Maple Valley Schools

Financial Statements

June 30, 2023

YEO & YEO

BUSINESS SUCCESS PARTNERS

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Maple Valley Schools
Members of the Board of Education and Administration
June 30, 2023

Members of the Board of Education

Kristen Miller	President
Craig Lackscheide	Vice President
Justin Keiffer	Secretary
Kelly Dunham	Treasurer
Jake Williams	Trustee
Kimberlee Kenyon	Trustee
Kimberly Wilkes	Trustee

Administration

Dr. Katherine Bertolini	Superintendent
Darryl Sydloski	Director of Finance

Independent Auditors' Report

To the Board of Education
Maple Valley Schools
Vermontville, Michigan

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit, 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 Maple Valley 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maple Valley 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Maple Valley 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Maple Valley 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 Maple Valley Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023, on our consideration of Maple Valley Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Maple Valley 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 Maple Valley Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Lansing, Michigan
October 23, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

<u>Using this Annual Report</u>

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Maple Valley Schools financially as a whole. The district-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements describe how services were financed in the short term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant fund – the General Fund, with all other funds presented in one column as non-major funds. The remaining statement, the statement of fiduciary assets and liabilities, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. The annual report is arranged as follows:

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

<u>Basic Financial Statements</u>

District-wide Financial Statements ***Fund Financial Statements***

Notes to the Basic Financial Statements

Required Supplementary Information

Reporting the School District as a Whole – District-wide Financial Statements

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

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

The statement of net position and statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, and food services. Property taxes, unrestricted State aid (foundation allowance revenue), and State and federal grants finance most of these activities.

Reporting the School District's Most Significant Funds – Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds – not the School District as a whole. Some funds are required to be established by State law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Food Service and Debt Funds are examples). The School District also establishes other funds to help show that it's meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

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

The School District as Trustee-Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for its student activity funds. All of the School District's fiduciary activities are reported in a separate statement of fiduciary assets and liabilities. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School District as a Whole

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

TABLE 1

	2023	2022
Assets		
Current and other assets	$ 4,600,000	$ 3,500,000
Right to use assets	-	100,000
Capital assets	18,700,000	18,600,000
Total assets	23,300,000	22,200,000
Deferred Outflows of Resources	9,400,000	4,700,000
Liabilities		
Current liabilities	2,700,000	1,500,000
Long-term liabilities	38,800,000	30,300,000
Total liabilities	41,500,000	31,800,000
Deferred Inflows of Resources	3,900,000	9,000,000
Net Position		
Net investment in capital assets	2,900,000	2,200,000
Restricted	800,000	600,000
Unrestricted (deficit)	(16,400,000)	(16,700,000)
Total net position	$ (12,700,000)	$ (13,900,000)

The above analysis focuses on the net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was a negative $12.7 million at June 30, 2023 compared to a negative $13.9 million at June 30, 2022. Capital assets, net of related debt totaled $2.9 million at June 30, 2023 compared to $2.2 million at June 30, 2022. This compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position of $0.8 million and $0.6 million at June 30, 2023 and 2022, respectively, are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use this net position for day-to-day operations. The remaining amount of net position is unrestricted.

The negative $16.4 million in unrestricted net position of governmental activities represents the *accumulated* results of all past years' operations. The unrestricted net position balance enables the School District to meet working capital and cash flow requirements as well as provide for future uncertainties. The net pension liability and the net OPEB liability cause the unrestricted portion to be in a deficit. The operating results of the General Fund will also have a significant impact on the change in unrestricted net position from year to year.

The results of this year's operations for Maple Valley School District as a whole are reported in the statement of activities, which shows the change in net position for fiscal year 2023 and 2022.

TABLE 2

	2023	2022
Revenue		
Program revenue		
Charges for services	$ 100,000	$ 100,000
Operating grants and contributions	7,600,000	5,900,000
General revenue		
Property taxes	2,150,000	2,050,000
State aid	7,600,000	7,200,000
Other	150,000	50,000
Total revenue	17,600,000	15,300,000
Functions/Program Expenses		
Instruction	8,000,000	6,500,000
Support services	6,900,000	5,600,000
Food services	800,000	700,000
Community services	100,000	100,000
Interest on long-term debt	600,000	500,000
Total expenses	16,400,000	13,400,000
Change in net position	$ 1,200,000	$ 1,900,000

As reported in the statement of activities, the cost of all of our *governmental* activities this year was $16.3 million. Certain activities were partially funded from those who benefited from the programs with $0.1 million or by other governments and organizations that subsidized certain programs with grants and contributions of $7.6 million. We paid for the remaining "public benefit" portion of our governmental activities mostly with $2.15 million in taxes and $7.6 million in State aid. Total revenues in 2022-2023 were $17.6 million, compared to $15.3 million in 2021-2022.

As discussed above, the net cost shows the financial burden that was placed on the State and Maple Valley School District's taxpayers by each of these functions. Because property taxes for operations and unrestricted State aid constitute the vast majority of School District operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with State-prescribed available unrestricted resources.

The School District's Funds

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

As the School District completed this year, the governmental funds reported a combined fund balance of $2,000,647 which is an increase of $8,304 from the prior year restated fund balance. The increase in fund balance primarily comes from the combination of several funds. The Debt Service Fund ended with an Operation Surplus of $252,464. The General Fund ended with an Operational Deficit of $93,502 for the current year. The Food Service Fund ended with an Operation Deficit of $86,024.

In the General Fund, our principal operating fund, the fund balance decreased from $1,069,498 to a $975,996 fund balance. The Board of Education plans is continuing their plan to build the fund balance of the General Fund with a goal of 15%. The fund balance of the General Fund is available to fund costs related to allowable school operating purposes.

The Debt Service Fund showed a fund balance increase from $354,873 to $607,337 an increase of $252,464. Millage rates are determined annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. The Debt Service Fund's fund balance is restricted since it can only be used to pay debt service obligations.

The Food Service Fund showed a decrease in fund balance of $86,024 due to the School's District's plan of upgrading some of the Food Service equipment at the buildings and increased food prices.

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was actually adopted just before year-end. A schedule showing the School District's original and final budget amounts, compared with amounts actually paid and received, is provided in required supplementary information of these financial statements.

Budget revisions were made to the 2022-2023 General Fund Budget originally adopted by the School District. Budget amendments were adopted in March and June.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2023, the School District had $18.73 million invested in a broad range of capital assets, including buildings and improvements, buses, and furniture and equipment, net of accumulated depreciation.

	2023	2022
Land	$ 18,609	$ 18,609
Building and building improvements	29,273,088	29,036,514
Furniture and equipment	3,203,603	2,746,329
Buses and other vehicles	879,211	662,861
Right to use assets – equipment	131,379	131,379
Less: Accumulated depreciation	(14,773,580)	(13,882,947)
Net capital assets	$ 18,732,310	$ 19,610,204

Long-term Debt

At the end of this year, the School District had approximately $17.125 million in bonds outstanding versus approximately $16.915 million in the previous year – an increase of approximately $0.210 million. Those bonds consisted of the following:

	2023	2022
General obligation bonds	$ 17,125,000	$ 16,915,000

The School District's general obligation bond rating is Baa1/Stable. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this debt limit. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2023 fiscal year budget. One of the most important factors affecting the budget is our student count and State Aid. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The usual blended count for the fiscal year is 90 percent of the October 2023 and 10 percent of the February 2023 student counts. The School District's unofficial student count came in higher than budgeted at 907. The board budgeted student count very conservatively at 850 due to the many unknowns with students coming back in the fall. The State Foundation Allowance for 2023-24 increased by $458 per pupil to $9,608. Approximately 90 percent of total General Fund revenue is from the foundation allowance. Under State law, the School District cannot assess additional property tax revenue for general operations. As a result, the School District's funding is heavily dependent on the State's ability to fund local school operations. Once the final student count and related per pupil funding is validated, State law requires the School District to amend the budget if actual School District resources are not sufficient to fund original appropriations.

Contacting the School District's Financial Management

This financial report is designed to provide the School District's citizens, taxpayers, customers, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office at 11090 Nashville Highway, Vermontville, Michigan 49096.

BASIC FINANCIAL STATEMENTS

Maple Valley Schools
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash	$ 1,562,389
Accounts receivable	20,059
Due from other governmental units	2,969,856
Inventory	23,105
Prepaid items	30,444
Right to use assets - net of accumulated depreciation	38,641
Capital assets not being depreciated	18,609
Capital assets - net of accumulated depreciation	18,675,060
Total assets	23,338,163
Deferred Outflows of Resources	
Deferred amount on debt refunding	1,322,740
Deferred amount relating to the net pension liability	6,352,547
Deferred amount relating to the net OPEB liability	1,750,498
Total deferred outflows of resources	9,425,785

Maple Valley Schools
Statement of Net Position
June 30, 2023

	Governmental Activities
Liabilities	
Accounts payable	$ 497,942
State aid anticipation note payable	1,107,143
Due to other governmental units	193
Payroll deductions and withholdings	32,236
Accrued expenditures	622,739
Accrued salaries payable	477,417
Unearned revenue	1,666
Long-term liabilities	
Debt due within one year	894,068
Debt due in more than one year	16,365,692
Net pension liability	20,416,314
Net OPEB liability	1,166,471
Total liabilities	41,581,881
Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	1,325,844
Deferred amount relating to the OPEB pension liability	2,567,576
Total deferred inflows of resources	3,893,420
Net position	
Net investment in capital assets	2,891,626
Restricted for	
Food service	276,807
Debt service	551,470
Unrestricted (deficit)	(16,431,256)
Total net position	$ (12,711,353)

See Accompanying Notes to the Financial Statements

Maple Valley Schools
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net position
Functions/Programs				
Governmental activities				
Instruction	$ 7,973,112	$ -	$ 4,812,137	$ (3,160,975)
Supporting services	6,869,552	34,261	2,076,905	(4,758,386)
Food services	814,502	52,962	720,345	(41,195)
Community services	69,144	12,300	-	(56,844)
Interest and fiscal charges on long-term debt	590,470	-	-	(590,470)
Total governmental activities	$ 16,316,780	$ 99,523	$ 7,609,387	(8,607,870)
General revenues				
Property taxes, levied for general purposes				763,147
Property taxes, levied for debt service				1,417,161
State aid - unrestricted				7,561,330
Interest and investment earnings				43,585
Proceeds from sale of capital assets				830
Other				31,163
Total general revenues				9,817,216
Change in net position				1,209,346
Net position - beginning				(13,920,699)
Net position - ending				$(12,711,353)

See Accompanying Notes to the Financial Statements

Maple Valley Schools
Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Food Service Fund	Debt Service Fund	Nonmajor Governmental Fund Student/School Activity Fund	Total Governmental Funds
Assets					
Cash	$ 508,652	$ 335,775	$ 607,337	$ 110,625	$ 1,562,389
Accounts receivable	20,059	-	-	-	20,059
Due from other funds	20,839	710	-	55,661	77,210
Due from other governmental units	2,935,227	34,629	-	-	2,969,856
Inventory	-	23,105	-	-	23,105
Prepaid items	30,444	-	-	-	30,444
Total assets	$ 3,515,221	$ 394,219	$ 607,337	$ 166,286	$ 4,683,063
Liabilities					
Accounts payable	$ 378,159	$ 94,714	$ -	$ 25,069	$ 497,942
State aid anticipation note payable	1,107,143	-	-	-	1,107,143
Due to other funds	55,661	20,839	-	710	77,210
Due to other governmental units	-	193	-	-	193
Payroll deductions and withholdings	32,236	-	-	-	32,236
Accrued expenditures	488,609	-	-	-	488,609
Accrued salaries payable	477,417	-	-	-	477,417
Unearned revenue	-	1,666	-	-	1,666
Total liabilities	2,539,225	117,412	-	25,779	2,682,416
Fund Balances					
Non-spendable					
Inventory	-	23,105	-	-	23,105
Prepaid items	30,444	-	-	-	30,444
Restricted for					
Food service	-	253,702	-	-	253,702
Debt service	-	-	607,337	-	607,337
Committed for student/school activities	-	-	-	140,507	140,507
Assigned for future fiscal year budgeted expenditures	187,558	-	-	-	187,558
Unassigned	757,994	-	-	-	757,994
Total fund balances	975,996	276,807	607,337	140,507	2,000,647
Total liabilities, deferred inflows of resources and fund balances	$ 3,515,221	$ 394,219	$ 607,337	$ 166,286	$ 4,683,063

See Accompanying Notes to the Financial Statements

Maple Valley Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances for governmental funds	$ 2,000,647
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Right to use assets - net of accumulated depreciation	38,641
Capital assets not being depreciated	18,609
Capital assets - net of accumulated depreciation	18,675,060
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	1,322,740
Deferred outflows of resources resulting from the net pension liability	6,352,547
Deferred outflows of resources resulting from the net OPEB liability	1,750,498
Deferred inflows of resources resulting from the net pension liability	(1,325,844)
Deferred inflows of resources resulting from the net OPEB liability	(2,567,576)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(55,867)
Incurred but not reported benefit claims	(78,263)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Compensated absences	(96,336)
Bonds payable including premiums and discounts	(17,124,056)
Leases	(39,368)
Net pension liability	(20,416,314)
Net OPEB liability	(1,166,471)
Net position of governmental activities	$ (12,711,353)

Maple Valley Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	General Fund	Food Service Fund	Debt Service Fund	Nonmajor Governmental Fund: Student/School Activity Fund	Total Governmental Funds
Revenues					
Local sources	$ 1,061,625	$ 53,729	$ 1,420,634	$ 392,270	$ 2,928,258
State sources	10,581,346	12,897	-	-	10,594,243
Federal sources	2,297,353	707,132	-	-	3,004,485
Interdistrict sources	1,075,208	-	-	-	1,075,208
Total revenues	15,015,532	773,758	1,420,634	392,270	17,602,194
Expenditures					
Current					
Education					
Instruction	7,814,817	-	-	-	7,814,817
Supporting services	6,276,262	-	-	456,904	6,733,166
Food services	-	769,241	-	-	769,241
Community services	65,302	-	-	-	65,302
Capital outlay	854,790	69,862	-	-	924,652
Debt service					
Principal	111,363	-	765,000	-	876,363
Interest and other expenditures	8,009	-	400,746	-	408,755
Bond issuance costs	-	-	2,424	-	2,424
Payment to bond refunding escrow agent	-	-	-	-	-
Total expenditures	15,130,543	839,103	1,168,170	456,904	17,594,720
Excess (deficiency) of revenues over expenditures	(115,011)	(65,345)	252,464	(64,634)	7,474
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	830	-	-	-	830
Transfers in	20,679	-	-	-	20,679
Transfers out	-	(20,679)	-	-	(20,679)
Total other financing sources (uses)	21,509	(20,679)	-	-	830
Net change in fund balance	(93,502)	(86,024)	252,464	(64,634)	8,304
Fund balances - beginning	1,069,498	362,831	354,873	205,141	1,992,343
Fund balances - ending	$ 975,996	$ 276,807	$ 607,337	$ 140,507	$ 2,000,647

See Accompanying Notes to the Financial Statements

Maple Valley 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

Net change in fund balances - Total governmental funds	$	8,304
Total change in net position reported for governmental activities in the statement of activities is 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 and reported as depreciation and amortization expense.		
Depreciation and amortization expense		(890,633)
Capital outlay		910,198
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.		
Net change in net pension liability		(8,094,460)
Net change in deferrals of resources related to the net pension liability		7,685,346
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.		
Net change in net OPEB liability		(361,735)
Net change in deferrals of resources related to the net OPEB liability		1,336,079
Expenses are recorded when incurred in the statement of activities.		
Interest		3,780
Benefit claims		(13,627)
Compensated absences		9,700
Bond and note proceeds and leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.		
Repayments of long-term debt		876,363
Net amortization of bond premium, discount, and deferred amount on refunding		(183,071)
Change in net position of governmental activities	$	1,209,346

See Accompanying Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Maple Valley Schools (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity
The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-wide Financial Statements
The School District's basic financial statements include both district-wide (reporting for the School District as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all non-fiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The School District does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

Fund Financial Statements
Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The School District reports the following major governmental funds:

General Fund - The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Food Service Fund - The Food Service Fund is used to record activity for the operation and improvement of the food service program.

Debt Service Fund - The Debt Service Fund is used to record property taxes, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Additionally, the School District reports the following fund types:

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Fund is the Student/School Activity Fund.

Assets, Liabilities and Net Position and Fund Balance

Receivables and Payables - Generally, outstanding amounts owed between funds are classified as "due from/to other funds". These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2023, the rates are as follows per $1,000 of assessed value.

General Fund	
Non-principal residence exemption	18.00000
Commercial personal property	6.00000
Debt Service Fund	6.00000

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries.

The property tax levy runs from July 1 to June 30. Property taxes become a lien as of December 1 and are due upon receipt of the billing by the taxpayer. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by Eaton and Barry Counties and remitted to the School District by June 30.

Investments - Investments are stated at fair value.

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the consumption method, and they therefore are capitalized as prepaid items in both district-wide and fund financial statements.

Capital Assets - Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of $5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized.

The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	15-50 years
Equipment and furniture	5-20 years
Buses and other vehicles	7-10 years

Deferred Outflows of Resources - A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refundings are included in the district-wide financials statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities in the following year.

Compensated Absences - The liability for compensated absences reported in the district-wide financial statements consist of unpaid, accumulated sick, unused personal and vacation leave balances. The liability has been calculated using the vesting method, which is based on employees who are currently eligible to receive termination payments.

Long-term Obligations - In the district-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 the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

In the School District's fund financial statements the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

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.

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.

Deferred Inflows of Resources - A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. Deferred inflows of resources also include revenue received relating to the amounts included in the deferred outflows for payments related to MPSERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Balance - In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable - amounts that are not available in a spendable form.

Restricted - amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed - amounts that have been formally set aside by the Board of Education for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

Assigned - amounts intended to be used for specific purposes, as determined by the Board of Education. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

Unassigned - all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Use of Estimates

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

Eliminations and Reclassifications
In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards
Statement No. 96, *Subscription-Based Information Technology Arrangements,* is based on the standards established in Statement No. 87 *Leases.* This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor’s IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

Upcoming Accounting and Reporting Changes
Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections. This statement is effective for the year ending June 30, 2024.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

The School District is evaluating the impact that the above GASBs will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information
Annual budgets are adopted on a basis consistent with US GAAP and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

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

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.

Excess of Expenditures over Appropriations
During the year, the School District incurred expenditures in certain budgetary funds which were in excess of the amounts appropriated, as follows:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Instruction			
Added needs	$ 1,717,903	$ 1,804,816	$ 86,913
Supporting Services			
Instructional staff	403,485	429,164	25,679
School administration	860,358	860,871	513
Business	254,481	267,159	12,678
Pupil transportation services	1,171,128	1,197,040	25,912
Other	354,798	358,265	3,467
Food Service Fund			
Food services	755,850	769,241	13,391
Student/School Activity Fund	385,000	456,904	71,904

Note 3 - Deposits and Investments

Deposits and investments for the School District are summarized as follows:

Deposits (checking, savings accounts, and, certificates of deposit)	$ 1,381,054
Investments in securities, mutual funds, and similar vehicles	180,355
Petty cash and cash on hand	980
Total	$ 1,562,389

As of year-end, the School District had the following investments:

Investment	Carrying Value	Average Maturities	Rating	Rating Organization
External investment pools:				
Michigan Liquid Asset Fund (MILAF):				
MILAF+ Portfolio				
MAX Class	$ 167,323	< 60 days	AAAm	S & P
MBIA Municipal Investors:				
Michigan CLASS	13,032	< 60 days	AAAm	S & P
	$ 180,355			

As of June 30, 2023, the net asset value of the School District's investment in MILAF + Portfolio was $167,323. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustee's may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of $1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

As of June 30, 2023, the net asset value of the School District's investment in Michigan CLASS was $13,032. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies.

Interest rate risk - The School District does not have a formal investment policy to manage its exposure to fair value losses arising from changes in interest rates.

Credit risk - State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School 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.

Concentration of credit risk - The School District has no policy that would limit the amount that may be invested with any one issuer.

Custodial credit risk - deposits - In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year-end, $1,150,718 of the School District's bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk - investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year end, none of the School District's investments were exposed to custodial credit risk.

Note 4 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	$ 18,609	$ -	$ -	$ 18,609
Capital assets being depreciated				
Buildings and additions	29,036,514	236,574	-	29,273,088
Equipment and furniture	2,746,329	457,274	-	3,203,603
Buses and other vehicles	662,861	216,350	-	879,211
Right to use assets - equipment	131,379	-	-	131,379
Total capital assets being depreciated	32,577,083	910,198	-	33,487,281
Less accumulated depreciation for				
Buildings and additions	10,883,394	723,624	-	11,607,018
Equipment and furniture	2,426,068	67,450	-	2,493,518
Buses and other vehicles	527,116	53,190	-	580,306
Right to use assets - equipment	46,369	46,369	-	92,738
Total accumulated depreciation	13,882,947	890,633	-	14,773,580
Net capital assets being depreciated	18,694,136	19,565	-	18,713,701
Net capital assets	$ 18,712,745	$ 19,565	$ -	$ 18,732,310
Total right to use leased assets				
Right to use assets, net of amortization	$ 85,010	$ (46,369)	$ -	$ 38,641
Capital assets				
Assets not being depreciated	18,609	-	-	18,609
Other capital assets, net of depreciation	18,609,126	65,934	-	18,675,060
Net capital assets	$ 18,712,745	$ 19,565	$ -	$ 18,732,310

Depreciation and amortization expense was charged to activities of the School District as follows:

Governmental activities		
Instruction	$	452,470
Support services		389,844
Food services		44,538
Community services		3,781
Total governmental activities	$	890,633

Note 5 - Interfund Receivable and Payable and Transfers

Individual interfund receivable and payable balances at year-end were:

Receivable Fund	Payable Fund		Amount
General Fund	Food Service Fund	$	20,839
Food Service Fund	Nonmajor Governmental Fund		710
Nonmajor Governmental Fund	General Fund		55,661
		$	77,210

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Transfers of $20,679 were made from the Food Service Fund to the General Fund during the year for allowable indirect cost recovery.

Note 6 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue were as follows:

Student deposits	$	1,666

Note 7 - State Aid Anticipation Note

The School District issues state aid anticipation notes in advance of state aid collections, depositing the proceeds in the General Fund. These notes are necessary because the School District receives state aid from October through the following August for its fiscal year ending June 30. The School District is required to pledge 100% of their state school aid, October through August, or until the note is repaid, whichever is longer. The State has discretion to accelerate repayment terms if they have cause for concern. If the note is in default status, there is a penalty interest rate that may apply.

Short-term debt activity for the year was as follows:

	Beginning Balance	Proceeds	Repayments	Ending Balance
State aid anticipation note	$ 345,604	$ 1,750,000	$ 988,461	$ 1,107,143

Note 8 - Lease Liability

During the 2019 fiscal year, the School District entered into a 60-month lease agreement as lessee for the use of copiers. An initial lease liability was recorded in the amount of $131,379 during the prior fiscal year. As of June 30, 2023, the value of the lease liability was $39,368. The School District is required to make monthly principal and interest payments of $3,974. The lease has an interest rate of 2.05%. The value of the right-to-use asset as of the end of the current fiscal year was $131,379 and had accumulated amortization of $92,738.

Annual requirements to amortize lease obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest
2024	$ 39,368	$ 371

Note 9 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make a bond payment on behalf of the School District related to qualified bonds. Other long-term obligations included leases compensated absences.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds payable					
General obligation bonds	$ 17,955,000	$ -	$ 830,000	$ 17,125,000	$ 845,000
Premium on bonds	10,860	-	10,860	-	-
Discount on bonds	(1,891)	-	947	(944)	-
Total bonds payable	17,963,969	-	841,807	17,124,056	845,000
Other liabilities					
Leases	85,731	-	46,363	39,368	39,368
Compensated absences	106,036	-	9,700	96,336	9,700
Total other liabilities	191,767	-	56,063	135,704	49,068
Total	$ 18,155,736	$ -	$ 897,870	$ 17,259,760	$ 894,068

For governmental activities, compensated absences are primarily liquidated by the general fund.

General obligation bonds payable at year-end, consist of the following:

$1,545,000 serial bond due in an annual installments of $500,000 on May 1, 2029, interest at 4.00%	$ 775,000
$525,000 serial bond due in annual installments of $70,000 through May 1, 2024, interest at 5.00%	70,000
$16,280,000 term bonds due in annual installments of $820,000 to $1,290,000 through May 1, 2039, interest at 0.590% to 2.74%	16,280,000
Total general obligation bonds	$ 17,125,000

Future principal and interest requirements on bonded debt are as follows:

	Bonds Payable	
Year Ending June 30,	Principal	Interest
2024	$ 845,000	$ 373,646
2025	820,000	339,146
2026	860,000	331,888
2027	905,000	322,988
2028	950,000	310,780
2029-2033	5,390,000	1,288,528
2034-2038	6,065,000	659,196
2038-2039	1,290,000	35,384
Total	$ 17,125,000	$ 3,661,556

With the exception of the $70,000 bond that is payable from the General Fund, the general obligation bonds above are payable from the Debt Service Fund. As of year end, the Debt Service Fund had a fund balance of $607,337 to pay this debt. Future debt and interest will be payable from future property tax levies.

Interest and fiscal charge expenditures for the fiscal year in the General Fund and Debt Service Fund were $8,009 and $400,746, respectively.

Compensated Absences
Accrued compensated absences (including employer payroll taxes) at year-end, consist of vacation, unused personal days, and accrued sick time benefits. The amount anticipated to be paid out over the next year is included within the amounts listed as due within one year.

Deferred Amount on Refunding
The 2015 advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $231,322. This amount, net of prior years' amortization, is reported in the accompanying statement of net position as a deferred outflow of resources and is being charged to activities through fiscal year 2023.

The 2021 advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $497,180. This amount, net of prior years' amortization, is reported in the accompanying statement of net position as a deferred outflow of resources and is being charged to activities through fiscal year 2039.

Note 10 - Risk Management

The School District participates in a public entity risk pool through the School Employers Group. With the exception of unemployment described below, this program provides substantially all the insurance needs of the School District. The possibility of additional liabilities in excess of current year contributions exists, however, since the amounts are indeterminable and believed to be immaterial, no contingent liabilities or assets have been recognized on the School District's financial statements.

The School District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the School District must reimburse the Michigan Employment Commission for all benefits charged against the School District. No provision has been made for possible future claims.

The School District is self-insured for health benefits paid on behalf of its employees. Payments are made to the insurance administrator based on actual claims and administration fees. The plan provides $35,000 dollars per participant for stop-loss provision. For governmental activities, the liability for health benefits is primarily liquidated by the General Fund.

Change in estimated liabilities for claims for health benefits is as follows:

	2023	2022
Estimated liability at the beginning of the year	$ 64,636	$ 139,544
Estimated claims incurred including changes in estimates	660,389	602,707
Claim payments	(646,762)	(677,615)
Estimated liability end of year	$ 78,263	$ 64,636

Note 11 - Pension Plan

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

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

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

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

Contributions

Employers 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 Oct. 1, 2021 and ending Sept. 30, 2038.

The schedule below summarizes pension contribution rates in effect for fiscal year ended September 30, 2022.

Pension Contribution Rates

Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	20.14%
Member Investment Plan	3.0 - 7.0%	20.14%
Pension Plus	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 School District were $1,847,675 for the year ending September 30, 2022.

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

At June 30, 2023, School District reported a liability of $20,416,314 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 2021. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2022, the School District's proportion was 0.0543 percent, which was an increase of 0.0022 percent from its proportion measured as of September 30, 2021.

For the plan year ending September 30, 2022, the School District recognized pension expense of $2,277,459 for the measurement period. For the reporting period ending June 30, 2023, the School District recognized total pension contribution expense of $1,991,138.

Section 147c of the State School Aid Act (MCL 388.1747c) was amended to include a one-time distribution to districts, intermediate districts, and other participating entities of MPSERS, which is referred to as Section 147c(2). Section 147c(2) is required to be forwarded to the state's ORS as additional assets being contributed to the retirement system. This funding is a one-time, state payment toward the MPSERS unfunded liability and not part of the actuarially determined contributions and therefore not included in the above pension expense, pension contributions or related deferred inflows/outflows of resources. For the period ending June 30, 2023, the School District recognized in their financial statements an additional amount related to Section 147c(2) of $555,704 in total pension expense and offset in state revenues.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	$ 204,234	$ (45,649)	$ 158,585
Changes of assumptions	3,508,254	-	3,508,254
Net difference between projected and actual earnings on pension plan investments	47,876	-	47,876
Changes in proportion and difference between the School District contributions and proportionate share of contributions	753,355	(326,013)	427,342
Total to be recognized in future	4,513,719	(371,662)	4,142,057
School District contributions subsequent to the measurement date	1,838,828	(954,182)	884,646
Total	$ 6,352,547	$ (1,325,844)	$ 5,026,703

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. The District will offset the contribution expense in the year ended June 30, 2024 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources.

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

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2023	$ 1,057,820
2024	981,348
2025	870,935
2026	1,231,954
	$ 4,142,057

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:

- 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 projection scale MP-2017 from 2006.
  - Active Members: RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension 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 is 4.3922 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2022 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

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	10.5	(0.2)
Real Estate and Infrastructure Pools	10.0	5.3
Absolute Return Pools	9.0	2.7
Real Return/Opportunistic Pools	12.5	5.8
Short Term Investment Pools	2.0	(0.5)
	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 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus plan, 6.00% 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.

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

1% Decrease* 5.00%	**Current Single Discount Rate Assumption*** 6.00%	**1% Increase*** 7.00%
$ 26,941,950	$ 20,416,314	$ 15,038,897

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

Michigan Public School Employees' Retirement System (MPSERS) Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the Michigan Public School Employees' Retirement System (MPSERS)
There were no significant payables to the pension plan that are not ordinary accruals to the School District.

Note 12 - Postemployment Benefits Other Than Pensions (OPEB)

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

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

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

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

Benefits Provided
Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% 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
Employers 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 Oct. 1, 2021 and ending Sept. 30, 2038.

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

OPEB Contribution Rates

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

Required contributions to the OPEB plan from the School District were $419,506 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 School District reported a liability of $1,166,471 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 2021. The School District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2022, the School District's proportion was 0.0551 percent, which was an increase of 0.0024 percent from its proportion measured as of September 30, 2021.

For the plan year ending September 30, 2022, the School District recognized OPEB expense of $(548,156) for the measurement period. For the reporting period ending June 30, 2023, the School District recognized total OPEB contribution expense of $427,725.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	$ -	$ (2,284,669)	$ (2,284,669)
Changes of assumptions	1,039,713	(84,659)	955,054
Net difference between projected and actual earnings on OPEB plan investments	91,169	-	91,169
Changes in proportion and difference between the School District contributions and proportionate share of contributions	256,514	(198,248)	58,266
Total to be recognized in future	1,387,396	(2,567,576)	(1,180,180)
School District contributions subsequent to the measurement date	363,102	-	363,102
Total	$ 1,750,498	$ (2,567,576)	$ (817,078)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer 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 during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)	
2023	$ (509,279)
2024	(396,945)
2025	(293,951)
2026	11,173
2027	3,528
Thereafter	5,294
	$ (1,180,180)

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:

- Valuation Date: September 30, 2021
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.00% net of investment expenses

- Projected Salary Increases: 2.75% – 11.55%, including wage inflation of 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 projection scale MP-2017 from 2006.
  - Active: RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Other Assumptions:

- Opt Out Assumption: 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.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension 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 is 6.2250.

Recognition period for assets in years is 5.0000.

Full actuarial assumptions are available in the 2022 MPSERS Annual Comprehensive Financial Report found on 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 %
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)
	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 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.

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

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

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
$ 1,956,642	$ 1,166,471	$ 501,048

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Healthcare Cost Trend Rate

The following presents the School District's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the School District's proportionate share of 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
$ 488,462	$ 1,166,471	$ 1,927,549

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2022 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 13 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2023.

Note 14 - Tax Abatements

The School District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions granted by Castleton Township. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities.

The School District evaluated tax abatements under provisions of GASB 77 and determined that the property tax abatements are insignificant.

REQUIRED SUPPLEMENTARY INFORMATION

Maple Valley Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Budget
Revenues				
Local sources	$ 767,990	$ 1,372,667	$ 1,061,625	$ (311,042)
State sources	8,754,900	10,529,312	10,581,346	52,034
Federal sources	1,934,734	2,074,078	2,297,353	223,275
Interdistrict sources	885,000	1,057,000	1,075,208	18,208
Total revenues	12,342,624	15,033,057	15,015,532	(17,525)
Expenditures				
Instruction				
Basic programs	5,770,663	6,011,722	6,010,001	(1,721)
Added needs	1,509,148	1,717,903	1,804,816	86,913
Supporting services				
Pupil	788,492	905,434	902,706	(2,728)
Instructional staff	172,093	403,485	429,164	25,679
General administration	355,190	436,825	419,176	(17,649)
School administration	827,240	860,358	860,871	513
Business	216,950	254,481	267,159	12,678
Operations and maintenance	1,212,841	1,285,407	1,266,530	(18,877)
Pupil transportation services	1,018,581	1,171,128	1,197,040	25,912
Central services	366,468	612,115	575,351	(36,764)
Athletics/other	306,743	354,798	358,265	3,467
Community services	89,494	75,475	65,302	(10,173)
Capital outlay	130,000	911,285	854,790	(56,495)
Debt service				
Principal	65,000	111,500	111,363	(137)
Interest and fiscal charges	7,000	23,500	8,009	(15,491)
Total expenditures	12,835,903	15,135,416	15,130,543	(4,873)
Deficiency of revenues over expenditures	(493,279)	(102,359)	(115,011)	(12,652)

Maple Valley Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Budget
Other Financing Sources				
Proceeds from sale of capital assets	$ 2,300	$ 750	$ 830	$ 80
Transfers in	16,000	16,000	20,679	4,679
Total other financing sources	18,300	16,750	21,509	4,759
Net change in fund balance	(474,979)	(85,609)	(93,502)	(7,893)
Fund balance - beginning	1,069,498	1,069,498	1,069,498	-
Fund balance - ending	$ 594,519	$ 983,889	$ 975,996	$ (7,893)

Maple Valley Schools
Required Supplementary Information
Budgetary Comparison Schedule - Food Service Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			Over
	Original	Final	Actual	(Under) Budget
Revenues				
Local sources	$ 81,900	$ 46,200	$ 53,729	$ 7,529
State sources	32,900	39,900	12,897	(27,003)
Federal sources	665,000	712,000	707,132	(4,868)
Total revenues	779,800	798,100	773,758	(24,342)
Expenditures				
Current				
Education				
Food services	730,500	755,850	769,241	13,391
Capital outlay	30,000	75,000	69,862	(5,138)
Total expenditures	760,500	830,850	839,103	8,253
Excess (deficiency) of revenues over expenditures	19,300	(32,750)	(65,345)	(32,595)
Other Financing Uses				
Transfers out	(16,000)	(16,000)	(20,679)	(4,679)
Net change in fund balance	3,300	(48,750)	(86,024)	(37,274)
Fund balance - beginning	362,831	362,831	362,831	-
Fund balance - ending	$ 366,131	$ 314,081	$ 276,807	$ (37,274)

Maple Valley Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. School District's proportion of net pension liability (%)	0.0543%	0.0520%	0.0506%	0.0525%	0.0575%	0.0596%	0.0598%	0.0579%	0.0568%	
B. School District's proportionate share of net pension liability	$ 20,416,314	$ 12,321,854	$ 17,381,245	$ 17,393,020	$ 17,282,099	$ 15,449,138	$ 14,929,221	$ 14,135,669	$ 12,520,488	
C. School District's covered payroll	$ 5,389,426	$ 4,804,818	$ 4,572,338	$ 4,374,350	$ 4,769,575	$ 4,949,979	$ 4,933,146	$ 4,443,011	$ 5,083,710	
D. School District's proportionate share of net pension liability as a percentage of its covered payroll	378.82%	256.45%	380.14%	397.61%	362.34%	312.11%	302.63%	318.16%	246.29%	
E. 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%	

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2022.

Changes of benefit assumptions: There were no changes of benefit terms in plan fiscal year 2022.

Maple Valley Schools
Required Supplementary Information
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Statutorily required contributions	$ 1,991,138	$ 1,842,711	$ 1,572,484	$ 1,396,138	$ 1,392,310	$ 1,472,995	$ 1,343,705	$ 1,116,459	$ 1,068,249	
B. Contributions in relation to statutorily required contributions	1,991,138	1,842,711	1,572,484	1,396,138	1,392,310	1,472,995	1,343,705	1,116,459	1,068,249	
C. Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
D. School District's covered payroll	$ 5,427,507	$ 5,361,054	$ 4,687,222	$ 4,538,145	$ 4,413,882	$ 4,863,907	$ 4,913,016	$ 4,443,011	$ 5,035,938	
E. Contributions as a percentage of covered payroll	36.69%	34.37%	33.55%	30.76%	31.54%	30.28%	27.35%	25.13%	21.21%	

Maple Valley Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. School District's proportion of net OPEB liability (%)	0.0551%	0.0527%	0.0512%	0.0499%	0.0559%	0.0596%				
B. School District's proportionate share of net OPEB liability	$ 1,166,471	$ 804,736	$ 2,743,604	$ 3,580,872	$ 4,441,458	$ 5,281,094				
C. School District's covered payroll	$ 5,389,426	$ 4,804,818	$ 4,572,338	$ 4,374,350	$ 4,769,575	$ 4,949,979				
D. School District's proportionate share of net OPEB liability as a percentage of its covered payroll	21.64%	16.75%	60.00%	81.86%	93.12%	106.69%				
E. Plan fiduciary net position as a percentage of total OPEB liability	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%				

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2022.
Changes of benefit assumptions: There were no changes of benefit terms in plan fiscal year 2022.

Maple Valley Schools
Required Supplementary Information
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Statutorily required contributions	$ 427,725	$ 418,675	$ 391,726	$ 363,609	$ 339,076	$ 357,673				
B. Contributions in relation to statutorily required contributions	427,725	418,675	391,726	363,609	339,076	357,673				
C. Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -				
D. School District's covered payroll	$ 5,427,507	$ 5,361,054	$ 4,687,222	$ 4,538,145	$ 4,413,882	$ 4,863,907				
E. Contributions as a percentage of covered payroll	7.88%	7.81%	8.36%	8.01%	7.68%	7.35%				