

Grosse Ile Township Schools

Financial Statements

June 30, 2022



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Grosse Ile Township Schools
Members of the Board of Education and Administration
June 30, 2022

Members of the Board of Education

Dr. Daniel Murphy, President

Suzanne Sassack, Vice President

Nadia Tonova, Secretary

John Gatti, Treasurer

Jeffrey Anderson, Trustee

Katie Cihak, Trustee

Frank DeMare, Trustee

Administration

Valerie Orr, Superintendent

Linda Drzyzga, Business Manager

Independent Auditors' Report

Management and the Board of Education
Grosse Ile Township Schools
Grosse Ile, Michigan

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Grosse Ile Township 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Grosse Ile Township Schools, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Grosse Ile Township 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 Grosse Ile Township Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the school district's proportionate share of the net pension liability, and schedule of the school district's pension contributions, schedule of the school district's proportionate share of the net OPEB liability, and schedule of the school district's OPEB contributions identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an

essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grosse Ile Township Schools' basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information, as identified in the table of contents has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the other supplementary information, as identified in the table of contents, is 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 7, 2022 on our consideration of Grosse Ile Township Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's 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 Grosse Ile Township Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Ann Arbor, MI
October 7, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2022

Grosse Ile Township Schools (the "District"), a K-12 School District located in Wayne County, Michigan, in continuing its implementation of the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34) with the enclosed financial statements. The Management's Discussion & Analysis section, a requirement of GASB 34, is intended to be Grosse Ile Township Schools' discussion and analysis of the financial results for the fiscal year ended June 30, 2022.

Generally accepted accounting principles (GAAP) according to GASB 34 now requires the reporting of two types of financial statements:

- Fund Financial Statements – The format we used prior to fiscal year ended June 30, 2003
- District-Wide Financial Statements – A revised format required under GASB 34 since June 30, 2003

Fund Financial Statements

The fund level financial statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's "Accounting Manual". In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds including the Debt Fund, Capital Project Funds, Sinking Fund and the Special Revenue Funds that reflect the Food Service/Cafeteria operation, and Student and School Activities Fund that collects and disburses money for specific activities.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year's payment of principal and interest on long-term obligations are recorded as expenditures. Future years' debt obligations are not recorded.

District-Wide Financial Statements

The district-wide financial statements are full accrual basis statements. They report all of the District's assets and liabilities, both short and long term, whether they are "currently available" or not. For example, assets that are restricted for use in the Debt Fund solely for the payment of long-term principal and interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the District are reported in the statement of net assets of the district-wide financial statements.

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2022

Summary of Net Position:

The following summarizes the net position as of June 30, 2022 and 2021:

	June 30,	
	2022	2021
Assets		
Current and other assets	\$ 10,192,697	\$ 10,822,666
Capital assets, net	37,984,551	39,452,088
Deferred outflows of resources	<u>8,952,660</u>	<u>12,835,165</u>
Total assets	<u>57,129,908</u>	<u>63,109,919</u>
Liabilities		
Current liabilities	3,503,815	4,965,963
Noncurrent liabilities outstanding	46,654,451	67,453,740
Deferred inflows of resources	<u>18,700,961</u>	<u>6,835,004</u>
Total liabilities	<u>68,859,227</u>	<u>79,254,707</u>
Net Position		
Net investment in capital assets	22,335,020	21,333,668
Restricted for debt service	510,173	483,543
Restricted for capital projects	704,814	250,329
Unrestricted	<u>(35,279,326)</u>	<u>(38,212,328)</u>
Total net position	<u>\$ (11,729,319)</u>	<u>\$ (16,144,788)</u>

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2022

The District's net position was \$(11,729,319) at June 30, 2022. Capital assets, net of related debt totaling \$22,335,020 compares the cost, less depreciation, of the District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use that net position for day-to-day operations.

The \$(35,279,326) in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The unrestricted net position balance enables the District to meet working capital and cash flow requirements as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year.

Analysis of Financial Position:

During the fiscal year ended June 30, 2022, the District's net position increased by \$4,415,469. The significant factors affecting net position during the year are discussed below:

General Fund Operations

The District's revenues exceeded expenditures from General Fund operations by \$182,742 for the fiscal year ended June 30, 2022. See the section entitled **Results of Operations**, below for further discussion of General Fund operations.

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2022

Debt, Principal Payments

The District made principal payments on bonded, long-term debt obligations that reduced the amount of the District's long-term liabilities as follows:

2015 Refunding Bonds

Principal balance, June 30, 2021	\$ 6,585,000
Principal payments, May 1, 2022	<u>(600,000)</u>
Principal balance, June 30, 2022	<u><u>\$ 5,985,000</u></u>

2016 Building and Site Bonds

Principal balance, June 30, 2021	\$ 9,625,000
Principal payments, May 1, 2022	<u>(535,000)</u>
Principal balance, June 30, 2022	<u><u>\$ 9,090,000</u></u>

2018 Refunding Bonds

Principal balance, June 30, 2021	\$ 1,145,000
Principal payments, May 1, 2022	<u>(1,145,000)</u>
Principal balance, June 30, 2022	<u><u>\$ -</u></u>

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2022

Net Investment in Capital Assets

The District's net investment in capital assets decreased by \$884,271 during the fiscal year. This is summarized as follows:

	Balance <u>June 30, 2021</u>	Additions	Deletions	Balance <u>June 30, 2022</u>
Capital assets	\$ 72,283,343	\$ 505,431	\$ 291,933	\$ 72,496,841
Less: accumulated depreciation	<u>32,831,255</u>	<u>1,681,635</u>	<u>-</u>	<u>34,512,890</u>
Net investment capital outlay	<u>\$ 39,452,088</u>	<u>\$(1,176,204)</u>	<u>\$ 291,933</u>	<u>\$ 37,983,951</u>

In May 2020, the Grosse Ile Township voters approved a replacement of the $\frac{3}{4}$ of one mill Sinking Fund millage for a one mill Sinking Fund millage levied each year for five years to be used for school building and site purposes as well as the acquisition or upgrading of technology.

In May 2016, Grosse Ile Township voters approved a \$10,655,000 general obligation bond issue to remodel and equip buildings, acquire buses, purchase technology and improve athletic facilities.

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2022

Results of Operations:

For the fiscal years ended June 30, 2022 and 2021 the District-wide results of operation were as follows:

	June 30,	
	2022	2021
Revenue		
General revenue		
Property taxes levied for general operations	\$ 1,625,158	\$ 2,091,268
Property taxes levied for debt service	2,892,966	2,861,682
Property taxes levied for sinking fund	650,593	635,015
State of Michigan unrestricted foundation aid	16,661,325	16,559,294
Other general revenue	<u>957,822</u>	<u>981,735</u>
Total general revenue	22,787,864	23,128,994
Operating grants	3,016,094	2,134,774
Charges for services	<u>727,304</u>	<u>400,546</u>
Total revenue	<u>26,531,262</u>	<u>25,664,314</u>
Expenses		
Instruction and instructional support	11,153,139	13,667,206
Support services	7,372,049	8,344,958
Athletics	527,743	591,334
Student and school activities	377,525	218,203
Cafeteria	584,689	489,021
Community services	-	8,621
Interest on long-term debt	419,013	539,243
Depreciation - unallocated	<u>1,681,635</u>	<u>1,663,210</u>
Total expense	<u>22,115,793</u>	<u>25,521,796</u>
Change in net position		
Beginning net position	4,415,469	142,518
Ending of net position	<u>\$ (11,729,319)</u>	<u>\$ (16,144,788)</u>

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2022

State of Michigan Unrestricted Aid

The State of Michigan's Foundation Payment to school districts is determined with the following variables:

- State of Michigan State Aid Act per student foundation allowance.
- Student Enrollment – Blended at 90% of the 2021-22 fall count and 10% of the 2020-21 school year's winter count.
- The District's Homestead and Non-Homestead tax levies.

Per Student Foundation Allowance

Annually, the State of Michigan establishes the per student foundation allowance. The Grosse Ile Township Schools' foundation allowance was \$9,005 for the 2021-2022 school year. This amounted to a \$171 increase over the District's foundation allowance of \$8,834 per student in 2020-2021.

Student Enrollment

The District's student enrollment for school year 2021-2022 was 1,659 students. The following summarizes the enrollments for the past five years:

	<u>Student FTE</u>	<u>FTE Decrease Prior Year</u>
2021-2022	1,659	(104)
2020-2021	1,763	(15)
2019-2020	1,778	(44)
2018-2019	1,822	(21)
2017-2018	1,843	17

At year-end June 30, 2022, preliminary student enrollment counts for 2022-2023 indicate that enrollment may decrease by about 49 students from the 2021-2022 state enrollment formula.

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2022

Property Taxes Levied for General Operations (General Fund Homestead and Non-Homestead Taxes)

In 2021-2022, the District levied 0.88560 mills on Homestead (Residential) properties and 18.0000 mills on Non-Homestead (Business) properties for General Fund operations. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year's consumer price index increase or 5 percent, whichever is less. At the time of sale, a property's taxable valuation is readjusted to the state equalized value, which theoretically, is 50 percent of the market value.

The District's Homestead and Non-Homestead property revenue for the 2021-2022 fiscal year was \$1,625,158. The Tax Levy decreased by 22.29 percent less than prior year. The decrease in property tax collections was the result of State legislative changes which reduced the hold harmless levy assessed to the Township of Grosse Ile residents.

The following summarizes the District's combined Homestead and Non-Homestead tax levies for the past five years:

<u>Fiscal Year</u>	<u>Tax Levy</u>	<u>% Increase/Decrease From Prior Year</u>
2021-2022	\$ 1,625,158	-22.29%
2020-2021	2,091,268	-3.72%
2019-2020	2,172,167	-1.64%
2018-2019	2,208,440	-1.34%
2017-2018	2,238,450	-0.01%

Debt Fund Property Taxes

The District's debt fund levy, which is used to pay the principal and interest on bond obligations, is based on the taxable valuation of all properties, both Homestead and Non-Homestead.

For 2021-2022, the District's debt millage levy was 4.39330 mills which generated revenue of \$2,892,966.

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2022

Food Sales (School Lunch Program)

The District's food service revenue increased by \$555,493 to \$793,121 from the prior school year. The increase was due primarily to the National School Lunch Program grant which provided all student lunches free of charge, the reintroduction of a la carte lunch menu items as well as catering food sales that were temporarily suspended due to Covid-19.

General Fund Budget – Actual Revenues & Expenditures

General Fund Revenue – 5 Year Comparison of Budget to Actual Results

Fiscal Year	Revenues		Revenues Final Actual	Variance Revenues Actual vs. Original Budget	Variance Revenues Actual vs. Final Budget
	Original Budget	Final Budget			
2021-2022	\$ 21,680,442	\$ 21,793,966	\$ 21,829,831	0.69%	0.16%
2020-2021	19,211,855	21,641,864	21,662,466	12.76%	0.10%
2019-2020	20,039,782	19,336,178	20,325,453	1.43%	5.12%
2018-2019	19,667,900	20,499,097	20,824,071	5.88%	1.59%
2017-2018	20,021,700	20,187,763	20,173,780	0.76%	0.07%

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2022

General Fund Expenditures – 5 Year Comparison of Budget to Actual Results

Fiscal Year	Expenditures		Expenditures Final Actual	Variance Expenditures Actual vs. Original Budget	Variance Expenditures Actual vs. Final Budget
	Original Budget	Expenditures Final Budget			
2021-2022	\$ 21,901,533	\$ 22,783,799	\$ 21,647,089	-1.16%	-4.99%
2020-2021	21,085,780	22,471,584	21,489,187	1.91%	-4.37%
2019-2020	20,559,393	21,035,610	19,724,783	-4.06%	-6.23%
2018-2019	19,571,341	20,400,288	19,559,134	-0.06%	-4.12%
2017-2018	19,316,165	19,907,368	19,032,826	-1.47%	-4.39%

Original vs. Final Budget

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year.

The Grosse Ile Township School District amends its budget as necessary during the school year. For the fiscal year June 30, 2022, the budget was amended in February 2022 and in June 2022. The June 2022 budget amendment was the final budget for the fiscal year.

General Fund Revenues

Total Revenues - Original Budget	\$ 21,680,442	100.00%
Total Revenues - Final Budget	<u>\$ 21,793,966</u>	<u>100.52%</u>
Increase in Budgeted Revenues	<u>\$ 113,524</u>	<u>0.52%</u>

The District's final, actual General Fund revenues differed from the final budget by \$38,865, a variance of 0.16 percent from the final budget.

GROSSE ILE TOWNSHIP SCHOOLS

Management's Discussion & Analysis For the Fiscal Year Ended June 30, 2022

The District had higher revenues than budgeted for the following:

- Federal and restricted programs
- State-aid revenues

The actual revenue for state sources of \$16,655,573 exceeds final budget of \$16,540,316 by \$115,257 because of changes in State foundation allowance, including increases in MPSERS defined contribution plan and normal offsets, subsequent to the final budget projections adopted by the District.

General Fund Expenditures

The District's budget for expenditures changed as follows during the year:

Total Expenditures - Original Budget	\$ 21,901,533	100.00%
Total Expenditures - Final Budget	<u>22,774,230</u>	<u>103.98%</u>
Increase in Budgeted Expenditures	<u>\$ 872,697</u>	<u>3.98%</u>

The District's final, actual General Fund expenditures differed from the final budget, by (\$1,136,710) a variance of (4.99) percent from the final budget.

The District had lower expenditures than budgeted for the following:

- Hourly wages and healthcare costs
- Contracted services
- Supplies
- Operations and maintenance costs

Contacting the District's Financial Management

This financial report is intended to provide our citizens and taxpayers with a general overview of the District's finances. If you have questions about this report or would like additional information, contact the Business Office, Grosse Ile Township School District.

BASIC FINANCIAL STATEMENTS

Grosse Ile Township Schools
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash	\$ 1,273,759
Investments	4,544,772
Accounts receivable	29,787
Due from other governmental units	4,165,522
Inventory	6,088
Prepaid items	173,369
Capital assets not being depreciated	53,399
Capital assets - net of accumulated depreciation	<u>37,930,552</u>
 Total assets	 <u>48,177,248</u>
 Deferred Outflows of Resources	
Deferred amount relating to net pension liability	6,186,206
Deferred amount relating to net OPEB liability	2,393,985
Deferred amount on debt refunding	<u>372,469</u>
 Total deferred outflows of resources	 <u>8,952,660</u>

See Accompanying Notes to the Financial Statements

Grosse Ile Township Schools
Statement of Net Position
June 30, 2022

	Governmental Activities
Liabilities	
Accounts payable	815,664
Due to other governmental units	336,943
Payroll deductions and withholdings	47,330
Accrued expenditures	899,336
Accrued salaries payable	1,218,505
Unearned revenue	186,037
Long-term liabilities	
Net pension liability	28,458,989
Net OPEB liability	1,793,490
Debt due within one year	2,151,154
Debt due in more than one year	<u>14,250,818</u>
Total liabilities	<u>50,158,266</u>
Deferred Inflows of Resources	
Deferred amount relating to net pension liability	11,655,830
Deferred amount relating to net OPEB liability	<u>7,045,131</u>
Total deferred inflows of resources	<u>18,700,961</u>
Net Position	
Net investment in capital assets	22,433,476
Restricted for	
Debt service	510,173
Capital projects	606,318
Unrestricted	<u>(35,279,286)</u>
Total net position	<u>\$ (11,729,319)</u>

See Accompanying Notes to the Financial Statements

Grosse Ile Township Schools
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction	\$ 11,151,403	\$ 9,217	\$ 2,250,115	\$ (8,892,071)
Supporting services	7,373,764	14,170	133,936	(7,225,658)
Athletics	527,752	181,630	15,626	(330,496)
Student and school activities	377,525	386,078	-	8,553
Food services	584,701	136,209	614,007	165,515
Interest and fiscal charges on long-term debt	419,013	-	-	(419,013)
Depreciation - unallocated	1,681,635	-	-	(1,681,635)
Total governmental activities	<u>\$ 22,115,793</u>	<u>\$ 727,304</u>	<u>\$ 3,013,684</u>	<u>(18,374,805)</u>
General revenues				
Property taxes, levied for general purposes				1,622,137
Property taxes, levied for debt service				2,892,966
Property taxes, levied for sinking fund				650,593
State aid - unrestricted				16,661,325
Interest and investment earnings				13,330
Gain on sale of capital assets				1,141
Enhancement millage				771,117
Other				<u>177,665</u>
Total general revenues				<u>22,790,274</u>
Change in net position				4,415,469
Net position - beginning				<u>(16,144,788)</u>
Net position - ending				<u>\$ (11,729,319)</u>

See Accompanying Notes to the Financial Statements

Grosse Ile Township Schools
Governmental Funds
Balance Sheet
June 30, 2022

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	\$ 676,781	\$ -	\$ 596,978	\$ 1,273,759
Investments	2,899,569	506,590	1,138,613	4,544,772
Accounts receivable	25,976	-	3,811	29,787
Due from other funds	55,484	85,721	97,828	239,033
Due from other governmental units	4,132,042	-	33,480	4,165,522
Inventory	-	-	6,088	6,088
Prepaid items	173,369	-	-	173,369
Total assets	<u>\$ 7,963,221</u>	<u>\$ 592,311</u>	<u>\$ 1,876,798</u>	<u>\$ 10,432,330</u>
Liabilities				
Accounts payable	\$ 715,953	\$ -	\$ 99,711	\$ 815,664
Due to other funds	183,549	-	55,484	239,033
Due to other governmental units	336,942	-	1	336,943
Payroll deductions and withholdings	47,330	-	-	47,330
Accrued expenditures	442,665	-	-	442,665
Accrued payroll and related liabilities	1,218,505	-	-	1,218,505
Unearned revenue	157,869	-	28,168	186,037
Total liabilities	<u>3,102,813</u>	<u>-</u>	<u>183,364</u>	<u>3,286,177</u>
Deferred Inflows of Resources				
Unavailable revenue				
Due from other governmental units	43,500	-	-	43,500
Fund Balances				
Non-spendable				
Inventory	-	-	6,088	6,088
Prepaid items	173,369	-	-	173,369
Restricted for				
Food service	-	-	115,438	115,438
Debt service	-	592,311	-	592,311
Capital projects	-	-	606,318	606,318
Committed				
Student and school activities	-	-	867,094	867,094
Healthcare costs	155,000	-	-	155,000
Assigned for budgeted excess expenditures over revenues	948,445	-	-	948,445
Unassigned	3,540,094	-	98,496	3,638,590
Total fund balances	<u>4,816,908</u>	<u>592,311</u>	<u>1,693,434</u>	<u>7,102,653</u>
Total liabilities and fund balances	<u><u>\$ 7,963,221</u></u>	<u><u>\$ 592,311</u></u>	<u><u>\$ 1,876,798</u></u>	<u><u>\$ 10,432,330</u></u>

See Accompanying Notes to the Financial Statements

Grosse Ile Township Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2022

Total fund balances for governmental funds	\$ 7,102,653
Total net position for governmental activities in the statement of net position is different because	
Certain receivables are not available to pay for current period expenditures and, therefore, are unavailable in the funds.	
Operating grants	43,500
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	53,399
Capital assets - net of accumulated depreciation	37,930,552
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(82,138)
Claims for insurance benefits	(268,454)
Incurred but not reported benefit claims	(106,079)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Net pension liability	(28,458,989)
Net OPEB liability	(1,793,490)
Compensated absences	(380,572)
Bonds payable	(16,021,400)
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from debt refunding	372,469
Deferred inflows of resources resulting from net pension liability	(11,655,830)
Deferred inflows of resources resulting from net OPEB liability	(7,045,131)
Deferred outflows of resources resulting from net pension liability	6,186,206
Deferred outflows of resources resulting from net OPEB liability	<u>2,393,985</u>
Net position of governmental activities	<u>\$ (11,729,319)</u>

See Accompanying Notes to the Financial Statements

Grosse Ile Township Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local sources	\$ 2,000,766	\$ 2,894,384	\$ 1,174,058	\$ 6,069,208
State sources	16,655,573	-	42,892	16,698,465
Federal sources	1,587,128	-	614,007	2,201,135
Interdistrict sources	1,564,864	-	-	1,564,864
Total revenues	<u>21,808,331</u>	<u>2,894,384</u>	<u>1,830,957</u>	<u>26,533,672</u>
Expenditures				
Current				
Instruction	12,669,223	-	-	12,669,223
Supporting services	8,343,488	-	-	8,343,488
Athletics	595,803	-	-	595,803
Student and school activities	-	-	377,525	377,525
Food services	-	-	660,093	660,093
Facilities acquisition	-	-	197,273	197,273
Capital outlay	17,827	-	-	17,827
Debt service				
Principal	19,633	2,280,000	-	2,299,633
Interest and other expenditures	<u>1,115</u>	<u>603,724</u>	<u>-</u>	<u>604,839</u>
Total expenditures	<u>21,647,089</u>	<u>2,883,724</u>	<u>1,234,891</u>	<u>25,765,704</u>
Excess (deficiency) of revenues over expenditures	<u>161,242</u>	<u>10,660</u>	<u>596,066</u>	<u>767,968</u>
Other Financing Sources (Uses)				
Transfers in	21,500	-	-	21,500
Transfers out	-	-	(21,500)	(21,500)
Total other financing sources (uses)	<u>21,500</u>	<u>-</u>	<u>(21,500)</u>	<u>-</u>
Net change in fund balances	<u>182,742</u>	<u>10,660</u>	<u>574,566</u>	<u>767,968</u>
Fund balances - beginning	<u>4,634,166</u>	<u>581,651</u>	<u>1,118,868</u>	<u>6,334,685</u>
Fund balances - ending	<u>\$ 4,816,908</u>	<u>\$ 592,311</u>	<u>\$ 1,693,434</u>	<u>\$ 7,102,653</u>

See Accompanying Notes to the Financial Statements

Grosse Ile Township 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

Net change in fund balances - Total governmental funds	\$ 767,968
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Total change in net position reported for governmental activities in the statement of activities is different because:

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Operating grants	(2,410)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(1,681,635)
Capital outlay	213,498

The statement of net position reports the net pension liability and deferred outflows of resources and the deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.

Net change in net pension liability	13,436,766
Net change in the deferred inflow of resources related to the net pension liability	(12,780,824)

The statement of net position reports the net OPEB liability and deferred outflows of resources and the deferred inflows related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.

Net change in net OPEB liability	4,772,598
Net change in the deferred inflow of resources related to the net OPEB liability	(2,885,089)

Expenses are recorded when incurred in the statement of activities.

Interest	15,970
Benefit claims	17,393
Claims for insurance benefits	33,858
Compensated absences	37,887

Bond and note proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balances. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities. When debt refunding occurs, the difference in the carrying value of the refunding debt and the amount applied to the new debt is reported the same as regular debt proceeds or repayments, as a financing source or expenditure in the governmental funds. However, in the statement of net position, debt refunding may result in deferred inflows of resources or deferred outflows of resources, which are then amortized in the statement of activities.

Repayments of long-term debt	2,299,633
Amortization of premiums	252,405
Amortization of deferred amount on bond refunding	<u>(82,549)</u>

Change in net position of governmental activities	\$ 4,415,469
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Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2022

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

District-wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2022

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

The School District reports the following major governmental funds:

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

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

Additionally, the School District reports the following fund types:

Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Funds include the Cafeteria Fund and Student and School Activity Fund. Operating deficits generated by these activities are generally transferred from the General Fund.

Capital Projects Fund – The Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically for acquiring new school sites, buildings, equipment, and for remodeling and repairs. The fund is kept open until the purpose for which the fund was created has been accomplished.

Sinking Fund – The Sinking Fund is used to record the sinking fund property tax levy and other revenue and the disbursement of invoices specifically for acquiring new school sites, construction or repair of school buildings.

Assets, Liabilities and Net Position or Equity

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

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

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2022, the rates are as follows per \$1,000 of assessed value.

General Fund	
Principal residence exemption	0.88560
Non-principal residence exemption	18.00000
Debt Service Funds	4.39330
Sinking Fund	0.98800

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. 100% of the School District's tax roll lies within Wayne County.

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 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by Wayne County and remitted to the School District.

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2022

Investments – Investments are stated at fair value based on a quoted market price. Certificates of deposit are stated at cost which approximates fair value.

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the consumption method, and they therefore are categorized as prepaid items in both district-wide and fund financial statements.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20–50 years
Site improvements	10–20 years
Equipment and furniture	5–10 years
Buses and other vehicles	5–10 years

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

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

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

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2022

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

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

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

Deferred Inflows of Resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in

pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining service lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPSERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

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

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

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

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

Assigned – amounts intended to be used for specific purposes, as determined by the Board of Education or the Business Manager. The Board of Education has granted the Business Manager the authority to assign funds. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

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

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

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2022

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

Use of Estimates

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

Eliminations and Reclassifications

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

Adoption of New Accounting Standards

Statement No. 87, *Leases* increases the usefulness of the School District's 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 financing of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the School District's leasing activities.

Upcoming Accounting and Reporting Changes

Statement No. 96, *Subscription-Based Information Technology Arrangements*, is based on the standards established in Statement No. 87 *Leases*. This Statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. This Statement is effective for the year ending June 30, 2023.

Statement No. 99, *2022 Omnibus* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. This Statement is effective for the year ending on June 30, 2023.

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

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2022

function level. State law requires the School District to have its budget in place by July 1. A school district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

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

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

Excess of Expenditures over Appropriations

During the year, the School District did not incur expenditures in budgetary funds which were in excess of the amounts appropriated.

Compliance – Sinking Funds

The Capital Projects Fund records capital project activities funded with the Sinking Fund millage. For this fund, the School District has complied with the applicable provisions of § 1212(1) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2004-4.

Note 3 - Deposits and Investments

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>
Cash	\$ 1,273,759
Investments	<u>4,544,772</u>
	<u>\$ 5,818,531</u>

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 1,272,237
Investments in securities, mutual funds, and similar vehicles	4,544,772
Petty cash and cash on hand	<u>1,522</u>
Total	<u>\$ 5,818,531</u>

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

	Carrying Investment	Value	Maturities	Rating	Rating Organization
External investment pool:					
Michigan Liquid Asset Fund (MILAF):					
MILAF + Portfolio	\$ 4,544,772	6 months average	AAAm	Standard & Poors	

As of June 30, 2022, the net asset value of the School District's investment in MILAF + Portfolio was \$4,544,772. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the School District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustee's may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of \$1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2022

number of shares purchased or redeemed will be determined by the NAV.

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

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

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

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year-end, \$737,212 of the School District's bank balance of \$1,336,764 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year-end, the School District's Michigan Liquid Asset Funds Plus investments of \$4,544,772 were uninsured.

Note 4 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Construction in progress	\$ 291,933	\$ 53,399	\$ 291,933	\$ 53,399
Capital assets being depreciated				
Buildings and additions	55,499,750	405,487	-	55,905,237
Site improvements	2,674,929	-	-	2,674,929
Equipment and furniture	12,249,400	26,774	-	12,276,174
Buses and other vehicles	1,567,331	19,771	-	1,587,102
Total capital assets being depreciated	71,991,410	452,032	-	72,443,442
Less accumulated depreciation for				
Buildings and additions	21,039,378	1,168,556	-	22,207,934
Site improvements	783,684	147,347	-	931,031
Equipment and furniture	9,858,393	266,856	-	10,125,249
Buses and other vehicles	1,149,800	98,876	-	1,248,676
Total accumulated depreciation	32,831,255	1,681,635	-	34,512,890
Net capital assets being depreciated	39,160,155	(1,229,603)	-	37,930,552
Net capital assets	\$ 39,452,088	\$ (1,176,204)	\$ 291,933	\$ 37,983,951

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

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2022

Note 5 - Interfund Receivable and Payable and Transfers

Individual interfund receivable and payable balances at year end were:

Due From	Due To	Amount
Nonmajor funds	General fund	\$ 55,484
General fund	Debt service fund	85,721
General fund	Nonmajor funds	<u>97,828</u>
		<u>\$ 239,033</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Interfund transfers consist of the following:

Transfers in General Fund	<u>Transfers Out</u>
	<u>Nonmajor</u> <u>Funds</u>
	<u>\$ 21,500</u>

The transfers to the General Fund were made to cover the indirect costs of the School District programs.

Note 6 - Unearned Revenue

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

Student meal accounts	\$ 28,168
Grant and categorical aid payments received prior to meeting all eligibility requirements	<u>157,869</u>
Total	<u>\$ 186,037</u>

Note 7 - State Aid Anticipation Note

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

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

	<u>Beginning</u> <u>Balance</u>	<u>Proceeds</u>	<u>Repayments</u>	<u>Ending</u> <u>Balance</u>
State aid anticipation note	\$ 1,160,000	\$ -	\$ 1,160,000	\$ -

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Note 8 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences and leases.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and notes payable					
General obligation bonds	\$ 17,355,000	\$ -	\$ 2,280,000	\$ 15,075,000	\$ 2,115,000
Premium on bonds	1,198,805	-	252,405	946,400	-
Total bonds payable	<u>18,553,805</u>	<u>-</u>	<u>2,532,405</u>	<u>16,021,400</u>	<u>2,115,000</u>
Other liabilities					
Leases	19,633	-	19,633	-	-
Compensated absences	418,459	49,014	86,900	380,572	36,154
Total other liabilities	<u>438,092</u>	<u>49,014</u>	<u>106,533</u>	<u>380,572</u>	<u>36,154</u>
Total	<u>\$ 18,991,897</u>	<u>\$ 49,014</u>	<u>\$ 2,638,938</u>	<u>\$ 16,401,972</u>	<u>\$ 2,151,154</u>

For governmental activities, compensated absences and the lease are primarily liquidated by the General Fund.

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

2015 refunding bond due in annual installments of \$590,000-\$605,000 through 2032, interest at 2.40%-3.03%	\$ 5,985,000
2016 school building bond due in annual installments of \$1,515,000 through 2028, interest at 2.00%-3.00%	<u>9,090,000</u>
Total general obligation bonded debt	<u>\$ 15,075,000</u>

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

Year Ending June 30,	Principal	Interest	Total
2023	\$ 2,115,000	\$ 503,776	\$ 2,618,776
2024	2,115,000	443,474	2,558,474
2025	2,115,000	383,172	2,498,172
2026	2,115,000	322,876	2,437,876
2027	2,120,000	260,682	2,380,682
2028 - 2032	<u>4,495,000</u>	<u>491,204</u>	<u>4,986,204</u>
Total	<u>\$ 15,075,000</u>	<u>\$ 2,405,184</u>	<u>\$ 17,480,184</u>

The general obligation bonds are payable from the Debt Service Funds. As of year-end, the fund had a balance of \$592,311 to pay this debt. Future debt and interest will be payable from future tax levies.

Deferred Amount on Refunding

Advanced refundings resulted in differences between the reacquisition price and the net carrying amount of the old debt. These amounts are reported in the accompanying statement of net position as a deferred outflow of resources and are being charged to activities through fiscal year 2031.

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Deferred amount on refunding activity is summarized below:

	Beginning Balance	Additions	Reductions	Ending Balance
2015 refunding bonds	\$ 415,653	\$ -	\$ 43,184	\$ 372,469
2018 refunding bonds	39,365	-	39,365	-
	<u>\$ 455,018</u>	<u>\$ -</u>	<u>\$ 82,549</u>	<u>\$ 372,469</u>

Defeased Debt

In prior years, the School District has defeased various bonds issued by creating separate irrevocable trust funds. New debt has been issued and the net proceeds of each refunding were placed in separate special escrow accounts and invested in securities of the U.S. Government and its agencies. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the refunded bonds are considered to be defeased. Accordingly, the trust account assets and liability for the defeased bonds are not included in the School District's financial statements.

The remaining principal is callable May 2025. As of year end, the amount of defeased debt outstanding but removed from the School District's financial statements is as follows:

2006 Issue refunded **\$ 6,585,000**

Compensated Absences

Accrued compensated absences at year end, consist of \$60,574 of vacation hours earned and vested, \$7,588 in accrued sick time benefits and \$312,410 of severance pay earned and vested. The amount anticipated to be paid out over the next year is included within the amounts listed as due within one year.

Note 9 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The School District has purchased commercial insurance for general liability, property and casualty and health and vision claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

The School District is self-insured for health benefits paid on behalf of its employees. Deposits are made to the insurance administrator each month and then settled up quarterly based on actual claims and administrative fees. The plan provides a stop-loss provision of \$100,000 per participant. For governmental activities, the liability for health benefits is primarily liquidated by the General Fund.

The School District's prescription drug coverage is included with the self-insured medical plan and is administered by BCBSM through Optum RX. According to the provisions of this program, the School District pays all prescription claims, with the exception of designated co-pay. The designated co-pay for each prescription depends on whether the prescription drug is a generic, preferred (formulary) brand, or non-preferred (non-formulary) brand drug. Co-pays range from \$10-\$160 based on brand. Deposits to the plan are made to the insurance administrator each month and then settled up quarterly based on actual claims and administrative fees. For governmental activities, the liability of prescription benefits is primarily liquidated by the General Fund.

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Change in estimated liabilities for claims for health and prescription benefits for the year is as follows:

Estimated liability at the beginning of the year	\$ 123,472
Estimated claims incurred including changes in estimates	1,627,810
Claim payments	<u>(1,645,203)</u>
Estimated liability end of year	<u>\$ 106,079</u>

Note 10 - Pension Plan

Plan Description

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

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

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

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

Benefits Provided

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

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

Contributions

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

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

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The unfunded (overfunded) actuarial accrued liability as of the September 30, 2020 valuation will be amortized over an 18-year period beginning Oct. 1, 2020 and ending Sept. 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 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 School District were \$3,609,297 for the year ending September 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
At June 30, 2022, the School District reported a liability of \$28,458,989 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 2020. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2021, the School District's proportion was 0.1202 percent, which was a decrease of 0.0018 percent from its proportion measured as of September 30, 2020.

For the plan year ending September 30, 2021, the School District recognized pension expense of \$2,993,387 for the measurement period. For the reporting period ending June 30, 2022, the School District recognized total pension contribution expense of \$3,910,621.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 440,842	\$ (167,590)	\$ 273,252
Changes of assumptions	1,793,953	-	1,793,953
Net difference between projected and actual earnings on pension plan investments	-	(9,149,474)	(9,149,474)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	243,144	(486,419)	(243,275)
Total to be recognized in future	2,477,939	(9,803,483)	(7,325,544)
School District contributions subsequent to the measurement date	3,708,267	(1,852,347)	1,855,920
Total	\$ 6,186,206	\$ (11,655,830)	\$ (5,469,624)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. The School District will offset the contribution expense in the year ended June 30, 2023 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to

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pensions will be recognized in pension expense as follows during the following plan years:

**Deferred (Inflow) and Deferred Outflow of Resources by Year
(To Be Recognized in Future Pension Expenses)**

2022	\$	(867,608)
2023	(1,638,453)	
2024	(2,293,774)	
2025	<u>(2,525,709)</u>	
	 <u>\$</u>	 <u>(7,325,544)</u>

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 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 projection scale MP-2017 from 2006.
 - Active: RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total pension liability as of September 30, 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 is 4.4367 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2021 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

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

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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)
	<hr/> <u>100.0%</u>	

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

Rate of Return

For the plan 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 the Pension Plus 2, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.80% (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.

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

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

Current Single Discount Rate Assumption *			1% Decrease *	1% Increase *
5.80% / 5.80% / 5.00%	6.80% / 6.80% / 6.00%	7.80% / 7.80% / 7.00%		
\$ 40,688,637	\$ 28,458,989	\$ 18,319,810		

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

Michigan Public School Employees' Retirement System (MPSERS) Fiduciary Net Position

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

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Payables to the Michigan Public School Employees' Retirement System (MPSERS)

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

Note 11 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

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

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

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

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

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions.

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

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

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of

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their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions

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

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

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

OPEB Contribution Rates

Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.43%
Personal Healthcare Fund (PHF)	0.0%	7.57%

Required contributions to the OPEB plan from the School District were \$872,253 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 School District reported a liability of \$1,793,490 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2020. The School District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2021, the School District's proportion was 0.1175 percent, which was a decrease of 0.0051 percent from its proportion measured as of September 30, 2020.

For the plan year ending September 30, 2021, the School District recognized OPEB expense of (\$1,046,090) for the measurement period. For the reporting period ending June 30, 2022, the School District recognized total OPEB contribution expense of \$841,680.

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$ (5,119,389)	\$ (5,119,389)
Changes of assumptions	1,499,269	(224,347)	1,274,922
Net difference between projected and actual earnings on OPEB plan investments	-	(1,351,786)	(1,351,786)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	141,687	(349,609)	(207,922)
Total to be recognized in future	1,640,956	(7,045,131)	(5,404,175)
School District contributions subsequent to the measurement date	753,029	-	753,029
Total	\$ 2,393,985	\$ (7,045,131)	\$ (4,651,146)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 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 during the following plan years:

**Deferred (Inflow) and Deferred Outflow of Resources by Year
(To Be Recognized in Future OPEB Expenses)**

2022	\$	(1,395,262)
2023	\$	(1,275,551)
2024	\$	(1,163,988)
2025	\$	(1,086,263)
2026	\$	(427,078)
Thereafter	\$	(56,033)
	\$	(5,404,175)

Actuarial Assumptions

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

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2020
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return: 6.95% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: Pre-65: 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65: 5.25% Year 1 graded to 3.5% Year 15; 3.0% Year 120
- Mortality:
 - Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
 - Active: RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Other Assumptions:

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

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- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
 - Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total OPEB liability as of September 30, 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 is 6.1312 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2020 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 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)
	100.0%	

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

Rate of Return

For the plan 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.

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

Grosse Ile Township Schools
Notes to the Financial Statements
June 30, 2022

periods of projected benefit payments to determine the total OPEB liability.

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

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

	Current	
1% Decrease	Discount Rate	1% Increase
5.95%	6.95%	7.95%
\$ 3,332,628	\$ 1,793,490	\$ 487,311

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

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

	Current Healthcare	
1% Decrease	Cost Trend Rate	1% Increase
\$ 436,521	\$ 1,793,490	\$ 3,320,243

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2021 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

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

Note 12 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

Grosse Ile Township Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
Revenues				
Local sources	\$ 2,446,600	\$ 1,972,080	\$ 2,000,766	\$ 28,686
State sources	16,612,288	16,540,316	16,655,573	115,257
Federal sources	1,110,788	1,678,279	1,587,128	(91,151)
Interdistrict sources	1,510,766	1,603,291	1,564,864	(38,427)
Total revenues	<u>21,680,442</u>	<u>21,793,966</u>	<u>21,808,331</u>	<u>14,365</u>
Expenditures				
Instruction				
Basic programs	10,430,170	10,456,500	10,186,622	(269,878)
Added needs	2,553,064	2,631,516	2,482,601	(148,915)
Supporting services				
Pupil	1,485,300	1,509,445	1,506,748	(2,697)
Instructional staff	872,859	1,096,157	923,656	(172,501)
General administration	620,275	750,471	681,439	(69,032)
School administration	1,350,850	1,398,126	1,307,581	(90,545)
Business	437,750	424,295	417,815	(6,480)
Operations and maintenance	1,936,176	2,044,899	1,905,511	(139,388)
Pupil transportation services	778,025	1,178,149	1,076,179	(101,970)
Central	741,966	584,337	521,159	(63,178)
Athletic activities	600,950	640,964	595,803	(45,161)
Other	5,000	5,000	3,400	(1,600)
Community services	1,000	1,000	-	(1,000)
Capital outlay	67,400	32,623	17,827	(14,796)
Debt service				
Principal	19,633	19,633	19,633	-
Interest and other expenditures	1,115	1,115	1,115	-
Total expenditures	<u>21,901,533</u>	<u>22,774,230</u>	<u>21,647,089</u>	<u>(1,127,141)</u>
Excess (deficiency) of revenues over expenditures	<u>(221,091)</u>	<u>(980,264)</u>	<u>161,242</u>	<u>1,141,506</u>
Other Financing Uses				
Transfers in	-	-	21,500	21,500
Transfers out	(9,569)	(9,569)	-	9,569
Total other financing sources (uses)	<u>(9,569)</u>	<u>(9,569)</u>	<u>21,500</u>	<u>31,069</u>
Net change in fund balance	<u>(230,660)</u>	<u>(989,833)</u>	<u>182,742</u>	<u>1,172,575</u>
Fund balance - beginning	<u>4,634,166</u>	<u>4,634,166</u>	<u>4,634,166</u>	<u>-</u>
Fund balance - ending	<u>\$ 4,403,506</u>	<u>\$ 3,644,333</u>	<u>\$ 4,816,908</u>	<u>\$ 1,172,575</u>

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. School District's proportion of net pension liability (%)	0.12020%	0.12200%	0.12040%	0.12070%	0.12120%	0.12468%	0.12975%	0.00130%		
B. School District's proportionate share of net pension liability	\$ 28,458,989	\$ 41,895,755	\$ 39,865,610	\$ 36,269,745	\$ 31,416,222	\$ 31,107,164	\$ 31,692,884	\$ 28,677,053		
C. School District's covered - employee payroll	\$ 10,606,381	\$ 10,848,453	\$ 10,507,241	\$ 10,227,001	\$ 10,083,432	\$ 10,291,427	\$ 10,794,636	\$ 11,098,624		
D. School District's proportionate share of net pension liability as a percentage of its covered - employee payroll	268.32%	386.19%	379.41%	354.65%	311.56%	302.26%	293.60%	258.38%		
E. 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%		

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2021.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2021.

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

	For the Years Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. Statutorily required contributions	\$ 3,910,621	\$ 3,603,773	\$ 3,343,291	\$ 3,197,201	\$ 3,041,860	\$ 2,799,801	\$ 2,503,158	\$ 2,021,981		
B. Contributions in relation to statutorily required contributions	<u>3,910,621</u>	<u>3,603,773</u>	<u>3,343,291</u>	<u>3,197,201</u>	<u>3,041,860</u>	<u>2,799,801</u>	<u>2,503,158</u>	<u>2,021,981</u>		
C. Contribution deficiency (excess)	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -		
D. School District's covered - employee payroll	\$ 10,598,107	\$ 10,669,079	\$ 10,780,086	\$ 10,464,184	\$ 10,138,287	\$ 10,155,143	\$ 10,557,312	\$ 10,936,406		
E. Contributions as a percentage of covered-employee payroll	36.90%	33.78%	31.01%	30.55%	30.00%	27.57%	23.71%	18.49%		

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. School District's proportion of the net OPEB liability (%)	0.11750%	0.12260%	0.12040%	0.12030%	0.12120%					
B. School District's proportionate share of the net OPEB liability	\$ 1,793,490	\$ 6,566,088	\$ 8,638,698	\$ 9,560,504	\$ 10,730,178					
C. School District's covered - employee payroll	\$ 10,606,381	\$ 10,848,453	\$ 10,507,241	\$ 10,227,001	\$ 10,083,432					
D. School District's proportionate share of the net OPEB liability as a percentage of its covered - employee payroll	16.91%	60.53%	82.22%	93.48%	106.41%					
E. Plan fiduciary net position as a percentage of total OPEB liability	87.33%	59.44%	48.46%	42.95%	36.39%					

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2021.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2021.

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

	For the Years Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
A. Statutorily required contributions	\$ 841,680	\$ 869,652	\$ 864,499	\$ 825,461	\$ 757,499					
B. Contributions in relation to statutorily required contributions	<u>841,680</u>	<u>869,652</u>	<u>864,499</u>	<u>825,461</u>	<u>757,499</u>					
C. Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -					
D. School District's covered - employee payroll	\$ 10,598,107	\$ 10,669,079	\$ 10,780,086	\$ 10,464,184	\$ 10,138,287					
E. Contributions as a percentage of covered-employee payroll	7.94%	8.15%	8.02%	7.89%	7.47%					

OTHER SUPPLEMENTARY INFORMATION

Grosse Ile Township Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2022

	Special Revenue Fund		Capital Projects Funds		Total
			Sinking Fund	Capital Projects Fund	
	Cafeteria	Student and School Activity Fund			
Assets					
Cash	\$ 146,471	\$ 352,011	\$ -	\$ 98,496	\$ 596,978
Investments	-	564,749	573,864	-	1,138,613
Accounts receivable	3,811	-	-	-	3,811
Due from other funds	-	-	97,828	-	97,828
Due from other governmental units	33,480	-	-	-	33,480
Inventory	6,088	-	-	-	6,088
Total assets	\$ 189,850	\$ 916,760	\$ 671,692	\$ 98,496	\$ 1,876,798
Liabilities					
Accounts payable	\$ 5,013	\$ 29,324	\$ 65,374	-	\$ 99,711
Due to other funds	35,142	20,342	-	-	55,484
Due to other governmental units	1	-	-	-	1
Unearned revenue	28,168	-	-	-	28,168
Total liabilities	68,324	49,666	65,374	-	183,364
Fund Balances					
Non-spendable					
Inventory	6,088	-	-	-	6,088
Restricted for					
Food service	115,438	-	-	-	115,438
Capital projects	-	-	606,318	-	606,318
Committed	-	867,094	-	-	867,094
Unassigned	-	-	-	98,496	98,496
Total fund balances	121,526	867,094	606,318	98,496	1,693,434
Total liabilities and fund balances	\$ 189,850	\$ 916,760	\$ 671,692	\$ 98,496	\$ 1,876,798

Grosse Ile Township Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Special Revenue Fund		Capital Projects Fund		Total	
	Cafeteria	Student and School Activity Fund	Sinking Fund	Capital Projects Fund	Nonmajor Governmental Funds	
Revenues						
Local sources	\$ 136,222	\$ 386,078	\$ 651,718	\$ 40	\$ 1,174,058	
State sources	42,892	-	-	-	42,892	
Federal sources	614,007	-	-	-	614,007	
Total revenues	<u>793,121</u>	<u>386,078</u>	<u>651,718</u>	<u>40</u>	<u>1,830,957</u>	
Expenditures						
Current						
Student and school activities	-	377,525	-	-	377,525	
Food services	660,093	-	-	-	660,093	
Facilities acquisition	-	-	197,273	-	197,273	
Total expenditures	<u>660,093</u>	<u>377,525</u>	<u>197,273</u>	<u>-</u>	<u>1,234,891</u>	
Excess (deficiency) of revenues over expenditures	133,028	8,553	454,445	40	596,066	
Other Financing Sources (Uses)						
Transfers out	(21,500)	-	-	-	(21,500)	
Net change in fund balances	111,528	8,553	454,445	40	574,566	
Fund balances - beginning	9,998	858,541	151,873	98,456	1,118,868	
Fund balances - ending	<u>\$ 121,526</u>	<u>\$ 867,094</u>	<u>\$ 606,318</u>	<u>\$ 98,496</u>	<u>\$ 1,693,434</u>	

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Revenues Compared to Budget
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenues from local sources				
Property tax levy	\$ 2,142,700	\$ 1,613,090	\$ 1,622,137	\$ 9,047
Tuition	-	1,000	9,217	8,217
Transportation fees	2,500	10,000	16,286	6,286
Earnings on investments	12,800	6,000	13,755	7,755
Athletics	159,000	196,400	197,256	856
Other local revenues	<u>129,600</u>	<u>145,590</u>	<u>142,115</u>	<u>(3,475)</u>
Total revenues from local sources	<u>2,446,600</u>	<u>1,972,080</u>	<u>2,000,766</u>	<u>28,686</u>
Revenues from state sources				
Grants - unrestricted	13,763,320	13,363,200	13,363,202	2
Grants - restricted	<u>2,848,968</u>	<u>3,177,116</u>	<u>3,292,371</u>	<u>115,255</u>
Total revenues from state sources	<u>16,612,288</u>	<u>16,540,316</u>	<u>16,655,573</u>	<u>115,257</u>
Revenues from federal sources				
Grants	<u>1,110,788</u>	<u>1,678,279</u>	<u>1,587,128</u>	<u>(91,151)</u>
Interdistrict sources				
ISD collected millage	648,100	740,000	771,117	31,117
Cooperative education	<u>862,666</u>	<u>863,291</u>	<u>793,747</u>	<u>(69,544)</u>
Total interdistrict sources	<u>1,510,766</u>	<u>1,603,291</u>	<u>1,564,864</u>	<u>(38,427)</u>
Other financing sources				
Transfers in	-	-	21,500	21,500
Total revenue and other financing sources	<u>\$ 21,680,442</u>	<u>\$ 21,793,966</u>	<u>\$ 21,829,831</u>	<u>\$ 35,865</u>

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Basic program - elementary				
Salaries	\$ 2,437,840	\$ 2,332,675	\$ 2,326,627	\$ (6,048)
Employee benefits	1,765,738	1,809,166	1,661,743	(147,423)
Purchased services	84,582	90,282	84,639	(5,643)
Supplies and materials	54,120	54,956	51,952	(3,004)
Other	100	100	-	(100)
Total elementary	<u>4,342,380</u>	<u>4,287,179</u>	<u>4,124,961</u>	<u>(162,218)</u>
Basic program - middle school				
Salaries	1,450,980	1,445,900	1,446,721	821
Employee benefits	1,028,832	1,099,240	999,201	(100,039)
Purchased services	54,550	61,550	58,416	(3,134)
Supplies and materials	23,600	17,450	12,614	(4,836)
Other	800	800	385	(415)
Total middle school	<u>2,558,762</u>	<u>2,624,940</u>	<u>2,517,337</u>	<u>(107,603)</u>
Basic program - high school				
Salaries	1,913,600	1,942,200	1,937,719	(4,481)
Employee benefits	1,317,478	1,329,126	1,352,185	23,059
Purchased services	122,450	83,450	80,778	(2,672)
Supplies and materials	18,400	18,000	15,714	(2,286)
Other	1,400	2,955	2,940	(15)
Total high school	<u>3,373,328</u>	<u>3,375,731</u>	<u>3,389,336</u>	<u>13,605</u>
Basic program - pre-school				
Salaries	2,500	2,500	1,600	(900)
Employee benefits	1,350	1,350	796	(554)
Purchased services	50	50	-	(50)
Total pre-school	<u>3,900</u>	<u>3,900</u>	<u>2,396</u>	<u>(1,504)</u>
Basic program - summer school				
Salaries	90,400	100,730	91,045	(9,685)
Employee benefits	46,400	40,019	35,841	(4,178)
Purchased services	10,000	19,738	22,018	2,280
Supplies and materials	5,000	4,263	3,688	(575)
Total summer school	<u>151,800</u>	<u>164,750</u>	<u>152,592</u>	<u>(12,158)</u>
Added needs - special education				
Salaries	796,150	799,172	775,677	(23,495)
Employee benefits	610,933	589,727	582,259	(7,468)
Purchased services	42,850	52,525	35,873	(16,652)
Supplies and materials	5,850	12,357	8,341	(4,016)
Other	135,000	135,000	103,048	(31,952)
Total special education	<u>1,590,783</u>	<u>1,588,781</u>	<u>1,505,198</u>	<u>(83,583)</u>

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Added needs - compensatory education				
Salaries	147,133	195,203	193,757	(1,446)
Employee benefits	100,504	139,754	136,329	(3,425)
Supplies and materials	1,544	1,544	616	(928)
Total compensatory education	<u>249,181</u>	<u>336,501</u>	<u>330,702</u>	<u>(5,799)</u>
Added needs - career and technical education				
Salaries	250,850	246,850	249,525	2,675
Employee benefits	189,050	184,288	176,250	(8,038)
Purchased services	500	500	558	58
Supplies and materials	272,700	274,596	220,368	(54,228)
Total career and technical education	<u>713,100</u>	<u>706,234</u>	<u>646,701</u>	<u>(59,533)</u>
Pupil - guidance services				
Salaries	314,650	358,000	361,203	3,203
Employee benefits	233,125	280,755	260,935	(19,820)
Purchased services	4,500	4,500	3,838	(662)
Supplies and materials	2,000	2,000	32	(1,968)
Total guidance services	<u>554,275</u>	<u>645,255</u>	<u>626,008</u>	<u>(19,247)</u>
Pupil - health services				
Purchased services	9,700	13,100	11,081	(2,019)
Supplies and materials	1,000	1,375	1,290	(85)
Total health services	<u>10,700</u>	<u>14,475</u>	<u>12,371</u>	<u>(2,104)</u>
Pupil - psychological services				
Salaries	93,000	93,000	92,966	(34)
Employee benefits	52,800	52,800	55,014	2,214
Purchased services	600	600	46	(554)
Total psychological services	<u>146,400</u>	<u>146,400</u>	<u>148,026</u>	<u>1,626</u>
Pupil - speech services				
Salaries	210,700	157,600	178,370	20,770
Employee benefits	149,900	119,300	127,998	8,698
Purchased services	500	35,500	22,823	(12,677)
Supplies and materials	300	300	-	(300)
Total speech services	<u>361,400</u>	<u>312,700</u>	<u>329,191</u>	<u>16,491</u>
Pupil - social work services				
Salaries	139,090	134,474	134,654	180
Employee benefits	99,385	82,191	85,327	3,136
Purchased services	700	4,300	3,824	(476)

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Supplies and materials	500	9,647	9,138	(509)
Total social work services	<u>239,675</u>	<u>230,612</u>	<u>232,943</u>	<u>2,331</u>
Pupil - other support services				
Salaries	101,700	89,100	90,132	1,032
Employee benefits	51,650	48,903	47,212	(1,691)
Purchased services	19,500	22,000	20,865	(1,135)
Total other support services	<u>172,850</u>	<u>160,003</u>	<u>158,209</u>	<u>(1,794)</u>
Instructional staff - improvement of education				
Salaries	284,316	308,185	303,447	(4,738)
Employee benefits	198,949	228,300	214,522	(13,778)
Purchased services	31,364	47,629	13,843	(33,786)
Supplies and materials	9,650	8,250	890	(7,360)
Other	400	300	263	(37)
Total improvement of education	<u>524,679</u>	<u>592,664</u>	<u>532,965</u>	<u>(59,699)</u>
Instructional staff - educational media services				
Salaries	138,600	143,400	145,119	1,719
Employee benefits	92,230	101,809	80,879	(20,930)
Purchased services	3,400	3,800	2,553	(1,247)
Supplies and materials	2,350	1,350	(418)	(1,768)
Other	57,600	50,100	50,240	140
Total educational media services	<u>294,180</u>	<u>300,459</u>	<u>278,373</u>	<u>(22,086)</u>
Instructional staff - technology assisted instruction				
Supplies and materials	-	185,093	94,378	(90,715)
Instructional staff - academic student assessment				
Supplies and materials	54,000	17,941	17,940	(1)
General administration - board of education				
Purchased services	102,800	82,800	73,866	(8,934)
Supplies and materials	2,600	7,740	3,682	(4,058)
Other	8,950	38,950	29,935	(9,015)
Total board of education	<u>114,350</u>	<u>129,490</u>	<u>107,483</u>	<u>(22,007)</u>
General administration - executive administration				
Salaries	225,800	241,800	244,978	3,178
Employee benefits	134,975	143,181	138,275	(4,906)
Purchased services	7,850	66,700	47,736	(18,964)
Supplies and materials	128,300	155,700	129,569	(26,131)
Other	9,000	13,600	13,398	(202)
Total executive administration	<u>505,925</u>	<u>620,981</u>	<u>573,956</u>	<u>(47,025)</u>

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
School administration - office of the principal				
Salaries	752,700	778,500	768,812	(9,688)
Employee benefits	548,150	570,826	499,501	(71,325)
Purchased services	20,800	16,500	10,528	(5,972)
Supplies and materials	11,600	13,600	8,790	(4,810)
Other	17,600	18,700	19,950	1,250
Total office of the principal	<u>1,350,850</u>	<u>1,398,126</u>	<u>1,307,581</u>	<u>(90,545)</u>
Business - fiscal services				
Salaries	197,750	208,450	214,945	6,495
Employee benefits	136,200	151,395	143,252	(8,143)
Purchased services	6,300	9,250	6,696	(2,554)
Supplies and materials	3,500	3,500	3,278	(222)
Other	32,700	27,000	28,979	1,979
Total fiscal services	<u>376,450</u>	<u>399,595</u>	<u>397,150</u>	<u>(2,445)</u>
Business - other				
Purchased services	500	2,500	444	(2,056)
Other	60,800	22,200	20,221	(1,979)
Total other business	<u>61,300</u>	<u>24,700</u>	<u>20,665</u>	<u>(4,035)</u>
Operations and maintenance - operating building services				
Salaries	592,405	578,500	567,292	(11,208)
Employee benefits	492,885	509,117	419,830	(89,287)
Purchased services	162,750	170,800	159,112	(11,688)
Supplies and materials	675,436	771,807	745,269	(26,538)
Other	350	350	410	60
Total operating building services	<u>1,923,826</u>	<u>2,030,574</u>	<u>1,891,913</u>	<u>(138,661)</u>
Operations and maintenance - security services				
Supplies and materials	12,350	14,325	13,598	(727)
Pupil transportation services				
Salaries	368,900	209,950	210,564	614
Employee benefits	257,825	171,299	164,589	(6,710)
Purchased services	67,700	695,650	598,667	(96,983)
Supplies and materials	82,350	100,000	101,729	1,729
Other	1,250	1,250	630	(620)
Total transportation services	<u>778,025</u>	<u>1,178,149</u>	<u>1,076,179</u>	<u>(101,970)</u>
Central - planning, research development and evaluation				
Supplies and materials	-	3,200	2,700	(500)

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Central - staff/personnel services				
Salaries	62,250	67,200	67,183	(17)
Employee benefits	38,325	43,558	39,725	(3,833)
Purchased services	30,300	48,200	29,006	(19,194)
Supplies and materials	500	500	184	(316)
Other	200	200	113	(87)
Total staff/personnel services	<u>131,575</u>	<u>159,658</u>	<u>136,211</u>	<u>(23,447)</u>
Central - support services technology				
Salaries	77,500	52,000	50,288	(1,712)
Employee benefits	48,800	37,837	28,720	(9,117)
Purchased services	305,316	144,912	140,282	(4,630)
Supplies and materials	34,500	24,250	11,039	(13,211)
Other	1,000	10,200	10,167	(33)
Total support services technology	<u>467,116</u>	<u>269,199</u>	<u>240,496</u>	<u>(28,703)</u>
Central - pupil accounting				
Salaries	53,000	55,500	53,500	(2,000)
Employee benefits	48,675	53,980	47,214	(6,766)
Purchased services	41,200	42,300	40,563	(1,737)
Supplies and materials	300	350	325	(25)
Other	100	150	150	-
Total pupil accounting	<u>143,275</u>	<u>152,280</u>	<u>141,752</u>	<u>(10,528)</u>
Athletic activities				
Salaries	176,350	174,500	163,243	(11,257)
Employee benefits	118,200	123,494	108,993	(14,501)
Purchased services	230,100	257,260	236,620	(20,640)
Supplies and materials	33,500	47,160	54,716	7,556
Other	42,800	38,550	32,231	(6,319)
Total athletic activities	<u>600,950</u>	<u>640,964</u>	<u>595,803</u>	<u>(45,161)</u>
Other supporting services				
Purchased services	4,000	4,000	3,400	(600)
Supplies and materials	1,000	1,000	-	(1,000)
Total other supporting services	<u>5,000</u>	<u>5,000</u>	<u>3,400</u>	<u>(1,600)</u>

Grosse Ile Township Schools
Other Supplementary Information
General Fund
Schedule of Expenditures Compared to Budget
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Community services - community activities				
Purchased services	<u>1,000</u>	<u>1,000</u>	-	(1,000)
Capital outlay				
Basic program - elementary	3,750	1,750	-	(1,750)
Basic program - high school	25,700	15,000	11,235	(3,765)
General administration - board of education	3,800	600	600	-
General administration - executive administration	500	4,000	3,052	(948)
Business - fiscal services	3,500	500	-	(500)
Operations and maintenance - operating building services	29,150	-	-	-
Central - support services technology	<u>1,000</u>	<u>10,773</u>	<u>2,940</u>	(7,833)
Total capital outlay	<u>67,400</u>	<u>32,623</u>	<u>17,827</u>	(14,796)
Debt service				
Principal	19,633	19,633	19,633	-
Interest and other expenditures	<u>1,115</u>	<u>1,115</u>	<u>1,115</u>	-
Total debt service	<u>20,748</u>	<u>20,748</u>	<u>20,748</u>	-
Other financing uses				
Transfers out	9,569	9,569	-	(9,569)
Total expenditures and other financing uses	<u>\$ 21,911,102</u>	<u>\$ 22,783,799</u>	<u>\$ 21,647,089</u>	\$ (1,136,710)

Grosse Ile Township Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2022

Year Ending June 30,	2015 Refunding Bonds	2016 Building and Site Bonds	Total
2023	\$ 600,000	\$ 1,515,000	\$ 2,115,000
2024	600,000	1,515,000	2,115,000
2025	600,000	1,515,000	2,115,000
2026	600,000	1,515,000	2,115,000
2027	605,000	1,515,000	2,120,000
2028	600,000	1,515,000	2,115,000
2029	600,000	-	600,000
2030	595,000	-	595,000
2031	595,000	-	595,000
2032	590,000	-	590,000
Total	<u>\$ 5,985,000</u>	<u>\$ 9,090,000</u>	<u>\$ 15,075,000</u>
Principal payments due the first day of	May	May	
Interest payments due the first day of	May and November	May and November	
Interest rate	0.149%-3.030%	2.000%-3.000%	
Original issue	<u>\$ 9,440,000</u>	<u>\$ 10,655,000</u>	