Taylor & Morgan | CPAs AND BUSINESS ADVISORS

Van Buren Public Schools
Audited Financial Statements
June 30, 2023

Prepared by Taylor & Morgan, P.C.

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INDEPENDENT AUDITORS' REPORT

Board of Education
Van Buren Public Schools

Opinions

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

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

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 16 to the financial statements, in 2022-23 the District adopted new accounting guidance, GASB Statement No. 96, *Subscription-based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Management's Responsibility for the Financial Statements

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

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 Van Buren Public Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Van Buren Public Schools' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Van Buren Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Van Buren Public Schools' basic financial statements. The accompanying additional supplementary information, as identified in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information, including the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2023, on our consideration of the Van Buren Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Van Buren 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 the Van Buren Public Schools' internal control over financial reporting and compliance.

Sincerely,

Taylor & Morgan, P.C.

Taylor & Morgan, P.C.
Certified Public Accountants
Flint, MI

October 13, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

The Van Buren Public Schools has implemented *Governmental Accounting Standards Board Statement 34 (GASB 34)* with the enclosed financial statements. Our discussion and analysis of the Van Buren Public Schools' financial performance, a GASB 34 requirement, provides an overview of the Districts' financial activities for the fiscal year ended June 30, 2023.

This reporting model was adopted by the *Governmental Accounting Standards Board (GASB) in Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local* Governments, issued in June 2000. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL POSITION AND RESULTS OF OPERATIONS

The District's net position – the difference between assets and liabilities, as reported in the Statement of Net Position, is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position, as reported in the Statement of Activities, is one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to its students, not generate profits as commercial entities do. Many other non-financial factors, such as the quality of education provided and the safety of the schools, must also be considered when assessing the overall health of the District.

The School District's net position totaled $(50,931,670) and $(57,895,841) at June 30, 2023 and 2022, respectively. Of these amounts $4,245,885 and $9,446,622 were restricted. Restricted net position is reported separately to show legal constraints from debt covenants and legislation that limits the District's ability to use that net position for day-to-day operations. The following is a summary of the District's net position:

	June 30, 2023	June 30, 2022
Assets	$ 123,252,334	$ 122,896,452
Deferred outflows of resources	41,922,892	21,386,873
Liabilities	197,103,506	156,150,654
Deferred inflows of resources	19,003,390	46,028,512
Net Position:		
Net investment in capital assets	28,844,230	19,950,547
Restricted	4,245,885	9,446,622
Unrestricted	(84,021,785)	(87,293,010)
Total net position	$ (50,931,670)	$ (57,895,841)

The $(84,021,785) in unrestricted net position of governmental activities represents District funds that have not been committed contractually or for debt obligations and are available for future use. Total net position increased $6,964,171 in 2022-23.

. The major components of the change in net position are as follows:

- Depreciation expense

  The provisions of GASB 34 require districts to maintain a record of annual depreciation expense and accumulated depreciation. The net increase in accumulated depreciation is a reduction in net assets. Depreciation expense is recorded using a straight-line method over the estimated useful lives of the assets. In accordance with generally accepted accounting principles, depreciation expense is recorded based on the original cost of the asset less an estimated salvage value. For the year ended June 30, 2023, the net increase in accumulated depreciation was $4,102,543.

- Capital acquisitions

  Capital outlay (net) for the year ended June 30, 2023 totaled $9,566,226. Combined with current year depreciation and the effect of disposals, net capital assets increased by $5,463,683.

- Debt Repayment

  The District levies property taxes for the specific purpose of retiring debt. The collection of these taxes and the resultant repayment of debt decreases the District's long-term principal obligations and, as a result, the net position of the District increases. The District repaid $3,430,000 of long-term bonded debt in the current year.

- GASB 68 adjustment

  Adjustments to the government-wide statements include a increase in pension expense totaling $3,139,434.

- GASB 75 adjustment

  Adjustments to the government-wide statements include a decrease in OPEB expense totaling $4,729,852.

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The summaries of the District-wide results of operations are as follows:

	2022-23	2021-22
General revenue		
Property taxes	$ 19,711,975	$ 18,580,102
State foundation allowance	25,630,983	23,780,773
Other	10,707,081	5,990,271
Total general revenue	56,050,039	48,351,146
Program revenue		
Charges for services – local	2,051,873	2,518,840
Operating grants – federal and state	26,197,143	21,465,896
Total revenues	84,299,055	72,335,882
Expenses		
Instruction	40,510,622	33,859,546
Support services	26,820,245	22,875,447
Community services	511,183	6,016
Food services	2,107,496	1,904,035
Student Activities	835,364	634,485
Interest on long-term debt	2,331,251	358,720
Depreciation (unallocated)	4,218,723	3,500,775
Total expenses	77,334,884	63,139,024
Increase/(decrease) in net position	6,964,171	9,196,858
Net position – July 1	(57,895,841)	(67,092,699)
Net position –June 30	$ (50,931,670)	$ (57,895,841)

GASB Statement No. 68 required the District to include its share of the Michigan Public School Retirees (MPSERS) Net Pension Liability on the government-wide statements. The District's share of this liability equaled $113,680,639 as of September 30, 2022, and $70,011,471 as of September 30, 2021.

GASB Statement No. 75 required the District to include its share of the Michigan Public School Retirees (MPSERS) Net OPEB Liability on the government-wide statements. The District's share of this liability equaled $6,527,578 as of September 30, 2022, and $4,457,933 as of September 30, 2021.

GOVERNMENTAL FUNDS FINANCIAL HIGHLIGHTS

Our financial statements provide the following insights about the results of this year's operations:

The financial condition of the governmental funds has declined overall from the prior year.

In the General Fund, the fund balance increased by $1,446,704 to $12,637,329. Wayne RESA passed an Enhancement Millage with Wayne County taxpayers November 2016 for 2.000 mills. The Enhancement Millage was distributed to school districts based on pupil count. The District received $1,597,065 additional revenue as direct result of the Wayne RESA Enhancement millage and $6,713,344 in Covid funding as a result of the Covid 19 pandemic. Without the Enhancement Millage and the Covid funding, the General Fund would have decreased by $6,863,705 to $4,326,920. The fund balance for the Capital Project Fund decreased by $5,338,833 to $1,497,581. The total fund balance for the non-major governmental funds increased by $157,550 to $4,902,240.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The District's budgets are prepared according to Michigan law and are initially adopted prior to July 1 of each year, before student enrollment counts are known. Therefore, it is expected that there will be changes between the initial budget and subsequent budgets, as actual enrollments and resultant staffing requirements are known. Currently, the most significant budgeted funds are the General Fund and the Capital Projects Fund. The District amended the budgets of these major governmental funds two times during the year ended June 30, 2023.

General Fund

In the General Fund, the actual revenue and other financing sources totaled approximately $71.7 million. This is more than the original budget estimate of $67.2 million and less than the final amended budgeted amount of $74.1 million, a variance of 3.3%. The actual expenditures and other financing uses were approximately $70.3 million. This is less than the original budget estimate of $70.7 million and less than the final amended budgeted amount of $75.6 million, a variance of .4%

The fund balance of the general fund was $12,637,329 on June 30, 2023 as compared to $11,190,625 on June 30, 2022. A schedule is provided in the required supplemental information of these financial statements showing the District's original and final budget amounts compared with amounts actually paid and received.

GOVERNMENTAL FUND EXPENDITURES

The following chart illustrates that the General Fund comprises approximately 66.38% of all the equity within the governmental funds of the District. The ending fund balance for all funds was equal to $19.04 million and is detailed below.

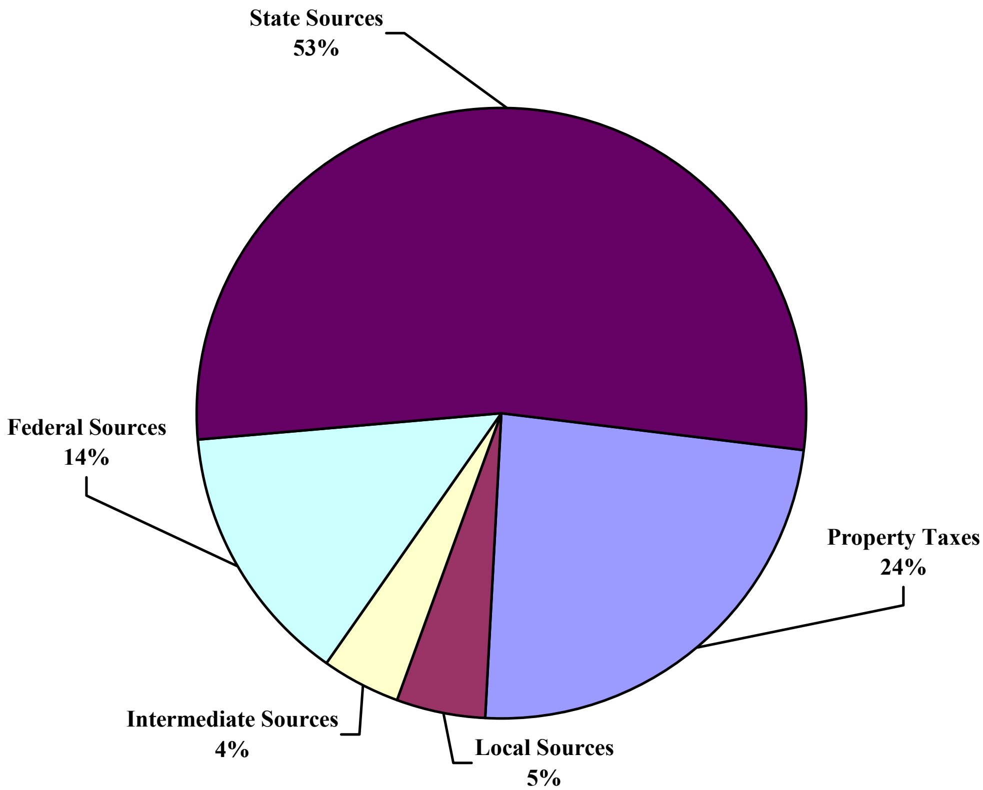
		Fund Balance as of June 30, 2023	Percentage of Total Fund Balance
General Fund	$	12,637,329	66.38%
Capital Project Funds		1,497,581	7.87%
Non-major Funds		4,902,240	25.75%
Total	$	19,037,150	100.00%

As of June 30, 2023, the District's program expenditures for all programs totaled $88,033,634 compared to $80,723,583 at June 30, 2022.

TOTAL REVENUES

Revenues for all governmental funds totaled $83,728,515 for the year ended June 30, 2023, compared with $70,818,966 at June 30, 2022.The following graph illustrates the District revenues by source as a percentage of total revenue:

Total Revenue by Source for All Funds



Unrestricted State Aid

The District is primarily funded by State Aid. The per-pupil allowance was $9,150 for 2022-23. State Aid membership was computed in the 2022-23 school year with a blended count of 10% of the February 2022 and 90% of the September 2022 counts.

Van Buren Public Schools' pupil membership for the 2022-23 school year was 4,300, a decrease of 32 students from the prior year.

Property Taxes

The District levied 18 mills of property taxes on all non-homestead property located within the district for General Fund operations. The levy is assessed on the taxable value of the property. The increase in taxable value is limited to the lesser of the inflation rate of the prior year or 5%. When a property is sold, the taxable valuation of the sold property is readjusted to the State Equalized Value, which is approximately 50% of market value. The 2022-23 non-homestead property tax levy including delinquent taxes totaled approximately $12.59 million. The district would not have been able to levy the full 18 mills permitted due to property values increasing faster than the rate of inflation resulting in a Headlee Rollback; however in November 2016, taxpayers approved extra mills permitting the District to levy the full 18 mills regardless of a possible Headlee Rollback.

In the 2022-23 school year, the District levied .4838 mills for the District's sinking funds and 2.98 mills for the District's debt funds. The revenue collected for the debt and sinking funds approximated $6.2 million and $.96 million, respectively. Taxpayers approved .5 mills to be levied for the sinking fund. The sinking fund was also affected by a Headlee Rollback for the 2022-23 tax year.

OUTSTANDING DEBT AT YEAR-END

Bonded debt consists of $48.39 million of 2019 Refunding Bonds, $9.74 million of 2020 Building and Site Bonds, and $7.05 million of 2022 Building and Site Bonds.

For more detailed information regarding capital assets and debt administration, please review the Notes to the Basic Financial Statements located in the financial section of this report.

CAPITAL ASSETS

At the end of fiscal year 2023, the District had $144.2 million invested in land, buildings, furniture, equipment, buses, and vehicles. Of this total investment, $50.2 million has been depreciated, resulting in a net book value of $94.0 million. Total additions (net of disposals) for the year were approximately $9.57 million and were comprised of site improvements, new furniture and equipment, and vehicle purchases, much of this related to the new Early Childhood building. The District is committed to the timely repairs and maintenance of its facilities. Computer purchases under the District's capitalization threshold of $5,000 are expensed accordingly.

CAPITAL ASSETS AT YEAR END
(NET OF DEPRECIATION)
(IN MILLIONS)

	Governmental Activities
Land and improvements	2.6
Buildings and improvements	88.0
Furniture and equipment	.7
Vehicles and buses	2.7
Total	$ 94.0

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This report is designed to give an overview of the financial conditions of Van Buren Public Schools. If you should desire additional detailed financial program audits, they can be obtained by contacting the following person:

Mr. Peter Kudlak
Superintendent, Van Buren Public Schools
555 West Columbia Avenue
Belleville, Michigan 48111
(734) 697-9123

BASIC FINANCIAL STATEMENTS

VAN BUREN PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
Assets	
Cash, cash equivalents and investments	$ 15,152,053
Accounts receivable	120,471
Due from other governmental units	13,891,309
Inventory	12,790
Prepaid costs and other assets	51,481
Capital assets	
Land, buildings and improvements	132,024,314
Equipment and furniture	6,064,609
Buses and other vehicles	6,129,614
Less: accumulated depreciation	(50,194,307)
Net capital assets	94,024,230
Total Assets	123,252,334
Deferred Outflows of Resources	
Deferred OPEB amounts	9,297,220
Deferred pension amounts	32,625,672
Total Deferred Outflows of Resources	41,922,892
Liabilities	
Accounts payable	966,938
Accrued expenses	1,436,838
Salaries payable	5,425,073
Due to other governmental units	693,138
Accrued interest on long-term debt	407,785
Unearned Revenue	1,668,967
Medical claims payable	462,272
Long-term liabilities	
Due within 1 year	3,528,142
Due in more than 1 year:	
Net OPEB liability	6,527,578
Net pension liability	113,680,639
Other	62,306,136
Total Liabilities	197,103,506
Deferred Inflows of Resources	
Deferred premium on bond refunding	3,710,554
Deferred OPEB amounts	13,893,215
Deferred pension amounts	1,399,621
Total Deferred Inflows of Resources	19,003,390
Net Position	
Net investment in capital assets	28,844,230
Restricted for:	
Capital projects	2,805,643
Debt service	1,440,242
Unrestricted	(84,021,785)
Total Net Position (Deficit)	$ (50,931,670)

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Functions/Programs				
Governmental Activities				
Instruction	$ 40,510,622	$ 570,540	$ 21,374,263	$ (18,565,820)
Support services	26,820,245	142,742	2,964,158	(23,713,346)
Food services	2,107,496	418,575	1,858,723	169,802
Community services	511,183	-	-	(511,183)
Student Activities	835,364	920,016	-	84,652
Interest on long-term debt net of amortization of debt issue discounts and other costs	2,331,251	-	-	(2,331,251)
Unallocated depreciation	4,218,723	-	-	(4,218,723)
Total governmental activities	$ 77,334,884	$ 2,051,873	$ 26,197,143	(49,085,868)

General Purpose Revenues	
Taxes:	
Property taxes, levied for general purposes	12,589,779
Property taxes, levied for debt service	6,161,701
Property taxes, levied for capital projects	960,495
State school aid - unrestricted	25,630,983
Retirement Reimbursement	9,440,834
Investment earnings	552,876
Other	713,371
Total general revenue	56,050,039
Change in net position	6,964,171
Net position (deficit) - July 1	(57,895,841)
Net position (deficit)- June 30	$ (50,931,670)

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Capital Project Fund	Non-major Governmental Funds	Total Governmental Funds
Assets				
Cash, cash equivalents and investments	$ 7,548,707	$ 4,262,258	$ 3,422,734	$ 15,233,699
Accounts receivable	38,825	-	-	38,825
Due from other governmental units	13,891,309	-	-	13,891,309
Due from other funds	347,565	-	2,978,944	3,326,509
Inventory	-	-	12,790	12,790
Prepaid costs	51,481	-	-	51,481
Total Assets	$ 21,877,887	$ 4,262,258	$ 6,414,468	$ 32,554,613
Liabilities and Fund Balance				
Liabilities				
Accounts payable	$ 733,374	$ 181,708	$ 51,856	$ 966,938
Accrued expenses	1,436,838	-	-	1,436,838
Salaries payable	5,425,073	-	-	5,425,073
Due to other governmental units	-	-	693,138	693,138
Due to other funds	-	2,582,969	743,540	3,326,509
Unearned Revenue	1,645,273	-	23,694	1,668,967
Total Liabilities	9,240,558	2,764,677	1,512,228	13,517,463
Fund Balance				
Non-spendable	51,481	-	12,790	64,271
Restricted for:				
Capital projects	-	1,497,581	1,308,062	2,805,643
Debt re n	-	-	1,848,027	1,848,027
Food service	-	-	1,041,414	1,041,414
Student activity	-	-	691,947	691,947
Committed	2,172,500	-	-	2,172,500
Assigned	3,025,609	-	-	3,025,609
Unassigned	7,387,739	-	-	7,387,739
Total Fund Balance	12,637,329	1,497,581	4,902,240	19,037,150
Total Liabilities and Fund Balance	$ 21,877,887	$ 4,262,258	$ 6,414,468	$ 32,554,613

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total Governmental Fund Balances		$ 19,037,150
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of capital assets	$ 144,218,537	
Accumulated depreciation	(50,194,307)	
Net capital assets		94,024,230
Deferred inflow and outflows related to the implementation of GASB Statement No. 68 are not included as assets and liabilities in the governmental funds:		
Deferred inflows		(1,399,621)
Deferred outflows		32,625,672
Deferred inflow and outflows related to the implementation of GASB Statement No. 75 are not included as assets and liabilities in the governmental funds:		
Deferred inflows		(13,893,215)
Deferred outflows		9,297,220
Deferred inflows of resources relating to debt refunding		(3,710,554)
Medical claims payable		(462,272)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds payable	$ (65,180,000)	
Compensated absences payable	(654,278)	
Net OPEB liability	(6,527,578)	
Net pension liability	(113,680,639)	
Total long-term liabilities		(186,042,495)
Accrued interest payable is not included as a liability in governmental funds		(407,785)
Total net position (deficit) - governmental activities		$ (50,931,670)

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Capital Project Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	$ 12,589,779	$ -	$ 7,122,196	$ 19,711,975
Other local sources	1,033,546	309,477	2,738,820	4,081,843
Intermediate sources	3,085,456	-	-	3,085,456
State sources	43,875,447	-	1,208,969	45,084,416
Federal sources	9,921,989	-	1,842,836	11,764,825
Total revenues	70,506,217	309,477	12,912,821	83,728,515
Expenditures				
Instruction				
Basic programs	30,026,760	-	-	30,026,760
Added needs	8,893,982	-	-	8,893,982
Total instruction	38,920,742	-	-	38,920,742
Support services				
Pupil services	4,971,193	-	-	4,971,193
Instructional staff services	3,382,631	-	-	3,382,631
General administration	583,939	-	-	583,939
School administration	3,520,175	-	-	3,520,175
Business services	760,155	-	-	760,155
Operation and maintenance	7,634,926	-	-	7,634,926
Pupil transportation	5,603,015	-	-	5,603,015
Central services	1,787,484	-	-	1,787,484
Athletics	868,048	-	-	868,048
Community services	511,183	-	-	511,183
Capital outlay	1,534,440	5,461,734	873,580	7,869,754
Principal	-	-	3,430,000	3,430,000
Interest and fiscal charges	-	-	2,661,158	2,661,158
Other supporting services	-	186,576	5,342,655	5,529,231
Total support services	31,157,189	5,648,310	12,307,393	49,112,892
Total expenditures	70,077,931	5,648,310	12,307,393	88,033,634
Excess/(deficiency) of revenues over/ (under) expenditures	428,286	(5,338,833)	605,428	(4,305,119)
Other financing sources/(uses)				
Intra-district transfers	570,540	-	-	570,540
Operating transfers out	(166,642)	-	(447,878)	(614,520)
Operating transfers in	614,520	-	-	614,520
Total other financing sources/(uses)	1,018,418	-	(447,878)	570,540
Excess/(deficiency) of revenues over/(under) expenditures and other financing sources/(uses)	1,446,704	(5,338,833)	157,550	(3,734,579)
Fund balance - July 1	11,190,625	6,836,414	4,744,690	22,771,729
Fund balance - June 30	$ 12,637,329	$ 1,497,581	$ 4,902,240	$ 19,037,150

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Total net change in fund balances - governmental funds		$ (3,734,579)
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, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Outlay (net)	$ 9,682,406	
Depreciation Expense (net)	(4,218,723)	5,463,683
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments reported as expenditures in the governmental funds.		3,430,000
Accumulated unpaid benefits are recorded as liabilities in the statement of net position, but are not recorded in the governmental funds statement. This is the (increase)/decrease in accumulated unpaid benefits.		25,715
Net (increase)/decrease in medical claims payable		(140,973)
Pension expense in the government-wide statements has been adjusted to reflect the requirements of GASB 68. This is the amount of the adjustment to Pension expense in the government-wide statements.		(3,139,434)
OPEB expense in the government-wide statements has been adjusted to reflect the requirements of GASB 75. This is the amount of the adjustment to OPEB expense in the government-wide statements.		4,729,852
Amortization of the deferred premium on the 2019 refunding bonds is recorded in the statement of activities over the life of the bonds. This is the amount of amortization of deferred premium for the current year.		231,910
Interest on long-term debt in the statement of activities includes accrued interest while the governmental funds statement does not. This is the (increase)/decrease in accrued interest.		97,997
Change in net position of governmental activities		$ 6,964,171

See accompanying notes to basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Van Buren Public Schools conform to generally accepted accounting principles as applicable to school districts. The following is a summary of the significant accounting policies:

Reporting Entity
The accompanying basic financial statements have been prepared in accordance with criteria established by the GASB for determining the various governmental organizations to be included in the reporting entity. These criteria include oversight responsibility, scope of public service, and special financing arrangements. Based on application of the criteria, the entity does not contain component units.

The District receives funding from local, state, federal and interdistrict government sources and must comply with the accompanying requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" body that has separate legal standing and is fiscally independent of the governmental entities. As such, the Board of Education has decision-making authority, the authority to levy taxes, and determine its budget, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

Basic Financial Statements – Government-wide Statements
The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). The government-wide financial statements categorize primary activities as either governmental or business type. All of the District's activities are classified as governmental activities. Fiduciary funds are not included in the government-wide financial statements.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full-accrual economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: invested in capital assets net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. General government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.) also support the functions. The Statement of Activities reduces gross expenses by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary grants. The net costs by function are normally covered by general revenue (property taxes, state and federal sources, interest income, etc.).

The District allocates indirect costs to certain federal programs and the School Lunch Fund. Interfund transactions have been eliminated in the government-wide financial statements.

Basic Financial Statements - Fund Financial Statements
The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the combined financial statements in this report, into four generic fund types in one broad fund category as follows:

Note 1 - Summary of Significant Accounting Policies (continued)

Governmental Funds

Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use, and balances of the District's expendable financial resources and the related current liabilities are accounted for through governmental funds.

General Fund

The General Fund is used to record the general operations of the District pertaining to education and those operations not provided for in other funds. Included are all transactions related to the approved current operating budget.

Special Revenue Funds - Special Revenue Funds are used to segregate the transactions of particular activities from regular revenue and expenditure accounts. The District maintains full control of these funds. The District maintains three special revenue funds: School Lunch Fund, Special Education Fund and Student Activities Fund.

Debt Service Funds - Debt Service Funds are used to record tax and interest revenue and the payment of general long-term debt principal, interest and related cost. The District has one debt service fund.

Capital Projects Funds - The Capital Projects Funds are used to record bond proceeds or other revenue and the disbursement of monies specifically designed for acquiring new school sites, buildings, and equipment and for major remodeling and repairs. The fund is retained until the purpose for which the fund was created has been accomplished. The District has two capital projects funds: the Sinking Fund and the Bond Construction Fund.

Basis of Accounting/Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Accrual

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt are recognized when due.

Those revenues susceptible to accrual are property taxes, state aid, interest revenue, grants and charges for services. Other revenue is recorded when received.

Note 1 - Summary of Significant Accounting Policies (continued)

Cash and Investments

Cash and cash equivalents include amounts in demand deposits, sweep accounts, and certificate of deposits with original maturities less than 90 days. The District reports its investments in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and No. 40 Deposits and Investment Risk Disclosures. Under these standards, certain investments are valued at fair values when quoted market prices are not available.

The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the District intends to hold the investment until maturity. Accordingly, investments in banker acceptances and commercial paper are recorded at amortized cost.

State statutes authorize the District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury, certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation (FDIC), or the National Credit Union Administration (NCUA), respectively; in commercial paper rated at the time of purchase within the three highest classifications established by no less than two standard rating services and which matures not more than 270 days after the date of purchase. The District is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptance of U.S. banks, and mutual funds composed of investments outlined above.

Property Taxes

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the District's boundaries. The District's tax base is in Wayne and Washtenaw counties.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 15. Collections are forwarded to the District as collected by the assessing municipality. Real property taxes uncollected as of March 1 are purchased by the county and remitted to the District by June 30.

Property taxes are recognized in the accounting period when they become measurable and available to finance operations. Available means when due or past due and receivable within the current period and collected no longer than 60 days after the current period.

Inventories

Items purchased for future use are recorded as inventory and charged to expenditure accounts when requisitioned for use. Food Services Fund inventory consists of food and paper goods recorded at cost and commodity inventory recorded at fair market value as determined by the USDA.

Restricted Fund Balance

The unspent tax levy of the Sinking Fund requires amounts to be set aside for activities as defined by the Sinking Fund millage. These amounts have been classified as restricted fund balance (See Note 8).

Capital Assets

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. The District has adopted a $5,000 capitalization threshold for recording capital assets. Donated fixed assets are valued at their estimated fair market value on the date received

Note 1 - Summary of Significant Accounting Policies (continued)

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

Depreciation on all assets is computed on the straight-line basis over the estimated useful lives as follows:

Buildings and additions	20 – 50 years
Buses and other vehicles	5 – 10 years
Furniture and equipment	5 – 10 years

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

Benefits are accrued based on various contract stipulations and lengths of service for the various bargaining units.

Vacation/sick time earned but not used at June 30, 2023 and 2022 amounted to $654,278 and $679,993 respectively.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

Economic Dependency
The District receives approximately 53% of its operating revenue through the foundation allowance from the State of Michigan. This figure includes property taxes collected for operations.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations
Substantially all employees of the District are covered under collective bargaining agreements. The following table details the terms of the District's employment contracts:

	Expiration Date
Administrators' Contract	December 31, 2024
Teachers' Contract	December 31, 2023
Paraprofessionals' Contract	June 30, 2024
Custodian/Maintenance Contract	June 30, 2024
Transportation Employees' Contract	June 30, 2024
Cafeteria Employees' Contract	June 30, 2025
Secretaries Association Contract	June 30, 2026

Note 2 - Budget and Budgetary Accounting

The State of Michigan adopted a Uniform Budgeting and Accounting Act (The Act) applicable to all local governmental entities in the state. The law requires appropriation acts to be adopted for the General and Special Revenue Funds and an informational study of Capital Project Funds of school districts prior to the expenditure of monies in a fiscal year.

The Board of Education adopts appropriations utilizing the modified accrual basis of accounting for all governmental funds. The appropriation level adopted by the Board is the level of control authorized by the act. The Act requires expenditures to be budgeted on a functional basis. A district is not considered to be in violation of the Act if reasonable procedures are in use by the District to detect violations.

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

1. The District's superintendent submits to the Board of Education a proposed budget by July 1 of each year. The budget includes proposed expenditures and the means of financing them.

2. A public hearing is conducted to obtain taxpayer comments.

Note 2 - Budget and Budgetary Accounting (continued)

3. The superintendent is authorized to transfer budgeted amounts within functions; however, any revisions that alter the function amounts or the total expenditures of any fund must be approved by the Board of Education.

4. Budgets for the General, Capital Projects, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles.

5. Budgeted amounts are as originally adopted, or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations, which were amended.

6. Appropriations lapse at year-end and, therefore, cancel all encumbrances. These appropriations are reestablished at the beginning of the following year.

7. A comparison of actual results of operations to the budgeted amounts (at the level of control adopted by the Board of Education) for the General Fund is presented as required supplementary information.

Budgetary information

Public Act 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. In the body of the financial statements, the District's actual and budgeted expenditures for the period have been shown as adopted by function on a modified accrual basis.

Excess of expenditures over appropriations in budgeted funds

During the year, the District did not incurred expenditures in the General Fund which were in excess of the amounts appropriated.

The final amended budget anticipated expenditures exceeding revenues by $1,869,5445. Actual expenditures exceeded revenues by $1,701,082, a positive variance of $168,463.

Note 3 - Deposits and Investments

State statutes and the District's investment policy authorize the District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The District is allowed to invest in U.S Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The District's deposits are in accordance with statutory authority.

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District's policy provides that to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an

Note 3 - Deposits and Investments (continued)

individual class of securities and are invested primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools.

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. Cumulatively, portfolios of the District may not be invested in any given financial institution in excess of 5% of such institution's total assets. Additionally, no more than 5% of the total District portfolio may be placed with any single financial institution with the exception of repurchase agreements. U.S. government securities and 2a7-like investment pools are excluded from these restrictions.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits this exposure by mandating that the District's investments in commercial paper and corporate bonds be limited to those with a prime rating or better issued by nationally recognized statistical rating organizations (NRSROs). At June 30, 2023, the maturities of investments and the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment Type	Fund	Fair Value	Rating	Fair Value Level	Percent of Total
Government Obligations Fund	General	$468,629	AAAm	1	8.918%
Government Obligations Fund	Debt	23,625	AAAm	1	0.450%
US Treasury Bills	General	979,883	AA1+	1	18.647%
Michigan CLASS Fund	Capital Projects	3,782,701	AAAm	2	71.985%
		$5,254,838			100.00%

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities, if any, in the possession of an outside party.

At June 30, 2023, the District had $250,000 of its deposit balances insured and $9,470,647 of its deposit balances uninsured and uncollateralized with securities held by the pledging financial institution's trust department or agent. This does not include the District's investments detailed above of $5,254,838, which are not subject to FDIC insurance.

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. This risk is minimized by the District through limiting investments to those of a prime or better rating and pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The District is not authorized to invest in investments that would be subject to this type of risk.

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the value inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. In instances whereby inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

Note 3 - Deposits and Investments (continued)

The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The District had fair value investments categorized as Level 1 of $492,254, level 2 of $4,762,584 and level 3 of $0 at June 30, 2023.

Note 4 - Changes in Capital Assets

Summary of capital asset transactions:

	Balance July 1, 2022	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital Assets Not Being Depreciated:				
Land	$ 456,772	$ 170,141	$ -	$ 626,913
Subtotal	456,772	170,141	-	626,913
Capital Assets Being Depreciated:				
Land improvements	4,826,542	1,024,193	-	5,850,735
Buildings and improvements	118,433,359	7,195,307	(82,000)	125,546,666
Furniture and equipment	5,744,977	353,812	(34,180)	6,064,609
Buses and other vehicles	5,190,661	938,953	-	6,129,614
Subtotal	134,195,539	9,512,265	(116,180)	143,591,624
Total capital assets	134,652,311	9,682,406	(116,180)	144,218,537
Accumulated Depreciation:				
Land improvements	3,475,616	352,298	-	3,827,914
Buildings and improvements	35,068,499	2,561,656	(82,000)	37,548,155
Furniture and equipment	4,883,589	512,592	(34,180)	5,362,001
Buses and other vehicles	2,664,060	792,177	-	3,456,237
Subtotal	46,091,764	4,218,723	(116,180)	50,194,307
Net Capital Assets	$ 88,560,547	$ 5,463,683	$ -	$ 94,024,230

Depreciation expense was not charged to activities as the District considers its assets to impact multiple activities and allocation is not practical. The District does not have any impaired assets.

Note 5 - Long-Term Debt

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

	Compensated Absences	Bonded Debt	Total
Balance July 1, 2022	$ 679,993	$ 68,610,000	$ 69,289,993
Additions	-	-	-
Less: Retirements and Payments	(25,715)	(3,430,000)	(3,455,715)
Balance June 30, 2023	654,278	65,180,000	65,834,278
Less: Current Portion	(98,142)	(3,430,000)	(3,528,142)
Total Due after One Year	$ 556,136	$ 61,750,000	$ 62,306,136

2019 Refunding Bonds
On February 19, 2019, $56,890,000 in building and site bonds with an average interest rate of 3.98% were issued to advance refund the remaining $61,360,000 of outstanding bonds of the 2009 bond issue with an average interest rate of 6.54%. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. The outstanding balance of the refunding bonds was $48,385,000 at June 30, 2023.

2020 School Building and Site Bonds
The District issued $12,360,000 of building and site bonds in March of 2020. The District deposited net proceeds of $12,988,197 into a capital projects account for the purpose of erecting, furnishing and equipping a new early childhood center, as well as various building and site improvements and technology improvements. The bonds pay interest semi-annually at rates ranging from 1.75% to 5.00%. The bonds pay principal in annual installments ranging from $300,000 to $1,170,000 from building and site fund tax levies. The outstanding balance of the bonds was $9,745,000 at June 30, 2023.

2022 School Building and Site Bonds
The District issued $8,060,000 of building and site bonds in February of 2022. The District deposited net proceeds of $8,999,890 into a capital projects account for the purpose of remodeling, furnishing and refurnishing, and equipping and re-equipping existing school buildings, as well as various building and site improvements and technology improvements. The bonds pay interest semi-annually at 5.00%. The bonds pay principal in annual installments ranging from $110,000 to $600,000 from building and site fund tax levies. The outstanding balance of the bonds was $7,050,000 at June 30, 2023.

Note 5 - Long-Term Debt (continued)

Future principal and interest requirements for the bonded debt are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	$ 3,430,000	$ 2,438,232	$ 5,868,232
2025	3,000,000	2,288,105	5,288,105
2026	3,125,000	2,158,406	5,283,406
2027	3,260,000	2,023,156	5,283,156
2028	3,390,000	1,882,256	5,272,256
2029-2033	17,220,000	7,345,505	24,565,505
2034-2038	20,855,000	3,693,112	24,548,112
2039-2043	7,220,000	726,520	7,946,520
2044-2048	2,785,000	256,601	3,041,601
2049-2050	895,000	21,197	916,197
Total	$ 65,180,000	$ 22,833,090	$ 88,013,090

Compensated Absences

The payment dates of compensated absences are indeterminable.

Note 6 – Inter-fund Transactions

The District made the following inter-fund transfers during the year:

	Transfers to	Transfers from
General Fund	$ 614,520	$ 166,642
Special Revenue Funds	-	447,878
Total	$ 614,520	$ 614,520

The transfers were for the purpose of indirect cost transfers.

Note 7 – Inter-fund Receivables and Payables

Inter-fund receivable and payable balances as of June 30, 2023 are as follows:

	Due to Other Funds	Due from Other Funds
Major Funds	$ 2,501,323	$ 265,919
Non-major Funds	743,540	2,978,944
Total	$ 3,244,863	$ 3,244,863

Note 8 - Fund Balance

Non-spendable, Restricted, Committed, Assigned and Unassigned

The Board of Education adopts a budget each year that includes the appropriation of fund balance. Non-spendable fund balance represents assets that are not available in spendable form and are not expected to be converted to cash.

Non-spendable:	Inventory	$	12,790
	Prepaid expenses		51,481
	Total non-spendable	$	64,271

Restricted fund balances are reported separately to show legal constraints from debt covenants and legislation that limits the School District's ability to use those assets for day-to-day operations.

Restricted:	Capital projects	$	2,805,643
	Debt retirement		1,848,027
	Student activity		691,947
	Food service		1,041,414
	Total restricted	$	6,387,031

Committed fund balance represents constrained amounts imposed by school board resolution. The District committed $2,172,500 for declining enrollment, future athletic field replacement costs, and WCRESA Enhancement Millage plan.

Assigned fund balance represents amounts intended to be used for specific purposes expressed by the Board of Education, Finance Committee, or the official authorized by the governing body. Residual amounts in governmental funds other than the General Fund are also assigned. The Board of Education adopted the 2023-24 General Fund budget whereby expenditures exceeded revenues by $3,025,609.

Assigned:	2023-24 budget appropriation	$	3,025,609
	Total assigned	$	3,025,609

Unassigned fund balance is reported only in the General Fund and represents the remaining fund balance after non-spendable, restrictions, and assignments have been made.

The District applies restricted resources first for applicable expenditures. Assigned fund equity is applied when expenditures are incurred for the assigned purpose, followed by unassigned fund equity for budgeted expenditures.

Note 9- Contingencies and Commitments

The District has received federal and state grants for specific purposes. These grants are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowance under terms of the grants, management believes that any required reimbursements would not be material.

Note 10 – Risk Management

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

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

The District is self-insured for medical claims. For risk retention situations, the District estimates the liability for medical claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These estimates are recorded in long-term debt until considered due, when the obligations then become governmental fund liabilities. Change in the estimated liability are as follows:

	June 30, 2023	June 30, 2022
Estimated liability - beginning of year	$ 321,299	$ 1,002,352
Estimated claims incurred, including changes in estimates	4,183,353	4,641,560
Payments of claims	(4,042,380)	(5,322,613)
Estimated liability - end of year	$ 462,272	$ 321,299

Note 11 – School Code Sinking Fund Requirements

The District's Capital Project/Building and Site Fund is required to expend monies in accordance with the Michigan Revised School Code Section 1212(1). Based on our testing of the fund's expenditures, the District is in compliance with Section 1212(1).

Note 12 – Defined Benefit Pension Plan

Plan Description

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

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

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

Note 12 – Defined Benefit Pension Plan (continued)

The System's financial statements are available at www.michigan.gov/ORSSchools.

Benefits Provided

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

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

Contributions

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

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

The schedule below summarizes pension contribution rates in effect for fiscal year 2022.

Pension Contribution Rates

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

Required contributions to the pension plan from the District were $10,288,090 for the year ended September 30, 2022.

Note 12 – Defined Benefit Pension Plan (continued)

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

At June 30, 2023, The District reported a liability of $113,680,639 for its proportionate share of the MPSERS 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 rolled forward from September 30, 2020. The District's proportionate share of the net pension liability was determined by dividing each district’s statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable districts during the measurement period. At September 30, 2022, the District's proportion was .30227 percent, which was an increase of .00656 percent from its proportion measured as of September 30, 2021.

For the year ended June 30, 2023, the District recognized total pension expense of $ 14,474,734. At June 30, 2023, the 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
Differences between expected and actual experience	$ 1,137,203	$ 254,178
Changes of assumptions	19,534,407	-
Net difference between projected and actual earnings on pension plan investments	266,581	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,680,918	1,145,443
District contributions subsequent to the measurement date	10,006,563	-
Total	**$ 32,625,672**	**$ 1,399,621**

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred (Inflows) and Deferred Outflows of Resources by Year (to Be Recognized in Future Pension Expenses)

Year Ending June 30,	Amount:
2023	$6,058,520
2024	$4,408,051
2025	$4,051,612
2026	$6,701,305

Actuarial Assumptions

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

Note 12 – Defined Benefit Pension Plan (continued)

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Actuarial Assumptions	
Valuation Date	September 30, 2021
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return	
- MIP and Basic Plans:	6.00% net of investment expenses
- Pension Plus Plan:	6.00% net of investment expenses
- Pension Plus 2 Plan:	6.00% net of investment expenses
Projected Salary Increases:	2.75 - 11.55%, including wage inflation at 2.75%
Cost-of-Living Pension Adjustments:	3% Annual Non-Compounded for MIP Members

Mortality:	Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projected scale MP-2017 from 2006.
	Active members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projected scale MP-2017 from 2006.

Notes:

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

- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: 4.3922

- Recognition period for assets in years is 5.0000

- Full actuarial assumptions are available in the 2022 MPSERS Comprehensive Annual Financial Report found in the OS website at www.michigan.gov/ORSSchools.

Note 12 – Defined Benefit Pension Plan (continued)

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension 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 pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022, are summarized in the following table:

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

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

Rate of Return

For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was (4.18)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.0% was used to measure the total pension liability (6.0% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan). This discount rate was based on the long term expected rate of return on pension plan investments of 6.0% (6.0% for the Pension Plus plan, 6.0% for the pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 12 – Defined Benefit Pension Plan (continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability, calculated using a discount rate of 6.0% (6.0% for the Pension Plus Plan, 6.0% for the Pension Plus 2 Plan), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 5.80% / 5.80%/ 5.0%	Current Single Discount Rate Assumption 6.80% / 6.80%/ 6.0%	1% Increase 7.80% / 7.80%/ 7.0%
$150,016,211	$113,680,639	$83,738,491

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

Michigan Public Schools Employees Retirement System (MPSERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS CAFR, available on the ORS website at www.michigan.gov/ORSSchools.

Note 13 – Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

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

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, and dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

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

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

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by the State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by the statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their

Note 13 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

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

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

Contributions

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

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

The schedule below summarizes OPEB contribution rates in effect for fiscal year 2022.

Benefit Structure	Member	Employer
Premium Subsidy	3.00 %	8.09 %
Personal Healthcare Fund (PHF)	0.00 %	7.23 %

Required contributions to the OPEB plan from the District were $2,347,558 for the year ended September 30, 2022.

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

At June 30, 2023, The District reported a liability of $6,527,578 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability 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 rolled forward from September 30, 2021. The District's proportionate share of the net OPEB liability was determined by dividing each district's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable districts during the measurement period. At September 30, 2022, the District's proportion was .30819 percent, which was an increase of .0413 percent from its proportion measured as of October 1, 2021.

Note 13 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

For the year ended June 30, 2023, the District recognized total OPEB expense of $(2,247,054). At June 30, 2023, the 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**
Differences between expected and actual experience	$	-	$	12,785,025
Changes of assumptions		5,818,240		473,754
Net difference between projected and actual earnings on OPEB plan investments		510,182		-
Changes in proportion and differences between District contributions and proportionate share of contributions		1,034,066		634,436
District contributions subsequent to the measurement date*		1,934,732		-
Total	**$**	**9,297,220**	**$**	**13,893,215**

*Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Deferred (Inflows) and Deferred Outflows of Resources by Year (To Be Recognized in Future OPEB Expenses)

Year Ending June 30,	Amount:
2023	$(2,297,494)
2024	$(2,206,816)
2025	$(1,952,848)
2026	$(127,234)
2027	$18,031
Thereafter	$35,634

Note 13 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Actuarial Assumptions	
Valuation Date	September 30, 2021
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return	6.00%
Projected Salary Increases:	2.75 - 11.55%, including wage inflation at 2.75%
Healthcare Cost Trend Rate:	Pre-65: 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65: 5.25% Year 1 graded to 3.5%Year 15; 3.0% Year 120

Mortality:	Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projected scale MP-2017 from 2006.
	Active members:	PR-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projected scale MP-2017 from 2006.

Other Assumptions:	
Opt Out Assumptions	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan
Survivor Coverage	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death
Coverage Election at Retirement	75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents

Note 13 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

Notes:

- Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total OPEB liability as of September 30, 2022, is based on the results of an actuarial valuation date of September 30, 2021, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: 6.2250
- Recognition period for assets in years is 5.0000
- Full actuarial assumptions are available in the 2022 MPSERS Comprehensive Annual Financial Report found in the ORS website at www.michigan.gov/ORSSchools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2022, are summarized in the following table:

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

**Long-term rate of returns are net of administrative expenses and 2.2% inflation*.

Rate of Return

For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was (4.99)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 13 – Postemployment Benefits Other Than Pensions (OPEB) (continued)

Discount Rate

A discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

1% Decrease 5.00%	Current Healthcare Cost Trend Rate 6.00%	1% Increase 7.00%
$10,949,385	$6,527,578	$2,803,869

Sensitivity of the District's Proportionate Share of the OPEB liability to Healthcare Cost Trend Rate

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
$2,733,438	$6,527,578	$10,786,573

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2022 MPSERS CAFR, available on the ORS website at www.michigan.com/ORSSchools.

Note 14 – Tax Abatements

The District is required to disclose significant tax abatements as required by GASB statement 77. The District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions granted by cities and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities. As part of section 22 of the State School Aid Act, any taxes abated for the General Fund operating millage are paid to the District by the State of Michigan. The District was not significantly impacted by tax abatements for the year ended June 30, 2023.

Note 15 – Subsequent Events

Management has reviewed subsequent events through October 13, 2023, the date of the auditor's report, which is the date the financial statements were available to be issued.

Note 16 – Change in Accounting Principle

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

Summary:

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

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

Note 17 – Upcoming Accounting Pronouncements

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

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

REQUIRED SUPPLEMENTAL INFORMATION

VAN BUREN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budget Original	Budget Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources	$ 13,491,429	$ 14,000,890	$ 13,623,325	$ (377,565)
State sources	37,357,537	44,957,970	43,875,447	(1,082,523)
Federal sources	13,807,346	11,076,137	9,921,989	(1,154,148)
Interdistrict sources	2,511,350	4,071,437	4,270,516	199,079
Total revenues	67,167,662	74,106,434	71,691,277	(2,415,157)
Expenditures				
Education				
Instruction				
Basic programs	31,290,861	31,849,686	30,026,760	1,822,926
Added needs	8,727,055	9,068,803	8,893,982	174,821
Supporting services				
Pupil services	5,199,105	5,939,971	4,971,193	968,778
Instructional staff	3,041,466	3,754,572	3,382,631	371,941
General administration	591,399	663,948	583,939	80,009
School administration	3,495,806	3,646,335	3,520,175	126,160
Business services	685,130	915,319	760,155	155,164
Operation and maintenance	6,920,874	8,356,088	7,634,926	721,162
Transportation	4,985,192	6,112,273	5,603,015	509,258
Central services	1,745,794	1,954,378	1,787,484	166,894
Athletics	802,396	917,771	868,048	49,723
Community services	668,564	556,782	511,183	45,599
Total expenditures	68,153,642	73,735,926	68,543,491	5,192,435
Excess/(deficiency) of revenues over/(under) expenditures	(985,980)	370,508	3,147,786	2,777,278
Other financing sources/(uses)				
Other financing uses	(2,500,000)	(1,869,545)	(1,701,082)	168,463
Total other financing sources/(uses)	(2,500,000)	(1,869,545)	(1,701,082)	168,463
Excess/(deficiency) of revenues over/(under) expenditures and other financing sources/(uses)	(3,485,980)	(1,499,037)	1,446,704	2,945,741
Fund balance - July 1	11,190,625	11,190,625	11,190,625	-
Fund balance - June 30	$ 7,704,645	$ 9,691,588	$ 12,637,329	$ 2,945,741

VAN BUREN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTAL INFORMATION
PENSION PLAN INFORMATION
JUNE 30, 2023

Schedule of District's Proportionate Share of the Net Pension Liability Determined As of 9/30 of Each Fiscal Year

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of net pension liability (%)	0.30227%	0.29571%	0.30099%	0.30343%	0.29696%	0.28576%	0.28360%	0.28460%	0.28232%
District's proportionate share of net pension liability	$ 113,680,639	$ 77,011,471	$ 103,393,992	$ 100,484,867	$ 89,272,857	$ 74,052,660	$ 70,756,261	$ 69,513,233	$ 62,185,620
District's covered-employee payroll	$ 30,089,920	$ 26,464,211	$ 26,737,229	$ 26,462,018	$ 26,156,231	$ 24,127,475	$ 24,075,822	$ 23,896,555	$ 24,103,797
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	377.80%	291.00%	386.70%	379.73%	341.31%	306.92%	293.89%	290.89%	257.99%
Plan fiduciary net position as a percentage of total pension liability	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

Schedule of the District's Contributions Determined as of 6/30 of Each Fiscal Year

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 10,288,090	$ 8,879,169	$ 8,271,649	$ 8,060,660	$ 8,086,404	$ 6,702,598	$ 6,368,419	$ 5,490,272	$ 6,925,302
Contributions in relation to statutorily required contributions	$ 10,288,090	$ 8,879,169	$ 8,271,649	$ 8,060,660	$ 8,086,404	$ 6,702,598	$ 6,368,419	$ 5,490,272	$ 6,925,302
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 32,049,064	$ 29,347,725	$ 26,084,780	$ 26,985,926	$ 26,286,771	$ 25,249,428	$ 24,475,544	$ 24,043,816	$ 24,176,622
Contributions as a percentage of covered-employee payroll	32.10%	30.26%	31.71%	29.87%	30.76%	26.55%	26.02%	22.83%	28.64%

Notes

See Note 12 to the financial statements for discussion of benefit terms and assumptions.

Changes of benefit terms: There were no changes of benefit terms in FY 2022.

Changes of benefit assuptions in FY 2022:

Discount rate for MIP, Basic, and Pension Plus plans decreased to 6.00% from 6.80%.

Schedule of District's Proportionate Share of the Net OPEB Liability
Determined As of 9/30 of Each Fiscal Year

	2022	2021	2020	2019	2018	2017
District's proportion of net OPEB liability (%)	0.30819%	0.29206%	0.30116%	0.30236%	0.30663%	0.28643%
District's proportionate share of net OPEB liability	$ 6,527,578	$ 4,457,933	$ 16,133,974	$ 21,702,332	$ 24,373,508	$ 25,365,002
District's covered-employee payroll	$ 30,089,920	$ 26,464,211	$ 26,737,229	$ 26,462,018	$ 26,156,231	$ 24,127,475
District's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	21.69%	16.85%	60.34%	82.01%	93.18%	105.13%
Plan fiduciary net position as a percentage of total OPEB liability	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%

Schedule of the District's Contributions
Determined as of 6/30 of Each Fiscal Year

	2023	2022	2021	2020	2019	2018
Statutorily required OPEB contributions	$ 2,347,558	$ 2,168,089	$ 2,127,774	$ 2,075,998	$ 1,990,295	$ 2,230,002
OPEB Contributions in relation to statutorily required contributions	$ 2,347,558	$ 2,168,089	$ 2,127,774	$ 2,075,998	$ 1,990,295	$ 2,230,002
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 32,049,064	$ 29,347,725	$ 26,084,780	$ 26,985,926	$ 26,286,771	$ 25,249,428
OPEB Contributions as a percentage of covered-employee payroll	7.32%	7.39%	8.16%	7.69%	7.57%	8.83%

Notes

See Note 13 to the financial statements for discussion of benefit terms and assumptions.

Changes of benefit terms: There were no changes of benefit terms in FY 2022.

Changes of benefit assuptions in FY 2022:

Discount rate decreased to 6.00% from 6.95%.

OTHER SUPPLEMENTAL INFORMATION

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Funds					Non-major
	School Lunch Fund	Special Education Fund	Student Activity Fund	Sinking Fund	Debt Service Funds	Governmental Funds Total
Assets						
Cash, cash equivalents and investments	$ 505,840	$ -	$ 1,030,916	$ 1,745,860	$ 140,118	$ 3,422,734
Due from other governmental units	-	-	-	-	-	-
Due from other funds	577,875	693,160	-		1,707,909	2,978,944
Inventory	12,790	-	-	-	-	12,790
Total assets	$ 1,096,505	$ 693,160	$ 1,030,916	$ 1,745,860	$ 1,848,027	$ 6,414,468
Liabilities						
Accounts payable	$ 18,607	$ 22	$ 10,807	$ 22,420	$ -	$ 51,856
Due to other funds	-	-	328,162	415,378	-	743,540
Due to other governmental units	-	693,138	-	-	-	693,138
Unearned Revenue	23,694	-	-	-	-	23,694
Total liabilities	42,301	693,160	338,969	437,798	-	1,512,228
Fund Balances						
Non-spendable	12,790	-	-	-	-	12,790
Restricted for:						
Capital projects	-	-	-	1,308,062	-	1,308,062
Debt service	-	-	-	-	1,848,027	1,848,027
Student activity	-	-	691,947	-	-	691,947
Food service	1,041,414	-	-	-	-	1,041,414
Total fund balance	1,054,204	-	691,947	1,308,062	1,848,027	4,902,240
Total liabilities and fund balance	$ 1,096,505	$ 693,160	$ 1,030,916	$ 1,745,860	$ 1,848,027	$ 6,414,468

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Special Revenue Funds					
	School Lunch Fund	Special Education Fund	Student Activity Fund	Sinking Fund	Debt Service Funds	Non-major Governmental Funds Total
Revenues						
Revenues from local sources						
Food sales	$ 418,575	$ -	$ -	$ -	$ -	$ 418,575
Property taxes	-	-	-	960,495	6,161,701	7,122,196
Other local sources	12,318	1,334,263	920,016	32,579	21,069	2,320,245
State aid	132,983	1,075,986	-	-	-	1,208,969
Federal aid	1,725,740	117,096	-	-	-	1,842,836
Total revenues	2,289,616	2,527,345	920,016	993,074	6,182,770	12,912,821
Expenditures						
Salaries	605,145	1,208,388	-	-	-	1,813,533
Employee benefits	397,993	891,744	-	-	-	1,289,737
Purchased services	52,778	111,911	-	188,090	-	352,779
Supplies and materials	1,013,204	16,745	-	-	-	1,029,949
Capital outlay	18,583	-	-	854,997	-	873,580
Principal	-	-	-	-	3,430,000	3,430,000
Interest and fiscal charges	-	-	-	-	2,661,158	2,661,158
Other	19,793	-	835,364		1,500	856,657
Total expenditures	2,107,496	2,228,788	835,364	1,043,087	6,092,658	12,307,393
Excess/(deficiency) of revenues over/(under) expenditures	182,120	298,557	84,652	(50,013)	90,112	605,428
Other financing sources/(uses)						
Operating transfers	(149,321)	(298,557)	-	-	-	(447,878)
Total other financing sources	(149,321)	(298,557)	-	-	-	(447,878)
Excess/(deficiency) of revenues and other financing sources/(uses) over/(under) expenditures	32,799	-	84,652	(50,013)	90,112	157,550
Fund balance - July 1	1,021,405	-	607,295	1,358,075	1,757,915	4,744,690
Fund balance - June 30	$ 1,054,204	$ -	$ 691,947	$ 1,308,062	$ 1,848,027	$ 4,902,240

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	June 30, 2023	June 30, 2022
Local sources		
Property taxes	$ 12,589,779	$ 11,949,841
Athletics	142,742	126,415
Earnings on investments	177,433	4,376
Other	713,371	460,096
Total revenues from local sources	13,623,325	12,540,728
State sources		
Grants - unrestricted		
State school aid	25,630,983	23,780,773
Grants - restricted		
Special Education	3,819,162	2,463,287
At Risk	2,732,881	1,741,834
MI School Readiness	1,041,826	897,667
Retirement Reimbursement	9,440,834	5,503,755
Other	1,209,761	1,069,800
Total revenues from state sources	43,875,447	35,457,116
Federal sources		
Grants - restricted		
Special Education - I.D.E.A.	1,653,263	1,699,175
Title I	1,238,191	1,347,884
Title IIA Improving Teacher Quality	168,496	296,017
Voc. Ed. Perkins	32,057	37,914
Medicaid Outreach	15,224	19,927
Covid Funding	6,713,344	3,835,915
Other	101,414	73,063
Total revenues from federal sources	9,921,989	7,309,895
Other financing sources		
County millages	3,085,456	2,963,698
Operating transfers	614,520	434,448
Other local transfers and miscellaneous	570,540	1,516,886
Total revenues from interdistrict sources	4,270,516	4,915,032
Total revenues and other financing sources	$ 71,691,277	$ 60,222,771

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	Salaries & Benefits	Purchased Services	Supplies & Materials	Capital Outlay & Other Expenses	June 30, 2023	June 30, 2022
Instruction						
Basic programs						
Elementary	$ 6,957,565	$ 879,941	$ 254,509	$ 515,388	$ 8,607,403	$ 8,429,195
Middle school	1,891,976	184,691	29,341	29,844	2,135,852	2,230,449
High school	4,964,301	1,709,794	117,312	183,585	6,974,992	6,748,451
Preschool/Summer	422,627	72,403	10,547	2,998	508,575	417,392
Employee benefits	11,799,938	-	-	-	11,799,938	9,416,710
Added needs						
Special education	2,948,686	75,447	16,272	-	3,040,405	2,638,529
Compensatory education	1,701,232	17,445	96,400	-	1,815,077	1,518,591
Vocational education	1,778	623,617	3,335	-	628,730	522,399
Employee benefits	3,409,770	-	-	-	3,409,770	2,861,223
Total instruction	34,097,873	3,563,338	527,716	731,815	38,920,742	34,782,939
Supporting services						
Pupil services						
Guidance services	666,316	18,816	-	-	685,132	653,074
Health services	134,930	208,002	1,923	-	344,855	212,455
Psychological services	-	166,899	4,063	-	170,962	254,627
Speech pathology	323,767	531,060	13,262	-	868,089	901,488
Social work services	788,756	74,000	1,328	-	864,084	712,332
Other pupil services	364,150	84,702		-	448,852	527,336
Employee benefits	1,589,219	-	-	-	1,589,219	1,240,022
Instructional staff						
Improvement of instruction	305,489	359,552	12,118	26,931	704,090	669,183
Educational media	385,838	86	27,324	-	413,248	401,044
Instruction related technology	171,940	185,397	3,794	56,346	417,477	369,271
Supervision instructional staff	565,916	14,883	7,937	2,188	590,924	607,765
Other instructional staff	6,743	31,936	38,653	-	77,332	45,036
Employee benefits	1,179,560	-	-	-	1,179,560	855,761
General administration						
Board of education	5,970	104,391	1,623	9,391	121,375	106,248
Executive administration	227,500	37,768	6,068	6,846	278,182	258,692
Employee benefits	184,382	-	-	-	184,382	154,783
School administration						
Office of the principal	1,892,098	19,773	38,903	11,525	1,962,299	2,055,700
Other school administration	-	-	-	28,397	28,397	2,171
Employee benefits	1,529,479	-	-	-	1,529,479	1,379,314
Business services						
Fiscal services	285,038	60,282	6,534	65,194	417,048	351,120
Other business services	-	501	9,295	94,817	104,613	247,554
Employee benefits	238,494	-	-	-	238,494	186,438
Operations & maintenance						
Operation & maintenance	2,166,132	1,698,718	1,821,012	217,728	5,903,590	4,827,352
Employee benefits	1,731,336	-	-	-	1,731,336	1,436,339
Pupil transportation						
Pupil transportation services	2,186,625	339,302	385,485	750,215	3,661,627	3,196,090
Employee benefits	1,941,388	-	-	-	1,941,388	1,600,443

(continued)

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	Salaries & Benefits	Purchased Services	Supplies & Materials	Capital Outlay & Other Expenses	June 30, 2023	June 30, 2022
Supporting services (continued)						
Central services						
Communication services	$ 851,636	$ 244,457	$ 19,061	$ 680	$ 1,115,834	$ 1,026,399
Employee benefits	671,650	-	-	-	671,650	417,531
Athletics						
Athletic programs	335,383	212,330	57,117	17,830	622,660	623,007
Employee benefits	245,388	-	-	-	245,388	171,102
Total support services	20,975,123	4,392,855	2,455,500	1,288,088	29,111,566	25,489,677
Community services						
Civic activities						
Preschool	152,293	216,376	15,587	897	385,153	363
Other Civic	4,200	3,087	3,730	-	11,017	4,025
Employee benefits	115,013	-	-	-	115,013	1,628
Total community services	271,506	219,463	19,317	897	511,183	6,016
Total expenditures	55,344,502	8,175,656	3,002,533	2,020,800	68,543,491	60,278,632
Other financing uses						
Subrecipient payments	-	-	-		-	328,711
Site Acquisition and improvements	-	-	-	1,534,440	1,534,440	1,289,170
Operating transfers	-	-	-	166,642	166,642	4,234
Total other financing uses	-	-	-	1,701,082	1,701,082	1,622,115
Total expenditures and other financing uses	$ 55,344,502	$ 8,175,656	$ 3,002,533	$ 3,721,882	$ 70,244,573	$ 61,900,747

(concluded)

VAN BUREN PUBLIC SCHOOLS
DETAIL OF BONDED DEBT
2019 REFUNDING BONDS
JUNE 30, 2023

Amount: $56,890,000

Date Issued: February 19, 2019

Purpose: To advance refund the 2009 building and site bonds

Due Date	Interest Rate	Principal	Interest	Total
11/01/23	4.00%	$ 2,205,000	$ 966,744	$ 3,171,744
05/01/24	4.00%	-	922,644	922,644
11/01/24	4.00%	2,295,000	922,643	3,217,643
05/01/25	4.00%	-	876,744	876,744
11/01/25	4.00%	2,390,000	876,743	3,266,743
05/01/26	4.00%	-	828,944	828,944
11/01/26	4.00%	2,485,000	828,944	3,313,944
05/01/27	4.00%	-	779,244	779,244
11/01/27	4.00%	2,585,000	779,243	3,364,243
05/01/28	4.00%	-	727,544	727,544
11/01/28	4.00%	2,695,000	727,543	3,422,543
05/01/29	4.00%	-	673,644	673,644
11/01/29	5.00%	2,305,000	673,644	2,978,644
05/01/30	3.00%	500,000	616,019	1,116,019
11/01/30	3.00%	2,415,000	608,518	3,023,518
05/01/31	5.00%	500,000	572,294	1,072,294
11/01/31	5.00%	2,540,000	559,794	3,099,794
05/01/32	3.00%	500,000	496,294	996,294
11/01/32	3.00%	2,655,000	488,793	3,143,793
05/01/33	5.00%	500,000	448,969	948,969
11/01/33	5.00%	2,790,000	436,468	3,226,468
05/01/34	3.25%	500,000	366,719	866,719
11/01/34	3.25%	2,925,000	358,593	3,283,593
05/01/35	4.00%	500,000	311,063	811,063
11/01/35	4.00%	3,050,000	301,063	3,351,063
05/01/36	4.00%	500,000	240,063	740,063
11/01/36	4.00%	3,195,000	230,062	3,425,062
05/01/37	4.00%	500,000	166,163	666,163
11/01/37	4.00%	3,350,000	156,163	3,506,163
05/01/38	4.00%	500,000	89,163	589,163
11/01/38	4.00%	3,505,000	79,162	3,584,162
05/01/39	3.63%	500,000	9,063	509,063
Total		$ 48,385,000	$ 17,118,694	$ 65,503,694

VAN BUREN PUBLIC SCHOOLS
DETAIL OF BONDED DEBT
2020 BOND ISSUE
JUNE 30, 2023

Amount: $12,360,000

Date Issued: March 17, 2020

Purpose: School building and site bonds to construct new preschool building

Due Date	Interest Rate	Principal	Interest	Total
11/01/23	5.000%	$ 300,000	$ 143,097	$ 443,097
05/01/24	5.000%	-	135,597	135,597
11/01/24	5.000%	300,000	135,596	435,596
05/01/25	5.000%	-	128,097	128,097
11/01/25	5.000%	300,000	128,097	428,097
05/01/26	5.000%	-	120,597	120,597
11/01/26	5.000%	300,000	120,596	420,596
05/01/27	5.000%	-	113,097	113,097
11/01/27	5.000%	300,000	113,097	413,097
05/01/28	5.000%	-	105,597	105,597
11/01/28	5.000%	300,000	105,597	405,597
05/01/29	5.000%	-	98,097	98,097
11/01/29	5.000%	300,000	98,097	398,097
05/01/30	5.000%	-	90,597	90,597
11/01/30	5.000%	300,000	90,596	390,596
05/01/31	5.000%	-	83,097	83,097
11/01/31	5.000%	300,000	83,097	383,097
05/01/32	1.750%	-	75,597	75,597
11/01/32	1.750%	300,000	75,596	375,596
05/01/33	1.750%	-	72,972	72,972
11/01/33	1.750%	300,000	72,971	372,971
05/01/34	2.000%	-	70,347	70,347
11/01/34	2.000%	300,000	70,347	370,347
05/01/35	2.000%	-	67,347	67,347
11/01/35	2.000%	300,000	67,346	367,346
05/01/36	2.000%	-	64,347	64,347
11/01/36	2.000%	300,000	64,347	364,347
05/01/37	2.000%	-	61,347	61,347
11/01/37	2.000%	300,000	61,346	361,346
05/01/38	2.000%	-	58,347	58,347
11/01/38	2.000%	300,000	58,346	358,346
05/01/39	2.150%	-	55,347	55,347
11/01/39	2.150%	450,000	55,347	505,347
05/01/40	2.150%	-	50,566	50,566
11/01/40	2.150%	450,000	50,566	500,566
05/01/41	2.150%	-	45,785	45,785
11/01/41	2.150%	450,000	45,784	495,784
05/01/42	2.150%	-	41,004	41,004
11/01/42	2.150%	450,000	41,003	491,003
05/01/43	2.250%	-	36,222	36,222
11/01/43	2.250%	450,000	36,222	486,222
05/01/44	2.250%	-	31,160	31,160
11/01/44	2.250%	450,000	31,159	481,159
05/01/45	2.250%	-	26,097	26,097
11/01/45	2.250%	450,000	26,096	476,096
05/01/46	2.250%	-	21,035	21,035
11/01/46	2.250%	450,000	21,034	471,034
05/01/47	2.375%	-	15,972	15,972
11/01/47	2.375%	450,000	15,972	465,972
05/01/48	2.375%	-	10,629	10,629
11/01/48	2.375%	450,000	10,628	460,628
05/01/49	2.375%	-	5,285	5,285
11/01/49	2.375%	445,000	5,284	450,284
Total		$ 9,745,000	$ 3,511,446	$ 13,256,446

VAN BUREN PUBLIC SCHOOLS
DETAIL OF BONDED DEBT
2022 BOND ISSUE
JUNE 30, 2023

Amount: $8,060,000

Date Issued: February 10, 2022

Purpose: School building and site bonds to remodel, furnish and equip existing school buildings

Due Date	Interest Rate	Principal	Interest	Total
11/01/23	5.000%	$ 450,000	$ 140,700	$ 590,700
05/01/24	5.000%	475,000	129,450	604,450
11/01/24	5.000%	405,000	117,575	522,575
05/01/25	5.000%	-	107,450	107,450
11/01/25	5.000%	435,000	107,450	542,450
05/01/26	5.000%	-	96,575	96,575
11/01/26	5.000%	475,000	96,575	571,575
05/01/27	5.000%	-	84,700	84,700
11/01/27	5.000%	505,000	84,700	589,700
05/01/28	5.000%	-	72,075	72,075
11/01/28	5.000%	170,000	72,075	242,075
05/01/29	5.000%	-	72,075	72,075
11/01/29	5.000%	200,000	67,825	267,825
05/01/30	5.000%	-	62,825	62,825
11/01/30	5.000%	230,000	62,825	292,825
05/01/31	5.000%	-	57,075	57,075
11/01/31	5.000%	150,000	57,075	207,075
05/01/32	5.000%	95,000	53,325	148,325
11/01/32	5.000%	150,000	51,900	201,900
05/01/33	5.000%	115,000	49,650	164,650
11/01/33	5.000%	150,000	47,925	197,925
05/01/34	5.000%	130,000	45,675	175,675
11/01/34	5.000%	150,000	43,725	193,725
05/01/35	5.000%	145,000	41,475	186,475
11/01/35	5.000%	150,000	39,300	189,300
05/01/36	5.000%	160,000	37,050	197,050
11/01/36	5.000%	150,000	34,650	184,650
05/01/37	5.000%	175,000	32,400	207,400
11/01/37	5.000%	150,000	29,775	179,775
05/01/38	5.000%	185,000	27,525	212,525
11/01/38	5.000%	150,000	24,750	174,750
05/01/39	5.000%	200,000	22,500	222,500
11/01/39	5.000%	180,000	19,500	199,500
05/01/40	5.000%	-	16,800	16,800
11/01/40	5.000%	190,000	16,800	206,800
05/01/41	5.000%	-	13,950	13,950
11/01/41	5.000%	195,000	13,950	208,950
05/01/42	5.000%	-	11,025	11,025
11/01/42	5.000%	200,000	11,025	211,025
05/01/43	5.000%	-	8,025	8,025
11/01/43	5.000%	205,000	8,025	213,025
05/01/44	5.000%	-	4,950	4,950
11/01/44	5.000%	220,000	4,950	224,950
05/01/45	5.000%	-	1,650	1,650
11/01/45	5.000%	110,000	1,650	111,650
Total		$ 7,050,000	$ 2,202,950	$ 9,252,950

UNIFORM GUIDANCE INFORMATION

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

Board of Education
Van Buren Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Van Buren Public Schools as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Van Buren Public Schools' basic financial statements, and have issued our report thereon dated October 13, 2023.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Taylor & Morgan, P.C.

TAYLOR & MORGAN, P.C.
Certified Public Accountants
Flint, MI

October 13, 2023

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Education
Van Buren Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Van Buren Public Schools' compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Van Buren Public Schools' major federal programs for the year ended June 30, 2023. Van Buren Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Van Buren Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Van Buren Public Schools and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Van Buren Public Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable Van Buren Public Schools' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Van Buren Public Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting

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from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Van Buren Public Schools' compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Van Buren Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Van Buren Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Van Buren Public Schools' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Taylor & Morgan, P.C.

TAYLOR & MORGAN, P.C.
Certified Public Accountants
Flint, MI

October 13, 2023

VAN BUREN PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass Through Grantor's Number	Award Grant/ Entitlement Program Amount	Accrued (Deferred) Revenue at July 1, 2022	Prior Year Expenditures	Current Year Cash Payments/ In Kind Received	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2023
US Dept of Agriculture								
Passed through Mich Dept of Ed								
Noncash Assistance (donated foods)								
Entitlement Commodities	10.555	N/A	$ 116,414	$ -	$ -	$ 116,414	$ 116,414	-
Bonus Commodities	10.555	N/A	14,552	-	-	14,552	14,552	-
Cash Assistance:								
Local Food for Schools (LFS) Program	10.185	230985	19,223	-	-	19,223	19,223	-
Child & Adult Care Food Program - CACFP Meals	10.558	221920	39,251	1,169	39,251	1,169	-	-
Child & Adult Care Food Program - CACFP Meals	10.558	231920	46,755	-	-	43,512	46,755	3,243
School Breakfast Program	10.553	231970	265,473	-	-	247,111	265,473	18,362
Supply Chain Assistance	10.555	231960	1,105,151	-	-	1,048,195	1,105,151	56,956
Seamless Summer Option (SSO) Lunch	10.555	220910	78,923	(21,715)	57,208		21,715	-
Supply Chain Assistance	10.555	230910	122,455	-	-	122,455	122,455	-
School Breakfast Expansion	10.579	221995	9,995	-	-	9,995	9,995	-
Summer Food Service Program SFSP Operating	10.559	220900	4,007	-	-	4,007	4,007	-
Pandemic EBT Local Level Cost	10.649	210980	3,135	-	-	3,135	3,135	-
Total Department of Agriculture			1,825,334	(20,546)	96,459	1,629,768	1,728,875	78,561
US Department of Education								
Passed through Mich Dept of Ed								
Title I Grants								
Title I, Part A Improving Basic Programs	84.010	221530 - 2122	1,486,939	1,347,884	1,347,884	1,347,884	-	-
Title I, Part A Improving Basic Programs	84.010	231530 - 2223	1,389,318	-	-	686,214	1,238,191	551,977
			2,876,257	1,347,884	1,347,884	2,034,098	1,238,191	551,977
Title II Grants								
Title II, Part A Teacher/Principal Training & Recruiting	84.367	220520 - 2122	328,855	296,017	296,017	296,017	-	-
Title II, Part A Teacher/Principal Training & Recruiting	84.367	230520 - 2223	241,475	-	-	-	168,496	168,496
			570,330	296,017	296,017	296,017	168,496	168,496
Title IV Grants								
Title IV, Part A SSAE	84.424	220750 - 2122	172,623	70,000	70,000	70,000	-	-
Title IV, Part A SSAE	84.424	230750 - 2223	183,986	-	-	-	98,279	98,279
			356,609	70,000	70,000	70,000	98,279	98,279
Education Stabilization Funds								
Governers Emergency Education								
Covid-19 Relief (GEER II) Fund Teacher & Support Staff Pmts	84.425C	211202-2122	8,500	8,500	8,500	8,500	-	-
Elementary and Secondary School								
Covid-19 - ESSER II 23b Credit Recovery	84.425D	213742-2122	181,500	98,630	98,630	98,630	-	-
Covid-19 - ESSER II Formula Funds	84.425D	213712-2021	4,424,227	3,728,785	3,728,785	4,424,224	695,439	-
Covid-19 - ESSER II 98c Learning Loss	84.425D	213782-2223	224,008	-	-	224,008	224,008	-
Covid-19 - ESSER III	84.425U	213713 - 2122	9,943,252	-	-	3,013,764	5,763,926	2,750,162
Covid-19 - American Rescue Plan - Homeless II	84.425W	211012-2122	29,971	-	-	29,971	29,971	-
Total Education Stabilization Funds			14,811,458	3,835,915	3,835,915	7,799,097	6,713,344	2,750,162
Total Passed through Mich Dept of Ed			18,614,654	5,549,816	5,549,816	10,199,212	8,218,310	3,568,914
Passed through Wayne County RESA								
Special Education - Grants to States								
Special Education - IDEA	84.027	210450 - 2122	1,693,275	910,122	1,567,247	1,034,487	126,028	1,663
Special Education - IDEA CPO	84.027	220450 - 2122	144,450	83,236	144,450	83,236	-	-
Special Education - IDEA	84.027	210450 - 2223	1,469,440	-	-	-	1,445,449	1,445,449
Special Education - IDEA CPO	84.027	220450 - 2223	117,096	-	-	-	117,096	117,096
			3,424,261	993,358	1,711,697	1,117,723	1,688,573	1,564,208
Preschool Incentive	84.173	220460 - 2122	82,455	51,277	82,455	51,277	-	-
Preschool Incentive	84.173	220460 - 2223	81,786	-	-	-	81,786	81,786
Covid-19 Preschool Incentive ARP (21-22)	84.173	221285 - 2122	49,473	49,473	79,473	49,473	-	-
			213,714	100,750	161,928	100,750	81,786	81,786
CTE/Perkins	84.048A	2022-23	32,147	-	-	32,057	32,057	-
			32,147	-	-	32,057	32,057	-
Total Passed through Wayne County RESA			3,670,122	1,094,108	1,873,625	1,250,530	1,802,416	1,645,994
Total Dept of Education			22,284,776	6,643,924	7,423,441	11,449,742	10,020,726	5,214,908
US Dept of Health & Human Services								
Passed through Wayne County RESA								
Medicaid School Based Services								
Administrative Outreach Program	93.778	N/A	15,224	-	-	12,299	15,224	2,925
			15,224	-	-	12,299	15,224	2,925
Total Federal Awards			$ 24,125,334	$ 6,623,378	$ 7,519,900	$ 13,091,809	$11,764,825	$ 5,296,394

VAN BUREN PUBLIC SCHOOLS
NOTES/RECONCILIATION TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

FEDERAL REVENUE RECOGNIZED FOR SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	$ 11,764,825
FEDERAL REVENUE RECOGNIZED PER THE GENERAL PURPOSE FINANCIAL STATEMENTS PURPOSE	
General Fund	$ 9,921,989
Special Revenue Funds	1,842,836
TOTAL	$ 11,764,825

1) The Schedule of Expenditures of Federal Awards had been prepared under the modified accrual basis of accounting.

2) Management has utilized the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards. All differences between the Schedule of Expenditures of Federal Awards and the Grant Auditor Report have been reconciled in the attached reconciliation.

3) The District has elected to not use the 10% de minimis indirect cost rate.

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

Material weakness(es) identified?	*No*
Significant deficiency(ies) identified that are not considered to be material weaknesses?	*No*
Noncompliance material to financial statements noted?	*No*

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	*No*
Significant deficiency(ies) identified that are not considered to be material weaknesses?	*No*

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? *No*

Identification of major programs:

Federal AL Number(s)	**Name of Federal Program of Cluster**
84.027 84.173	*IDEA Flowthrough/CPO/Preschool/ARP*
84.425D 84.425U 84.425W	*ESSER II/ESSER III/American Rescue Plan Homeless II*

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? *Yes*

Section II - Financial Statement Findings

None

There were no findings published for the audit of the year ended June 30, 2023.

Section III - Federal Award Findings and Questioned Costs

None

There were no findings published for the audit of the year ended June 30, 2023.