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# Warren Woods Public Schools

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**Financial Report  
with Supplementary Information  
June 30, 2023**

<b>Independent Auditor's Report</b>	1-3
<b>Management's Discussion and Analysis</b>	4-10
<b>Basic Financial Statements</b>	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements -	
Governmental Funds:	
Balance Sheet	13
Reconciliation of the Balance Sheet to the Statement of Net Position	14
Statement of Revenue, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	16
Notes to Financial Statements	17-34
<b>Required Supplementary Information</b>	35
Budgetary Comparison Schedule - General Fund	36
Budgetary Comparison Schedule - Special Education Center Program Fund	37
Schedule of the School District's Proportionate Share of the Net Pension Liability	38
Schedule of the School District's Pension Contributions	39
Schedule of the School District's Proportionate Share of the Net OPEB Liability	40
Schedule of the School District's OPEB Contributions	41
Notes to Required Supplementary Information	42-43
<b>Other Supplementary Information</b>	44
Nonmajor Governmental Funds:	
Combining Balance Sheet	45-46
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	47-48
Schedule of Bonded Indebtedness	49

## **Independent Auditor's Report**

To the Board of Education  
Warren Woods Public Schools

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Warren Woods Public Schools (the "School District") as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise Warren Woods Public Schools' basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Warren Woods Public Schools as of June 30, 2023 and the respective changes in its 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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.

To the Board of Education  
Warren Woods Public Schools

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

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

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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 Warren Woods Public Schools' basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Education  
Warren Woods Public Schools

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2023 on our consideration of Warren Woods Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 Warren Woods Public 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 Warren Woods Public Schools' internal control over financial reporting and compliance.

*Plante & Moran, PLLC*

August 23, 2023

This section of the annual financial report for Warren Woods Public Schools (the "School District") presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2023. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

### ***Using This Annual Report***

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Warren Woods Public Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds, the General Fund, Special Education Center Program Fund, and the 2020 Capital Projects Fund, with all other funds presented in one column as nonmajor funds. This report is composed of the following elements:

#### **Management's Discussion and Analysis (MD&A) (Required Supplementary Information)**

##### **Basic Financial Statements**

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

##### **Required Supplementary Information**

Budgetary Comparison Schedule - General Fund

Budgetary Comparison Schedule - Special Education Center Program Fund

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

Schedule of the School District's Pension Contributions

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

Schedule of the School District's OPEB Contributions

##### **Other Supplementary Information**

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

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

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

# Warren Woods Public Schools

## Management's Discussion and Analysis (Continued)

The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, food services, enrichment, student stores, debt retirement, and internal services. Property taxes, unrestricted state aid, and state and federal grants finance most of these activities.

### **Reporting the School District's Fund Financial Statements**

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

### **Governmental Funds**

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

### **The School District as a Whole**

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

	Governmental Activities	
	2023	2022
	(in millions)	
<b>Assets</b>		
Current and other assets	\$ 29.7	\$ 29.1
Capital assets	55.5	56.4
Total assets	85.2	85.5
<b>Deferred Outflows of Resources</b>	37.0	17.1
<b>Liabilities</b>		
Current liabilities	7.5	7.4
Noncurrent liabilities	45.1	49.7
Net pension liability	92.6	56.5
Net OPEB liability	5.3	3.7
Total liabilities	150.5	117.3
<b>Deferred Inflows of Resources</b>	18.0	36.1
<b>Net Position (Deficit)</b>		
Net investment in capital assets	15.5	13.9
Restricted	1.2	0.9
Unrestricted	(63.0)	(65.6)
Total net position (deficit)	<b>\$ (46.3)</b>	<b>\$ (50.8)</b>

## Warren Woods Public Schools

### Management's Discussion and Analysis (Continued)

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was \$(46.3) million at June 30, 2023. Net investment in capital assets, totaling \$15.5 million, compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position, \$(63.0) million, was unrestricted and represents the accumulated results of all past years' operations.

The \$(63.0) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and the impact of recording the School District's share of the net pension and OPEB liabilities from the state-managed retirement system. The unrestricted net position balance enables the School District to meet working capital and cash flow requirements and to provide for future uncertainties. The operating results of the General Fund and the change in the net pension/OPEB liabilities will have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2023 and 2022:

	Governmental Activities	
	2023	2022
	(in millions)	
<b>Revenue</b>		
Program revenue:		
Charges for services	\$ 1.3	\$ 1.1
Operating grants	19.1	18.3
General revenue:		
Taxes	8.7	8.5
State aid not restricted to specific purposes	29.4	26.3
Other	1.5	0.6
Total revenue	60.0	54.8
<b>Expenses</b>		
Instruction	27.1	22.9
Support services	19.1	16.0
Athletics	0.7	0.5
Food services	1.9	1.7
Child care	1.0	0.8
Debt service	1.5	1.6
Depreciation expense (unallocated)	4.2	4.4
Total expenses	55.5	47.9
<b>Change in Net Position</b>	4.5	6.9
<b>Net Position (Deficit) - Beginning of year</b>	(50.8)	(57.7)
<b>Net Position (Deficit) - End of year</b>	<b><u>(46.3)</u></b>	<b><u>(50.8)</u></b>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$55.5 million. Certain activities were partially funded from those who benefited from the programs (\$1.3 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$19.1 million). We paid for the remaining public benefit portion of our governmental activities with \$8.7 million in taxes, \$29.4 million in state foundation allowance, and other revenue (i.e., interest and general entitlements). The School District experienced an increase in net position of \$4.5 million.



# Warren Woods Public Schools

## Management's Discussion and Analysis (Continued)

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Due to the impact of the Headlee Amendment, the School District's property tax levy has been reduced from 18 mills on all nonhomestead property, which the School District is required to levy in order to receive the full state foundation allowance, to 16.1889 mills for a loss of approximately \$400,000. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

The expense portion of the table shows the financial support of each function required during the school year. Being in the business of educating children, the largest expense incurred is in instruction, which totals approximately 48.9 percent, or \$27.1 million, of the total expenses. Support services account for approximately 34.5 percent, or \$19.1 million of the total expense, which includes items such as transportation, maintenance, security, supervision, counseling, and a variety of similar services that support the School District's mission of educating children.

### ***The School District's Funds***

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

As the School District completed this year, the governmental funds reported a combined fund balance of \$22.4 million, which is a decrease of \$0.5 million from last year. The primary reasons for the decrease are as follows:

In the General Fund, our principal operating fund, the fund balance increased by approximately \$1.5 million to \$12.3 million. This amount helps to provide cash flow for needs during the months when aid is not received from the State.

Special revenue funds include the Food Services, Child Care Program, Bookstore Activities, and Student Activities funds. The combined special revenue funds fund balance increased by approximately \$345,000. The Child Care Program accounted for approximately \$231,000 of this increase.

Combined, the fund balance of our debt service funds increased by approximately \$36,000. Warren Woods Public Schools determines the millage rates annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt service fund balances are restricted since they can only be used to pay debt service obligations.

Combined, the fund balance of our capital project funds decreased by \$1.4 million. The 2018 and 2020 bond funds decreased by \$1.84 million as we continued construction and other voter-approved projects. The building and site fund increased by \$403,040, as the School District allocated funds, using operating sources and one-time revenue, to preserve and maintain its facilities for the future and to prepare for unexpected capital and physical plant needs.

### ***Budgetary Highlights***

By state law, the Warren Wood Public Schools Board of Education must approve a budget effective July 1 of each year.

The original budget is prepared to meet our obligation in good faith. Several major variables are not fully known at the time of budget preparation; consequently, over the course of the year, the School District revises its budget as items become known and the School District attempts to deal with unexpected changes in revenue and expenditures. The final amendment to the budget was adopted in June 2023. A schedule showing the School District's original and final budget amounts compared with the amounts actually paid and received is provided in the required supplementary information of these financial statements.

# Warren Woods Public Schools

## Management's Discussion and Analysis (Continued)

The Board of Education amended the budgeted revenue to account for changes in enrollment, as well as changes in state funding, as the State of Michigan did not finalize its 2022-2023 budget until after the School District was required to adopt its original 2022-2023 budget in June 2022. In total, budgeted revenue was increased by \$5.76 million from the original to final budget. One of the main assumptions impacting the School District's budget is the revenue received from the State of Michigan through the per pupil foundation allowance. The School District's original budget assumed a foundation grant increase of \$400 per pupil. The State of Michigan provided an actual foundation grant increase for the 2022-2023 fiscal year of \$450 per pupil. The School District also assumed that it would see a decline in enrollment by 68 students as part of its original budget adoption and, subsequently, amended the budget during the year to reflect an actual decline in enrollment of 4 students to 3,103 students.

The School District also amended the budget to reflect taking advantage of increased interest rates throughout the year to earn an additional \$387,000 in earnings from its investments. The 2023 State School Aid Act also included new state categorical revenue for school safety, student mental health, and wraparound services grants. In addition, for the 2022-2023 fiscal year, a one-time MPERS Section 147c(2) deposit of \$2.49 million was paid to the School District, and the School District was required to then pass those funds onto the Office of Retirement Services as an expense. There were also changes to federal funding as the School District continued to account for funding related to COVID-19, primarily ESSER III and Section 11t grant funds provided under the American Rescue Plan.

When comparing the final amended budget to actual revenue, the final actual revenue was approximately \$102,000 under the projected amount (0.21 percent). The actual revenue was under budget mainly due to state and federal grant awards not being spent in the time frame anticipated. For all grant-funded programs, an equal amount of expense was recognized, thus, having no impact on the bottom line. Certain grants are funded on a 15-month cycle but must be budgeted into the School District's fiscal year for reporting purposes; this cycle routinely creates carryover.

In total, budgeted expenses were increased by \$3.53 million from the original to final budget, but the pass-through MPERS Section 147c(2) funds accounted for \$2.49 million of that. In looking at the School District's other expenses, the budget was amended to address increases because of newly negotiated collective bargaining agreements with the School District's teachers prior to the start of the school year. In addition, the School District bargained new collective bargaining agreements with bus drivers, custodians, food service staff, and special education paraprofessionals during the school year. There were no significant variances between the final budget and actual amounts. Final expenditures were approximately \$706,000 under projected amounts (1.5 percent).

A schedule showing the School District's original and final budget amounts compared with actual revenue and expenditures is provided in the required supplementary information of these financial statements. The School District's actual General Fund fund balance increased by approximately \$1.5 million to \$12.3 million.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

As of June 30, 2023 and 2022, the School District had \$55.5 million and \$56.4 million, respectively, invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This total represents a net decrease (including additions, disposals, and depreciation) of approximately \$0.9 million from 2022 to 2023.

	2023	2022
Land	\$ 4,000	\$ 4,000
Construction in progress	481,858	903,285
Buildings and improvements	43,912,904	46,316,934
Furniture and equipment	7,266,593	5,086,136
Buses and other vehicles	522,340	478,320
Land improvements	3,274,115	3,571,471
Total capital assets - Net of accumulated depreciation	<b>\$ 55,461,810</b>	<b>\$ 56,360,146</b>

This year's additions were mainly related to the School District's 2018 and 2020 bond issues, including all new high school classroom technology, and school buses. As of June 30, 2023, \$481,858 of construction in progress is related to several major capital projects that will continue into the 2023-2024 fiscal year. We present more detailed information about our capital assets in the notes to the financial statements.

#### **Debt**

At the end of this year, the School District had \$39.5 million in bonds outstanding versus \$43.6 million in the previous year. The decrease was a result of paying down outstanding debt in accordance with scheduled repayments.

The School District's general obligation bond rating is AA/Stable, as affirmed by Standard and Poor's in June 2020. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. However, the School District does not have any outstanding unqualified general obligation debt that is subject to this limitation.

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

#### ***Economic Factors and Next Year's Budgets and Rates***

Warren Woods Public Schools continues to have strong General Fund reserves; the total available fund balance is 24.39 percent of 2023 expenditures, including the Special Education Center Program Fund. The 2023-2024 fiscal year budget anticipates the use of \$773,557 from the fund balance. Continued attention will be focused on strong expenditure controls and close monitoring of revenue changes based on state funding and student count to help reduce this deficit spending.

The following factors will affect the School District in the future and were considered in preparing the School District's budget for fiscal year 2023-2024:

At the time of adoption, the State Aid Act for 2023-2024 still had not been approved, so the Board of Education and administration had to make many assumptions to set the original budget for fiscal year 2023-2024. The Board of Education and administration took into account the budget proposals from the governor, Senate, and House, as well as the information provided from various educational organizations, such as the Michigan School Business Officials, Michigan Association of School Administrators, and the Michigan Association of School Boards to develop the assumptions included in the original budget. Those budget assumptions included an increase to the per pupil foundation allowance by \$400 per pupil to \$9,550. Also included is a total pupil count of 3,103, which reflects no change in enrollment for the 2023-2024 school year. The School District has also assumed a 12.5 percent increase in special education funding as part of its original budget assumptions.

The retirement rate will jump from 28.23 percent to 31.34 percent on October 1, 2023 for a Basic/MIP employee with Premium Subsidy, and the School District will be required to pay 16.89 percent for the unfunded actuarial accrued liability (UAAL). Expenditures for 2023-2024 are estimated to be \$47.5 million and include adjusted teaching positions due to enrollment, caseloads, and student schedules. The School District has a collective bargaining agreement in place with all of its employee groups for the 2023-2024 fiscal year, and the wage and benefit increases with those contracts have already been included in the original budget figures. Additional cost pressure continues to come from increases in the required public employer contributions to medical benefit plans for its employees, increases in utility rates, and increased costs to maintain the School District's facilities.

The original budget also includes additional grant-funded teacher and instructional coaching positions that will be utilized during the 2023-2024 school year to help close the achievement gaps created by the COVID-19 pandemic. A full listing of all the assumptions used in setting the original 2023-2024 budget can be found on the School District's website.

## Warren Woods Public Schools

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### Management's Discussion and Analysis (Continued)

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#### ***Contacting the School District's Management***

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

Neil R. Cassabon, Deputy Superintendent  
Warren Woods Public Schools  
12900 Frazho Road  
Warren, MI 48089  
Telephone: (586) 439-4413  
Email: [ncassabon@mywwps.org](mailto:ncassabon@mywwps.org)

# Warren Woods Public Schools

## Statement of Net Position

June 30, 2023

	Governmental Activities
<b>Assets</b>	
Cash and investments (Note 4)	\$ 15,476,498
Receivables:	
Interest receivable	180,259
Accounts receivable	99,569
Due from other governments	7,981,081
Inventories	66,806
Prepaid costs and other assets	162,752
Restricted assets (Note 4)	5,795,639
Capital assets - Net (Note 6)	<u>55,461,810</u>
Total assets	85,224,414
<b>Deferred Outflows of Resources</b>	
Deferred charges on bond refunding (Note 8)	374,460
Deferred pension costs (Note 10)	29,373,042
Deferred OPEB costs (Note 10)	<u>7,212,201</u>
Total deferred outflows of resources	36,959,703
<b>Liabilities</b>	
Accounts payable	887,556
Due to other governmental units	881,250
Accrued liabilities and other	4,352,082
Unearned revenue (Note 5)	1,477,405
Noncurrent liabilities:	
Due within one year (Note 8)	4,430,573
Due in more than one year (Note 8)	40,656,426
Net pension liability (Note 10)	92,594,231
Net OPEB liability (Note 10)	<u>5,271,566</u>
Total liabilities	150,551,089
<b>Deferred Inflows of Resources</b>	
Revenue in support of pension contributions made subsequent to the report date	6,775,065
Deferred pension cost reduction (Note 10)	382,809
Deferred OPEB cost reduction (Note 10)	<u>10,816,002</u>
Total deferred inflows of resources	<u>17,973,876</u>
<b>Net Position (Deficit)</b>	
Net investment in capital assets	15,509,096
Restricted:	
Debt	373,116
Capital projects	804,281
Unrestricted	<u>(63,027,341)</u>
Total net position (deficit)	<u><u>\$ (46,340,848)</u></u>

# Warren Woods Public Schools

## Statement of Activities

Year Ended June 30, 2023

Functions/Programs	Program Revenue			Governmental
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Primary government - Governmental activities:				
Instruction	\$ 27,149,747	\$ 81,399	\$ 10,983,462	\$ (16,084,886)
Support services	19,130,068	-	5,914,172	(13,215,896)
Bookstores	45,475	49,197	-	3,722
Athletics	681,041	51,396	-	(629,645)
Food services	1,876,029	265,913	2,245,386	635,270
Child care	1,002,604	816,171	-	(186,433)
Interest	1,499,177	-	-	(1,499,177)
Other debt costs	2,900	-	-	(2,900)
Depreciation expense (unallocated)	4,189,535	-	-	(4,189,535)
<b>Total primary government</b>	<b>\$ 55,576,576</b>	<b>\$ 1,264,076</b>	<b>\$ 19,143,020</b>	<b>(35,169,480)</b>
General revenue:				
Taxes:				
Property taxes, levied for general purposes				3,461,188
Property taxes, levied for debt service				5,226,291
State aid not restricted to specific purposes				29,357,177
Federal grants and contributions not restricted to specific purposes				12,299
Interest and investment earnings				785,963
Penalties, interest, and other taxes				9,867
Gain on sale of capital assets				209,131
Other:				
Student activity revenue				466,918
Miscellaneous income				128,972
<b>Total general revenue</b>				<b>39,657,806</b>
<b>Change in Net Position</b>				<b>4,488,326</b>
<b>Net Position (Deficit) - Beginning of year</b>				<b>(50,829,174)</b>
<b>Net Position (Deficit) - End of year</b>				<b>\$ (46,340,848)</b>

# Warren Woods Public Schools

## Governmental Funds Balance Sheet

June 30, 2023

	General Fund	Special Education Center Program Fund	2020 Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments (Note 4)	\$ 12,012,971	\$ -	\$ -	\$ 3,463,527	\$ 15,476,498
Receivables:					
Interest receivable	71,973	-	108,286	-	180,259
Accounts receivable	10,824	-	-	88,745	99,569
Due from other governments	7,981,081	-	-	-	7,981,081
Due from other funds (Note 7)	8,736	45,903	-	1,123,742	1,178,381
Inventories	-	-	-	66,806	66,806
Prepaid costs and other assets	162,752	-	-	-	162,752
Restricted assets (Note 4)	-	-	5,124,220	671,419	5,795,639
<b>Total assets</b>	<b>\$ 20,248,337</b>	<b>\$ 45,903</b>	<b>\$ 5,232,506</b>	<b>\$ 5,414,239</b>	<b>\$ 30,940,985</b>
<b>Liabilities</b>					
Accounts payable	\$ 778,963	\$ -	\$ 108,593	\$ -	\$ 887,556
Due to other governmental units	881,208	-	-	42	881,250
Due to other funds (Note 7)	1,131,650	15,904	-	30,827	1,178,381
Accrued liabilities and other	4,111,291	-	-	-	4,111,291
Unearned revenue (Note 5)	1,028,901	29,999	-	418,505	1,477,405
<b>Total liabilities</b>	<b>7,932,013</b>	<b>45,903</b>	<b>108,593</b>	<b>449,374</b>	<b>8,535,883</b>
<b>Fund Balances</b>					
Nonspendable:					
Inventories	-	-	-	66,806	66,806
Prepaid costs	162,752	-	-	-	162,752
Restricted:					
Debt service	-	-	-	613,907	613,907
Capital projects (unspent bond proceeds)	-	-	5,123,913	57,512	5,181,425
Food service	-	-	-	1,823,921	1,823,921
Committed:					
Compensated absences	382,681	-	-	-	382,681
Child care	-	-	-	424,504	424,504
Student activities	-	-	-	437,947	437,947
Bookstore	-	-	-	32,295	32,295
Tax tribunal cases	100,000	-	-	-	100,000
Assigned:					
Capital replacements	-	-	-	1,507,973	1,507,973
Working capital	5,220,220	-	-	-	5,220,220
Subsequent year budget shortfall	773,557	-	-	-	773,557
Unassigned	5,677,114	-	-	-	5,677,114
<b>Total fund balances</b>	<b>12,316,324</b>	<b>-</b>	<b>5,123,913</b>	<b>4,964,865</b>	<b>22,405,102</b>
<b>Total liabilities and fund balances</b>	<b>\$ 20,248,337</b>	<b>\$ 45,903</b>	<b>\$ 5,232,506</b>	<b>\$ 5,414,239</b>	<b>\$ 30,940,985</b>

## Warren Woods Public Schools

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

June 30, 2023

<b>Fund Balances Reported in Governmental Funds</b>	\$ 22,405,102
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not financial resources and are not reported in the funds:	
Cost of capital assets	116,169,155
Accumulated depreciation	<u>(60,707,345)</u>
Net capital assets used in governmental activities	55,461,810
Deferred outflows related to bond refundings are not reported in the funds	374,460
Bonds payable obligations and related premiums are not due and payable in the current period and are not reported in the funds	(44,704,318)
Accrued interest is not due and payable in the current period and is not reported in the funds	(240,791)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(382,681)
Net pension liability and related deferred inflows and outflows	(63,603,998)
Net OPEB liability and related deferred inflows and outflows	(8,875,367)
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	<u>(6,775,065)</u>
<b>Net Position (Deficit) of Governmental Activities</b>	<b><u><u>\$ (46,340,848)</u></u></b>



# Warren Woods Public Schools

## Governmental Funds

### Statement of Revenue, Expenditures, and Changes in Fund Balances

**Year Ended June 30, 2023**

	General Fund	Special Education Center Program Fund	2020 Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>					
Local sources	\$ 4,121,737	\$ -	\$ 223,179	\$ 6,998,359	\$ 11,343,275
State sources	36,997,417	2,252,701	-	284,117	39,534,235
Federal sources	3,641,174	-	-	2,759,735	6,400,909
Interdistrict and other sources	2,806,075	2,755,000	-	-	5,561,075
<b>Total revenue</b>	<b>47,566,403</b>	<b>5,007,701</b>	<b>223,179</b>	<b>10,042,211</b>	<b>62,839,494</b>
<b>Expenditures</b>					
Current:					
Instruction	26,756,497	2,384,989	-	-	29,141,486
Support services	17,677,682	2,077,988	1,335	462,404	20,219,409
Bookstores	-	-	-	45,475	45,475
Athletics	727,600	-	-	-	727,600
Food services	-	-	-	1,928,308	1,928,308
Child care	-	-	-	1,080,480	1,080,480
Debt service:					
Principal	-	-	-	4,125,000	4,125,000
Interest	-	-	-	1,962,748	1,962,748
Other debt costs	-	-	-	2,900	2,900
Capital outlay	320,663	6,050	1,738,012	1,077,645	3,142,370
<b>Total expenditures</b>	<b>45,482,442</b>	<b>4,469,027</b>	<b>1,739,347</b>	<b>10,684,960</b>	<b>62,375,776</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>2,083,961</b>	<b>538,674</b>	<b>(1,516,168)</b>	<b>(642,749)</b>	<b>463,718</b>
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital assets	-	-	-	8,970	8,970
Transfers in	652,747	-	-	1,206,788	1,859,535
Transfers out	(1,206,788)	(538,674)	-	(114,073)	(1,859,535)
<b>Total other financing (uses) sources</b>	<b>(554,041)</b>	<b>(538,674)</b>	<b>-</b>	<b>1,101,685</b>	<b>8,970</b>
<b>Net Change in Fund Balances</b>	<b>1,529,920</b>	<b>-</b>	<b>(1,516,168)</b>	<b>458,936</b>	<b>472,688</b>
<b>Fund Balances - Beginning of year</b>	<b>10,786,404</b>	<b>-</b>	<b>6,640,081</b>	<b>4,505,929</b>	<b>21,932,414</b>
<b>Fund Balances - End of year</b>	<b>\$ 12,316,324</b>	<b>\$ -</b>	<b>\$ 5,123,913</b>	<b>\$ 4,964,865</b>	<b>\$ 22,405,102</b>

## Warren Woods Public Schools

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

Year Ended June 30, 2023

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	\$ 472,688
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capitalized capital outlay	3,091,038
Depreciation expense	(4,189,535)
Net book value of assets disposed of	200,161
Revenue in support of pension contributions made subsequent to the measurement date	(2,983,723)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds	4,562,286
Interest expense is recognized in the government-wide statements as it accrues	26,285
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	3,309,126
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 4,488,326</u></b>

June 30, 2023

### **Note 1 - Nature of Business**

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

### **Note 2 - Significant Accounting Policies**

#### ***Accounting and Reporting Principles***

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

#### ***Reporting Entity***

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

#### ***Report Presentation***

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

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

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

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

**Note 2 - Significant Accounting Policies (Continued)**

***Fund Accounting***

The School District accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the School District to show the particular expenditures for which specific revenue is used. The various funds are aggregated into the following fund types:

**Governmental Funds**

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Special Education Center Program Fund is used to record special education millage revenue from the county, state revenue related to special education, and disbursements associated with special education center programs administered by the School District on behalf of the county.
- The 2020 Capital Projects Fund is used to record the 2020 bond proceeds and expenditures related to voter-approved capital improvements.

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

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes.
- Capital projects funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, and equipment; technology upgrades; and remodeling and repairs. The funds operate until the purpose for which they were created is accomplished.
- Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.

**Interfund Activity**

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

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

***Basis of Accounting***

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

**Note 2 - Significant Accounting Policies (Continued)**

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

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

Proprietary funds and fiduciary funds, as applicable, use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

***Specific Balances and Transactions***

**Cash and Investments**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value except for investments in external investment pools, which are valued at amortized cost.

**Inventories and Prepaid Items**

Inventories are valued at cost on a first-in, first-out basis. Inventories accounted for using the purchase method are recorded as expenditures when purchased and include all inventories of governmental funds other than commodities within the Food Services Fund. Inventories accounted for using the consumption method are recorded as expenditures when consumed rather than when purchased and include commodities within the Food Services Fund. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements, when applicable.

**Restricted Assets**

The following amounts are reported as restricted assets:

- Unspent bond proceeds and related interest of the bonded capital projects funds required to be set aside for construction or other allowable bond purchases
- Unspent property taxes levied held in the debt service funds required to be set aside for future bond principal and interest payments

**Capital Assets**

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

**Note 2 - Significant Accounting Policies (Continued)**

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

	Depreciable Life - Years
Buildings and improvements	20 to 50
Furniture and equipment	5 to 10
Buses and other vehicles	5 to 10
Land improvements	20

**Long-term Obligations**

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund and debt service funds are generally used to liquidate governmental long-term debt.

**Deferred Outflows/Inflows of Resources**

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

The School District reports deferred outflows related to deferred charges on refundings and deferred pension and OPEB plan costs.

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

The School District reports deferred inflows related to revenue in support of pension contributions made subsequent to the measurement date and deferred pension and OPEB plan cost reductions.

**Net Position**

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

**Net Position Flow Assumption**

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

**Note 2 - Significant Accounting Policies (Continued)**

**Fund Balance Flow Assumptions**

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

**Fund Balance Policies**

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 nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The School District 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 passing a resolution prior to the end of the fiscal year, commit fund balance. Once passed, the limitation imposed by the resolution remains in place until a similar action is taken (the passing of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The School District has, by resolution, authorized the Board of Education or superintendent to assign fund balance. 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 exist only 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.

The fund balance policy prescribes the minimum fund balance as 15 percent of expenditures in the General Fund. This is deemed by the School District to be the prudent amount to maintain the School District's ability to meet obligations as they come due throughout the year. If the total fund balance of the General Fund falls below the goal, it shall be recovered at a rate of at least 1 percent each year.

**Property Tax Revenue**

Properties are assessed as of December 31, and the related property taxes become a lien on July 1 of the following year. These taxes are billed on July 1 for approximately 50 percent of the taxes and on December 1 for the remainder of the property taxes. Taxes are considered to be delinquent on March 1 of the following year. At this time, penalties and interest are assessed, and the total obligation is added to the county tax rolls. All property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.



**Note 2 - Significant Accounting Policies (Continued)**

**Grants and Contributions**

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

**Pension and Other Postemployment Benefit (OPEB) Plans**

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

**Compensated Absences (Vacation and Sick Leave)**

It is the School District's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the School District will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation are used to liquidate the obligations.

**Use of Estimates**

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

**Upcoming Accounting Pronouncement**

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2025.

**Subsequent Events**

The financial statements and related disclosures include evaluation of events up through and including August 23, 2023, which is the date the financial statements were available to be issued.



**Note 3 - Stewardship, Compliance, and Accountability**

***Budgetary Information***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund except that transfers in and transfers out are reported net, and capital outlay expenditures are reported in other functional expenditure categories. Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for all special revenue funds except that expenditures are budgeted by object rather than functional categories. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. During the year, the budget was amended in a legally permissible manner. The School District amended the General Fund budgeted amounts during the year to reflect changes in funding from the state and federal sources.

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

***Excess of Expenditures Over Appropriations in Budgeted Funds***

The School District did not have significant expenditure budget variances.

***Capital Projects Fund Compliance***

The 2020 Capital Projects funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects funds, the School District has complied with the applicable provisions of §1351a of the State of Michigan's School Code.

**Note 4 - Deposits and Investments**

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits and investments are in accordance with statutory authority.

The School District has designated four financial institutions for the deposits and investments of its funds.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost except for one-day minimum investment period on MILAF cash management funds and a 14-day redemption limitation on MILAF MAX Class funds.

**Note 4 - Deposits and Investments (Continued)**

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

***Custodial Credit Risk of Bank Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At year end, the School District had bank deposits totaling \$3,221,934 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The School District believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the School District evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

***Custodial Credit Risk of Investments***

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have a policy for custodial credit risk.

***Interest Rate Risk***

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity.

***Foreign Currency Risk***

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

***Concentration of Credit Risk***

The School District places no limit on the amount it may invest in any one issuer. At June 30, 2023, all of the School District's investments are in the Michigan Liquid Asset Fund and, therefore, are the only investment type subject to concentration of credit risk.

***Credit Risk***

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices.

At year end the credit quality rating of investment pools are as follows:

Security and Rating Agency	Rating	Carrying Value
MILAF Investment Pool - Cash Management Class (S&P)	AAAm	\$ 586,279
MILAF Investment Pool - MAX Class (S&P)	AAAm	5,640,642
MILAF Investment Pool - Term Series (Fitch)	AAAf	11,500,000
Total		<u>\$ 17,726,921</u>

***Investments in Entities that Calculate Net Asset Value per Share***

The School District holds shares or interests in the Michigan Liquid Asset Fund (MILAF) Term Series, whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

June 30, 2023

**Note 4 - Deposits and Investments (Continued)**

As of June 30, 2023, the fair value of the School District's investments in the MILAF Term Series was \$11,500,000. The investment pool had no unfunded commitments. The MILAF Term Series allows for the School District to set a specific redemption date upon initiation of the investment. Early redemptions are permitted, but an early redemption fee would apply.

The investment pool includes investments that the School District does not control. The investment pool primarily invests in high-quality money market instruments, including certificates of deposit, commercial paper, and U.S. government and agency obligations, to protect the investment principal and provide liquidity.

**Note 5 - Unavailable/Unearned Revenue**

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

At June 30, 2023, the School District had no unavailable revenue and \$1,477,405 of unearned revenue, primarily related to categorical aid and federal assistance payments received prior to meeting all eligibility requirements.

**Note 6 - Capital Assets**

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

	Balance July 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000
Construction in progress	903,285	(903,285)	481,858	-	481,858
Subtotal	907,285	(903,285)	481,858	-	485,858
Capital assets being depreciated:					
Buildings and improvements	90,360,288	59,008	318,150	-	90,737,446
Furniture and equipment	14,249,333	844,277	2,137,832	(1,315,386)	15,916,056
Buses and other vehicles	1,686,705	-	153,198	(179,203)	1,660,700
Land improvements	7,369,095	-	-	-	7,369,095
Subtotal	113,665,421	903,285	2,609,180	(1,494,589)	115,683,297
Accumulated depreciation:					
Buildings and improvements	44,043,354	-	2,781,188	-	46,824,542
Furniture and equipment	9,163,197	-	1,001,813	(1,515,547)	8,649,463
Buses and other vehicles	1,208,385	-	109,178	(179,203)	1,138,360
Land improvements	3,797,624	-	297,356	-	4,094,980
Subtotal	58,212,560	-	4,189,535	(1,694,750)	60,707,345
Net capital assets being depreciated	55,452,861	903,285	(1,580,355)	200,161	54,975,952
Net governmental activities capital assets	\$ 56,360,146	\$ -	\$ (1,098,497)	\$ 200,161	\$ 55,461,810

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

**Note 6 - Capital Assets (Continued)**

**Construction Commitments**

The School District has active construction projects at year end relating to the 2020 bond issue. At year end, the School District's commitments with contractors are as follows:

	<u>Remaining Commitment</u>
2020 Capital Projects Fund	\$ 446,499

**Note 7 - Interfund Receivables, Payables, and Transfers**

The composition of interfund balances is as follows:

<u>Fund Due From</u>	<u>Fund Due To</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Education Center Program Fund</u>	<u>Nonmajor Funds</u>	
General Fund	\$ -	\$ 30,533	\$ 1,101,117	\$ 1,131,650
Special Education Center Program Fund	-	-	15,904	15,904
Nonmajor governmental funds	8,736	15,370	6,721	30,827
Total	<u>\$ 8,736</u>	<u>\$ 45,903</u>	<u>\$ 1,123,742</u>	<u>\$ 1,178,381</u>

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

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

<u>Paying Fund (Transfer Out)</u>	<u>Receiving Fund (Transfer In)</u>	<u>Amount</u>
General Fund	Nonmajor funds	\$ 1,206,788
Nonmajor funds	General Fund	114,073
Special Education Center Program Fund	General Fund	538,674
	Total	<u>\$ 1,859,535</u>

Transfers from the General Fund provided funding for debt service payments on nonvoted bonds. Funds from the Food Services Fund and Special Education Center Program Fund were transferred to the General Fund to cover excess costs related to operations of the funds for the purposes for which they were created. Funds were also transferred from the General Fund to the Building and Site Fund for capital improvements.

**Note 8 - Long-term Debt**

Long-term debt activity for the year ended June 30, 2023 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable - Other debt:					
General obligations	\$ 43,590,000	\$ -	\$ (4,125,000)	\$ 39,465,000	\$ 3,800,000
Unamortized bond premiums	5,831,623	-	(592,305)	5,239,318	592,305
Total bonds payable - Other debt	49,421,623	-	(4,717,305)	44,704,318	4,392,305
Compensated absences	374,094	8,587	-	382,681	38,268
Total governmental activities long-term debt	<u>\$ 49,795,717</u>	<u>\$ 8,587</u>	<u>\$ (4,717,305)</u>	<u>\$ 45,086,999</u>	<u>\$ 4,430,573</u>

The School District had deferred outflows of \$374,460 related to deferred charges on bond refundings at June 30, 2023.

**General Obligation Bonds and Contracts**

The School District issues general obligation bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. All of the School District's bonds are qualified and, thus, fully guaranteed by the State of Michigan. The primary source of any required repayment is from the School District's property tax levy; however, the State of Michigan may withhold the School District's state aid funding in order to recover amounts it has paid on behalf of the School District. General obligations outstanding at June 30, 2023 are as follows:

	Remaining Annual Installments	Interest Rate(s) (Percent)	Maturing May 1	Outstanding
\$2,000,000 general obligation limited tax bonds (2012)	\$185,000	2.25 - 3.60*	2024	\$ 185,000
\$7,515,000 general obligation limited tax bonds (2014)	\$835,000 - \$840,000	2.00 - 3.00	2025	1,675,000
\$19,595,000 general obligation unlimited tax and refunding bonds (2015)	\$2,170,000 - \$2,385,000	3.00 - 5.00	2026	6,825,000
\$17,675,000 general obligation unlimited tax bonds (2018)	\$300,000 - \$1,860,000	3.00 - 5.00	2037	16,675,000
\$15,115,000 general obligation unlimited tax bonds (2020)	\$610,000 - \$900,000	4.00	2040	14,105,000
Total qualified bonds				<u>\$ 39,465,000</u>

\*Partially subsidized

**Other Long-term Liabilities**

Compensated absences attributable to the governmental activities will be liquidated from the funds from which the individual employee's salary is paid.

**Note 8 - Long-term Debt (Continued)**

**Debt Service Requirements to Maturity**

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

Years Ending June 30	Governmental Activities - Other Debt		
	Principal	Interest*	Total
2024	\$ 3,800,000	\$ 1,789,450	\$ 5,589,450
2025	3,875,000	1,631,500	5,506,500
2026	3,115,000	1,462,200	4,577,200
2027	2,035,000	1,310,750	3,345,750
2028	2,090,000	1,217,750	3,307,750
2029-2033	11,415,000	4,589,750	16,004,750
2034-2038	11,335,000	1,775,000	13,110,000
2039-2040	1,800,000	108,000	1,908,000
<b>Total</b>	<b>\$ 39,465,000</b>	<b>\$ 13,884,400</b>	<b>\$ 53,349,400</b>

\*Interest presented net of maximum potential interest subsidy

**Note 9 - Risk Management**

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The School District has purchased commercial insurance for medical claims and participates in the SET-SEG risk pool for claims relating to workers' compensation, general liability, and property/casualty claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

**Note 10 - Michigan Public School Employees' Retirement System**

**Plan Description**

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

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>.

**Benefits Provided**

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care plan are established by state statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit pension plan and the postemployment health care plan.

June 30, 2023

**Note 10 - Michigan Public School Employees' Retirement System (Continued)**

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

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

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

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

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

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

**Contributions**

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

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

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



**Note 10 - Michigan Public School Employees' Retirement System (Continued)**

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

The ranges of rates are as follows:

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

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

The School District's required and actual pension contributions to the plan for the year ended June 30, 2023 were \$11,904,400, which includes the School District's contributions required for those members with a defined contribution benefit. For the year ended June 30, 2023, the School District's required and actual pensions contributions include an allocation of \$4,281,545 in revenue received from the State of Michigan and remitted to the System to fund the MPSEs unfunded actuarial accrued liability (UAAL) stabilization rate as well as \$2,493,520 of a one-time state payment received and remitted to the System for the purpose of contributing additional assets to the System.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2023 were \$2,016,793, which includes the School District's contributions required for those members with a defined contribution benefit.

**Net Pension Liability**

At June 30, 2023, the School District reported a liability of \$92,594,231 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2021, which used update procedures to roll forward the estimated liability to September 30, 2022. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2022 and 2021, the School District's proportion was 0.25 percent and 0.24 percent, respectively, representing a change of 3.24 percent.

**Net OPEB Liability**

At June 30, 2023, the School District reported a liability of \$5,271,566 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2023 was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2021, which used update procedures to roll forward the estimated liability to September 30, 2022. The School District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2022 and 2021, the School District's proportion was 0.25 percent and 0.24 percent, respectively, representing a change of 3.79 percent.



June 30, 2023

**Note 10 - Michigan Public School Employees' Retirement System (Continued)**

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

For 2023, the School District recognized pension expense of \$11,882,078, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 926,265	\$ (207,031)
Changes in assumptions	15,911,007	-
Net difference between projected and actual earnings on pension plan investments	217,134	-
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	1,898,620	(175,778)
The School District's contributions to the plan subsequent to the measurement date	10,420,016	-
Total	<u>\$ 29,373,042</u>	<u>\$ (382,809)</u>

The \$6,775,065 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2024	\$ 5,397,271
2025	4,105,460
2026	3,561,628
2027	5,505,858
Total	<u>\$ 18,570,217</u>

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

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

For the year ended June 30, 2023, the School District recognized OPEB recovery of \$1,916,016.

June 30, 2023

**Note 10 - Michigan Public School Employees' Retirement System (Continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (10,324,979)
Changes in assumptions	4,698,716	(382,596)
Net difference between projected and actual earnings on OPEB plan investments	412,014	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	633,064	(108,427)
Employer contributions to the plan subsequent to the measurement date	1,468,407	-
Total	<u>\$ 7,212,201</u>	<u>\$ (10,816,002)</u>

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

Years Ending	Amount
2024	\$ (1,856,140)
2025	(1,657,211)
2026	(1,516,182)
2027	(40,273)
2028	(20,085)
Thereafter	17,683
Total	<u>\$ (5,072,208)</u>

**Actuarial Assumptions**

The total pension liability and total OPEB liability as of September 30, 2022 are based on the results of an actuarial valuation as of September 30, 2021 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.00%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75 percent
Health care cost trend rate - OPEB	5.25% - 7.75%	Year 1 graded to 3.5 percent in year 15, 3.0 percent in year 120
Mortality basis		RP-2014 Male and Female Employee Annuitant Mortality tables, scaled 100 percent (retirees: 82 percent for males and 78 percent for females) and adjusted for mortality improvements using projection scale MP2017 from 2006
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

Assumption changes as a result of an experience study for the periods from 2012 to 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2018 valuation.

**Note 10 - Michigan Public School Employees' Retirement System (Continued)**

Significant assumption changes since the prior measurement date, September 30, 2021, for the pension and OPEB plans include a decrease in the discount rate used in the September 30, 2022 actuarial valuation by 0.80 percentage points in the pension plan and 0.95 percentage points in the OPEB plan. The investment rate of return used in the September 30, 2022 actuarial valuation decreased by 0.80 percentage points in the pension plan and 0.95 percentage points in the OPEB plan. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2021.

**Discount Rate**

The discount rate used to measure the total pension and OPEB liability was 6.00 percent as of September 30, 2022. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.00 %	5.10 %
Private equity pools	16.00	8.70
International equity pools	15.00	6.70
Fixed-income pools	13.00	(0.20)
Real estate and infrastructure pools	10.00	5.30
Absolute return pools	9.00	2.70
Real return/opportunistic pools	10.00	5.80
Short-term investment pools	2.00	(0.50)
Total	100.00 %	

Long-term rates of return are net of administrative expense and inflation of 2.2 percent.

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

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

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net pension liability of the School District	\$ 122,189,986	\$ 92,594,231	\$ 68,205,996

June 30, 2023

**Note 10 - Michigan Public School Employees' Retirement System (Continued)**

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

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

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net OPEB liability of the School District	\$ 8,842,546	\$ 5,271,566	\$ 2,264,359

***Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate***

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

	1 Percentage Point Decrease	Current Rate	1 Percentage Point Increase
Net OPEB liability of the School District	\$ 2,207,480	\$ 5,271,566	\$ 8,711,064

***Pension Plan and OPEB Plan Fiduciary Net Position***

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

***Payable to the Pension Plan and OPEB Plan***

At June 30, 2023, the School District reported a payable of \$1,792,179 and \$225,519 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2023.

**Note 11 - Tax Abatements**

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

For the fiscal year ended June 30, 2023, the School District's property tax revenue was reduced by \$13,480 under these programs.

The School District is reimbursed for lost revenue caused by tax abatements on the operating millage of nonhomestead properties from the State of Michigan under the school aid formula. The School District received \$12,956 in reimbursements from the State of Michigan. The School District is not reimbursed for lost revenue from debt service millages. There are no abatements made by the School District.

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## Required Supplementary Information

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## Warren Woods Public Schools

### Required Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2023

	Original Budget	Final Budget	Actual
<b>Revenue</b>			
Local sources	\$ 3,761,049	\$ 4,115,268	\$ 4,121,737
State sources	31,875,155	37,075,584	36,997,417
Federal sources	3,529,856	3,670,470	3,641,174
Interdistrict and other sources	2,738,901	2,806,664	2,806,075
Total revenue	41,904,961	47,667,986	47,566,403
<b>Expenditures</b>			
Current:			
Instruction:			
Basic programs	19,430,620	20,827,793	20,604,667
Added needs	5,315,325	6,088,955	6,021,329
Adult and continuing education	322,379	341,851	331,883
Total instruction	25,068,324	27,258,599	26,957,879
Support services:			
Pupil	4,101,788	4,459,737	4,423,765
Instructional staff	2,438,734	2,485,418	2,432,227
General administration	543,999	580,435	568,396
School administration	2,204,902	2,384,544	2,360,909
Business services	558,442	601,153	599,493
Operations and maintenance	4,549,132	4,925,709	4,726,582
Transportation	753,993	851,680	813,633
Central support services	1,316,902	1,460,420	1,439,235
Other support services	437,087	441,054	430,521
Athletics	690,010	739,886	729,802
Total expenditures	42,663,313	46,188,635	45,482,442
<b>Excess of Revenue (Under) Over Expenditures</b>	(758,352)	1,479,351	2,083,961
<b>Other Financing Uses - Transfers out - Net</b>	(308,960)	(587,302)	(554,041)
<b>Net Change in Fund Balance</b>	(1,067,312)	892,049	1,529,920
<b>Fund Balance - Beginning of year</b>	10,786,404	10,786,404	10,786,404
<b>Fund Balance - End of year</b>	<b>\$ 9,719,092</b>	<b>\$ 11,678,453</b>	<b>\$ 12,316,324</b>

# Warren Woods Public Schools

## Required Supplementary Information Budgetary Comparison Schedule Special Education Center Program Fund

Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>
<b>Revenue</b>			
State sources	\$ 1,798,703	\$ 2,252,749	\$ 2,252,701
Interdistrict and other sources	2,993,000	2,785,000	2,755,000
Total revenue	4,791,703	5,037,749	5,007,701
<b>Expenditures</b>			
Current:			
Salaries and wages	2,436,973	2,606,843	2,581,154
Employee benefits	1,779,345	1,850,957	1,825,570
Purchased services	35,150	27,551	19,198
Supplies and materials	35,990	38,316	37,055
Capital outlay	-	6,050	6,050
Total expenditures	4,287,458	4,529,717	4,469,027
<b>Excess of Revenue Over Expenditures</b>	504,245	508,032	538,674
<b>Other Financing Uses</b> - Transfers out - Net	(504,245)	(508,032)	(538,674)
<b>Net Change in Fund Balance</b>	-	-	-
<b>Fund Balance</b> - Beginning of year	-	-	-
<b>Fund Balance</b> - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## Warren Woods Public Schools

### Required Supplementary Information Schedule of the School District's Proportionate Share of the Net Pension Liability Michigan Public School Employees' Retirement System

	<b>Last Nine Plan Years</b>								
	<b>Plan Years Ended September 30</b>								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.24620 %	0.23847 %	0.23804 %	0.23761 %	0.23681 %	0.23615 %	0.23436 %	0.24120 %	0.24020 %
School District's proportionate share of the net pension liability	\$ 92,594,231	\$ 56,458,536	\$ 81,770,192	\$ 78,687,811	\$ 71,190,104	\$ 61,196,766	\$ 58,471,626	\$ 58,919,322	\$ 52,908,682
School District's covered payroll	\$ 24,200,021	\$ 21,715,637	\$ 21,127,349	\$ 20,900,984	\$ 20,167,109	\$ 19,956,386	\$ 19,589,242	\$ 20,159,703	\$ 20,435,231
School District's proportionate share of the net pension liability as a percentage of its covered payroll	382.62 %	259.99 %	387.03 %	376.48 %	353.00 %	306.65 %	298.49 %	292.26 %	258.91 %
Plan fiduciary net position as a percentage of total pension liability	60.77 %	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %	66.20 %



## Warren Woods Public Schools

### Required Supplementary Information Schedule of the School District's Pension Contributions Michigan Public School Employees' Retirement System

	<b>Last Nine Fiscal Years Years Ended June 30</b>								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 11,633,783	\$ 8,352,636	\$ 7,267,591	\$ 6,642,991	\$ 6,262,975	\$ 5,920,103	\$ 5,724,529	\$ 5,567,852	\$ 4,414,076
Contributions in relation to the statutorily required contribution	11,633,783	8,352,636	7,267,591	6,642,991	6,262,975	5,920,103	5,724,529	5,567,852	4,414,076
<b>Contribution Excess (Deficiency)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>School District's Covered Payroll</b>	<b>\$ 24,338,982</b>	<b>\$ 22,969,725</b>	<b>\$ 21,369,242</b>	<b>\$ 21,158,048</b>	<b>\$ 20,715,730</b>	<b>\$ 20,214,242</b>	<b>\$ 20,713,745</b>	<b>\$ 19,807,674</b>	<b>\$ 20,167,108</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>47.80 %</b>	<b>36.36 %</b>	<b>34.01 %</b>	<b>31.40 %</b>	<b>30.23 %</b>	<b>29.29 %</b>	<b>27.64 %</b>	<b>28.11 %</b>	<b>21.89 %</b>

**Warren Woods Public Schools**

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

	<b>Last Six Plan Years</b>					
	<b>Plan Years Ended September 30</b>					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's proportion of the net OPEB liability	0.24889 %	0.23890 %	0.23811 %	0.23917 %	0.23682 %	0.23596 %
School District's proportionate share of the net OPEB liability	\$ 5,271,566	\$ 3,660,260	\$ 12,756,446	\$ 17,167,273	\$ 18,824,608	\$ 20,895,606
School District's covered payroll	\$ 24,200,021	\$ 21,715,637	\$ 21,127,349	\$ 20,900,984	\$ 20,167,109	\$ 19,956,386
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	21.78 %	16.86 %	60.38 %	82.14 %	93.34 %	104.71 %
Plan fiduciary net position as a percentage of total OPEB liability	83.09 %	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

**Warren Woods Public Schools**

Required Supplementary Information  
Schedule of the School District's OPEB Contributions  
Michigan Public School Employees' Retirement System

	<b>Last Six Fiscal Years</b>					
	<b>Years Ended June 30</b>					
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 1,959,093	\$ 1,871,849	\$ 1,778,295	\$ 1,700,176	\$ 1,620,985	\$ 1,449,484
Contributions in relation to the statutorily required contribution	<u>1,959,093</u>	<u>1,871,849</u>	<u>1,778,295</u>	<u>1,700,176</u>	<u>1,620,985</u>	<u>1,449,484</u>
<b>Contribution Excess (Deficiency)</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>
<b>School District's Covered Payroll</b>	<b>\$ 24,338,982</b>	<b>\$ 22,969,725</b>	<b>\$ 21,369,242</b>	<b>\$ 20,158,048</b>	<b>\$ 20,715,730</b>	<b>\$ 20,214,242</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>8.05 %</b>	<b>8.15 %</b>	<b>8.32 %</b>	<b>8.43 %</b>	<b>7.82 %</b>	<b>7.17 %</b>

June 30, 2023

### ***Pension Information***

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

The required contributions for the year ended June 30, 2023 include a one-time contribution of \$2,493,520, referred to as 147c(2), related to funding received from the State and remitted to the System for the purpose of contributing additional assets to the System.

### **Benefit Changes**

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

### **Changes in Assumptions**

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

- 2022 - The discount rate used in the September 30, 2022 actuarial valuation decreased by 0.80 percentage points.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017.
- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

### ***OPEB Information***

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

### **Benefit Changes**

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

### **Changes in Assumptions**

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

- 2022 - The discount rate and investment rate of return used in the September 30, 2022 actuarial valuation decreased by 0.95 percentage points. This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.
- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.
- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points. This, in addition to actual per person health benefit costs being lower than projected, reduced the plan's total OPEB liability by an additional \$1.8 billion in 2020.

## Warren Woods Public Schools

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### Notes to Required Supplementary Information (Continued)

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**June 30, 2023**

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.

- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for periods from 2012 to 2017. This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

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## Other Supplementary Information

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## Warren Woods Public Schools

	Special Revenue Funds				Debt Service Funds	
	Bookstore Activities	Food Services	Child Care Program	Student Activities	2012 Issue	2014 Refunding
<b>Assets</b>						
Cash and investments	\$ 21,998	\$ 1,487,849	\$ -	\$ 445,707	\$ -	\$ -
Receivables - Accounts receivable	-	21,416	67,329	-	-	-
Due from other funds	10,297	434,595	678,850	-	-	-
Inventories	1,802	65,004	-	-	-	-
Restricted assets	-	-	-	-	-	96,677
<b>Total assets</b>	<b>\$ 34,097</b>	<b>\$ 2,008,864</b>	<b>\$ 746,179</b>	<b>\$ 445,707</b>	<b>\$ -</b>	<b>\$ 96,677</b>
<b>Liabilities</b>						
Due to other governmental units	\$ -	\$ 42	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	21,563	1,504	7,760	-	-
Unearned revenue	-	98,334	320,171	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>119,939</b>	<b>321,675</b>	<b>7,760</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Nonspendable	1,802	65,004	-	-	-	-
Restricted:						
Debt service	-	-	-	-	-	96,677
Capital projects (unspent bond proceeds)	-	-	-	-	-	-
Food service	-	1,823,921	-	-	-	-
Committed:						
Child care	-	-	424,504	-	-	-
Student activities	-	-	-	437,947	-	-
Bookstore	32,295	-	-	-	-	-
Assigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>34,097</b>	<b>1,888,925</b>	<b>424,504</b>	<b>437,947</b>	<b>-</b>	<b>96,677</b>
<b>Total liabilities and fund balances</b>	<b>\$ 34,097</b>	<b>\$ 2,008,864</b>	<b>\$ 746,179</b>	<b>\$ 445,707</b>	<b>\$ -</b>	<b>\$ 96,677</b>

Other Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

**June 30, 2023**

Debt Service Funds				Capital Project Funds		
2015 Refunding	2016 Refunding	2018 Issue	2020 Issue	Building and Site	2018 Capital Projects Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,507,973	\$ -	\$ 3,463,527
-	-	-	-	-	-	88,745
-	-	-	-	-	-	1,123,742
-	-	-	-	-	-	66,806
291,468	137	99,408	126,217	-	57,512	671,419
<b>\$ 291,468</b>	<b>\$ 137</b>	<b>\$ 99,408</b>	<b>\$ 126,217</b>	<b>\$ 1,507,973</b>	<b>\$ 57,512</b>	<b>\$ 5,414,239</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42
-	-	-	-	-	-	30,827
-	-	-	-	-	-	418,505
-	-	-	-	-	-	449,374
-	-	-	-	-	-	66,806
291,468	137	99,408	126,217	-	-	613,907
-	-	-	-	-	57,512	57,512
-	-	-	-	-	-	1,823,921
-	-	-	-	-	-	424,504
-	-	-	-	-	-	437,947
-	-	-	-	-	-	32,295
-	-	-	-	1,507,973	-	1,507,973
291,468	137	99,408	126,217	1,507,973	57,512	4,964,865
<b>\$ 291,468</b>	<b>\$ 137</b>	<b>\$ 99,408</b>	<b>\$ 126,217</b>	<b>\$ 1,507,973</b>	<b>\$ 57,512</b>	<b>\$ 5,414,239</b>



## Warren Woods Public Schools

	Special Revenue Funds				Debt Service Funds	
	Bookstore Activities	Food Services	Child Care Program	Student Activities	2012 Issue	2014 Refunding
<b>Revenue</b>						
Local sources	\$ 49,800	\$ 315,735	\$ 816,171	\$ 466,918	\$ 51	\$ 873,827
State sources	-	131,436	88,550	-	-	10,451
Federal sources	-	2,248,521	498,915	-	12,299	-
Total revenue	49,800	2,695,692	1,403,636	466,918	12,350	884,278
<b>Expenditures</b>						
Current:						
Support services:						
Operations and maintenance	-	-	8,477	-	-	-
Transportation	-	-	-	453,247	-	-
Central support services	-	680	-	-	-	-
Bookstores	45,475	-	-	-	-	-
Food services	-	1,928,308	-	-	-	-
Child care	-	-	1,080,480	-	-	-
Debt service:						
Principal	-	-	-	-	185,000	810,000
Interest	-	-	-	-	13,043	74,550
Other debt costs	-	-	-	-	650	500
Capital outlay	-	581,719	58,803	-	-	-
Total expenditures	45,475	2,510,707	1,147,760	453,247	198,693	885,050
<b>Excess of Revenue Over (Under) Expenditures</b>	4,325	184,985	255,876	13,671	(186,343)	(772)
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	186,343	-
Other financing uses	-	(89,073)	(25,000)	-	-	-
Total other financing (uses) sources	-	(89,073)	(25,000)	-	186,343	-
<b>Net Change in Fund Balances</b>	4,325	95,912	230,876	13,671	-	(772)
<b>Fund Balances - Beginning of year</b>	29,772	1,793,013	193,628	424,276	-	97,449
<b>Fund Balances - End of year</b>	<b>\$ 34,097</b>	<b>\$ 1,888,925</b>	<b>\$ 424,504</b>	<b>\$ 437,947</b>	<b>\$ -</b>	<b>\$ 96,677</b>

Other Supplementary Information  
Combining Statement of Revenue, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds

Year Ended June 30, 2023

Debt Service Funds				Capital Project Funds		Total
2015 Refunding	2016 Refunding	2018 Issue	2020 Debt	Building and Site	2018 Capital Projects	
\$ 2,512,476	\$ 138	\$ 825,688	\$ 1,130,776	\$ -	\$ 6,779	\$ 6,998,359
30,086	-	9,976	13,618	-	-	284,117
-	-	-	-	-	-	2,759,735
2,542,562	138	835,664	1,144,394	-	6,779	10,042,211
-	-	-	-	-	-	8,477
-	-	-	-	-	-	453,247
-	-	-	-	-	-	680
-	-	-	-	-	-	45,475
-	-	-	-	-	-	1,928,308
-	-	-	-	-	-	1,080,480
2,070,000	510,000	-	550,000	-	-	4,125,000
444,750	10,455	833,750	586,200	-	-	1,962,748
750	-	500	500	-	-	2,900
-	-	-	-	105,930	331,193	1,077,645
2,515,500	520,455	834,250	1,136,700	105,930	331,193	10,684,960
27,062	(520,317)	1,414	7,694	(105,930)	(324,414)	(642,749)
-	-	-	-	8,970	-	8,970
-	520,445	-	-	500,000	-	1,206,788
-	-	-	-	-	-	(114,073)
-	520,445	-	-	508,970	-	1,101,685
27,062	128	1,414	7,694	403,040	(324,414)	458,936
264,406	9	97,994	118,523	1,104,933	381,926	4,505,929
<b>\$ 291,468</b>	<b>\$ 137</b>	<b>\$ 99,408</b>	<b>\$ 126,217</b>	<b>\$ 1,507,973</b>	<b>\$ 57,512</b>	<b>\$ 4,964,865</b>

## Warren Woods Public Schools

### Other Supplementary Information Schedule of Bonded Indebtedness

June 30, 2023

Years Ending June 30	2012 Issue (Nonvoted) Principal	2014 Refunding (Voted) Principal	2015 Refunding (Voted) Principal	2018 Capital Projects (Voted) Principal	2020 Capital Projects (Voted) Principal	Total
2024	\$ 185,000	\$ 835,000	\$ 2,170,000	\$ -	\$ 610,000	\$ 3,800,000
2025	-	840,000	2,270,000	-	765,000	3,875,000
2026	-	-	2,385,000	300,000	430,000	3,115,000
2027	-	-	-	1,160,000	875,000	2,035,000
2028	-	-	-	1,215,000	875,000	2,090,000
2029	-	-	-	1,275,000	875,000	2,150,000
2030	-	-	-	1,340,000	875,000	2,215,000
2031	-	-	-	1,405,000	875,000	2,280,000
2032	-	-	-	1,475,000	875,000	2,350,000
2033	-	-	-	1,545,000	875,000	2,420,000
2034	-	-	-	1,620,000	875,000	2,495,000
2035	-	-	-	1,700,000	875,000	2,575,000
2036	-	-	-	1,780,000	875,000	2,655,000
2037	-	-	-	1,860,000	875,000	2,735,000
2038	-	-	-	-	875,000	875,000
2039	-	-	-	-	900,000	900,000
2040	-	-	-	-	900,000	900,000
Total remaining payments	<b>\$ 185,000</b>	<b>\$ 1,675,000</b>	<b>\$ 6,825,000</b>	<b>\$ 16,675,000</b>	<b>\$ 14,105,000</b>	<b>\$ 39,465,000</b>
Interest rate	2.25%-3.60%	2.00%-3.00%	3.00%-5.00%	3.00%-5.00%	4.00%	
Original issue	<b>\$ 2,000,000</b>	<b>\$ 7,515,000</b>	<b>\$ 19,595,000</b>	<b>\$ 17,675,000</b>	<b>\$ 15,115,000</b>	

Principal payments for the bond issues are due on May 1 of each year.

Interest payments for the bond issues are due on May 1 and November 1 of each year.