Taylor & Morgan | CPAs and Business Advisors

Van Buren Public Schools

Audited Financial Statements

June 30, 2022

Prepared by Taylor & Morgan, P.C.

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VAN BUREN PUBLIC SCHOOLS
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INDEPENDENT AUDITORS' REPORT

Board of Education
Van Buren Public Schools

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Van Buren Public Schools as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Van Buren Public Schools as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 16 to the financial statements, in 2022 the District adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Management's Responsibility for the Financial Statements

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

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

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Auditor’s Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2022, on our consideration of the Van Buren Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Van Buren Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Van Buren Public Schools' internal control over financial reporting and compliance.

Sincerely,

Taylor & Morgan, P.C.

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

October 22, 2022

MANAGEMENT'S DISCUSSION & ANALYSIS

The Van Buren Public Schools has implemented *Governmental Accounting Standards Board Statement 34 (GASB 34)* with the enclosed financial statements. Our discussion and analysis of the Van Buren Public Schools' financial performance, a GASB 34 requirement, provides an overview of the Districts' financial activities for the fiscal year ended June 30, 2022.

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

FINANCIAL POSITION AND RESULTS OF OPERATIONS

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

The School District's net position totaled $(57,895,841) and $(67,092,699) at June 30, 2022 and 2021, respectively. Of these amounts $9,446,622 and $8,354,445 were restricted. Restricted net position is reported separately to show legal constraints from debt covenants and legislation that limits the District's ability to use that net position for day-to-day operations. The following is a summary of the District's net position:

	June 30, 2022	June 30, 2021
Assets	$ 122,896,452	$ 115,216,961
Deferred outflows of resources	21,386,873	31,034,399
Liabilities	156,150,654	195,998,035
Deferred inflows of resources	46,028,512	17,346,024
Net Position:		
Net investment in capital assets	19,950,547	18,395,776
Restricted	9,446,622	8,354,445
Unrestricted	(87,293,010)	(93,842,920)
Total net position	$ (57,895,841)	$ (67,092,699)

The $(87,293,010) in unrestricted net position of governmental activities represents District funds that have not been committed contractually or for debt obligations and are available for future use. Total net position increased $9,196,858 in 2021-22.

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

- Depreciation expense

  The provisions of GASB 34 require districts to maintain a record of annual depreciation expense and accumulated depreciation. The net increase in accumulated depreciation is a reduction in net assets. Depreciation expense is recorded using a straight-line method over the estimated useful lives of the assets. In accordance with generally accepted accounting principles, depreciation expense is recorded based on the original cost of the asset less an estimated salvage value. For the year ended June 30, 2022, the net increase in accumulated depreciation was $3,293,023.

- Capital acquisitions

  Capital outlay (net) for the year ended June 30, 2022 totaled $9,702,794. Combined with current year depreciation and the effect of disposals, net capital assets increased by $6,409,771.

- Debt Repayment

  The District levies property taxes for the specific purpose of retiring debt. The collection of these taxes and the resultant repayment of debt decreases the District's long-term principal obligations and, as a result, the net position of the District increases. The District repaid $3,205,000 of long-term bonded debt in the current year.

- GASB 68 adjustment

  Adjustments to the government-wide statements include a decrease in pension expense totaling $1,835,412.

- GASB 75 adjustment

  Adjustments to the government-wide statements include a decrease in OPEB expense totaling $4,661,226.

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

	2021-22	2020-21
General revenue		
Property taxes	$ 18,580,102	$ 18,055,023
State foundation allowance	23,780,773	23,838,438
Other	5,990,271	4,972,792
Total general revenue	48,351,146	46,866,253
Program revenue		
Charges for services – local	2,518,840	922,720
Operating grants – federal and state	21,465,896	17,722,483
Total revenues	72,335,882	65,511,456
Expenses		
Instruction	33,859,546	35,301,044
Support services	22,875,447	26,145,334
Community services	6,016	7,384
Food services	1,904,035	1,223,254
Student Activities	634,485	253,460
Interest on long-term debt	358,720	2,296,915
Depreciation (unallocated)	3,500,775	1,420,451
Total expenses	63,139,024	66,647,842
Increase/(decrease) in net position	9,196,858	(1,136,386)
Net position – July 1	(67,092,699)	(65,956,313)
Net position –June 30	$ (57,895,841)	$ (67,092,699)

GASB Statement No. 68 required the District to include its share of the Michigan Public School Retirees (MPSERS) Net Pension Liability on the government-wide statements. The District's share of this liability equaled $70,011,471 as of September 30, 2021 and $103,393,992 as of September 30, 2020.

GASB Statement No. 75 required the District to include its share of the Michigan Public School Retirees (MPSERS) Net OPEB Liability on the government-wide statements. The District's share of this liability equaled $4,457,933 as of September 30, 2021 and $16,133,974 as of September 30, 2020.

GOVERNMENTAL FUNDS FINANCIAL HIGHLIGHTS

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

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

In the General Fund, the fund balance decreased by $1,677,976 to $11,190,625. Wayne RESA passed an Enhancement Millage with Wayne County taxpayers November 2016 for 2.000 mills. The Enhancement Millage was distributed to school districts based on pupil count. The District received $2,011,517 additional revenue as direct result of the Wayne RESA Enhancement millage and $3,835,915 in Covid funding as a result of the Covid 19 pandemic. Without the Enhancement Millage and the Covid funding, the General Fund would have decreased by $7,525,408 to $5,343,193. The fund balance for the Debt Service Funds increased by $143,299 to $1,757,915. The total fund balance for the non-major governmental funds increased by $1,259,616 to $4,744,690.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The District's budgets are prepared according to Michigan law and are initially adopted prior to July 1 of each year, before student enrollment counts are known. Therefore, it is expected that there will be changes between the initial budget and subsequent budgets, as actual enrollments and resultant staffing requirements are known. Currently, the most significant budgeted funds are the General Fund and the Capital Projects Fund. The District amended the budgets of these major governmental funds two times during the year ended June 30, 2022.

General Fund

In the General Fund, the actual revenue and other financing sources totaled approximately $60.2 million. This is less than the original budget estimate of $66.3 million and more than the final amended budgeted amount of $62.1 million, a variance of 3.0%. The actual expenditures and other financing uses were approximately $61.9 million. This is less than the original budget estimate of $69.0 million and less than the final amended budgeted amount of $66.8 million, a variance of 5.9%

The fund balance of the general fund was $11,190,625 on June 30, 2022 as compared to $12,868,601 on June 30, 2021. A schedule is provided in the required supplemental information of these financial statements showing the District's original and final budget amounts compared with amounts actually paid and received.

GOVERNMENTAL FUND EXPENDITURES

The following chart illustrates that the General Fund comprises approximately 49.14% of all the equity within the governmental funds of the District. The ending fund balance for all funds was equal to $22.77 million and is detailed below.

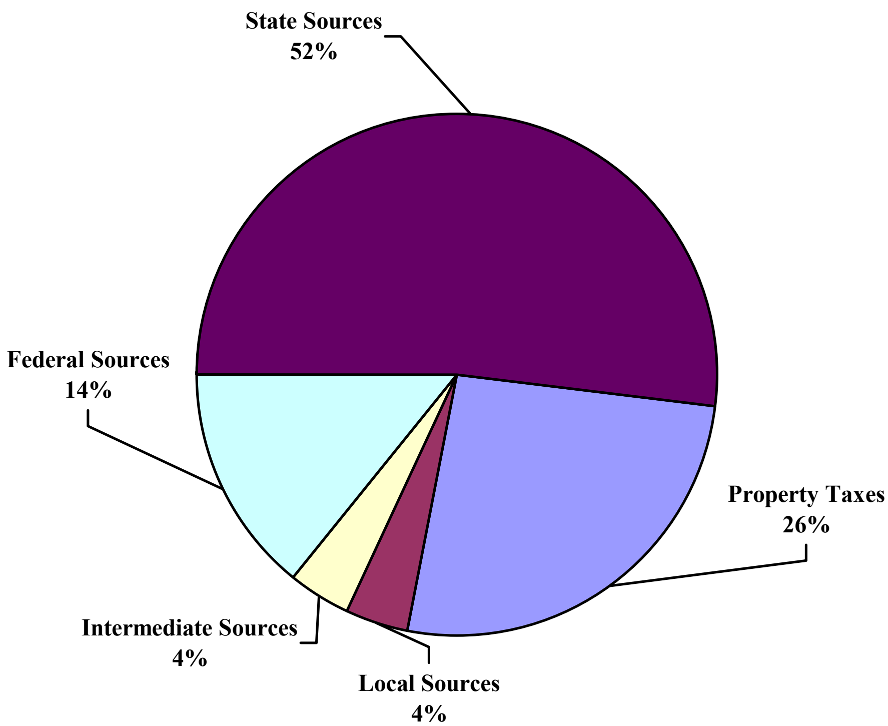
		Fund Balance as of June 30, 2022	Percentage of Total Fund Balance
General Fund	$	11,190,625	49.14%
Capital Project Funds		6,836,414	30.02%
Non-major Funds		4,744,690	20.84%
Total	$	22,771,729	100.00%

As of June 30, 2022, the District's program expenditures for all programs totaled $80,723,583 compared to $68,131,836 in 2021.

TOTAL REVENUES

Revenues for all governmental funds totaled $70,818,996 for the year ended June 30, 2022 compared with $64,913,351 in 2021. The following graph illustrates the District revenues by source as a percentage of total revenue:

Total Revenue by Source for All Funds



Unrestricted State Aid

The District is primarily funded by State Aid. The per-pupil allowance was $8,700 for 2021-22. State Aid membership was computed in the 2021-22 school year with a blended count of 10% of the February and 90% of the September counts.

Van Buren Public Schools' pupil membership for the 2021-22 school year was 4,332, a decrease of 178 students from the prior year.

Property Taxes

The District levied 18 mills of property taxes on all non-homestead property located within the district for General Fund operations. The levy is assessed on the taxable value of the property. The increase in taxable value is limited to the lesser of the inflation rate of the prior year or 5%. When a property is sold, the taxable valuation of the sold property is readjusted to the State Equalized Value, which is approximately 50% of market value. The 2021-22 non-homestead property tax levy including delinquent taxes totaled approximately $11.50 million. The district would not have been able to levy the full 18 mills permitted due to property values increasing faster than the rate of inflation resulting in a Headlee Rollback; however in November 2016, taxpayers approved extra mills permitting the District to levy the full 18 mills regardless of a possible Headlee Rollback.

In the 2021-22 school year, the District levied .4838 mills for the District's sinking funds and 2.98 mills for the District's debt funds. The revenue collected for the debt and sinking funds approximated $5.7 million and $.90 million, respectively. Taxpayers approved .5 mills to be levied for the sinking fund. The sinking fund was also affected by a Headlee Rollback for the 2021-22 tax year.

OUTSTANDING DEBT AT YEAR-END

Bonded debt consists of $50.51 million of 2019 Refunding Bonds, $10.05 million of 2020 Building and Site Bonds, and $8.06 million of 2022 Building and Site Bonds.

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

CAPITAL ASSETS

At the end of fiscal year 2022, the District had $134.7 million invested in land, buildings, furniture, equipment, buses, and vehicles. Of this total investment, $46.1 million has been depreciated, resulting in a net book value of $88.6 million. Total additions (net of disposals) for the year were approximately $15.87 million and were comprised of site improvements, new furniture and equipment, and vehicle purchases, much of this related to the new Early Childhood building. The District is committed to the timely repairs and maintenance of its facilities. Computer purchases under the District's capitalization threshold of $5,000 are expensed accordingly.

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

	Governmental Activities
Land and improvements	1.8
Buildings and improvements	83.5
Furniture and equipment	1.8
Vehicles and buses	1.5
Total	$ 88.6

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

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

BASIC FINANCIAL STATEMENTS

VAN BUREN PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2022

		Governmental Activities
Assets		
Cash, cash equivalents and investments	$	20,683,188
Accounts receivable		13,553
Due from other governmental units		13,357,618
Inventory		11,658
Prepaid costs and other assets		269,888
Capital assets		
Land, buildings and improvements		123,716,673
Equipment and furniture		5,744,977
Buses and other vehicles		5,190,661
Less: accumulated depreciation		(46,091,764)
Net capital assets		88,560,547
Total Assets		122,896,452
Deferred Outflows of Resources		
Deferred OPEB amounts		6,082,406
Deferred pension amounts		15,304,467
Total Deferred Outflows of Resources		21,386,873
Liabilities		
Accounts payable		3,888,007
Accrued expenses		701,760
Salaries payable		5,306,532
Due to other governmental units		684,983
Accrued interest on long-term debt		505,782
Advance from grantors		982,894
Medical claims payable		321,299
Long-term liabilities		
Due within 1 year		3,531,999
Due in more than 1 year:		
Net OPEB liability		4,457,933
Net pension liability		70,011,471
Other		65,757,994
Total Liabilities		156,150,654
Deferred Inflows of Resources		
Deferred premium on bond refunding		3,942,464
Deferred OPEB amounts		17,477,898
Deferred pension amounts		24,608,150
Total Deferred Inflows of Resources		46,028,512
Net Position		
Net investment in capital assets		19,950,547
Restricted for:		
Capital projects		8,194,489
Debt service		1,252,133
Unrestricted		(87,293,010)
Total Net Position (Deficit)	$	(57,895,841)

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Functions/Programs				
Governmental Activities				
Instruction	$ 33,859,546	$ 1,516,886	$ 16,803,328	$ (15,539,332)
Support services	22,875,447	126,415	2,083,576	(20,665,456)
Food services	1,904,035	162,232	2,578,992	837,189
Community services	6,016	-	-	(6,016)
Student Activities	634,485	713,307	-	78,822
Interest on long-term debt net of amortization of debt issue discounts and other costs	358,720	-	-	(358,720)
Unallocated depreciation	3,500,775	-	-	(3,500,775)
Total governmental activities	$ 63,139,024	$ 2,518,840	$ 21,465,896	(39,154,288)

General Purpose Revenues	
Taxes:	
Property taxes, levied for general purposes	11,949,841
Property taxes, levied for debt service	5,731,780
Property taxes, levied for capital projects	898,481
State school aid - unrestricted	23,780,773
Retirement Reimbursement	5,503,755
Investment earnings	26,420
Other	460,096
Total general revenue	48,351,146
Change in net position	9,196,858
Net position (deficit) - July 1	(67,092,699)
Net position (deficit)- June 30	$ (57,895,841)

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Capital Project Fund	Non-major Governmental Funds	Total Governmental Funds
Assets				
Cash, cash equivalents and investments	$ 6,896,320	$ 9,519,446	$ 4,267,422	$ 20,683,188
Accounts receivable	13,553	-	-	13,553
Due from other governmental units	13,337,778	-	19,840	13,357,618
Due from other funds	-	-	1,217,255	1,217,255
Inventory	-	-	11,658	11,658
Prepaid costs	269,888	-	-	269,888
Total Assets	$ 20,517,539	$ 9,519,446	$ 5,516,175	$ 35,553,160
Liabilities and Fund Balance				
Liabilities				
Accounts payable	$ 2,288,875	$ 1,563,415	$ 35,717	$ 3,888,007
Accrued expenses	701,760	-	-	701,760
Salaries payable	5,306,532	-	-	5,306,532
Due to other governmental units	-	-	684,983	684,983
Due to other funds	68,568	1,119,617	29,070	1,217,255
Advances from grantors	961,179	-	21,715	982,894
Total Liabilities	9,326,914	2,683,032	771,485	12,781,431
Fund Balance				
Non-spendable	269,888	-	11,658	281,546
Restricted for:				
Capital projects	-	6,836,414	1,358,075	8,194,489
Debt retirement	-	-	1,757,915	1,757,915
Food service	-	-	1,009,747	1,009,747
Student activity	-	-	607,295	607,295
Committed	2,105,000	-	-	2,105,000
Assigned	3,485,980	-	-	3,485,980
Unassigned	5,329,757	-	-	5,329,757
Total Fund Balance	11,190,625	6,836,414	4,744,690	22,771,729
Total Liabilities and Fund Balance	$ 20,517,539	$ 9,519,446	$ 5,516,175	$ 35,553,160

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See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2022

Total Governmental Fund Balances		$ 22,771,729
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of capital assets	$ 134,652,311	
Accumulated depreciation	(46,091,764)	
Net capital assets		88,560,547
Deferred inflow and outflows related to the implementation of GASB Statement No. 68 are not included as assets and liabilities in the governmental funds:		
Deferred inflows		(24,608,150)
Deferred outflows		15,304,467
Deferred inflow and outflows related to the implementation of GASB Statement No. 75 are not included as assets and liabilities in the governmental funds:		
Deferred inflows		(17,477,898)
Deferred outflows		6,082,406
Deferred inflows of resources relating to debt refunding		(3,942,464)
Medical claims payable		(321,299)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds payable	$ (68,610,000)	
Compensated absences payable	(679,993)	
Net OPEB liability	(4,457,933)	
Net pension liability	(70,011,471)	
Total long-term liabilities		(143,759,397)
Accrued interest payable is not included as a liability in governmental funds		(505,782)
Total net position (deficit) - governmental activities		$ (57,895,841)

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Capital Project Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	$ 11,949,841	$ -	$ 6,630,261	$ 18,580,102
Other local sources	590,887	14,349	2,228,751	2,833,987
Intermediate sources	2,963,698	-	-	2,963,698
State sources	35,457,116	-	1,016,487	36,473,603
Federal sources	7,309,895	-	2,657,711	9,967,606
Total revenues	58,271,437	14,349	12,533,210	70,818,996
Expenditures				
Instruction				
Basic programs	27,242,197	-	-	27,242,197
Added needs	7,540,742	-	-	7,540,742
Total instruction	34,782,939	-	-	34,782,939
Support services				
Pupil services	4,501,334	-	-	4,501,334
Instructional staff services	2,948,060	-	-	2,948,060
General administration	519,723	-	-	519,723
School administration	3,437,185	-	-	3,437,185
Business services	785,112	-	-	785,112
Operation and maintenance	6,263,691	-	-	6,263,691
Pupil transportation	4,796,533	-	-	4,796,533
Central services	1,443,930	-	-	1,443,930
Athletics	794,109	-	-	794,109
Community services	6,016	-	-	6,016
Capital outlay	1,289,170	7,668,852	549,773	9,507,795
Principal	-	-	3,205,000	3,205,000
Interest and fiscal charges	-	-	2,389,431	2,389,431
Other supporting services	-	643,549	4,699,176	5,342,725
Total support services	26,784,863	8,312,401	10,843,380	45,940,644
Total expenditures	61,567,802	8,312,401	10,843,380	80,723,583
Excess/(deficiency) of revenues over/ (under) expenditures	(3,296,365)	(8,298,052)	1,689,830	(9,904,587)
Other financing sources/(uses)				
Intra-district transfers	1,516,886	-	-	1,516,886
Operating transfers out	(4,234)	-	(430,214)	(434,448)
Operating transfers in	434,448	-	-	434,448
Subrecipient payments	(328,711)	-	-	(328,711)
Bond proceeds, net of premiums and discounts	-	8,999,890	-	8,999,890
Total other financing sources/(uses)	1,618,389	8,999,890	(430,214)	10,188,065
Excess/(deficiency) of revenues over/(under) expenditures and other financing sources/(uses)	(1,677,976)	701,838	1,259,616	283,478
Fund balance - July 1	12,868,601	6,134,576	3,485,074	22,488,251
Fund balance - June 30	$ 11,190,625	$ 6,836,414	$ 4,744,690	$ 22,771,729

See accompanying notes to basic financial statements.

VAN BUREN PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Total net change in fund balances - governmental funds		$ 283,478
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Outlay (net)	$ 9,910,546	
Depreciation Expense (net)	(3,500,775)	6,409,771
The issuance of long-term debt provides current financial resources to governmental funds. This transaction has no effect on net assets. Also, governmental funds report as current income and expense the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are amortized over the life of the bonds in the government-wide statements. This amount is the net effect of the differences in the treatment of long-term debt and related items.		
Bond Proceeds	(8,999,890)	
Underwriter's Discount	1,025,477	
Deferred Premium	(85,587)	(8,060,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments reported as expenditures in the governmental funds.		3,205,000
Accumulated unpaid benefits are recorded as liabilities in the statement of net position, but are not recorded in the governmental funds statement. This is the (increase)/decrease in accumulated unpaid benefits.		29,987
Net (increase)/decrease in medical claims payable		681,053
Pension expense in the government-wide statements has been adjusted to reflect the requirements of GASB 68. This is the amount of the adjustment to Pension expense in the government-wide statements.		1,835,412
OPEB expense in the government-wide statements has been adjusted to reflect the requirements of GASB 75. This is the amount of the adjustment to OPEB expense in the government-wide statements.		4,661,226
Amortization of the deferred premium on the 2019 refunding bonds is recorded in the statement of activities over the life of the bonds. This is the amount of amortization of deferred premium for the current year.		231,910
Interest on long-term debt in the statement of activities includes accrued interest while the governmental funds statement does not. This is the (increase)/decrease in accrued interest.		(80,979)
Change in net position of governmental activities		$ 9,196,858

See accompanying notes to basic financial statements.

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Basic Financial Statements – Government-wide Statements

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

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

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

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

Basic Financial Statements - Fund Financial Statements

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

Note 1 - Summary of Significant Accounting Policies (continued)

Governmental Funds

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

General Fund

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

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

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

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

Basis of Accounting/Measurement Focus

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

Accrual

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

Modified Accrual

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting/Measurement Focus (continued)

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

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Vacation/sick time earned but not used at June 30, 2022 and 2021 amounted to $679,993 and $709,980 respectively.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (continued)

Postemployment Benefits Other Than Pensions

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

Economic Dependency

The District receives approximately 66% of its operating revenue through the foundation allowance from the State of Michigan. This figure includes property taxes collected for operations.

Use of Estimates

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

Concentrations

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

	Expiration Date
Administrators' Contract	December 31, 2022
Teachers' Contract	December 31, 2023
Paraprofessionals' Contract	June 30, 2024
Custodian/Maintenance Contract	June 30, 2024
Transportation Employees' Contract	June 30, 2024
Cafeteria Employees' Contract	June 30, 2023
Secretaries Association Contract	June 30, 2023

Note 2 - Budget and Budgetary Accounting

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

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

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

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

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

Note 2 - Budget and Budgetary Accounting (continued)

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

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

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

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

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

Budgetary information

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

Excess of expenditures over appropriations in budgeted funds

During the year, the District incurred expenditures in the General Fund which were in excess of the amounts appropriated, as follows:

Budget item	Budget Appropriation	Actual Expenditures	Variance
Business Services	$720,527	$785,112	$(64,585)
Transportation	$4,749,016	$4,796,533	$(47,517)

The final amended budget anticipated expenditures exceeding revenues by $3,664,894. Actual expenditures exceeded revenues by $1,677,976, a positive variance of $1,986,918.

Note 3 - Deposits and Investments

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

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

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

Note 3 - Deposits and Investments (continued)

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

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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits this exposure by mandating that the District's investments in commercial paper and corporate bonds be limited to those with a prime rating or better issued by nationally recognized statistical rating organizations (NRSROs). At June 30, 2022, the maturities of investments and the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment Type	Fund	Fair Value	Rating	Fair Value Level	Percent of Total
Government Obligations Fund	General	$433,808	AAAm	1	4.56%
Government Obligations Fund	Debt	22,859	AAAm	1	0.24%
Commercial Paper	Capital Projects	5,984,519	A1+	2	62.96%
Michigan CLASS Fund	Capital Projects	41,173	AAAm	2	0.43%
Money Market Funds	Capital Projects	3,023,117	AAA+	1	31.81%
		$9,505,476			100.00%

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

At June 30, 2022, the District had $250,000 of its deposit balances insured and $20,431,841 of its deposit balances uninsured and uncollateralized with securities held by the pledging financial institution's trust department or agent.

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

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

Fair Value Measurement

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

Note 3 - Deposits and Investments (continued)

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

The District had fair value investments categorized as Level 1 of $3,479,784, level 2 of $6,025,692 and level 3 of $0 at June 30, 2022.

Note 4 - Changes in Capital Assets

Summary of capital asset transactions:

	Balance July 1, 2021	Additions	Disposals and Adjustments	Balance June 30, 2022
Capital Assets Not Being Depreciated:				
Land	$ 255,032	$ 201,740	$ -	$ 456,772
Construction in progress	6,371,495	-	(6,371,495)	-
Subtotal	6,626,527	201,740	(6,371,495)	456,772
Capital Assets Being Depreciated:				
Land improvements	4,791,595	164,047	(129,100)	4,826,542
Buildings and improvements	103,661,662	14,841,747	(70,050)	118,433,359
Furniture and equipment	5,348,244	408,144	(11,411)	5,744,977
Buses and other vehicles	4,521,489	669,172	-	5,190,661
Subtotal	118,322,990	16,083,110	(210,561)	134,195,539
Total capital assets	124,949,517	16,284,850	(6,582,056)	134,652,311
Accumulated Depreciation:				
Land improvements	3,296,062	308,654	(129,100)	3,475,616
Buildings and improvements	32,828,916	2,306,824	(67,241)	35,068,499
Furniture and equipment	3,590,463	282,873	(11,411)	3,861,925
Buses and other vehicles	3,083,300	602,424	-	3,685,724
Subtotal	42,798,741	3,500,775	(207,752)	46,091,764
Net Capital Assets	$ 82,150,776	$ 12,784,075	$ (6,374,304)	$ 88,560,547

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

Note 5 - Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2022:

	Compensated Absences	Bonded Debt	Total
Balance July 1, 2021	$ 709,980	$ 63,755,000	$ 64,464,980
Additions	-	8,060,000	8,060,000
Less: Retirements and Payments	(29,987)	(3,205,000)	(3,234,987)
Balance June 30, 2022	679,993	68,610,000	69,289,993
Less: Current Portion	(101,999)	(3,430,000)	(3,531,999)
Total Due after One Year	$ 577,994	$ 65,180,000	$ 65,757,994

2019 Refunding Bonds
On February 19, 2019, $56,890,000 in building and site bonds with an average interest rate of 3.98% were issued to advance refund the remaining $61,360,000 of outstanding bonds of the 2009 bond issue with an average interest rate of 6.54%. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. The outstanding balance of the refunding bonds was $50,505,000 at June 30, 2022.

2020 School Building and Site Bonds
The District issued $12,360,000 of building and site bonds in March of 2020. The District deposited net proceeds of $12,988,197 into a capital projects account for the purpose of erecting, furnishing and equipping a new early childhood center, as well as various building and site improvements and technology improvements. The bonds pay interest semi-annually at rates ranging from 1.75% to 5.00%. The bonds pay principal in annual installments ranging from $300,000 to $1,170,000 from building and site fund tax levies. The outstanding balance of the bonds was $10,045,000 at June 30, 2022.

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

Note 5 - Long-Term Debt (continued)

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

Year Ended June 30,	Principal	Interest	Total
2023	$ 3,430,000	$ 2,661,159	$ 6,091,159
2024	3,430,000	2,438,232	5,868,232
2025	3,000,000	2,288,105	5,288,105
2026	3,125,000	2,158,406	5,283,406
2027	3,260,000	2,023,156	5,283,156
2028-2032	16,890,000	8,039,881	24,929,881
2033-2037	20,090,000	4,458,673	24,548,673
2038-2042	11,055,000	1,052,564	12,107,564
2043-2047	2,985,000	326,275	3,311,275
2048-2050	1,345,000	47,798	1,392,798
Total	$ 68,610,000	$ 25,494,249	$ 94,104,249

Compensated Absences
The payment dates of compensated absences are indeterminable.

Note 6 – Inter-fund Transactions

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

	Transfers to	Transfers from
General Fund	$ 434,448	$ 4,234
Special Revenue Funds	-	430,214
Total	$ 434,448	$ 434,448

The transfers were for the purpose of indirect cost transfers.

Note 7 – Inter-fund Receivables and Payables

Inter-fund receivable and payable balances as of June 30, 2022 are as follows:

	Due to Other Funds	Due from Other Funds
Major Funds	$ 1,188,185	$ -
Non-major Funds	29,070	1,217,255
Total	$ 1,217,255	$ 1,217,255

Note 8 - Fund Balance

Non-spendable, Restricted, Committed, Assigned and Unassigned

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

Non-spendable:

Inventory	$	11,658
Prepaid expenses		269,888
Total non-spendable	$	281,546

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

Restricted:

Capital projects	$	8,194,489
Debt retirement		1,757,915
Student activity		607,295
Food service		1,009,747
Total restricted	$	11,569,446

Committed fund balance represents constrained amounts imposed by school board resolution. The District committed $2,105,000 for declining enrollment, future athletic field replacement costs, and WCRESA Enhancement Millage plan.

Assigned fund balance represents amounts intended to be used for specific purposes expressed by the Board of Education, Finance Committee, or the official authorized by the governing body. Residual amounts in governmental funds other than the General Fund are also assigned. The Board of Education adopted the 2022-23 General Fund budget whereby expenditures exceeded revenues by $3,485,980.

Assigned:

2022-23 budget appropriation	$	3,485,980
Total assigned	$	3,485,980

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

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

Note 9- Contingencies and Commitments

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

Note 10 – Risk Management

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

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

The District is self-insured for medical claims, beginning with the 2019-20 fiscal year and for dental beginning with the 2020-21 fiscal year. For risk retention situations, the District estimates the liability for medical claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These estimates are recorded in long-term debt until considered due, when the obligations then become governmental fund liabilities. Change in the estimated liability are as follows:

	June 30, 2022	June 30, 2021
Estimated liability - beginning of year	$ 1,002,352	$ 372,286
Estimated claims incurred, including changes in estimates	4,641,560	5,876,716
Payments of claims	(5,322,613)	(5,246,650)
Estimated liability - end of year	$ 321,299	$ 1,002,352

Note 11 – School Code Sinking Fund Requirements

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

Note 12 – Defined Benefit Pension Plan

Plan Description

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

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

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

Note 12 – Defined Benefit Pension Plan (continued)

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

Benefits Provided

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

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

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2020 valuation will be amortized over an 18 year period beginning October 1, 2020 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for fiscal year 2021.

Pension Contribution Rates

Benefit Structure	Member	Employer
Basic	0.0 - 4.0 %	19.78 %
Member Investment Plan	3.0 - 7.0 %	19.78 %
Pension Plus	3.0 - 6.4 %	16.82 %
Pension Plus 2	6.2 %	19.59 %
Defined Contribution	0.0 %	13.39 %

Required contributions to the pension plan from the District were $8,879,169 for the year ended September 30, 2021.

Note 12 – Defined Benefit Pension Plan (continued)

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

At June 30, 2022, The District reported a liability of $70,011,471 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 30, 2020. The District's proportionate share of the net pension liability was determined by dividing each district's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable districts during the measurement period. At September 30, 2021, the District's proportion was .29571 percent, which was a decrease of .05277 percent from its proportion measured as of September 30, 2020.

For the year ended June 30, 2022, the District recognized total pension expense of $ 8,284,938. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	1,084,508	$	412,284
Changes of assumptions		4,413,273		-
Net difference between projected and actual earnings on pension plan investments		-		22,508,463
Changes in proportion and differences between District contributions and proportionate share of contributions		860,690		1,687,403
District contributions subsequent to the measurement date		8,945,996		-
Total	**$**	**15,304,467**	**$**	**24,608,150**

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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

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

Year Ending June 30,	Amount:
2022	$(1,823,229)
2023	$(4,283,463)
2024	$(5,900,251)
2025	$(6,242,736)

Actuarial Assumptions

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

Note 12 – Defined Benefit Pension Plan (continued)

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Actuarial Assumptions	
Valuation Date	September 30, 2020
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return	
- MIP and Basic Plans:	6.80% net of investment expenses
- Pension Plus Plan:	6.80% net of investment expenses
- Pension Plus 2 Plan:	6.00% net of investment expenses
Projected Salary Increases:	2.75 - 11.55%, including wage inflation at 2.75%
Cost-of-Living Pension Adjustments:	3% Annual Non-Compounded for MIP Members

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

Notes:

- Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total pension liability as of September 30, 2021, is based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study.

- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: 4.48367

- Recognition period for assets in years is 5.0000

- Full actuarial assumptions are available in the 2021 MPSERS Comprehensive Annual Financial Report found in the OS website at www.michigan.gov/ORSSchools.

Note 12 – Defined Benefit Pension Plan (continued)

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.4 %
Private Equity Pools	16.0	9.1
International Equity	15.0	7.5
Fixed Income Pools	10.5	(0.7)
Real Estate and Infrastructure Pools	10.0	5.4
Absolute Return Pools	9.0	2.6
Real Return/Opportunistic Pools	12.5	6.1
Short Term Investment Pools	2.0	(1.3)
TOTAL	100.0 %	

*Long term rates of return are net of administrative expenses and 2.0% inflation.

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 27.3%. 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 6.80% was used to measure the total pension liability (6.80% for the Pension Plus plan, 6.0% for thePension Plus 2 plan). This discount rate was based on the long term expected rate of return on pension plan investments of 6.80% (6.80% for the Pension Plus plan, 6.0% for the pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 12 – Defined Benefit Pension Plan (continued)

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

The following presents the District's proportionate share of the net pension liability, calculated using a discount rate of 6.80% (6.80% for the Pension Plus Plan, 6.0% for the Pension Plus 2 Plan), as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 5.80% / 5.80%/ 5.0%	Current Single Discount Rate Assumption 6.80% / 6.80%/ 6.0%	1% Increase 7.80% / 7.80%/ 7.0%
$100,097,417	$70,011,471	$45,068,249

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

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

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

Note 13 – Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

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

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

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

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

Benefits Provided

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

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

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

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

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

Contributions

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

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2020 valuation will be amortized over an 18-year period beginning October 1, 2020 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for fiscal year 2021.

Benefit Structure	Member	Employer
Premium Subsidy	3.00 %	8.43 %
Personal Healthcare Fund (PHF)	0.00 %	7.57 %

Required contributions to the OPEB plan from the District were $2,168,089 for the year ended September 30, 2021.

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

At June 30, 2022, The District reported a liability of $4,457,933 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 30, 2020. The District's proportionate share of the net OPEB liability was determined by dividing each district's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable districts during the measurement period. At September 30, 2021, the District's proportion was .29206 percent, which was a decrease of .0091 percent from its proportion measured as of October 1, 2020.

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

For the year ended June 30, 2022, the District recognized total OPEB expense of $2,353,864. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 12,724,853
Changes of assumptions	3,726,611	557,640
Net difference between projected and actual earnings on OPEB plan investments	-	3,360,024
Changes in proportion and differences between District contributions and proportionate share of contributions	562,066	835,381
District contributions subsequent to the measurement date*	1,793,729	-
Total	**$ 6,082,406**	**$ 17,477,898**

*Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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

Year Ending June 30,	Amount:
2022	$(3,221,801)
2023	$(3,070,231)
2024	$(2,993,571)
2025	$(2,750,246)
2026	$(1,019,603)
Thereafter	$(133,769)

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

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Actuarial Assumptions	
Valuation Date	September 30, 2020
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return	6.95%
Projected Salary Increases:	2.75 - 11.55%, including wage inflation at 2.75%
Healthcare Cost Trend Rate:	Pre-65: 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65: 5.25% Year 1 graded to 3.5%Year 15; 3.0% Year 120

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

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

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

Notes:

- Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total OPEB liability as of September 30, 2021, is based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: 6.1312
- Recognition period for assets in years is 5.0000
- Full actuarial assumptions are available in the 2021 MPSERS Comprehensive Annual Financial Report found in the ORS website at www.michigan.gov/ORSSchools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.4 %
Priority Equity Pools	16.0	9.1
International Equity	15.0	7.5
Fixed Income Pools	10.5	(0.7)
Real Estate and Infrastructure Pools	10.0	5.4
Absolute Return Pools	9.0	2.6
Real Return/Opportunistic Pools	12.5	6.1
Short Term Investment Pools	2.0	(1.3)
TOTAL	100.0 %	

**Long-term rate of returns are net of administrative expenses and 2.0% inflation*.

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 27.14%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Discount Rate

A discount rate of 6.95% 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 6.95%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the District's proportionate share of the net OPEB liability, calculated using a discount rate of 6.95%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 5.95%	Current Healthcare Cost Trend Rate 6.95%	1% Increase 7.95%
$8,283,644	$4,457,933	$1,211,271

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

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

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
$1,085,0025	$4,457,933	$8,252,860

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2020 MPSERS CAFR, available on the ORS website at www.michigan.com/ORSSchools.

Note 14 – Tax Abatements

The District is required to disclose significant tax abatements as required by GASB statement 77.

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

As part of section 22 of the State School Aid Act, any taxes abated for the General Fund operating millage are paid to the District by the State of Michigan. The District was not significantly impacted by tax abatements for the year ended June 30, 2022.

Note 15 – Subsequent Events

Management has reviewed subsequent events through October 22, 2022, the date of the auditor's report, which is the date the financial statements were available to be issued.

Note 16 – Change in Accounting Principle

For the year ended June 30, 2022, the District implemented the following new pronouncement: GASB Statement No. 87, Leases.

Summary:

Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, was issued by the GASB in June 2017. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

There was no material impact on the District's financial statement after the adoption of GASB Statement 87.

Note 17 – Upcoming Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, Subscription-based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022-2023 fiscal year.

REQUIRED SUPPLEMENTAL INFORMATION

VAN BUREN PUBLIC SCHOOLS
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Local sources	$ 12,742,681	$ 12,542,188	$ 12,540,728	$ (1,460)
State sources	33,261,682	36,461,311	35,457,116	(1,004,195)
Federal sources	17,742,649	8,294,926	7,309,895	(985,031)
Interdistrict sources	2,509,063	4,792,746	4,915,032	122,286
Total revenues	66,256,075	62,091,171	60,222,771	(1,868,400)
Expenditures				
Education				
Instruction				
Basic programs	32,714,955	27,561,060	27,242,197	318,863
Added needs	7,474,506	8,161,955	7,540,742	621,213
Supporting services				
Pupil services	4,122,616	5,013,002	4,501,334	511,668
Instructional staff	3,205,628	3,339,417	2,948,060	391,357
General administration	574,700	538,674	519,723	18,951
School administration	3,196,492	3,473,068	3,437,185	35,883
Business services	664,555	720,527	785,112	(64,585)
Operation and maintenance	10,082,872	7,373,583	6,263,691	1,109,892
Transportation	4,827,682	4,749,016	4,796,533	(47,517)
Central services	1,108,671	1,791,063	1,443,930	347,133
Athletics	721,472	874,119	794,109	80,010
Community services	28,213	21,648	6,016	15,632
Total expenditures	68,722,362	63,617,132	60,278,632	3,338,500
Excess/(deficiency) of revenues over/(under) expenditures	(2,466,287)	(1,525,961)	(55,861)	1,470,100
Other financing sources/(uses)				
Other financing uses	(307,417)	(2,138,933)	(1,622,115)	516,818
Total other financing sources/(uses)	(307,417)	(2,138,933)	(1,622,115)	516,818
Excess/(deficiency) of revenues over/(under) expenditures and other financing sources/(uses)	(2,773,704)	(3,664,894)	(1,677,976)	1,986,918
Fund balance - July 1	12,868,601	12,868,601	12,868,601	-
Fund balance - June 30	$ 10,094,897	$ 9,203,707	$ 11,190,625	$ 1,986,918

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

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

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

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

Notes

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

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

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

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

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

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

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

Notes

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

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

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

OTHER SUPPLEMENTAL INFORMATION

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds					Non-major
	School Lunch Fund	Special Education Fund	Student Activity Fund	Sinking Fund	Debt Service Funds	Governmental Funds Total
Assets						
Cash, cash equivalents and investments	$ 699,409	$ -	$ 640,093	$ 1,306,181	$ 1,621,739	$ 4,267,422
Due from other governmental units	1,169	18,671	-	-	-	19,840
Due from other funds	349,115	666,312	-	65,652	136,176	1,217,255
Inventory	11,658	-	-	-	-	11,658
Total assets	$ 1,061,351	$ 684,983	$ 640,093	$ 1,371,833	$ 1,757,915	$ 5,516,175
Liabilities						
Accounts payable	$ 18,231	$ -	$ 3,728	$ 13,758	$ -	$ 35,717
Due to other funds	-	-	29,070	-	-	29,070
Due to other governmental units	-	684,983	-	-	-	684,983
Advances from grantors	21,715	-	-	-	-	21,715
Total liabilities	39,946	684,983	32,798	13,758	-	771,485
Fund Balances						
Non-spendable	11,658	-	-	-	-	11,658
Restricted for:						
Capital projects	-	-	-	1,358,075	-	1,358,075
Debt service	-	-	-	-	1,757,915	1,757,915
Student activity	-	-	607,295	-	-	607,295
Food service	1,009,747	-	-	-	-	1,009,747
Total fund balance	1,021,405	-	607,295	1,358,075	1,757,915	4,744,690
Total liabilities and fund balance	$ 1,061,351	$ 684,983	$ 640,093	$ 1,371,833	$ 1,757,915	$ 5,516,175

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds					Non-major
	School Lunch Fund	Special Education Fund	Student Activity Fund	Sinking Fund	Debt Service Funds	Governmental Funds Total
Revenues						
Revenues from local sources						
Food sales	$ 162,232	$ -	$ -	$ -	$ -	$ 162,232
Property taxes	-	-	-	898,481	5,731,780	6,630,261
Other local sources	303	1,345,517	713,307	1,442	5,950	2,066,519
State aid	65,731	950,756	-	-	-	1,016,487
Federal aid	2,513,261	144,450	-	-	-	2,657,711
Total revenues	2,741,527	2,440,723	713,307	899,923	5,737,730	12,533,210
Expenditures						
Salaries	528,988	1,160,949	-	-	-	1,689,937
Employee benefits	350,667	845,505	-	-	-	1,196,172
Purchased services	22,990	112,510	-	-	-	135,500
Supplies and materials	951,828	19,561	-	-	-	971,389
Capital outlay	32,862		-	516,911	-	549,773
Principal	-	-	-	-	3,205,000	3,205,000
Interest and fiscal charges	-	-	-	-	2,389,431	2,389,431
Other	16,700	-	634,485	54,993	-	706,178
Total expenditures	1,904,035	2,138,525	634,485	571,904	5,594,431	10,843,380
Excess/(deficiency) of revenues over/(under) expenditures	837,492	302,198	78,822	328,019	143,299	1,689,830
Other financing sources/(uses)						
Operating transfers	(128,016)	(302,198)	-	-	-	(430,214)
Total other financing sources	(128,016)	(302,198)	-	-	-	(430,214)
Excess/(deficiency) of revenues and other financing sources/(uses) over/(under) expenditures	709,476	-	78,822	328,019	143,299	1,259,616
Fund balance - July 1	311,929	-	528,473	1,030,056	1,614,616	3,485,074
Fund balance - June 30	$ 1,021,405	$ -	$ 607,295	$ 1,358,075	$ 1,757,915	$ 4,744,690

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2022	June 30, 2021
Local sources		
Property taxes	$ 11,949,841	$ 11,618,690
Athletics	126,415	75,048
Earnings on investments	4,376	3,855
Other	460,096	145,910
Total revenues from local sources	12,540,728	11,843,503
State sources		
Grants - unrestricted		
State school aid	23,780,773	23,838,438
Grants - restricted		
Special Education	2,463,287	2,943,743
At Risk	1,741,834	1,501,327
MI School Readiness	897,667	660,243
Retirement Reimbursement	5,503,755	4,814,815
Other	1,069,800	822,084
Total revenues from state sources	35,457,116	34,580,650
Federal sources		
Grants - restricted		
Special Education - I.D.E.A.	1,699,175	1,470,087
Title I	1,347,884	1,153,488
Title IIA Improving Teacher Quality	296,017	258,574
Voc. Ed. Perkins	37,914	45,147
Medicaid Outreach	19,927	10,723
Covid Funding	3,835,915	3,069,164
Other	73,063	14,344
Total revenues from federal sources	7,309,895	6,021,527
Other financing sources		
County millages	2,963,698	2,539,234
Operating transfers	434,448	464,641
Other local transfers and miscellaneous	1,516,886	598,105
Total revenues from interdistrict sources	4,915,032	3,601,980
Total revenues and other financing sources	$ 60,222,771	$ 56,047,660

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	Salaries & Benefits	Purchased Services	Supplies & Materials	Capital Outlay & Other Expenses	June 30, 2022	June 30, 2021
Instruction						
Basic programs						
Elementary	$ 6,984,414	$ 1,083,283	$ 235,473	$ 126,025	$ 8,429,195	$ 7,592,758
Middle school	1,983,196	139,078	78,189	29,986	2,230,449	1,810,086
High school	4,399,899	1,580,360	101,881	666,311	6,748,451	5,154,907
Preschool/Summer	299,405	113,074	4,913	-	417,392	278,293
Employee benefits	9,416,710	-	-	-	9,416,710	8,337,149
Added needs						
Special education	2,512,745	104,248	21,536	-	2,638,529	2,228,138
Compensatory education	1,484,889	5,779	27,923	-	1,518,591	1,524,357
Vocational education	-	514,382	8,017	-	522,399	477,245
Employee benefits	2,861,223	-	-	-	2,861,223	2,345,159
Total instruction	29,942,481	3,540,204	477,932	822,322	34,782,939	29,748,092
Supporting services						
Pupil services						
Guidance services	588,367	64,707	-	-	653,074	515,585
Health services	72,500	117,737	22,218	-	212,455	202,857
Psychological services	-	252,950	1,677	-	254,627	144,313
Speech pathology	207,414	684,329	9,745	-	901,488	858,432
Social work services	708,176	3,783	373	-	712,332	661,239
Other pupil services	428,727	98,609		-	527,336	393,119
Employee benefits	1,240,022	-	-	-	1,240,022	1,025,827
Instructional staff						
Improvement of instruction	235,504	395,608	14,532	23,539	669,183	719,035
Educational media	372,707	428	27,909	-	401,044	431,803
Instruction related technology	143,195	206,105	932	19,039	369,271	670,670
Supervision instructional staff	566,552	37,204	3,738	271	607,765	403,614
Other instructional staff	5,390	28,685	10,961	-	45,036	19,009
Employee benefits	855,761	-	-	-	855,761	916,094
General administration						
Board of education	5,040	87,354	1,067	12,787	106,248	125,226
Executive administration	216,500	31,728	5,460	5,004	258,692	248,860
Employee benefits	154,783	-	-	-	154,783	155,030
School administration						
Office of the principal	2,007,216	9,387	32,568	6,529	2,055,700	1,750,512
Other school administration	-	-	-	2,171	2,171	2,354
Employee benefits	1,379,314	-	-	-	1,379,314	1,236,100
Business services						
Fiscal services	242,307	51,238	5,121	52,454	351,120	347,902
Other business services	-	2,821	2,155	242,578	247,554	85,734
Employee benefits	186,438	-	-	-	186,438	179,785
Operations & maintenance						
Operation & maintenance	1,996,297	1,494,705	1,308,973	27,377	4,827,352	4,610,858
Employee benefits	1,436,339	-	-	-	1,436,339	1,367,276
Pupil transportation						
Pupil transportation services	1,983,905	189,985	347,400	674,800	3,196,090	2,193,575
Employee benefits	1,600,443	-	-	-	1,600,443	1,435,771

(continued)

VAN BUREN PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021

	Salaries & Benefits	Purchased Services	Supplies & Materials	Capital Outlay & Other Expenses	June 30, 2022	June 30, 2021
Supporting services (continued)						
Central services						
Communication services	$ 672,848	$ 302,561	$ 46,088	$ 4,902	$ 1,026,399	$ 756,395
Employee benefits	417,531	-	-	-	417,531	383,709
Athletics						
Athletic programs	311,354	198,516	94,038	19,099	623,007	441,222
Employee benefits	171,102	-	-	-	171,102	134,817
Total support services	18,205,732	4,258,440	1,934,955	1,090,550	25,489,677	22,416,723
Community services						
Civic activities	3,507	49	664	168	4,388	6,040
Employee benefits	1,628	-	-	-	1,628	1,344
Total community services	5,135	49	664	168	6,016	7,384
Total expenditures	48,153,348	7,798,693	2,413,551	1,913,040	60,278,632	52,172,199
Other financing uses						
Subrecipient payments	-	-	-	328,711	328,711	117,632
Site Acquisition and improvements	-	-	-	1,289,170	1,289,170	-
Operating transfers	-	-	-	4,234	4,234	53,992
Total other financing uses	-	-	-	1,622,115	1,622,115	171,624
Total expenditures and other financing uses	$ 48,153,348	$ 7,798,693	$ 2,413,551	$ 3,535,155	$ 61,900,747	$ 52,343,823

(concluded)

VAN BUREN PUBLIC SCHOOLS
DETAIL OF BONDED DEBT
2019 REFUNDING BONDS
JUNE 30, 2022

Amount: $56,890,000

Date Issued: February 19, 2019

Purpose: To advance refund the 2009 building and site bonds

Due Date	Interest Rate	Principal	Interest	Total
11/01/22	4.00%	$ 2,120,000	$ 1,009,143	$ 3,129,143
05/01/23	4.00%	-	966,744	966,744
11/01/23	4.00%	2,205,000	966,744	3,171,744
05/01/24	4.00%	-	922,644	922,644
11/01/24	4.00%	2,295,000	922,643	3,217,643
05/01/25	4.00%	-	876,744	876,744
11/01/25	4.00%	2,390,000	876,743	3,266,743
05/01/26	4.00%	-	828,944	828,944
11/01/26	4.00%	2,485,000	828,944	3,313,944
05/01/27	4.00%	-	779,244	779,244
11/01/27	4.00%	2,585,000	779,243	3,364,243
05/01/28	4.00%	-	727,544	727,544
11/01/28	4.00%	2,695,000	727,543	3,422,543
05/01/29	4.00%	-	673,644	673,644
11/01/29	5.00%	2,305,000	673,644	2,978,644
05/01/30	3.00%	500,000	616,019	1,116,019
11/01/30	3.00%	2,415,000	608,518	3,023,518
05/01/31	5.00%	500,000	572,294	1,072,294
11/01/31	5.00%	2,540,000	559,794	3,099,794
05/01/32	3.00%	500,000	496,294	996,294
11/01/32	3.00%	2,655,000	488,793	3,143,793
05/01/33	5.00%	500,000	448,969	948,969
11/01/33	5.00%	2,790,000	436,468	3,226,468
05/01/34	3.25%	500,000	366,719	866,719
11/01/34	3.25%	2,925,000	358,593	3,283,593
05/01/35	4.00%	500,000	311,063	811,063
11/01/35	4.00%	3,050,000	301,063	3,351,063
05/01/36	4.00%	500,000	240,063	740,063
11/01/36	4.00%	3,195,000	230,062	3,425,062
05/01/37	4.00%	500,000	166,163	666,163
11/01/37	4.00%	3,350,000	156,163	3,506,163
05/01/38	4.00%	500,000	89,163	589,163
11/01/38	4.00%	3,505,000	79,162	3,584,162
05/01/39	3.63%	500,000	9,063	509,063
Total		$ 50,505,000	$ 19,094,581	$ 69,599,581

VAN BUREN PUBLIC SCHOOLS
DETAIL OF BONDED DEBT
2020 BOND ISSUE
JUNE 30, 2022

Amount: $12,360,000

Date Issued: March 17, 2020

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

Due Date	Interest Rate	Principal	Interest	Total
11/01/22	5.000%	$ 300,000	$ 150,597	$ 450,597
05/01/23	5.000%		143,097	143,097
11/01/23	5.000%	300,000	143,097	443,097
05/01/24	5.000%		135,597	135,597
11/01/24	5.000%	300,000	135,596	435,596
05/01/25	5.000%		128,097	128,097
11/01/25	5.000%	300,000	128,097	428,097
05/01/26	5.000%		120,597	120,597
11/01/26	5.000%	300,000	120,596	420,596
05/01/27	5.000%		113,097	113,097
11/01/27	5.000%	300,000	113,097	413,097
05/01/28	5.000%		105,597	105,597
11/01/28	5.000%	300,000	105,597	405,597
05/01/29	5.000%		98,097	98,097
11/01/29	5.000%	300,000	98,097	398,097
05/01/30	5.000%		90,597	90,597
11/01/30	5.000%	300,000	90,596	390,596
05/01/31	5.000%		83,097	83,097
11/01/31	5.000%	300,000	83,097	383,097
05/01/32	1.750%		75,597	75,597
11/01/32	1.750%	300,000	75,596	375,596
05/01/33	1.750%		72,972	72,972
11/01/33	1.750%	300,000	72,971	372,971
05/01/34	2.000%		70,347	70,347
11/01/34	2.000%	300,000	70,347	370,347
05/01/35	2.000%		67,347	67,347
11/01/35	2.000%	300,000	67,346	367,346
05/01/36	2.000%		64,347	64,347
11/01/36	2.000%	300,000	64,347	364,347
05/01/37	2.000%		61,347	61,347
11/01/37	2.000%	300,000	61,346	361,346
05/01/38	2.000%		58,347	58,347
11/01/38	2.000%	300,000	58,346	358,346
05/01/39	2.150%		55,347	55,347
11/01/39	2.150%	450,000	55,347	505,347
05/01/40	2.150%		50,566	50,566
11/01/40	2.150%	450,000	50,566	500,566
05/01/41	2.150%		45,785	45,785
11/01/41	2.150%	450,000	45,784	495,784
05/01/42	2.150%		41,004	41,004
11/01/42	2.150%	450,000	41,003	491,003
05/01/43	2.250%		36,222	36,222
11/01/43	2.250%	450,000	36,222	486,222
05/01/44	2.250%		31,160	31,160
11/01/44	2.250%	450,000	31,159	481,159
05/01/45	2.250%		26,097	26,097
11/01/45	2.250%	450,000	26,096	476,096
05/01/46	2.250%		21,035	21,035
11/01/46	2.250%	450,000	21,034	471,034
05/01/47	2.375%		15,972	15,972
11/01/47	2.375%	450,000	15,972	465,972
05/01/48	2.375%		10,629	10,629
11/01/48	2.375%	450,000	10,628	460,628
05/01/49	2.375%		5,285	5,285
11/01/49	2.375%	445,000	5,284	450,284
Total		$ 10,045,000	$ 3,805,140	$ 13,850,140

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

Amount: $8,060,000

Date Issued: February 10, 2022

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

Due Date	Interest Rate	Principal	Interest	Total
11/01/22	5.000%	$ 600,000	$ 240,628	$ 840,628
05/01/23	5.000%	410,000	150,950	560,950
11/01/23	5.000%	450,000	140,700	590,700
05/01/24	5.000%	475,000	129,450	604,450
11/01/24	5.000%	405,000	117,575	522,575
05/01/25	5.000%		107,450	107,450
11/01/25	5.000%	435,000	107,450	542,450
05/01/26	5.000%		96,575	96,575
11/01/26	5.000%	475,000	96,575	571,575
05/01/27	5.000%		84,700	84,700
11/01/27	5.000%	505,000	84,700	589,700
05/01/28	5.000%		72,075	72,075
11/01/28	5.000%	170,000	72,075	242,075
05/01/29	5.000%		72,075	72,075
11/01/29	5.000%	200,000	67,825	267,825
05/01/30	5.000%		62,825	62,825
11/01/30	5.000%	230,000	62,825	292,825
05/01/31	5.000%		57,075	57,075
11/01/31	5.000%	150,000	57,075	207,075
05/01/32	5.000%	95,000	53,325	148,325
11/01/32	5.000%	150,000	51,900	201,900
05/01/33	5.000%	115,000	49,650	164,650
11/01/33	5.000%	150,000	47,925	197,925
05/01/34	5.000%	130,000	45,675	175,675
11/01/34	5.000%	150,000	43,725	193,725
05/01/35	5.000%	145,000	41,475	186,475
11/01/35	5.000%	150,000	39,300	189,300
05/01/36	5.000%	160,000	37,050	197,050
11/01/36	5.000%	150,000	34,650	184,650
05/01/37	5.000%	175,000	32,400	207,400
11/01/37	5.000%	150,000	29,775	179,775
05/01/38	5.000%	185,000	27,525	212,525
11/01/38	5.000%	150,000	24,750	174,750
05/01/39	5.000%	200,000	22,500	222,500
11/01/39	5.000%	180,000	19,500	199,500
05/01/40	5.000%		16,800	16,800
11/01/40	5.000%	190,000	16,800	206,800
05/01/41	5.000%		13,950	13,950
11/01/41	5.000%	195,000	13,950	208,950
05/01/42	5.000%		11,025	11,025
11/01/42	5.000%	200,000	11,025	211,025
05/01/43	5.000%		8,025	8,025
11/01/43	5.000%	205,000	8,025	213,025
05/01/44	5.000%		4,950	4,950
11/01/44	5.000%	220,000	4,950	224,950
05/01/45	5.000%		1,650	1,650
11/01/45	5.000%	110,000	1,650	111,650
Total		$ 8,060,000	$ 2,594,528	$ 10,654,528

UNIFORM GUIDANCE INFORMATION

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

Board of Education
Van Buren Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Van Buren Public Schools as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Van Buren Public Schools' basic financial statements, and have issued our report thereon dated October 22, 2022.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Taylor & Morgan, P.C.

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

October 22, 2022

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

Board of Education
Van Buren Public Schools

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Van Buren Public Schools' compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Van Buren Public Schools' major federal programs for the year ended June 30, 2022. Van Buren Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Van Buren Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Van Buren Public Schools and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Van Buren Public Schools' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Van Buren Public Schools' compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Taylor & Morgan, P.C.

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

October 22, 2022

VAN BUREN PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass Through Grantor's Number	Award Grant/ Entitlement Program Amount	Accrued (Deferred) Revenue at July 1, 2021	Prior Year Expenditures	Current Year Cash Payments/ In Kind Received	Current Year Expenditures	Accrued (Deferred) Revenue at June 30, 2022
US Dept of Agriculture								
Passed through Mich Dept of Ed								
Noncash Assistance:								
Food Distribution								
Entitlement Commodities	10.555	N/A	$ 116,411	$ -	$ -	$ 116,411	$ 116,411	$ -
Cash Assistance:								
Covid-19 Child & Adult Care Food Program	10.558	221920	39,251			38,082	39,251	$ 1,169
Covid-19 Seamless Summer Option (SSO) - Breakfast	10.553	221971	391,992	-	-	391,992	391,992	-
Covid-19 Seamless Summer Option (SSO) - Lunch	10.555	221961	1,987,322	-	-	1,908,399	1,908,399	-
Covid-19 Federal Supply Chain Assistance Program	10.555	220910	78,923			78,923	57,208	(21,715)
Covid-19 Pandemic EBT Local Level Cost	10.649	210980-2021	3,063	-	-	3,063	3,063	-
Total Department of Agriculture			2,616,962	-	-	2,536,870	2,516,324	(20,546)
US Department of Education								
Passed through Mich Dept of Ed								
Title I Grants								
Title I, Part A Improving Basic Programs (20-21)	84.010	211530 - 2021	1,398,685	545,529	1,153,488	545,529	-	-
Title I, Part A Improving Basic Programs (21-22)	84.010	221530 - 2021	1,486,939	-	-	-	1,347,884	1,347,884
			2,885,624	545,529	1,153,488	545,529	1,347,884	1,347,884
Title II Grants								
Title II, Part A Teacher/Principal Training & Recruiting (20-21)	84.367	210520 - 2021	374,639	112,477	258,574	112,477	-	-
Title II, Part A Teacher/Principal Training & Recruiting (21-22)	84.367	220520 - 2122	328,855	-	-	-	296,017	296,017
			703,494	112,477	258,574	112,477	296,017	296,017
Title IV Grants								
Title IV, Part A SSAE (21-22)	84.424	220750 - 2122	172,623	-	-	-	70,000	70,000
			172,623	-	-	-	70,000	70,000
Education Stabilization Funds								
Governers Emergency Education								
Covid-19 Relief (GEER) Fund K-12	84.425D	201200-2021	295,539	64,902	295,539	64,902	-	-
Covid-19 Relief (GEER II) Fund Teacher & Support Staff Pmts	84.425C	211202-2122	8,500	-	-	-	8,500	8,500
Elementary and Secondary School								
Covid-19 - ESSER Formula Funds	84.425D	203710-2021	935,543	935,543	935,543	935,543	-	-
Covid-19 - ESSER II 23b Credit Recovery	84.425D	213742-2021	181,500	-	-	-	98,630	98,630
Covid-19 - ESSER II Formula Funds	84.425D	213712-2021	4,424,227	-	-	-	3,728,785	3,728,785
Total Education Stabilization Funds			5,845,309	1,000,445	1,231,082	1,000,445	3,835,915	3,835,915
Total Passed through Mich Dept of Ed			9,607,050	1,658,451	2,643,144	1,658,451	5,549,816	5,549,816
Passed through Wayne County RESA								
Special Education - Grants to States								
Special Education - IDEA (20-21)	84.027	210450 - 2021	1,500,921	786,730	1,386,927	786,730	-	-
Special Education - IDEA CPO (20-21)	84.027	220450 - 2021	113,994	64,341	64,341	64,341	-	-
Special Education - IDEA (21-22)	84.027	210450 - 2122	1,693,275	-	-	657,125	1,567,247	910,122
Special Education - IDEA CPO (21-22)	84.027	220450 - 2122	144,450	-	-	61,214	144,450	83,236
			3,452,640	851,071	1,451,268	1,569,410	1,711,697	993,358
Preschool Incentive (20-21)	84.173	210460 - 2021	83,160	48,307	83,160	48,307	-	-
Preschool Incentive (21-22)	84.173	220460 - 2122	82,455	-	-	31,178	82,455	51,277
Covid-19 Preschool Incentive ARP (21-22)	84.173	221285 - 2122	49,473	-	-	-	49,473	49,473
			215,088	48,307	83,160	79,485	131,928	100,750
Perkins (21-22)	84.048A	2021-22	43,579	-	-	37,914	37,914	-
			43,579	-	-	37,914	37,914	-
Total Passed through Wayne County RESA			3,711,307	899,378	1,534,428	1,686,809	1,881,539	1,094,108
Total Dept of Education			13,318,357	2,557,829	4,177,572	3,345,260	7,431,355	6,643,924
US Dept of Health & Human Services								
Passed through Wayne County RESA								
Medicaid School Based Services								
Administrative Outreach Program	93.778	N/A	19,927	-	-	19,927	19,927	-
			19,927	-	-	19,927	19,927	-
Total Federal Awards			$ 15,955,246	$ 2,557,829	$ 4,177,572	$ 5,902,057	$ 9,967,606	$ 6,623,378

VAN BUREN PUBLIC SCHOOLS
NOTES/RECONCILIATION TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

FEDERAL REVENUE RECOGNIZED FOR SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	$	9,967,606
FEDERAL REVENUE RECOGNIZED PER THE GENERAL PURPOSE FINANCIAL STATEMENTS PURPOSE		
General Fund	$	7,309,895
Special Revenue Funds		2,657,711
TOTAL	$	9,967,606

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

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

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

VAN BUREN PUBLIC SCHOOLS
RECONCILIATION OF "GRANT AUDITOR REPORT"
TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Current Payments Per the Grant Auditor Report	$	4,078,910
Add:		
Grants passed through the Wayne County RESA		1,706,736
Entitlement Commodities		116,411
TOTAL CURRENT YEAR RECEIPTS PER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	$	5,902,057

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

Federal AL Number(s)	Name of Federal Program of Cluster
84.010	*Title I Part A*
84.425C 84.425D	*ESSER II/GEER*

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

Auditee qualified as low-risk auditee? *Yes*

Section II - Financial Statement Findings

None

There were no findings published for the audit of the year ended June 30, 2022.

Section III - Federal Award Findings and Questioned Costs

None

There were no findings published for the audit of the year ended June 30, 2022.

Taylor & Morgan | CPAs and BUSINESS ADVISORS

October 22, 2022

To the Board of Education of Van Buren Public Schools,

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Van Buren Public Schools for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated June 30, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Van Buren Public Schools are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2022. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimate is the useful lives over which capital assets are depreciated

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that we had no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Required Supplemental Information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information identified in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves

Restriction on Use

This information is intended solely for the use of the Board of Education and management of Van Buren Public Schools and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Taylor & Morgan, P.C.

Taylor & Morgan, P.C.
Certified Public Accountants