		SBITA	
June 30,	Principal	Interest	Principal	Interest
2024	$ 40,300	$ 1,593	$ 16,100	$ 1,342
2025	31,217	390	16,827	684
	$ 71,517	**$ 1,983**	**$ 32,927**	**$ 2,026**

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members-eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

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

The System's financial statements are available on the ORS website at Michigan.gov/ORSSchools.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – Pension

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected (Basic, Member Investment Plan (MIP), Pension Plus, Pension Plus 2), member retirement benefits for DB plan members are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Pension Reform 2010

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

Pension Reform 2012

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

Employees who first work on or after September 4, 2012, choose between two retirement plans: the Pension Plus plan described above and a DC plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions. New employees are automatically enrolled as members in the Pension Plus plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus plan and become a qualified participant in the DC plan; if no election is made, they will remain in the Pension Plus plan. If they elect to opt out of the Pension Plus plan, their participation in the DC plan will be retroactive to their date of hire.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – Pension—Continued

Pension Reform 2012—Continued

Employees in the Pension Plus and DC plans are immediately vested in their own contributions and earnings on those contributions. The employee becomes vested in the employer match contribution at the following rates: 50 percent after two years of service, 75 percent after three years of service, and 100 percent after four years of service. Non-vested contributions are forfeited upon termination of employment. Forfeitures during a plan year are credited to a forfeitures account. Forfeitures are first applied to restore any forfeited amounts that are required to be restored. The remaining amounts in the forfeitures account may be maintained in reserve, used to cover a portion of the plan's administrative expenses or offset future employer contributions, as determined by the plan administrator.

Pension Reform 2017

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

Regular Retirement

The pension benefit for DB and Pension Plus plan members is based on a member's years of credited service (employment) and final average compensation (FAC). The FAC is calculated based on the member's highest total wages earned during a specific period of consecutive calendar months divided by the service credit accrued during that same time period. For a Member Investment Plan member, who became a member of MPSERS prior to July 1, 2010, the averaging period is 36 consecutive months. For a Pension Plus member, who became a member of MPSERS after June 30, 2010, the averaging period is 60 consecutive months. For a Basic Plan member, this period is the 60 consecutive months yielding the highest total wages. The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012.

Post-Retirement Adjustments

A retiree who became a Member Investment Plan member prior to July 1, 2010, receives an annual post-retirement non-compounded increase of three percent of the initial pension in the October following twelve months of retirement. Basic Plan members do not receive an annual post-retirement increase, but are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions. Pension Plus members do not receive an annual post-retirement increase.

Plan Status

The Basic, MIP, and Pension Plus plans are closed to new entrants. The Pension Plus 2 plan and the DC plan are still open to new entrants.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – OPEB

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

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

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

Contributions – Pension and OPEB

School Districts are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Contributions-Pension and OPEB—Continued

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2021 valuation will be amortized over an 17-year period beginning October 1, 2021, and ending September 30, 2038.

The schedules below summarize the contribution rates in effect for the System's fiscal year ended September 30, 2022.

Pension Contribution Rates

Benefit Structure	Member	Employer
Basic	0.0 - 4.0 %	20.14 %
Member Investment Plan	3.0 - 7.0	20.14
Pension Plus Plan	3.0 - 6.4	17.22
Pension Plus 2 Plan	6.2	19.93
Defined Contribution	0.0	13.73

OPEB Contribution Rates

Benefit Structure	Member	Employer
Premium Subsidy	3.0 %	8.09 %
Personal Healthcare Fund	0.0	7.23

The School District's pension contributions for the year ended June 30, 2023 were equal to the required contribution total. Pension contributions were approximately $6,682,711, including Section 147c(1) and Section 147c(2) contributions.

For the year ended June 30, 2023, the School District and employee defined contribution plan contributions were approximately $102,171 and $304,634, respectively.

The School District's OPEB contributions for the year ended June 30, 2023 were equal to the required contribution total. OPEB contributions were approximately $1,154,215.

Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2023, the School District reported a liability of $54,964,854 for its proportionate share of the MPSERS net pension liability and a liability of $3,069,257 for its proportionate share of the MPSERS net OPEB liability. The net pension and OPEB liabilities were measured as of September 30, 2022, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities were determined by an actuarial valuation rolled forward from September 30, 2020. The School District's proportion of the net pension and OPEB liabilities was determined by dividing each employer's statutorily required pension and OPEB contributions to the system during the measurement period by the percent of pension and OPEB contributions, respectively, required from all applicable employers during the measurement period. At September 30, 2022 and 2021, the School District's pension proportion was 0.14615 and 0.14580 percent, respectively. At September 30, 2022 and 2021, the School District's OPEB proportion was 0.14491 and 0.14575 percent, respectively.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources — Continued

For the year ended June 30, 2023, the School District recognized pension expense (benefit) of $6,361,304 and OPEB expense (benefit) of $(1,366,811).

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Pension		OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 549,840	$ 122,896	$ -	$ 6,011,499
Changes of assumptions	9,444,931	-	2,735,727	222,759
Net difference between projected and actual earnings on plan investments	128,893	-	239,887	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	182,010	176,554	116,601	228,649
State of Michigan Section 147c(1) UAAL rate stabilization and 147c(2) one time deposit state aid payments subsequent to the measurement date	-	3,924,090	-	-
School District contributions subsequent to the measurement date	6,682,711	-	1,154,215	-
Total	**$ 16,988,385**	**$ 4,223,540**	**$ 4,246,430**	**$ 6,462,907**

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources — Continued

The School District's contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions and OPEB resulting from employer contributions subsequent to the measurement date, in the chart above, will be recognized as a reduction of the net pension liability and the net OPEB liability, respectively, in the year ended June 30, 2024. The State of Michigan Section 147c(1) UAAL rate stabilization and 147c(2) one time deposit state aid payments subsequent to the measurement date reported as deferred inflows of resources will be recognized as revenue in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in expense as follows:

Year ending June 30,	Pension	OPEB
2024	$ 2,816,435	$ (1,267,516)
2025	2,177,666	(1,038,024)
2026	1,847,181	(907,622)
2027	3,164,942	(90,160)
2028	-	(65,896)
Thereafter	-	(1,474)
	$ 10,006,224	**$ (3,370,692)**

Actuarial assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Summary of Actuarial Assumptions

Valuation date –	September 30, 2021
Actuarial cost method –	Entry age, Normal
Wage Inflation Rate –	2.75%
Investment rate of return –	6.00% a year for the MIP and Basic plans 6.00% a year for the Pension Plus plan 6.00% a year for the Pension Plus 2 plan 6.00% a year for OPEB
Salary increases –	2.75%-11.55%, including wage inflation at 2.75%
Cost-of-living pension adjustments –	3% annual non-compounded for MIP members
Healthcare cost trend rate –	Pre-65: 7.75% Year 1 graded to 3.5% Year 15; 3% Year 120 Post-65: 5.25% Year 1 graded to 3.5% Year 15; 3% Year 120

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Actuarial assumptions—Continued

Mortality Assumptions
The healthy life post-retirement mortality tables used in this valuation of the System were the RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82 percent for males and 78 percent for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

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

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

Coverage Election at Retirement
75 percent of male and 60 percent of female future retirees are assumed to elect coverage of one or more dependents.

Experience Study
Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2018 valuation. The total pension and OPEB liabilities as of September 30, 2022 are based on the results of an actual valuation date of September 30, 2021, and rolled forward using generally accepted actuarial procedures, including the experience study.

Long-Term Expected Rate of Return on Investments
The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of September 30, 2022 are summarized in the following table:

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

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

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Actuarial assumptions—Continued

Rate of return
For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on plan investments, net of plan investment expense, was (4.18) percent and (4.99) percent on pension plan and OPEB plan investments, respectively.

Discount rate
In the current year, the discount rates used to measure the total pension and OPEB liabilities were 6.00 percent (6.00 percent for the Pension Plus plan and 6.00 percent for the Pension Plus 2 plan, hybrid plans provided through non-university employers only), and 6.00 percent, respectively. The discount rates used to measure the total pension and OPEB liability as of June 30, 2022 were 6.80 percent (6.80 percent for the Pension Plus Plan and 6.00 percent for the Pension Plus 2 plan, hybrid plans provided through non-university plans only), and 6.95 percent, respectively. These discount rates for the current year were based on the long-term expected rates of return on pension plan and OPEB investments of 6.00 percent (6.00 percent for the Pension Plus plan, 6 percent for the Pension Plus 2 plan) and 6.00 percent, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension and OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

Sensitivity of the net pension liability to changes in the discount rate
The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.00 percent (6.00 percent for the Pension Plus plan and 6.00 percent for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1% Lower* (5.0% / 5.0% / 5.0%)	Discount Rate* (6.0% / 6.0% / 6.0%)	1% Higher* (7.0% / 7.0% / 7.0%)
$ 72,533,187	$ 54,964,854	$ 40,487,756

*Discount rates listed in the following order: Basic and Member Investment Plan (MIP), Pension Plus, and Pension Plus 2.

NOTE I—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

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

1% Lower (5.0%)	Discount Rate (6.0%)	1% Higher (7.0%)
$ 5,148,384	$ 3,069,257	$ 1,318,375

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

1% Lower	Current Healthcare Cost Trend Rate	1% Higher
$ 1,285,258	$ 3,069,257	$ 5,071,832

Pension and OPEB Plans Fiduciary Net Position
Detailed information about the pension and OPEB plans' fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System Annual Comprehensive Financial Report available at www.michigan.gov/orsschools.

Payable to the pension and OPEB plan
At year end the School District is current on all required pension and OPEB payments. Accruals for July and August deferred payroll and for July and August Section 147c(1) and Section 147c(2) amounts are not considered payables for this purpose.

NOTE J—COMMITMENTS AND CONTINGENCIES

Grant Programs
The School District participates in grant programs, which are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

Commitments
As of June 30, 2023, the School District had approved commitments for various building improvement projects for a total remaining cost of approximately $2,298,000.

NOTE K—OTHER INFORMATION

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The School District participates in two distinct pools of educational institutions within the State of Michigan for self-insuring property and casualty and workers' disability compensation. The pools are considered public entity risk pools. The School District pays annual premiums under a retrospectively rated policy to the pools for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The workers' compensation pool and the property casualty pool maintain reinsurance for claims generally in excess of $500,000 for each occurrence with the overall maximum coverage varying depending on the specific type coverage of reinsurance.

The School District continues to carry commercial insurance for other risks of loss, including employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2023 or any of the prior three years.

NOTE L—TAX ABATEMENTS

The School District receives reduced property tax revenues as a result of Industrial Facilities Tax (IFT) exemptions, Brownfield Redevelopment Agreements (BRA), and Payments in Lieu of Taxes (PILOT) granted by cities, villages and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield Redevelopment Agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties; PILOT programs apply to multiple unit housing for citizens of low income and the elderly. The property taxes abated for all fund types by municipality under these programs are as follows:

Municipality	Abatement type	Taxes abated
City of Muskegon	IFT	$ 206,128
Muskegon Township	IFT	765
		$ 206,893

The tax abatements that reduce the general fund operating tax levy are considered by the State of Michigan when calculating the School District's state aid—section 22 of the State School Aid Act.

There are no significant abatements made by the School District.

NOTE M—SUBSEQUENT EVENT

Subsequent to June 30, 2023, the School District approved approximately $172,000 of furniture and equipment purchases. In addition, the School District also approved technology upgrades of approximately $139,000, which will be half funded with grant funds and the balance covered by technology millage funding.

NOTE N—PRIOR YEAR ADJUSTMENT

Net position and fund balance as of July 1, 2022 was restated. Federal revenue collected after July 1, 2022 but was earned and collected within 60 days was excluded from due from other government units.

	Fund balances	
	Community Education Fund	**Total governmental funds**
Fund balances at beginning of year, as previously stated	$ 1,323,872	$ 9,126,494
Increase in due from other governmental units	80,973	80,973
Fund balances at beginning of year, as restated	**$ 1,404,845**	**$ 9,207,467**

	Governmental activities
Net position at beginning of year, as previously stated	$ (40,467,546)
Increase in due from other governmental units	80,973
Net position at beginning of year, as restated	**$ (40,386,573)**

NOTE O—CHANGE IN ACCOUNTING PRINCIPLE

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

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 a 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 standard established in Statement No. 87, *Leases*, as amended. There was no required restatement of beginning of year balances.

NOTE P—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 change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The School District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

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

REQUIRED SUPPLEMENTARY INFORMATION

Orchard View Schools
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
General Fund
For the year ended June 30, 2023

	Budgeted amounts			
	Original	**Final**	**Actual**	**Variance with final budget**
REVENUES				
Local sources	$ 3,437,770	$ 3,927,355	$ 3,666,476	$ (260,879)
State sources	21,294,000	24,268,162	22,718,700	(1,549,462)
Federal sources	83,683	1,805,867	2,701,499	895,632
Incoming transfers and other transactions	71,000	71,000	121,404	50,404
Total revenues	24,886,453	30,072,384	29,208,079	(864,305)
EXPENDITURES				
Current				
Instruction				
Basic programs	12,269,813	14,212,578	14,104,017	108,561
Added needs	3,828,776	5,334,677	4,513,522	821,155
Support services				
Pupil	1,419,901	1,578,169	1,609,001	(30,832)
Instructional staff	300,602	311,440	467,202	(155,762)
General administration	483,478	630,017	652,610	(22,593)
School administration	1,496,836	2,070,485	1,932,750	137,735
Business	467,133	441,844	543,902	(102,058)
Operations and maintenance	1,903,068	2,179,659	3,708,357	(1,528,698)
Pupil transportation services	1,229,869	1,371,979	1,216,626	155,353
Central	226,860	459,499	340,126	119,373
Athletics	378,000	453,370	428,302	25,068
Community services	21,055	110,650	150,583	(39,933)
Outgoing transfers and other transactions	280,000	280,000	187,078	92,922
Total expenditures	24,305,391	29,434,367	29,854,076	(419,709)
Excess (deficiency) of revenues over (under) expenditures	**$ 581,062**	**$ 638,017**	(645,997)	**$ (1,284,014)**
Fund balance at beginning of year			5,484,085	
Fund balance at end of year			**$ 4,838,088**	

Orchard View Schools

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

Community Education Fund

For the year ended June 30, 2023

	Budgeted amounts			Variance with
	Original	**Final**	**Actual**	**final budget**
REVENUES				
Local sources	$ 961,301	$ 953,080	$ 1,097,229	$ 144,149
State sources	3,072,664	3,005,225	2,832,742	(172,483)
Federal sources	1,154,603	1,105,856	1,300,953	195,097
Total revenues	5,188,568	5,064,161	5,230,924	166,763
EXPENDITURES				
Current				
Instruction				
Basic programs	851,718	827,807	951,970	(124,163)
Adult and continuing education	803,968	806,825	1,012,008	(205,183)
Support services				
Pupil	383,554	384,799	312,392	72,407
Instructional staff	447,402	482,733	523,135	(40,402)
General administration	18,685	1,590	13,090	(11,500)
Business	115,637	83,671	80,518	3,153
Operations and maintenance	481,730	678,989	793,636	(114,647)
Pupil transportation	680	957	1,098	(141)
Central	110,276	129,617	85,442	44,175
Other	-	-	12,000	(12,000)
Community services	1,777,270	2,061,761	2,007,247	54,514
Outgoing transfers and other transactions	193,835	193,835	23,110	170,725
Total expenditures	5,184,755	5,652,584	5,815,646	(163,062)
Excess (deficiency) of revenues over (under) expenditures	**$ 3,813**	**$ (588,423)**	(584,722)	**$ 3,701**
Fund balance at beginning of year			1,404,845	
Fund balance at end of year			**$ 820,123**	

Orchard View Schools

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the School District's Proportionate Share of the Net Pension Liability

Michigan Public School Employees Retirement System

Last 9 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
School District's proportion of the net pension liability (%)	0.14615%	0.14580%	0.14564%	0.14481%	0.14899%	0.15398%	0.15982%	0.15850%	0.15649%
School District's proportionate share of the net pension liability	$ 54,964,854	$ 34,518,991	$ 50,028,124	$ 47,957,584	$ 44,790,037	$ 39,903,417	$ 39,874,528	$ 38,713,755	$ 34,469,046
School District's covered payroll	$ 15,365,139	$ 14,047,769	$ 13,441,621	$ 12,676,024	$ 12,386,753	$ 12,586,401	$ 13,559,988	$ 13,200,847	$ 13,275,702
School District's proportionate share of the net pension liability as a percentage of its covered payroll	357.72%	245.73%	372.19%	378.33%	361.60%	317.04%	294.06%	293.27%	259.64%
Plan fiduciary net position as a percentage of the total pension liability	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

Note: For years prior to 2014 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Orchard View Schools
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement System
Last 9 Fiscal Years (Amounts were determined as of 6/30 of each fiscal year)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 3,158,717	$ 2,855,913	$ 2,572,301	$ 2,462,401	$ 2,213,689	$ 2,258,044	$ 2,370,322	$ 2,755,862	$ 3,173,923
Contributions in relation to the statutorily required contributions	3,158,717	2,855,913	2,572,301	2,462,401	2,213,689	2,258,044	2,370,322	2,755,862	3,173,923
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
School District's covered payroll	$ 17,323,645	$ 15,179,804	$ 13,734,904	$ 13,214,973	$ 12,633,289	$ 12,455,122	$ 12,717,046	$ 13,044,998	$ 13,265,049
Contributions as a percentage of employee payroll	18.2%	18.8%	18.7%	18.6%	17.5%	18.1%	18.6%	21.1%	23.9%

Note: For years prior to 2015 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Orchard View Schools
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the School District's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement System
Last 6 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	2022	2021	2020	2019	2018	2017
School District's proportion of the net OPEB liability (%)	0.14491%	0.14575%	0.14591%	14.32100%	0.14579%	0.15441%
School District's proportionate share of the net OPEB liability	$ 3,069,257	$ 2,224,747	$ 7,816,675	$ 10,278,974	$ 11,589,131	$ 13,673,508
School District's covered payroll	$ 15,365,139	$ 14,047,769	$ 13,441,621	$ 12,676,024	$ 12,386,753	$ 12,586,401
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	19.98%	15.84%	58.15%	81.09%	93.56%	108.64%
Plan fiduciary net position as a percentage of the total OPEB liability	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

Note: For years prior to 2017 the information is not available. Until a full 10-year trend is compiled, information will only be presented for thc years for which information is available.

Orchard View Schools
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement System
Last 6 Fiscal Years (Amounts were determined as of 6/30 of each fiscal year)

	2023	2022	2021	2020	2019	2018
Statutorily required contributions	$ 1,321,127	$ 1,199,879	$ 1,125,999	$ 1,060,119	$ 992,164	$ 936,193
Contributions in relation to the statutorily required contributions	1,321,127	1,199,879	1,125,999	1,060,119	992,164	936,193
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
School District's covered payroll	$ 17,323,645	$ 15,179,804	$ 13,734,904	$ 13,214,973	$ 12,633,289	$ 12,455,122
Contributions as a percentage of employee payroll	7.6%	7.9%	8.2%	8.0%	7.9%	7.5%

Note: For years prior to 2018 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Michigan Public School Employee Retirement System Plans

Pension Information

Benefit changes – there were no changes of benefit terms in 2022.

Changes of assumptions – there were no changes of benefit assumptions in 2022.

OPEB Information

Benefit changes – there were no changes of benefit terms in 2022.

Changes of assumptions – there were no changes of benefit assumptions in 2022.

OTHER SUPPLEMENTARY INFORMATION

Orchard View Schools
COMBINING BALANCE SHEET
Other Governmental Funds
June 30, 2023

	Total other governmental funds	Special Revenue			Debt Service	Capital Projects	
		Food Service	Technology Fund	Student/School Activities		Building and Site	2018 Sinking Fund
ASSETS							
Cash and cash equivalents	$ 1,178,175	$ 589,600	$ 78,670	$ 306,101	$ 21	$ -	$ 203,783
Due from other governmental units	323,720	323,720	-	-	-	-	-
Due from other funds	560,007	1,470	110,468	15,264	375,837	56,968	-
Inventories	32,559	32,559	-	-	-	-	-
Prepaid items	65,000	65,000	-	-	-	-	-
Total assets	**$ 2,159,461**	**$ 1,012,349**	**$ 189,138**	**$ 321,365**	**$ 375,858**	**$ 56,968**	**$ 203,783**
LIABILITIES							
Accounts payable	$ 371,299	$ 116,551	$ 23,644	$ 3,821	$ -	$ -	$ 227,283
Accrued liabilities	2,790	2,790	-	-	-	-	-
Due to other governmental units	2,142	2,142	-	-	-	-	-
Due to other funds	1,470	-	-	1,470	-	-	-
Unearned revenue	2,049	2,049	-	-	-	-	-
Total liabilities	379,750	123,532	23,644	5,291	-	-	227,283
FUND BALANCES (DEFICIT)							
Nonspendable							
Inventories	32,559	32,559	-	-	-	-	-
Prepaid items	65,000	65,000	-	-	-	-	-
Restricted							
Debt service	375,858	-	-	-	375,858	-	-
Food service	791,258	791,258	-	-	-	-	-
Technology	165,494	-	165,494	-	-	-	-
Committed							
Capital projects	56,968	-	-	-	-	56,968	-
Student/school activities	316,074	-	-	316,074	-	-	-
Unassigned	(23,500)	-	-	-	-	-	(23,500)
Total fund balances (deficit)	1,779,711	888,817	165,494	316,074	375,858	56,968	(23,500)
Total liabilities and fund balances (deficit)	**$ 2,159,461**	**$ 1,012,349**	**$ 189,138**	**$ 321,365**	**$ 375,858**	**$ 56,968**	**$ 203,783**

Orchard View Schools

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Other Governmental Funds

For the year ended June 30, 2023

	Total other governmental funds	Special Revenue: Food Service	Special Revenue: Technology Fund	Special Revenue: Student/School Activities	Debt Service	Capital Projects: Building and Site	Capital Projects: 2018 Sinking Fund
REVENUES							
Local sources							
Property taxes	$ 3,363,187	$ -	$ -	$ -	$ 3,036,082	$ -	$ 327,105
Investment earnings	3,103	543	216	-	2,344	-	-
Fees and charges	86,618	86,618	-	-	-	-	-
Student/school activity income	287,102	-	-	287,102	-	-	-
Other	483,592	-	483,592	-	-	-	-
Total local sources	4,223,602	87,161	483,808	287,102	3,038,426	-	327,105
State sources	74,124	74,124	-	-	-	-	-
Federal sources	2,177,095	2,177,095	-	-	-	-	-
Total revenues	6,474,821	2,338,380	483,808	287,102	3,038,426	-	327,105
EXPENDITURES							
Current							
Support services	423,743	-	423,743	-	-	-	-
Food services	2,669,531	2,669,531	-	-	-	-	-
Student/school activities	273,875	-	-	273,875	-	-	-
Debt service							
Principal repayment	2,485,000	-	-	-	2,485,000	-	-
Interest and other charges	944,610	-	-	-	944,610	-	-
Bond issuance costs	1,000	-	-	-	1,000	-	-
Capital projects	361,487	-	-	-	-	-	361,487
Total expenditures	7,159,246	2,669,531	423,743	273,875	3,430,610	-	361,487
Excess (deficiency) of revenues over (under) expenditures	(684,425)	(331,151)	60,065	13,227	(392,184)	-	(34,382)
OTHER FINANCING SOURCES (USES)							
Transfers out	(71,000)	(71,000)	-	-	-	-	-
Loan proceeds	216,599	-	-	-	216,599	-	-
Total other financing sources (uses)	145,599	(71,000)	-	-	216,599	-	-
Net change in fund balances	(538,826)	(402,151)	60,065	13,227	(175,585)	-	(34,382)
Fund balances at beginning of year	2,318,537	1,290,968	105,429	302,847	551,443	56,968	10,882
Fund balances (deficit) at end of year	**$ 1,779,711**	**$ 888,817**	**$ 165,494**	**$ 316,074**	**$ 375,858**	**$ 56,968**	**$ (23,500)**