BYRON CENTER PUBLIC SCHOOLS

Helping Students Build Success Stories

Kent County, Michigan

Annual Financial Report

For the year ended June 30, 2022

Hungerford Nichols CPAs + Advisors

Where good ideas add up

BYRON CENTER PUBLIC SCHOOLS
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INDEPENDENT AUDITOR'S REPORT

October 25, 2022

The Board of Education
Byron Center Public Schools

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 the Byron Center Public Schools as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Byron Center Public Schools' basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the Byron Center Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Byron Center Public Schools' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-13 and 73-111 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Byron Center Public Schools' basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of Matter

Changes in Accounting Principle

As discussed in Note L to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* for the fiscal year ended June 30, 2022. Our opinion is not modified in respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2022, on our consideration of the Byron Center Public 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 Byron Center Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Byron Center Public Schools' internal control over financial reporting and compliance.

Hungerford Nichols

Certified Public Accountants
Grand Rapids, Michigan

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Byron Center Public Schools ("the District"), we provide readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of four parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District:

- The first two statements, the Statement of Net Position and the Statement of Activities, are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.

- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

    - *Governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.

    - *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The Basic Financial Statements also include Notes to Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data; Required Supplementary Information includes pension and OPEB information schedules; Other Supplementary Information follows and includes combining and individual fund statements and schedules.

District-wide Statements

The district-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position, and how they have changed. Net position – the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflow of resources – is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the District's overall health, one should consider additional non-financial factors such as changes in the District's property tax-base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are presented as follows:

- *Governmental activities*: The District's basic services are included here, such as regular and special education, instructional support, transportation, administration, community services, food service and athletics. State aid and property taxes finance most of these activities.

New Accounting Pronouncement Implemented

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* during the fiscal year ended June 30, 2022. This Statement enhances the relevance and consistency of information about governments' leasing activities. See Note L for additional information.

Condensed District-wide Financial Information

The Statement of Net Position provides financial information on the District as a whole.

	2022	2021
Assets		
Current assets	$ 64,335,080	$ 75,606,165
Net capital assets	154,133,818	138,475,127
Total Assets	**218,468,898**	**214,081,292**
Deferred Outflows of Resources	**20,493,090**	**27,501,737**
Liabilities		
Current liabilities	19,181,163	16,698,065
Long-term liabilities	170,537,251	173,025,613
Net pension liability	59,788,632	85,843,805
Net OPEB liability	3,872,566	13,515,730
Total Liabilities	**253,379,612**	**289,083,213**
Deferred Inflows of Resources	**34,199,212**	**10,439,699**
Net Position		
Net investment in capital assets	7,783,793	7,996,286
Restricted	8,475,577	5,967,307
Unrestricted (deficit)	(64,876,206)	(71,903,476)
Total Net Position	**$ (48,616,836)**	**$ (57,939,883)**

The results of the fiscal year's operations for the District as a whole are presented in the Statement of Activities, which shows the change in total net position for the year.

The Statement of Activities presents changes in net position from operating results:

	2022	2021
Program Revenues		
Charges for services	$ 2,529,473	$ 1,993,791
Operating grants	20,683,509	16,860,884
General Revenues		
Property taxes	18,868,024	17,932,022
State school aid, unrestricted	31,337,990	28,553,669
Interest and investment earnings	104,691	182,693
Other	1,354,314	2,796,088
Total Revenues	74,878,001	68,319,147
Expenses		
Instruction	33,464,912	35,975,285
Supporting services	21,541,931	20,166,169
Community services	2,737,895	2,812,042
Food service	2,298,100	1,952,563
Other	-	106,028
Interest on long-term debt	5,512,116	6,812,003
Total Expenses	65,554,954	67,824,090
Change in Net Position	9,323,047	495,057
Net Position, Beginning of Year	(57,939,883)	(58,434,940)
Net Position, End of Year	**$ (48,616,836)**	**$ (57,939,883)**

Financial Analysis of the District as a Whole

The District's financial position is the product of many factors: increases in State Aid, increased student enrollment and decreased costs have contributed to the overall increase in Net Position.

Total revenues exceeded expenses by $9.32 million on the Statement of Activities, increasing total net position from a deficit of $57.9 million at June 30, 2021 to a deficit of $48.6 million at June 30, 2022. Unrestricted net position decreased by $7.03 million, to a deficit of $64.9 million at June 30, 2022. The District's net pension liability, including deferred outflows and inflows of resources, increased by $1,083,063 during the fiscal year. In addition, the District's net OPEB liability, including outflows and inflows of resources, decreased by $3,909,705 during the fiscal year.

The District's total revenues increased by $6.56 million to $74.9 million. Property taxes and unrestricted State aid accounted for most of the District's revenue, contributing about 67% of the total revenue. Another 28% came from state and federal aid for specific programs and the remaining 5% from fees charged for services, interest earnings and other local sources.

The total cost of all programs and services decreased $2.3 million to $65.6 million. The District's expenses are predominantly related to instructing, pupil services, and for the transporting of students (76%). The District's administrative and business activities accounted for 8%, operation and maintenance and technology services accounted for 8%**.** Interest on long-term debt accounted for 8% of total District expenses.

- For the twenty first year in a row the District's student F.T.E. (full time equivalent) has grown.

September	Increase Student FTE	*Percentage Increase*
2001	126	5.0%
2002	154	5.8%
2003	92	3.4%
2004	138	4.8%
2005	70	2.3%
2006	74	2.4%
2007	21	0.7%
2008	23	0.7%
2009	85	2.6%
2010	76	2.2%
2011	90	2.6%
2012	100	2.8%
2013	141	3.8%
2014	2	0.0%
2015	96	2.5%
2016	70	1.8%
2017	59	1.5%
2018	188	4.7%
2019	84	2.0%
2020	46	1.1%
2021	140	3.3%

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

The District utilizes two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, a reconciliation is provided in separate statements explains the relationship (or differences) between them.

- *Fiduciary funds*: The District is the trustee, or fiduciary, for assets that belong to others, such as Private Purpose Scholarship Fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District's Funds

The District uses funds to record and analyze financial information. Byron Center Public School's funds are described as follows:

Major Funds

General Fund
The General Fund is the District's primary operating fund. The General Fund had total revenues of $54,861,904, other financing sources of $10,619, total expenditures of $52,610,538, and other financing uses of $243,553. The ending fund balance was $12,914,615, up from $10,896,183 at June 30, 2021.

Capital Projects Funds
The District has one major Capital Projects Funds. The 2020 Construction Capital Projects Funds account for bond proceeds to be used for voter approved capital improvement projects. During fiscal year 2021-22, the fund had total revenues of $70,007, other financing sources totaling $141,180, and total expenditures were $20,917,520. The ending fund balance was $28,220,003 at June 30, 2022, down from $48,926,336 at June 30, 2021.

Nonmajor Funds

Special Revenue Funds
The District operated three Special Revenue Funds during the fiscal year: the Food Service, Community Service, and Student/School Activity funds. The total revenue for all Special Revenue Funds was $7,952,676, total other financing sources were $243,553, and total expenditures were $5,849,179. The ending fund balances totaled $4,523,407. Of the ending fund balances $1,599,058 is attributable to the Food Service Fund, $2,350,947 is attributable to the Community Service Fund, and $573,402 is attributable to the Student/School Activity Fund.

Debt Service Funds
The District operates nine Debt Service Funds. Total revenues were $10,668,613, total other financing sources were $4,074,621 (which includes $4,072,374 of School Bond Loan proceeds), total expenditures were $14,757,888, and total other financing uses were $2,247. The ending fund balances in the Debt Service Funds totaled $68,178.

Capital Projects Fund
There are three nonmajor Capital Projects Funds incorporated into the financial statements of the District. The 2017 Construction, the Building and Site Sinking Fund, and the 2022 Technology and Buses Fund had total revenues of $1,496,712, other financing sources totaling $2,885,000 and total expenditures of $1,396,135, and total other financing uses of $141,880. The fund balances totaled $9,834,765 at June 30, 2022. Of the ending fund balances $2,143,773 is attributable to the 2017 Construction Fund, $4,850,572 is attributable to the Building and Site Sinking Fund, and $2,840,420 is attributable to the 2022 Technology and Buses Fund.

Fiduciary Funds

Trust and Agency Funds
The Scholarship Funds are operated as Fiduciary Funds of the District. The assets of these funds are being held for the benefit of the District's students. The Scholarship Fund balance at June 30, 2022 was $12,356.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget on three (3) separate occasions. The budget amendments were a result of the following:

- The first budget revision in December 2021 reflected the actual student count and staffing costs based upon actual data in lieu of assumptions. As with all "first" revisions, the assumptions are now supported by factual staffing positions which were unknown at the July 1st budget adoption. The District also adjusted the budget to account for federal funding from the third stimulus package, the American Recovery Plan, and the Emergency Connectivity Fund. This budget also included the negotiated three-year bargaining agreement with the BCEA.

- The second budget revision in March 2022, refined State Aid revenue, local property tax collections from our three major governmental units, Federal revenues, sale of equipment and grants awarded. Of special note was the final round of ESSER II and ESSER III along with an additional award of the Emergency Connectivity Fund. On the expenditure side, effects of open enrollment for insurance plans, year to date utilities and a prior year tax adjustment.

- The third budget revision in June 2022 again refined State Aid revenue, local property tax collections from our three major governmental units, and Federal revenues. On the expenditure side, the refinement of outflows was reviewed and projected.

- This particular year it was determined only three (3) budget revisions were necessary.

Capital Asset and Debt Administration

By the end of 2022, the District had invested $220.6 million in a broad range of capital assets, including land, school buildings, athletic facilities, vehicles, computer equipment and software, and administrative offices. (More detailed information about capital assets can be found in Note E in the Notes to Basic Financial Statements.) Total depreciation expense for the year was $4.2 million.

The District's 2021-22 capital additions totaled $19,904,201 principally in the following areas:

- $359,952 for land improvements
- $2,055,821 for building improvements
- $882,663 for furniture and equipment purchases
- $359,023 for additional vehicles
- $16,246,742 net addition to construction in progress; $18,882,866 was added, and $2,636,124 capitalized and transferred to other fixed assets.

At June 30, 2022, the District's investment in capital assets and construction in progress (net of accumulated depreciation), increasing by approximately $15.7 million from the previous year-end, is detailed as follows:

Land	$ 7,266,787
Construction in progress	20,594,353
Land improvements	4,308,357
Buildings and additions	118,673,215
Furniture and equipment	2,094,804
Vehicles	1,196,302
Net Capital Assets	$ 154,133,818

Long-term Obligations

At year end, the District had total long-term obligations totaling $179.9 million of which the largest portion is $149,855,000 in general obligation bonds. (More detailed information about long-term debt can be found in Note F in the Notes to Basic Financial Statements.)

- The District continued to pay down its debt, retiring $8,160,000 of outstanding bonds and loans.
- The District obtained $4,240,052 from the Michigan School Bond Loan Fund for payment of annual maturities of its general obligation bonds during the fiscal year.
- The District's other long-term obligation is for Accumulated Sick/Vacation Leave in the amount of $123,031.

The District's underlying rating on the unlimited tax bonds is AA- by Standard and Poor's. The unlimited bonds also carry the State's credit rating of AA- by Standard & Poor's. Moody's Ratings have been withdrawn for all debt obligations. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within a district's boundaries. We present more detailed information about our long-term liabilities in the Notes to Basic Financial Statements.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The District's student growth count has been beneficial the last twenty (20) years to maintain programs and staff. Student count is a variable that is difficult to predict during challenging economic times. The District utilizes an outside firm (Stanfred & Assoc.) to analyze existing student count and project future student growth for budget purposes. The District received a net 133.34 new students in October 2021 compared to the first count in October 2020. The District had projected no increase of students due to the COVID-19 pandemic so the increase was greater than anticipated. The enrollment is a result of an additional housing supply and quality educational programs. As a note to the reader, the growth in student count continues to support the District's "Growth and Capacity" study and act upon the student growth via additional educational space at the K-6 grades.

- During 2021-22, the District received a net of $8,700 per student in State funds in the form of a foundation allowance and local operating taxes. The deduction of $470 per pupil in fiscal year 2009-10 remains permanently deducted from the State Aid Foundation Allowance. Prior to the "resetting" Byron Center Public Schools received $7,886 per student, $814 per student increase during the twelve-year period. Overall, the State Aid Foundation Allowance is not keeping pace with managed costs within the District. During the 2021-22 fiscal year the State Aid Foundation Allowance increased by $589 from the prior year. This is the largest one-year increase the District has received since Proposal A took effect. The super blend count from the 2020-2021 year was discontinued and returned back to the 90% of the current year fall count and 10% of the prior year February count.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Byron Center Public Schools, 8542 Byron Center Avenue SW, Byron Center, Michigan 49315. Contact by e-mail: tpowers@bcpsk12.net. Contact by phone: (616) 878-6100.

BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Cash equivalents, deposits and investments (Note B)	$ 56,281,561
Accounts receivable	1,846
Due from other governmental units (Note C)	7,719,631
Inventory	28,774
Prepaid expenses	303,268
Capital assets not being depreciated (Note E)	27,861,140
Capital assets being depreciated, net (Note E)	126,272,678
Total Assets	218,468,898
Deferred Outflows of Resources	
Loss on advance bond refundings, net	300,470
Deferred pension amounts	14,593,555
Deferred OPEB amounts	5,599,065
Total Deferred Outflows of Resources	20,493,090
Liabilities	
Accounts payable	3,306,377
Due to other governmental units	1,869,216
Accrued interest payable	966,581
Salaries payable	2,828,222
Unearned revenue	770,296
Long-term liabilities (Note F):	
Due within one year	9,440,471
Due in more than one year	170,537,251
Net pension liability	59,788,632
Net OPEB liability	3,872,566
Total Liabilities	253,379,612
Deferred Inflows of Resources	
Deferred pension amounts	19,716,862
Deferred OPEB amounts	14,482,350
Total Deferred Inflows of Resources	34,199,212
Net Position	
Net investment in capital assets	7,783,793
Restricted for:	
Capital projects	4,850,572
Debt service	(898,403)
Community services	2,350,947
Food service	1,599,058
Student/school activity	573,403
Unrestricted (deficit)	(64,876,206)
Total Net Position	$ (48,616,836)

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See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Statement of Activities
For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Net (Expense) Revenue and Changes In Net Position
Governmental Activities				
Instruction	$ 33,464,912	$ -	$ 14,751,691	$ (18,713,221)
Supporting services	21,541,931	271,162	959,285	(20,311,484)
Community services	2,737,895	2,049,548	1,777,305	1,088,958
Food service	2,298,100	208,763	3,195,228	1,105,891
Interest on long-term debt	5,512,116	-	-	(5,512,116)
Total Governmental Activities	$ 65,554,954	$ 2,529,473	$ 20,683,509	(42,341,972)
General Revenues				
Taxes:				
Property taxes, levied for general operations				6,723,451
Property taxes, levied for debt service				10,660,348
Property taxes, levied for capital improvements				1,484,225
State school aid, unrestricted				31,337,990
Interest and investment earnings				104,691
Other				1,354,314
Total General Revenues				51,665,019
Change in Net Position				9,323,047
Net Position - Beginning of Year				(57,939,883)
Net Position - End of Year				$ (48,616,836)

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2022

	General	2020 Capital Projects	Nonmajor	Total
Assets				
Cash equivalents, deposits and investments (Note B)	$ 11,166,535	$ 30,725,340	$ 14,389,686	$ 56,281,561
Accounts receivable	1,846	-	-	1,846
Due from other funds (Note D)	415	-	992,570	992,985
Due from other governmental units (Note C)	7,710,145	-	9,486	7,719,631
Inventory	-	-	28,774	28,774
Prepaid expenditures	303,268	-	-	303,268
Total Assets	$ 19,182,209	$ 30,725,340	$ 15,420,516	$ 65,328,065
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 524,183	$ 2,505,337	$ 276,857	$ 3,306,377
Due to other funds (Note D)	991,570	-	1,415	992,985
Due to other governmental units	1,850,739	-	18,477	1,869,216
Salaries payable	2,778,298	-	49,924	2,828,222
Unearned revenue	122,804	-	647,492	770,296
Total Liabilities	6,267,594	2,505,337	994,165	9,767,096
Fund Balances (Note A)				
Nonspendable - prepaid expenditures	303,268	-	28,774	332,042
Restricted	-	28,220,003	13,677,577	41,897,580
Committed for future building improvements	1,789,327	-	720,000	2,509,327
Assigned	200,187	-	-	200,187
Unassigned	10,621,833	-	-	10,621,833
Total Fund Balances	12,914,615	28,220,003	14,426,351	55,560,969
Total Liabilities and Fund Balances	$ 19,182,209	$ 30,725,340	$ 15,420,516	$ 65,328,065

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2022

Total governmental fund balances		$ 55,560,969
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is $220,564,203, and accumulated depreciation is $66,430,385.		154,133,818
Net bond refunding losses are not expensed but are amortized over the life of the new bond issue on the Statement of Activities.		300,470
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	$ (149,855,000)	
State school bond loan	(10,442,083)	
Bond premium, unamortized	(19,557,608)	
Accumulated sick leave	(123,031)	(179,977,722)
Accrued interest is not included as a liability in governmental funds.		(966,581)
Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net pension liability	(59,788,632)	
Deferred outflows	14,593,555	
Deferred inflows	(19,716,862)	(64,911,939)
Net OPEB liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net OPEB liability	(3,872,566)	
Deferred outflows	5,599,065	
Deferred inflows	(14,482,350)	(12,755,851)
Total net position - governmental activities		$ (48,616,836)

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2022

	General	2020 Construction	Nonmajor	Total
Revenues				
Local sources	$ 7,812,938	$ 70,007	$ 15,145,468	$ 23,028,413
Non-educational entity sources	62,129	-	186,395	248,524
State sources	39,431,581	-	122,927	39,554,508
Federal sources	3,363,281	-	4,663,211	8,026,492
Interdistrict sources	4,191,975	-	-	4,191,975
Total Revenues	54,861,904	70,007	20,118,001	75,049,912
Expenditures				
Instruction	34,582,887	-	-	34,582,887
Supporting services	17,878,884	305,704	588,519	18,773,107
Community services	148,767	-	2,656,784	2,805,551
Food service	-	-	2,603,875	2,603,875
Capital outlay	-	20,611,816	1,347,983	21,959,799
Debt service:				
Principal repayment	-	-	8,160,000	8,160,000
Interest and fiscal charges	-	-	6,597,888	6,597,888
Bond issuance costs	-	-	48,332	48,332
Total Expenditures	52,610,538	20,917,520	22,003,381	95,531,439
Excess (Deficiency) of Revenues Over Expenditures	2,251,366	(20,847,513)	(1,885,380)	(20,481,527)
Other Financing Sources (Uses)				
Proceeds from bond issuance	-	-	2,885,000	2,885,000
School bond loan issued	-	-	4,072,374	4,072,374
Proceeds from sale of capital assets	9,840	-	-	9,840
Transfers in	-	141,180	245,800	386,980
Transfers out	(243,553)	-	(143,427)	(386,980)
Other transactions	779	-	-	779
Total Other Financing Sources (Uses)	(232,934)	141,180	7,059,747	6,967,993
Net Change in Fund Balances	2,018,432	(20,706,333)	5,174,367	(13,513,534)
Fund Balances, Beginning of Year	10,896,183	48,926,336	9,251,984	69,074,503
Fund Balances, End of Year	$ 12,914,615	$ 28,220,003	$ 14,426,351	$ 55,560,969

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2022

Net change in fund balances - total governmental funds		$ (13,513,534)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital outlays	$ 19,904,201	
Depreciation expense	(4,230,658)	15,673,543
In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale(s) increase financial resources. Thus the change in net position differs from the change in fund balance by the net book value of he assets sold/retired		(14,852)
Proceeds from the sale of bonds, or loans, are an other financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Position.		
General obligation bonds	(2,885,000)	
State school bond loan	(4,240,052)	(7,125,052)
Bond premium is amortized over the life of the new bond issue on the Statement of Activities.		1,150,473
Losses on advanced bond refundings are amortized over the life of the new bond issue on the Statement of Activities.		(62,591)
Repayment of long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities:		
General obligation bonds		8,160,000
Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is paid.		46,222
In the Statement of Net Position, accumulated sick leave is measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid). This year the amount of these benefits used/paid ($36,569) exceeded the amount earned ($20,499).		16,070

(Continued)

BYRON CENTER PUBLIC SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2022

The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	$ 1,083,063
The changes in net OPEB liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	3,909,705
Total changes in net assets - governmental activities	$ 9,323,047

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2022

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Local sources	$ 7,038,656	$ 7,807,617	$ 7,812,938	$ 5,321
Non-educational entity sources	66,000	64,423	62,129	(2,294)
State sources	35,951,048	39,643,113	39,431,581	(211,532)
Federal sources	1,928,955	3,059,258	3,363,281	304,023
Interdistrict sources	3,942,486	4,190,779	4,191,975	1,196
Total Revenues	48,927,145	54,765,190	54,861,904	96,714
Expenditures				
Current:				
Instruction:				
Basic programs	27,340,463	30,229,058	30,033,409	195,649
Added needs	3,637,259	4,404,801	4,549,478	(144,677)
Supporting services:				
Pupil services	2,769,443	3,118,266	3,099,265	19,001
Instructional staff services	1,207,147	1,067,930	1,016,202	51,728
General administrative services	676,420	594,900	570,196	24,704
School administrative services	2,744,855	2,642,315	2,609,519	32,796
Business services	889,970	1,032,480	1,003,503	28,977
Operation and maintenance services	4,094,807	4,513,967	4,360,060	153,907
Pupil transportation services	2,463,845	2,488,927	2,404,505	84,422
Central services	1,447,185	1,516,111	1,453,476	62,635
Other supporting services	1,299,792	1,407,824	1,362,158	45,666
Community services	122,826	153,422	148,767	4,655
Total Expenditures	48,694,012	53,170,001	52,610,538	559,463
Excess (Deficiency) of Revenues Over Expenditures	233,133	1,595,189	2,251,366	656,177
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	9,839	9,840	1
Transfers out	(232,966)	(243,553)	(243,553)	-
Other transactions	-	778	779	1
Total Other Financing Sources (Uses)	(232,966)	(242,775)	(232,934)	2
Net Change in Fund Balances	167	1,352,414	2,018,432	656,179
Fund Balances, Beginning of Year	10,896,183	10,896,183	10,896,183	-
Fund Balances, End of Year	$10,896,350	$12,248,597	$ 12,914,615	$ 666,018

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

	Private Purpose Trust Fund
Assets	
Cash equivalents, deposits and investments (Note B)	$ 12,356
Liabilities	-
Net Position	
Restricted for:	
Individuals and organizations	$ 12,356

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2022

	Private Purpose Trust Fund
Additions	
Interest earnings	$ 15
Donations	300
Total Additions	315
Deductions	
Endowment activities - scholarships	600
Change in Net Position	(285)
Net Position, Beginning of Year	12,641
Net Position, End of Year	$ 12,356

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Byron Center Public Schools (the "District") was organized under the School Code of the State of Michigan and services a population of approximately 4,427 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, preschool programs, athletic activities, special education, vocational education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District's significant accounting policies are described below.

1. Reporting Entity

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include the funds of those organizational entities for which its elected governing board is financially accountable.

2. District-wide and Fund Financial Statements

District-wide Financial Statements - The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. The District does not allocate indirect costs and, for the most part, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

The Statement of Net Position is reported on the full accrual, economic resources basis, which recognizes all long-term assets as well as all long-term debt and obligations. The District's net position is reported in three parts: investment in capital assets, net of related debt; restricted net position, and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, unrestricted state aid, interest earnings and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund and the 2020 Construction Capital Projects Fund are the District's major funds. Nonmajor funds are aggregated and presented in a single column.

Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the district-wide level. Reconciliations between the two sets of statements are provided in separate schedules.

Revenues are recognized when susceptible to accrual, i.e., both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

Revenues susceptible to accrual are property taxes, State aid, federal and interdistrict revenues and investment income. Other revenues are recognized when received. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of the qualifying expenditures.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

The State of Michigan utilizes a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenues from State sources are primarily governed by the School Aid Act and the School Code of Michigan. The state portion of the foundation is provided from the State's School Aid Fund and is recognized as revenues in accordance with State law and accounting principles generally accepted in the United States of America.

Governmental Funds

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

General Fund—The General Fund is the general operating fund of a school district. It is used to account for all financial resources, except those required to be accounted for in another fund. Included are all transactions related to the current operating budget.

Special Revenue Funds—Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

School Service Funds—School Service Funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. A school district maintains full control of these funds. The School Service Funds maintained by the District are the Food Service, Community Service, and the Student/School Activity Funds.

Debt Service Funds—Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt (bonds, notes, loans, leases and school bond loan) principal, interest, and related costs.

Capital Projects Funds—Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished. The District currently maintains a 2017 Construction Fund, 2020 Capital Projects Fund, and Building and Site Fund, and 2022 Technology and Bus Fund.

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of Section 1351a of the State of Michigan's School Code. For capital project activities funded with sinking fund millage, the District has complied with the applicable provisions of Section 1212 (I) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by a school district in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Trust Funds—Trust Fund net position and results of operations are not included in the district-wide financial statements. Trust funds are reported using the economic resources measurement focus.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

4. Budgets and Budgetary Accounting

State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act) requires that the General Fund of a school district be under budgetary control and that both budgeted and actual financial results do not incur a deficit. Byron Center Public Schools has also adopted budgets for its Special Revenue Funds. A school district's General Appropriations Resolution (the “budget”) must be adopted before the beginning of each fiscal year. No violations (dollar deviations) from a district's budget may occur without a corresponding amendment to the budget. A school district has the ability to amend the budget provided that the amendment is prior to the occurrence of the deviation and prior to the fiscal year end. A school district may also permit the chief administrative or fiscal officer to execute transfers between line items, within defined dollar or percentage limits, without prior approval of the Board of Education. Expenditures may not legally exceed budgeted appropriations at the function level. All appropriations lapse at the end of the fiscal year.

Byron Center Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- Starting in the spring, District administrative personnel and department heads work with the Superintendent and Chief Financial Officer to establish proposed operating budgets for the fiscal year commencing the following July 1.

- In June, preliminary operating budgets are submitted to the Board of Education. These budgets include proposed expenditures and the means of financing them.

- Prior to June 30, a public hearing is held to obtain taxpayer comments on the proposed budgets.

- After the budgets are finalized, the Board of Education adopts an appropriations resolution setting forth the amount of the proposed expenditures and the sources of revenue to finance them.

- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act).

- Budgets for the General and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budget integration in the governmental funds. There were no substantial encumbrances outstanding at year end.

6. Investments

Investments are recorded at fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

7. Inventories/Prepaid Items

Inventories are valued at cost (first-in, first-out), and are accounted for using the consumption method. Inventories of the Food Service Fund consist of food, and other nonperishable supplies. Disbursements for inventory-type items are recorded as expenditures at the time of use for each fund. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

8. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the district-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed $5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at fair value at the date of donation.

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

Land improvements, buildings and improvements, furniture and equipment and vehicles are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	10 - 20 years
Buildings and improvements	40 - 50 years
Furniture and equipment	3 - 10 years
Vehicles	5 - 10 years

9. Long-term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported at the total amount of bonds issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

10. Accumulated Vacation/Sick Leave

Accumulated vacation/sick leave at June 30, 2022 has been computed and recorded in the basic financial statements of the District. Employees who leave the District are entitled to reimbursement for a portion of their unused vacation/sick days. At June 30, 2022, the accumulated liabilities, including salary related payments, (expected to be financed by General Fund revenues) for accumulated vacation/sick leave was $123,031.

11. Retirement Plan

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions,* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, were implemented by the District during the fiscal year ended June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, the Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Cost sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans – pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

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. Plan investments are reported at fair value.

12. Postemployment Benefits Other Than Pensions

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented by the District during the fiscal year ended June 30, 2018. This Statement establishes standards for recognizing and measuring (OPEB) liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB plans, the Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about OPEB are also addressed. Distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet specific criteria. Cost-sharing employers are those whose employees are provided with defined benefit OPEB through cost-sharing multiple-employer OPEB plans—OPEB plans in which the OPEB obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides OPEB through the OPEB plan.

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. Plan investments are reported at fair value.

13. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three such items that qualify for reporting in this category: the deferred charge on a previous year's bond refunding, the deferred outflows of resources relating to the recognition of net pension liability on the financial statements and the deferred outflows of resources relating to the recognition of net OPEB liability on the financial statements.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category: the deferred inflows of resources relating to the recognition of net pension liability on the financial statements and the deferred inflows of resources relating to the recognition of net OPEB liability on the financial statements.

14. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net position is reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

15. Fund Balances

As of July 1, 2010, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The stated objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, detailed as follows:

- Nonspendable – resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).

- Restricted – resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

- Committed – resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts. Committed fund balance does not lapse at year end.

- Assigned – resources that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes. Byron Center Public Schools' Board of Education has delegated authority to assign fund balances for a specific purpose to the CFO. Assigned fund balance does not lapse at year end.

- Unassigned – unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Byron Center Public Schools has established a policy for its use of unrestricted fund balance amounts, and the District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The District's Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without unnecessary borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Education. It is recognized that it will not always be possible to avoid borrowing to provide cash flow.

The Board recognizes that good fiscal management comprises the foundational support of the entire District. To make that support as effective as possible, the Board intends to maintain a fund balance of 10% of the District General Fund annual operating expenditures.

16. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

17. Estimates

The preparation of the 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 amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note B – Cash Equivalents and Investments

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.

- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.

- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of the purchase.

- Securities issued or guaranteed by agencies or instrumentalities of the United States government.

- United States government or Federal agency obligation repurchase agreements.

- Banker's acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.

- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school district in Michigan.

- Investment pools, as authorized by the Surplus Funds Investment Pool Act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for the direct investment by a school district in Michigan.

Balances at June 30, 2022 related to cash equivalents and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Position:	
Governmental activities	$ 56,281,561
Fiduciary Funds:	
Trust and Agency Funds	12,356
	$ 56,293,917

Cash Equivalents

Depositories actively used by the District during the year are detailed as follows:

1. United Bank
2. Salt Lake City Bank

Cash equivalents consist of bank interest-earning accounts. United Bank is utilized by all funds of the District. Salt Lake City Bank is used to pay referees in the District's athletics programs.

Balances at June 30, 2022 related to cash equivalents are detailed in the Basic Financial Statements as follows:

Cash equivalents	$ 16,057,751

Custodial Credit Risk Related to Bank Deposits
Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Protection of District cash equivalents is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents was $16,057,604 and the bank balance was $16,575,084. Of the bank balance, $318,872 was covered by federal depository insurance and $16,256,212 was uninsured and uncollateralized.

Investments

As of June 30, 2022, the District had the following investments:

Michigan Liquid Asset Fund Plus (MILAF+) – Cash Management	$ 2,388,643
Michigan Liquid Asset Fund Plus (MILAF+) – MAX Class	37,847,523
	$ 40,236,166

The Michigan Liquid Asset Fund Plus (MILAF+) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. MILAF+ is not regulated or registered with the Securities Exchange Commission. The MILAF+ Fund is carried at amortized cost and was rated AAAm by Standard & Poor's rating agency. The MILAF+ MAX Class requires a 14 day redemption notice.

Custodial Credit Risk Related to Investments
Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by State statute, and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business. At June 30, 2022, the District had no investments that were subject to custodial credit risk.

Credit Risk
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investment policy does not specifically address credit risk, but minimizes its credit risk by limiting investments to the types allowed by the State.

Interest Rate Risk
In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market, and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements. The District's investment policy requires that maturities do not exceed two years.

Concentration of Credit Risk
The District minimizes concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security. Excluding U.S. Government guaranteed investments, and mutual fund and pooled investments, no single investment exceeded 5% of total investments at June 30, 2022.

Foreign Currency Risk
The District is not authorized to invest in investments which have this type of risk.

Note C – State School Aid/Property Taxes

On March 15, 1994, the voters of the State of Michigan approved Proposal A, which increased the State Sales and Use Tax rates from 4% to 6% and established a State Education Tax at a rate of 6 mills on all property, except that which is exempt by law from ad valorem property taxes, and dedicated the additional revenues generated to Michigan school districts.

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a “blended count” of District pupil membership in February 2021 and October 2021. The 2021-22 "Foundation Allowance” for Byron Center Public Schools was $8,700 for 4,413 “Full Time Equivalent” students, generating $38,461,212 in state aid payments to the District of which $6,947,486 was paid to the District in July and August 2022 and included in “Due From Other Governmental Units” of the General Fund and the Food Service Fund.

Property taxes for the District are levied July 1 and December 1 (the tax lien date) under a split-levy system by the City of Wyoming, the Townships of Byron and Dorr, and the Charter Township of Gaines, and are due 75 days after the levy date. The taxes are then collected by each governmental unit and remitted to the District. The Counties of Kent and Allegan, through their Delinquent Tax Revolving Fund, advance all delinquent real property taxes at March 1 to the District each year prior to June 30.

Section 1211(1) of 1993 PA 312 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill “Local Enhancement Millage” which must be shared between all local districts in each respective county intermediate district.

As Byron Center Public Schools’ electors had previously (May 7, 2019) approved an operating millage extension, the 18 mill non-homestead property tax was levied in the District for 2021-22.

The District levied 7.0 mills in 2021 for debt service purposes and 0.9746 mills for building and site, applied on all taxable property in the District.

Taxable property in the District is assessed initially at 50% of true cash value by the assessing officials of the various units of government that comprise the District. These valuations are then equalized by the county and finally by the State of Michigan, generating the State Equalized Valuation. Taxable valuation increases will be limited, or capped (known as capped valuation), at 5% or the rate of inflation, whichever is less. With the implementation of Proposal A and Public Act 36, taxable property is now divided into two categories: PRE and NPRE.

A principal residence exemption property (PRE) is exempt from the 18 mill "School Operating" tax. It is not exempt from the 6 mill "State Education" tax, any voted “Local Enhancement Millage” nor any additional voted millage for the retirement of debt.

Non-principal residence exemption property (NPRE) is subject to all District levies. However, since Public Act 36, establishing the Michigan Business Tax, was signed into law, Public Acts 37-40 of 2007 now exempt Industrial Personal Property from the 6 mill State Education Tax and up to 18 mills of local school district operating millage (includes property under Industrial Facilities Tax exemptions); and exempt Commercial Personal Property from up to 12 mills of local school district operating millage (exceptions may apply).

The District is subject to tax abatements granted by the County of Kent with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assists in the building of new facilities, and promotes the establishment of high tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term up to 12 years as determined by the local unit of government. The agreements entered into by each local unit include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The tax abated property taxes are calculated by applying half the local property tax millage rate on the total IFT taxable value. This amounts to a reduction in property tax revenue of approximately 50%.

For the year ended June 30, 2022, the District's property tax revenues were reduced by approximately $139,704 under these agreements.

Note D – Interfund Receivables/Payables and Transfers

Amounts due from/to other funds representing interfund receivables and payables for cash flow advances at June 30, 2022 are detailed as follows:

	Due From	Due To
Major Funds		
General Fund:		
Special Revenue Funds:		
Food Service Fund	$ 147	$ -
Community Service Fund	34	991,550
Sudent/School Activity Fund	-	20
Debt Service Fund:		
2021 Refund Debt Fund	234	-
Total Major Funds	415	991,570
Nonmajor Funds		
Special Revenue Funds:		
Food Service Fund:		
General Fund	-	147
Community Service Fund:		
General Fund	991,550	34
Student/School Activity Fund	-	1,000
Debt Service Fund:		
General Fund	-	234
Student/School Activity Fund:		
General Fund	20	-
Community Service Fund	1,000	-
Total Nonmajor Funds	992,570	1,415
Total All Funds	$ 992,985	$ 992,985

Interfund transfers during the year ended June 30, 2022 were as follows:

	Transfers In	Transfers Out
Major Funds		
General Fund:		
Special Revenue Funds:		
Community Service Fund	$ -	$ 243,553
Capital Projects Fund:		
2020 Construction Fund:		
Building & Site Fund	141,180	-
Total Major Funds	141,180	243,553
Nonmajor Funds		
Special Revenue Funds:		
Community Service Fund:		
General Fund	243,553	-
Debt Service Funds:		
2012 Debt Service Fund:		
2015 Refunding Debt Fund	2,247	-
2015 Debt Refunding Fund:		
2012 Debt Service Fund	-	2,247
Capital Projects Funds:		
Building & Site Fund:		
2020 Construction Fund	-	141,180
Total Nonmajor Funds	245,800	143,427
Total All Funds	$ 386,980	$ 386,980

Interfund transfers are essential to maintain the Special Revenue Funds of the District. The transfers assist the fund with cash flow, payroll, and employee benefits. The District's intent is to appropriate expenditures to these funds on an actual basis to show the true costs of operation for these programs. By making the interfund transfers these expenditures can be allocated to each program as they occur.

Note E – Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balances July 1, 2021	Additions	Deductions	Balances June 30, 2022
Capital assets not being depreciated:				
Land	$ 7,266,787	$ -	$ -	$ 7,266,787
Construction in progress	4,347,611	18,882,866	2,636,124	20,594,353
Total capital assets not being depreciated	11,614,398	$ 18,882,866	$ 2,636,124	27,861,140
Capital assets being depreciated:				
Land improvements	18,606,016	$ 359,952	$ -	18,965,968
Buildings and improvements	155,400,196	2,055,821	-	157,456,017
Furniture and equipment	11,541,379	882,663	-	12,424,042
Vehicles	3,795,049	359,023	297,036	3,857,036
Total capital assets being depreciated	189,342,640	$ 3,657,459	$ 297,036	192,703,063
Less accumulated depreciation for:				
Land improvements	14,006,984	$ 650,627	$ -	14,657,611
Buildings and improvements	35,793,477	2,989,325	-	38,782,802
Furniture and equipment	9,968,789	360,449	-	10,329,238
Vehicles	2,712,661	230,257	282,184	2,660,734
Total accumulated depreciation	62,481,911	$ 4,230,658	$ 282,184	66,430,385
Total capital assets being depreciated, net	126,860,729			126,272,678
Net Capital Assets	$ 138,475,127			$ 154,133,818

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	$ 1,865,319
Supporting services	2,095,364
Community services	147,578
Food service	122,397
	$ 4,230,658

Note F – Long-term Obligations

Changes in long-term obligations for the year ended June 30, 2022 are summarized as follows:

	Debt Outstanding July 1, 2021	Debt Added	Debt Retired	Debt Outstanding June 30, 2022
General obligation bonds:				
February 24, 2015	$ 370,000	$ -	$ 370,000	$ -
May 18, 2016	7,080,000	-	2,080,000	5,000,000
June 28, 2017	54,555,000	-	1,065,000	53,490,000
February 27, 2018	3,435,000	-	1,160,000	2,275,000
October 30, 2019	11,960,000	-	-	11,960,000
February 5, 2020	15,265,000	-	1,580,000	13,685,000
June 29, 2020	48,595,000	-	895,000	47,700,000
May 12, 2021	13,870,000	-	1,010,000	12,860,000
February 24, 2022	-	2,885,000	-	2,885,000
Bond premium	20,708,081	-	1,150,473	19,557,608
State school bond loan	6,202,031	4,240,052	-	10,442,083
Accumulated vacation/sick leave	139,101	20,499	36,569	123,031
	$ 182,179,213	$ 7,145,551	$ 9,347,042	$ 179,977,722

Long-term bonds and other obligations at June 30, 2022 are comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
$10,530K Refunding May 18, 2016:				
Annual maturities of $2,500K	May 1, 2024	2.30 - 2.55%	$ 5,000,000	$ 2,500,000
$56,535K Building & Site June 28, 2017:				
Annual maturities of $1,120K to $3,615K	May 1, 2047	5.00%	53,490,000	1,120,000
$7,005K Refunding February 27, 2018:				
Annual maturities of $1,125K to $1,150K	May 1, 2024	5.00%	2,275,000	1,150,000
$11,960K Refunding October 30, 2019:				
Annual maturities of $1,860K to $2,050K	May 1, 2030	2.20%	11,960,000	-
$16,855K Refunding February 5, 2020:				
Annual maturities of $1,460K to $1,575K	May 1, 2031	5.00%	13,685,000	1,575,000
$48,595K Building & Site June 29, 2020:				
Annual maturities of $930K to $2,775K	May 1, 2050	4.00 - 5.00%	47,700,000	930,000
$13,870K Refunding May 12, 2021:				
Annual maturities of $1,000K to $1,365K	May 1, 2033	3.00 - 4.00%	12,860,000	1,000,000
$2,885K School Technology and Bus Series II February 24, 2022:				
Annual maturities of $700K to $750K	May 1, 2028	1.82%	2,885,000	-
Bond premium		N/A	19,557,608	1,150,471
Other Obligations				
State school bond loan			10,442,083	-
Accumulated vacation/sick leave			123,031	15,000
			$ 179,977,722	$ 9,440,471

The District obtains loans from the Michigan School Loan Revolving fund for the payment of the annual maturities of its general obligation bonds. There is no fixed maturity schedule for the repayment of these loans. Instead, the principal and interest are payable when taxes levied for debt service are no longer needed to retire bonded debt. During the year, the District borrowed $4,072,374, and accrued interest of $167,678 was added to the District's outstanding liability to the Fund. At June 30, 2022, the District owed the Fund a total of $10,442,083.

The annual requirements to pay principal and interest on long-term bonds outstanding at June 30, 2022 are as follows:

Year Ended June 30	Principal	Interest	Total
2023	$ 8,275,000	$ 6,345,084	$ 14,620,084
2024	8,350,000	6,012,420	14,362,420
2025	7,400,000	5,676,170	13,076,170
2026	7,670,000	5,404,793	13,074,793
2027	7,835,000	5,123,131	12,958,131
2028	7,985,000	4,833,066	12,818,066
2029	7,450,000	4,524,646	11,974,646
2030	7,595,000	4,220,036	11,815,036
2031	5,685,000	3,907,400	9,592,400
2032	4,440,000	3,648,850	8,088,850
2033	4,610,000	3,467,200	8,077,200
2034	3,390,000	3,278,200	6,668,200
2035	3,545,000	3,123,450	6,668,450
2036	3,710,000	2,961,550	6,671,550
2037	3,880,000	2,792,000	6,672,000
2038	4,055,000	2,614,600	6,669,600
2039	4,240,000	2,429,100	6,669,100
2040	4,435,000	2,235,050	6,670,050
2041	4,640,000	2,031,950	6,671,950
2042	4,850,000	1,819,350	6,669,350
2043	5,075,000	1,597,000	6,672,000
2044	5,310,000	1,364,250	6,674,250
2045	5,555,000	1,120,600	6,675,600
2046	5,810,000	865,600	6,675,600
2047	6,075,000	598,750	6,673,750
2048	2,555,000	319,600	2,874,600
2049	2,660,000	217,400	2,877,400
2050	2,775,000	111,000	2,886,000
	$ 149,855,000	$ 82,642,246	$ 232,497,246

Note G – Retirement Plan

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS) (the "System"), is a cost-sharing, multiple-employer, state-wide, defined benefit public employee retirement system 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 the 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 and 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 at www.michigan.gov/orsschools.

Participants are enrolled in one of multiple plans based on date of hire and certain voluntary elections. A summary of pension plans offered by MPSERS are detailed as follows:

Plan Name	Plan Type	Plan Status
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed
Pension Plus	Hybrid	Closed
Defined Contribution	Defined Contribution	Open
Pension Plus 2	Hybrid	Open

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.

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of MPSERS who became a member of MPSERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010 and 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 pension. Any changes to a member's pension 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 the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

<u>Option 1</u> members voluntarily elected to increase their contributions to the pension fund as noted below and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment.

- Basic Plan members; 4% contribution
- Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members: a flat 7% contribution

<u>Option 2</u> members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic Plan members, 3.9% for MIP-Fixed, up to 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

<u>Option 3</u> members voluntarily elected not to increase their contribution to the pension fund and maintain their current level of contribution to the pension fund. The pension formula for their years of service as of the day before their transition date will include a 1.5% pension factor. The pension formula for any service thereafter will include a 1.25% pension factor.

<u>Option 4</u> members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to a tax-deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS to a 457 account. They vest in employer contributions and related earnings in their 401(k) account based on the following schedule: 50% at 2 years, 75% at 3 years, and 100% at 4 years of service. They are 100% vested in any personal contributions and related earnings in the 457 account. Upon retirement, if they meet age and service requirements (including their total years of service), they would also receive a pension (calculated based on years of service and Final Average Compensation as of the day before their transition date and a 1.5% pension factor).

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose. Employees who first work on or after September 4, 2012, choose between two retirement plans: the Pension Plus plan described above and a Defined Contribution (DC) plan that provides a 50% employer match (up to 3% of salary) on employee contributions. New employees are automatically enrolled as members in the Pension Plus plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus plan and become a qualified participant in the DC plan; if no election is made, they will remain in the Pension Plus plan. If they elect to opt out of the Pension Plus plan, their participation in the DC plan will be retroactive to their date of hire.

Pension Reform of 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closed the Pension Plus plan to newly hired employees as of February 1, 2018 and created a new, optional Pension Plus 2 plan with similar plan benefit calculations but containing a 50/50 contribution share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 plan would close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law includes other provisions to the retirement eligibility age, plan assumptions, and unfunded liablity payment methods.

Regular Retirement

The retirement benefit for DB and Pension Plus plan members is based on a member's years of credited service (employment) and final average compensation (FAC). The FAC is calculated based on the member's highest total wages earned during a specific period of consecutive calendar months divided by the service credit accrued during that same time period. For a Member Investment Plan (MIP) member, who became a member of MPSERS prior to July 1, 2010, the averaging period is 36 consecutive months. For a Pension Plus member, who became a member of MPSERS after June 30, 2010, the averaging period is 60 consecutive months. For a Basic Plan member, this is the 60 consecutive months yielding the highest total wages. The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012 and is shown below:

Option 1: FAC x total years of service x 1.5%
Option 2: FAC x 30 years of service x 1.5% + FAC x years of service beyond 30 x 1.25%
Option 3: FAC x years of service as of transition date x 1.5% + FAC x years of service after transition date x 1.25%
Option 4: FAC as of transition date x years of service as of transition date x 1.5%

A MIP member who became a member of MPSERS prior to July 1, 2010 may retire at:

- age 46 with 30 or more years of credited service; or
- age 60 with 10 or more years of credited service; or
- age 60 with 5 years of credited service provided the member has worked through his or her 60th birthday and has credited service in each of the five school fiscal years immediately preceding the retirement effective date.

A Pension Plus member may retire at age 60 with 10 or more years of credited service.

A Pension Plus 2 member may retire at age 60 with 10 or more years of credited service. Section 81c(5) of PA 300 as amended requires the regular retirement age to be increased in whole year increments based on the results of mortality analysis five-year actuarial experience studies performed after October 1, 2019 and the actuarial funding status of the plan. If the regular retirement age for Pension Plus 2 members is increased in accordance with this provision, members within five years of retirement from the effective date of the increase are automatically exempted and the retirement board may additionally authorize those between five and eight years of the then current retirement age to be exempted.

A Basic Plan member may retire at:

- age 55 with 30 or more years of service; or
- age 60 with 10 or more years of service.

There is no mandatory retirement age.

Early Retirement

A MIP or Basic member may retire with an early permanently reduced pension:

- after completing at least 15 but less than 30 years of credited service; and
- after attaining age 55; and
- with credited service in each of the 5 school years immediately preceding the pension effective date.

The early pension is computed in the same manner as a regular pension but is permanently reduced 0.5% for each full and partial month between the pension effective date and the date the member will attain age 60.

Deferred Retirement

If a member terminates employment before attaining the age qualification, but after accruing 10 or more years of credited service, the member becomes a deferred member and is eligible for a pension at the time the age qualification is attained.

Non-Duty Disability Benefit

A member with 10 or more years of credited service who becomes totally and permanently disabled due to any non-duty related cause and who has not met the age requirement for a regular pension is eligible for a non-duty disability pension computed in the same manner as an age and service pension, upon recommendation from the member's personal physician and the Retirement Board physician and the approval of the Retirement Board. An Annual Certification of Disability is conducted each January. Upon prior approval, total disability benefits plus authorized outside earnings are limited to 100% of final average compensation (increased by 2% for each year retired; first year 100%, next year 102%, etc.).

Duty Disability Benefit

A member who becomes totally and permanently disabled as a result of a duty-related cause, who has not met the age and service requirement for a regular pension, and who is in receipt of weekly workers' compensation is eligible for a duty disability pension computed in the same manner as an age and service pension (but based upon a minimum of 10 years of service) upon recommendation from the member's personal physician and the Retirement Board physician and the approval of the Retirement Board. An Annual Certification of Disability is conducted each January. Upon prior approval, total disability benefits plus authorized outside earnings are limited to 100% of final average compensation (increased by 2% for each year retired; first year 100%, next year 102%, etc.).

Pension Payment Options

The election of a pension option is made at the time of application. Once a member has retired, the option choice is irrevocable. The pension effective date is the first of the calendar month following the date the member has satisfied the age and service requirements, has terminated public school employment and has the completed application forms on file with the System for a period of 15 days. A retroactive pension can be paid for no more than 12 calendar months. Thus, delay in filing the application can result in a loss of some retroactive pension benefits. An applicant may select only one of the following options.

Straight Life Pension – the Straight Life Pension pays the largest level pension a retiree can receive during his or her lifetime and stops with the month of the retiree's death. There are no monthly benefits for a beneficiary. The pension benefit is computed with no beneficiary rights. If the retiree made contributions while an employee and has not received the total accumulated contributions before death, a refund of the balance of the contributions is made to the beneficiary of record. If the retiree did not make any contributions, there will not be payments to any beneficiaries.

Survivor Options - Under the Survivor Options, 100% Survivor Pension, 100% Equated, 75% Survivor Pension, 75% Equated, 50% Survivor Pension and 50% Equated, the reduction is an actuarial determination dependent upon the combined life expectancies of a retiree and a beneficiary and varies from case to case. A beneficiary may only be a spouse, brother, sister, parent or child (including an adopted child) of a retiring member. If the beneficiary predeceases a retiree, the pension will revert to either the Straight Life or Straight Life Equated amount ("pop-up" provision). If, however, a retiree was single at the time of retirement and subsequently married, the retiree can request to nominate a new spouse if they elected the straight life option at retirement. Also, if a retiree was married at the time of retirement and has since been widowed and remarried, the retiree can request to nominate a new spouse as a pension beneficiary as long as they elected a survivor option for the spouse at the time of retirement.

100% Survivor Pension – pays a reduced pension to a retiree. The month after a retiree's death, the same amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

75% Survivor Pension – pays a reduced pension to a retiree. The month after a retiree's death, 75% of the pension amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

50% Survivor Pension – pays a reduced pension to a retiree. The month after a retiree's death, 50% of the pension amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

Equated Plan – For MIP and Basic members, the Equated Plan may be combined with the Straight Life, 100% Survivor, 75% Survivor, or 50% Survivor pension by any member under age 61, except a disability applicant. The Equated Plan provides a higher pension every month until age 62, at which time the monthly pension is permanently decreased to a lower amount than the Straight Life, 100%, 75%, or 50% Survivor alone would provide.

The intent of the Equated Plan is for the retiree's pension to decrease at age 62 by approximately the same amount as that person's Social Security benefit will provide. The System pension until age 62 should be about the same as the combined System pension and Social Security after age 62.

The projected Social Security pension the retiring member obtains from the Social Security Administration and furnishes to the System is used in the Equated Plan calculation. The actual Social Security pension may vary from the estimate.

NOTE: The reduction in the pension at age 62 pertains to the Equated Plan only and affects only the retiree. A beneficiary under 100% Equated, 75% Equated or 50% Equated will receive the 100%, 75%, or 50% Survivor amount the month following the retiree's death as if the Equated Plan had not been chosen. A beneficiary does not participate in the Equated Plan.

Survivor Benefit

A non-duty survivor pension is available if a Member Investment Plan (MIP) member has 10 years of credited service or, if age 60 or older, with five years of credited service; the date they became a MIP member does not matter. The Basic Plan provides a survivor pension with 15 years of credited service or, if age 60 or older, with 10 years of credited service. An active member may nominate as a survivor beneficiary a spouse, child(ren) (including adopted child(ren)), brother, sister, or parent. If other than the spouse is nominated and a spouse exists, the spouse must waive this benefit. If no beneficiary has been nominated, the beneficiary is automatically the spouse; or, if there is no spouse, unmarried children under age 18 share the benefit equally until age 18. The benefit is computed as a regular pension but reduced in accordance with an Option 2 (100% survivor pension factor). The pension begins the first of the month following the member's death. In the event of death of a deferred member, the System begins payment to the nominated beneficiary at the time the member would have attained the minimum age qualification.

A duty survivor pension is payable if weekly Workers' Compensation is being paid to the eligible beneficiary due to the member's death. A spouse receives the benefit (based on a minimum of 10 years of service credit) reduced in accordance with a 100% survivor pension factor. If there is no spouse, unmarried children under age 18 share the benefit equally until age 18; if there is no spouse or child(ren), a disabled and dependent parent is eligible.

Postemployment Adjustments

A retiree who became a Member Investment Plan (MIP) member prior to July 1, 2010, receives an annual post-retirement non-compounded increase of 3% of the initial pension in the October following twelve months of retirement. Basic Plan members do not receive an annual post-retirement increase but are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions. Pension Plus members do not receive an annual post-retirement increase.

On January 1, 1990, pre-October 1, 1981 retirees received an increase that ranged from 1% to 22% dependent upon the pension effective date. On October 1, 1990, the base pension of all retirees with an effective pension date of January 1, 1987, or earlier was increased to include all prior post-retirement adjustments.

On January 1, 1986, all recipients through calendar year 1985 received a permanent 8% increase that established the 1986 base pension. In addition, each October, retirees with a pension effective date of January 1, 1987, or earlier receive a fixed increase equal to 3% of the base pension. Both increases are deducted from the distribution of excess investment income, if any. Beginning in 1983, eligible recipients receive an annual distribution of excess investment income, if any.

Contributions and Funded Status

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

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

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

Pension Contribution Rates:

Plan Name	**Member**	**District**
Basic	0.0 – 4.0 %	19.78%
Member Investment Plan (MIP)	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%

The District's contributions to MPSERS under all pension plans for the year ended June 30, 2022, inclusive of the MSPERS UAAL Stabilization, totaled $8,831,980.

MPSERS Plan Net Pension Liability (in thousands)

Total Pension Liability	$ 87,569,422
Plan Fiduciary Net Position	63,332,155
Net Pension Liability	$ 24,237,267
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.32%
Net Pension Liability as a Percentage of Covered Employee Payroll	261.49%
Total Covered Payroll	$9,269,004

Proportionate Share of Reporting Unit's Net Pension Liability

At June 30, 2022, the District reported a liability of $59,788,632 for its proportionate share of the 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 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 the pension contributions required from all applicable employers during the measurement period. At September 30, 2021 the District's proportion was 0.25253470%, which was an increase from 0.24990127% at September 30, 2020.

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

For the year ended June 30, 2022, the District recognized pension expense of $7,616,455. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 926,152	$ 352,084
Changes of assumptions	3,768,862	—
Net difference between projected and actual earnings on pension plan investments	—	19,221,853
Changes in proportion and differences between District contributions and proportionate share of contributions	1,711,964	142,925
District contributions subsequent to the measurement date*	8,186,577	—
Total	$ 14,593,555	$ 19,716,862

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

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

Year ended June 30	Amount
2023	$ (942,256)
2024	(2,853,918)
2025	(4,393,964)
2026	(5,119,746)

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 (Non-Hybrid):	6.80% net of investment expenses
Pension Plus Plan (Hybrid):	6.80% net of investment expenses
Pension Plus 2:	6.00% net of investment expenses
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Cost-of-Living Adjustments:	3% annual non-compounded for MIP members
Mortality:	
Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Active Members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Disabled Retirees:	RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Notes:

- 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 in years: [4.4892 for non-university employers].

- Recognition period for assets in years: 5.0000.

- 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 Rate of Return on Investments

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

Investment Category	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 Pools	15.0%	7.5%
Fixed Income Pools	10.5%	(0.7)%
Real Estate and Infrastructure Pools	10.0%	5.4%
Absolute Return Pools	9.0%	2.6%
Real Return/Opportunistic Pools	12.5%	6.1%
Short-term Investment Pools	2.0%	(1.3)%
Total	**100.0%**	

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

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, 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 the 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using 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 District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease 5.8%/5.8%/5.0%	Current Single Discount Rate Assumption 6.8%/6.8%/6.0%	1% Increase 7.8%/7.8%/7.0%
District's proportionate share of the net pension liability	$ 85,481,529	$ 59,788,632	$ 38,487,535

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 Michigan Public School Employees' Retirement System September 30, 2021 Annual Comprehensive Financial Report, available here: (www.michigan.gov/orsschools).

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

Payables to the pension plan totaling $1,265,479 at June 30, 2022 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources.

Note H – Other Postemployment Benefits

Plan Description

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

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

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

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

Benefits Provided

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

Retiree Healthcare Reform of 2012

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

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

Contributions and Funded Status

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 a 18-year period beginning October 1, 2020 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2021:

OPEB Contribution Rates:

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

Required contributions to the OPEB plan from the District were $1,999,036 for the year ended June 30, 2022.

Net OPEB Liability (in thousands)

Total OPEB Liability	$ 12,225,697
Plan Fiduciary Net Position	10,742,198
Net OPEB Liability	$ 1,483,499
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	87.87%
Net OPEB Liability as a Percentage of Covered Employee Payroll	16.00%
Total Covered Payroll	$ 9,269,004

Proportionate Share of Reporting Unit's Net OPEB Liability

At June 30, 2022, the District reported a liability of $3,872,566 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 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 District's proportion was 0.25370955%, which was an increase from 0.25228778% at September 30, 2020.

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

For the year ended June 30, 2022, the District recognized OPEB credit of $1,933,907. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ —	$ 11,053,965
Changes of assumptions	3,237,273	484,417
Net difference between projected and actual earnings on OPEB plan investments	—	2,918,823
Changes in proportion and differences between District contributions and proportionate share of contributions	637,374	25,145
District contributions subsequent to the measurement date*	1,724,418	—
Total	$ 5,599,065	$ 14,482,350

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

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

Year ended June 30	Amount
2023	$ (2,687,965)
2024	(2,480,701)
2025	(2,339,951)
2026	(2,227,681)
2027	(770,337)
Thereafter	(101,068)

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 expense
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 3.50% 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 Members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Disabled Retirees:	RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Other Assumptions:

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

Notes:

- 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 OPEB valuations beginning with the September 30, 2018 valuation. The total OPEB liability as of September 30, 2021, is based on the results of an actuarial valuation date of September 30, 2020, and rolled forward using generally accepted actuarial procedures, including the experience study.

- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [5.6018 for non-university employers].

- Recognition period for assets in years: 5.0000.

- 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 Rate of Return on Investments

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:

Investment Category	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 Pools	15.0%	7.5%
Fixed Income Pools	10.5%	(0.7)%
Real Estate and Infrastructure Pools	10.0%	5.4%
Absolute Return Pools	9.0%	2.6%
Real Return/Opportunistic Pools	12.5%	6.1%
Short-term Investment Pools	2.0%	(1.3)%
Total	**100.0%**	

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

Rate of Return

For the fiscal year ended September 30, 2021, the annual money-weighted rate of return on OPEB plan investments, 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 periods of projected benefit payments to determine the total OPEB liability.

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

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

	1% Decrease 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
District's proportionate share of the net OPEB liability	$ 7,195,927	$ 3,872,566	$ 1,052,220

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 942,552	$ 3,872,566	$ 7,169,186

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

Payables to the OPEB plan totaling $220,895 at June 30, 2022 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources.

Note I – Risk Management and Benefits

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

There were no significant reductions in insurance coverage in fiscal 2021-22 and as of year ended June 30, 2022, there were no material pending claims against the District.

Note J – Stewardship, Compliance and Accountability

The District has an unrestricted net position deficit of $64,876,206 and a total net position deficit of $48,616,836, as of June 30, 2022. These deficit net positions result primarily from the net pension liability of $64,911,939 and the net OPEB liability of $12,755,851 (including deferred outflows and inflows of resources) related to the pension plan and OPEB plan.

Note K – Commitments

On June 28, 2017, the District issued $56,535,000 of general obligations 2017 Construction Bonds whose proceeds are being used for land improvements, building renovations and additions, and furniture and equipment purchases. At June 30, 2022, unspent balances committed to these construction projects totaled $2,143,773, which are expected to be fully expended by the year ended June 30, 2023.

On June 29, 2020, the District issued $48,595,000 of general obligations 2020 Construction Bonds whose proceeds are being used for land improvements, building renovations and additions, and for purchases of furniture and equipment and new school buses. At June 30, 2022, unspent balances committed to these construction projects totaled $28,220,003, which are expected to be fully expended by the year ended June 30, 2023.

On February 24, 2022, the District issued $2,885,000 of general obligations School and Technology Bus Bonds whose proceeds are being used for technology and bus purchases. At June 30, 2022, unspent balances committed for these purchases totaled $2,840,420, which are expected to be fully expended by the year ended June 30, 2023.

Note L – New Accounting Pronouncement Adopted

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* was adopted by the District during the fiscal year ending June 30, 2022. This statement enhances the relevance and consistency of information about governments' leasing activities 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. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District was not required to recognize a right-to-use lease asset or lease liability as of July 1, 2021.

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REQUIRED SUPPLEMENTARY INFORMATION

BYRON CENTER PUBLIC SCHOOLS
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2022

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020
District's proportion of the net pension liability	0.25253470%	0.24990127%	0.24621827%
District's proportionate share of the net pension liability	$ 59,788,632	$ 85,843,805	$ 81,539,213
District's covered-employee payroll	$ 23,080,014	$ 22,454,672	$ 21,852,001
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	259.05%	382.30%	373.14%
Plan fiduciary net position as a percentage of the total pension liability	72.60%	59.72%	60.31%

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

Note: GASB Statement No 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

See notes to required supplementary information.

Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
0.24091524%	0.23773689%	0.23274125%	0.22550901%	0.21439511%
$ 72,423,470	$ 61,607,735	$ 58,067,038	$ 55,080,636	$ 47,223,746
$ 20,820,987	$ 20,055,824	$ 19,972,998	$ 18,908,348	$ 18,273,073
347.84%	307.18%	290.73%	291.30%	258.43%
62.12%	63.96%	63.01%	66.20%	66.15%

BYRON CENTER PUBLIC SCHOOLS
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2022

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020
District's proportion of the net OPEB liability	0.25370955%	0.25228778%	0.24910151%
District's proportionate share of the net OPEB liability	$ 3,872,566	$ 13,515,730	$ 17,901,412
District's covered-employee payroll	$ 23,080,014	$ 22,454,672	$ 21,852,001
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	16.78%	60.19%	81.92%
Plan fiduciary net position as a percentage of the total OPEB liability	84.80%	59.44%	48.46%

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

See notes to required supplementary information.

Year Ended June 30, 2019	Year Ended June 30, 2018
0.24419890%	0.23829060%
$ 19,411,253	$ 21,101,755
$ 20,820,987	$ 20,055,824
93.23%	105.22%
43.10%	36.53%

BYRON CENTER PUBLIC SCHOOLS
Required Supplementary Information
Schedule of District Pension Contributions
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2022

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020
Contractually required contribution	$ 8,831,980	$ 7,614,789	$ 7,006,280
Contributions in relation to the contractually required contribution	8,831,980	7,614,789	7,006,280
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 25,098,086	$ 22,722,962	$ 22,914,671
Contributions as a percentage of covered employee payroll	35.19%	33.51%	30.58%

Note: GASB Statement No 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

See notes to required supplementary information.

	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
	$ 6,658,442	$ 6,137,356	$ 6,251,498	$ 5,818,830	$ 5,872,421
	6,658,442	6,137,356	6,251,498	5,818,830	5,872,421
	$ -	$ -	$ -	$ -	$ -
	$ 21,476,041	$ 20,718,663	$ 19,868,739	$ 19,186,215	$ 18,881,489
	31.00%	29.62%	31.46%	30.33%	31.10%

BYRON CENTER PUBLIC SCHOOLS
Required Supplementary Information
Schedule of District OPEB Contributions
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2022

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020
Contractually required contribution	$ 1,999,036	$ 1,868,449	$ 1,840,452
Contributions in relation to the contractually required contribution	1,999,036	1,868,449	1,840,452
Contribution deficiency (excess)	$ -	$ -	$ -
District's covered-employee payroll	$ 25,098,086	$ 22,722,962	$ 22,914,671
Contributions as a percentage of covered employee payroll	7.96%	8.22%	8.03%

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

See notes to required supplementary information.

Year Ended June 30, 2019	Year Ended June 30, 2018
$ 1,679,863	$ 1,516,494
1,679,863	1,516,494
$ -	$ -
$ 21,476,041	$ 20,718,663
7.82%	7.32%

Note A - Net Pension Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2021-22.

Changes of assumptions: There were no changes of benefit assumptions in 2021-22.

Note B - Net Pension OPEB Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2021-22.

Changes of assumptions: There were no changes of benefit assumptions in 2021-22.

SUPPLEMENTARY INFORMATION

GENERAL FUND

To account for resources which are traditionally associated with the general operation of the District and not required to be accounted for in another fund.

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents, deposits and investments	$ 11,166,535	$ 8,892,785
Accounts receivable	1,846	14,604
Due from other funds	415	72,618
Due from other governmental units	7,710,145	6,999,496
Prepaid expenditures	303,268	190,507
Total Assets	$ 19,182,209	$ 16,170,010
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 524,183	$ 448,384
Due to other funds	991,570	230,234
Due to other governmental units	1,850,739	1,571,769
Salaries payable	2,778,298	2,468,384
Unearned revenue	122,804	555,056
Total Liabilities	6,267,594	5,273,827
Fund Balances		
Nonspendable - prepaid expenditures	303,268	190,507
Committed for future building expansion	1,789,327	1,489,327
Assigned	200,187	202,106
Unassigned	10,621,833	9,014,243
Total Fund Balances	12,914,615	10,896,183
Total Liabilities and Fund Balances	$ 19,182,209	$ 16,170,010

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2022 and 2021

	2022	2021
Local sources:		
Property taxes:		
Current property taxes	$ 6,717,978	$ 6,529,047
Delinquent and other property taxes	946	2,375
Interest on delinquent taxes	4,527	5,032
	6,723,451	6,536,454
Interest earnings:		
Interest on deposits and investments	16,139	6,434
Revenue from student activities:		
Admissions	141,028	8,985
Pay to participate	102,710	92,712
Entry fees	5,032	2,873
Miscellaneous	222,337	45,841
	471,107	150,411
Other local revenue:		
Field trips	21,506	-
Student insurance	99,647	145,619
Universal service credit	27,424	35,843
Rental of school property	5,070	4,224
Refunds of expenditures	441,658	72,373
Miscellaneous	6,936	231,770
	602,241	489,829
Total local sources	7,812,938	7,183,128
Non-educational entity sources:		
Crossing guard	24,924	23,902
Resource officer	37,205	33,217
Total non-educational entity sources	62,129	57,119
State sources:		
State aid	38,794,655	35,445,650
Special education - transportation	361,552	363,605
Special education - itinerants	104,211	107,860
Special education - millage incentive	129,723	-
Other grants	41,440	41,980
Total state sources	39,431,581	35,959,095

(Continued)

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedule of Revenues
For the years ended June 30, 2022 and 2021

	2022	2021
Federal sources:		
Title I	$ 238,548	$ 115,901
Title II-A	83,502	44,931
Title III	12,773	16,141
Title IV-A	8,409	9,952
ESSER stabilization funds	1,222,593	300,077
Emergency connectivity grant	860,000	-
I.D.E.A.	886,991	767,663
Medicaid - school based	13,818	7,477
CARES	-	1,533,519
Kent County CARES	-	105,310
MiConnect - CARES	-	91,239
Health resource advocate	33,584	-
Pandemic EBT admin cost grant	3,063	-
Total federal sources	3,363,281	2,992,210
Interdistrict sources:		
ISD collected millage	3,424,262	3,193,506
Special education - other local districts	429,800	378,763
Medicaid fee for service	330,073	241,386
GSRP	7,840	7,040
Total interdistrict sources	4,191,975	3,820,695
Total Revenues	$ 54,861,904	$ 50,012,247

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	$ 5,522,145	$ 5,103,675
Employee benefits	4,680,698	4,059,087
Purchased services	678,585	821,096
Supplies	361,155	634,139
Miscellaneous	-	142
Payments to other districts	-	9,568
	11,242,583	10,627,707
Middle school:		
Salaries	4,610,357	4,517,108
Employee benefits	3,935,371	3,610,394
Purchased services	339,326	369,498
Supplies	557,762	486,453
Capital outlay	6,740	-
Miscellaneous	1,730	385
	-	3,775
	9,451,286	8,987,613
High school:		
Salaries	4,335,707	4,026,099
Employee benefits	3,686,725	3,208,812
Purchased services	514,299	462,362
Supplies	735,640	643,664
Miscellaneous	6,204	41,040
Payments to other districts	26,232	-
	9,330,706	8,381,977
Pre-kindergarten:		
Salaries	-	3,345
Employee benefits	-	306
Bright beginnings	8,834	8,494
Payments to other districts	-	115
	8,834	12,260
Total basic programs	30,033,409	28,009,557
Added needs:		
Special education:		
Salaries	1,578,109	1,430,905
Employee benefits	839,857	758,455
Purchased services	109,281	67,340
Supplies	52,420	4,291
Payments to other districts	469,841	503,910
	3,049,508	2,764,901

(Continued)

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Compensatory education:		
Salaries	$ 1,034,349	$ 589,711
Employee benefits	397,221	235,812
Purchased services	22,292	1,738
Supplies	46,108	34,269
	1,499,970	861,530
Total added needs	4,549,478	3,626,431
Total instruction	34,582,887	31,635,988
Supporting services:		
Pupil services:		
Guidance services:		
Salaries	681,032	672,797
Employee benefits	386,206	369,391
Purchased services	50	-
Miscellaneous	-	27
	1,067,288	1,042,215
Health services:		
Purchased services	134,731	38,966
Supplies	257	483
Payments to other districts	132,357	139,591
	267,345	179,040
Psychological services:		
Purchased services	1,700	44
Supplies	2,682	50
Payments to other districts	339,998	179,557
	344,380	179,651
Speech pathology services:		
Purchased services	24,547	22,437
Supplies	2,599	1,019
Payments to other districts	550,166	505,556
	577,312	529,012
Social worker services:		
Purchased services	281	350
Supplies	1,386	453
Payments to other districts	586,040	421,470
	587,707	422,273
Other pupil services:		
Salaries	167,052	152,606
Employee benefits	61,686	56,465
Purchased services	26,495	23,535
	255,233	232,606
Total pupil services	3,099,265	2,584,797
Instructional staff services:		
Improvement of instruction:		
Salaries	57,974	75,786
Employee benefits	22,471	24,844
Purchased services	158,125	47,257
Supplies	1,964	1,817
Miscellaneous	150	150
	240,684	149,854

(Continued)

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Educational media services:		
Salaries	$ 117,194	$ 113,574
Employee benefits	41,046	41,182
Supplies	11,572	12,406
	169,812	167,162
Supervision and direction of instruction:		
Salaries	362,139	332,671
Employee benefits	233,800	213,185
Purchased services	3,631	4,992
Supplies	5,402	3,226
Miscellaneous	734	535
	605,706	554,609
Total instructional staff services	1,016,202	871,625
General administrative services:		
Board of education:		
Salaries	3,540	4,320
Employee benefits	279	348
Purchased services	87,901	72,960
Miscellaneous	12,912	13,724
	104,632	91,352
Executive administration:		
Salaries	290,999	308,216
Employee benefits	146,982	153,198
Purchased services	16,074	12,040
Supplies	9,587	9,399
Miscellaneous	1,922	1,371
	465,564	484,224
Total general administrative services	570,196	575,576
School administrative services:		
Office of the principal:		
Salaries	1,594,641	1,545,947
Employee benefits	931,601	863,475
Purchased services	56,268	43,593
Supplies	24,841	12,456
Miscellaneous	2,168	3,166
Total school administrative services	2,609,519	2,468,637
Business services:		
Fiscal services:		
Salaries	372,019	358,352
Employee benefits	210,070	211,307
Purchased services	35,266	32,637
Supplies	11,702	20,800
Miscellaneous	1,570	408
	630,627	623,504

(Continued)

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Internal Services:		
Salaries	$ 571	$ 3,209
Employee benefits	206	1,149
Purchased services	752	-
	1,529	4,358
Other business services:		
Purchased services	35,320	38,825
Miscellaneous	317,521	72,500
Payments to other districts	18,506	17,970
	371,347	129,295
Total business services	1,003,503	757,157
Operation and maintenance services:		
Operation and maintenance:		
Salaries	444,066	392,387
Employee benefits	274,503	254,107
Purchased services	1,985,505	1,661,102
Supplies	1,544,151	1,583,880
Capital outlay	25,708	69,582
Miscellaneous	5,378	1,030
	4,279,311	3,962,088
Security services:		
Purchased services	80,749	66,679
Total operation and maintenance services	4,360,060	4,028,767
Pupil transportation services:		
Pupil transportation:		
Salaries	896,152	853,619
Employee benefits	405,365	360,480
Purchased services	203,153	139,268
Supplies	279,603	222,757
Miscellaneous	1,976	1,463
Payments to other districts	618,256	592,662
Total pupil transportation services	2,404,505	2,170,249
Central services:		
Planning, research, development, and evaluation:		
Salaries	24,000	20,500
Employee benefits	5,237	7,362
Supplies	60	-
	29,297	27,862
Advertising:		
Salaries	12,500	12,500
Employee benefits	990	993
Purchased services	35,630	23,375
	49,120	36,868
Personnel services:		
Salaries	205,083	112,323
Employee benefits	122,991	56,045
Purchased services	48,092	41,220
Supplies	5,295	5,325
Miscellaneous	433	-
Payments to other districts	127	40
	382,021	214,953

(Continued)

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedule of Expenditures
For the years ended June 30, 2022 and 2021

	2022	2021
Technology services:		
Salaries	$ 306,103	$ 261,080
Employee benefits	221,867	188,754
Purchased services	355,079	337,147
Supplies	8,743	97,794
Miscellaneous	7,897	435
	899,689	885,210
Pupil accounting:		
Supplies	66,950	79,481
Employee benefits	25,180	28,639
Purchased services	1,219	729
Miscellaneous	-	85
	93,349	108,934
Total central services	1,453,476	1,273,827
Other supporting services:		
Athletics:		
Salaries	715,440	603,259
Employee benefits	306,137	266,185
Purchased services	200,583	158,869
Supplies	120,105	100,419
Miscellaneous	19,893	7,594
	1,362,158	1,136,326
Other support services:		
Salaries	-	17,418
Employee benefits	-	2,562
Purchased services	-	7,660
	-	27,640
Total other supporting services	1,362,158	1,163,966
Total supporting services	17,878,884	15,894,601
Community services:		
Community pool:		
Salaries	63,659	94,547
Employee benefits	44,319	47,920
Purchased services	15,323	2,512
Supplies	15,182	12,432
Miscellaneous	427	198
	138,910	157,609
Community activities:		
Supplies	-	713
	-	713
Non-public school pupils:		
Purchased services	9,857	55,801
Supplies	-	1,598
	9,857	57,399
Other community services:		
Salaries	-	3,020
Employee benefits	-	429
	-	3,449
Total community services	148,767	219,170
Total Expenditures	$ 52,610,538	$ 47,749,759

NONMAJOR GOVERNMENTAL FUNDS

BYRON CENTER PUBLIC SCHOOLS
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2022

	Special Revenue			Debt Service	
	Food Service	Community Service	Student/School Activity	2012 Debt	2015 Refunding
Assets					
Cash equivalents, deposits and investments	$ 1,716,559	$ 2,093,636	$ 572,383	$ 2,247	$ -
Due from other funds	-	991,550	1,020	-	-
Due from other governmental units	9,486	-	-	-	-
Inventory	28,774	-	-	-	-
Total Assets	$ 1,754,819	$ 3,085,186	$ 573,403	$ 2,247	$ -
Liabilities and Fund Balances					
Liabilities					
Accounts payable	$ 88,652	$ 84,274	$ -	$ -	$ -
Due to other funds	147	1,034	-	-	-
Due to other governmental units	2,312	16,165	-	-	-
Salaries payable	6,419	43,505	-	-	-
Unearned revenue	58,231	589,261	-	-	-
Total Liabilities	155,761	734,239	-	-	-
Fund Balances					
Nonspendable	28,774	-	-	-	-
Restricted	1,570,284	2,350,947	573,403	2,247	-
Committed	-	-	-	-	-
Total Fund Balances	1,599,058	2,350,947	573,403	2,247	-
Total Liabilities and Fund Balances	$ 1,754,819	$ 3,085,186	$ 573,403	$ 2,247	$ -

Debt Service						
2016 SBLF Refunding	2017 Debt	2018 Refunding	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding
$ 10,083	$ 18,066	$ 6,553	$ 47,516	$ 9,933	$ 14,130	$ (40,116)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 10,083	$ 18,066	$ 6,553	$ 47,516	$ 9,933	$ 14,130	$ (40,116)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	234
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	234
-	-	-	-	-	-	-
10,083	18,066	6,553	47,516	9,933	14,130	(40,350)
-	-	-	-	-		
10,083	18,066	6,553	47,516	9,933	14,130	(40,350)
$ 10,083	$ 18,066	$ 6,553	$ 47,516	$ 9,933	$ 14,130	$ (40,116)

BYRON CENTER PUBLIC SCHOOLS
Combining Balance Sheet - Nonmajor Governmental Funds (Continued)
June 30, 2022

	Capital Projects			
	Building and Site Sinking	2017 Construction	2022 Technology and Bus	Total
Assets				
Cash equivalents, deposits and investments	$ 4,954,503	$ 2,143,773	$ 2,840,420	$14,389,686
Due from other funds	-	-	-	992,570
Due from other governmental units	-	-	-	9,486
Inventory	-	-	-	28,774
Total Assets	$ 4,954,503	$ 2,143,773	$ 2,840,420	$15,420,516
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 103,931	$ -	$ -	$ 276,857
Due to other funds	-	-	-	1,415
Due to other governmental units	-	-	-	18,477
Salaries payable	-	-	-	49,924
Unearned revenue	-	-	-	647,492
Total Liabilities	103,931	-	-	994,165
Fund Balances				
Nonspendable	-	-	-	28,774
Restricted	4,130,572	2,143,773	2,840,420	13,677,577
Committed	720,000	-	-	720,000
Total Fund Balances	4,850,572	2,143,773	2,840,420	14,426,351
Total Liabilities and Fund Balances	$ 4,954,503	$ 2,143,773	$ 2,840,420	$15,420,516

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BYRON CENTER PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
For the year ended June 30, 2022

	Special Revenue			Debt Service	
	Food Service	Community Service	Student/School Activity	2012 Debt	2015 Refunding
Revenues					
Local sources:					
Property taxes	$ -	$ -	$ -	$ -	$ 274,124
Interest earnings	1,202	1,818	-	-	175
Food sales	208,763	-	-	-	-
Other local sources	-	2,049,548	718,812	-	-
Total local sources	209,965	2,051,366	718,812	-	274,299
Non-educational sources	-	186,395	-	-	-
State sources	122,927	-	-	-	-
Federal sources	3,072,301	1,590,910	-	-	-
Total Revenues	3,405,193	3,828,671	718,812	-	274,299
Expenditures					
Current:					
Supporting services	-	-	588,519	-	-
Community services	-	2,656,784	-	-	-
Food service	2,603,875	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal repayment	-	-	-	-	370,000
Interest and fiscal charges	-	-	-	-	8,238
Bond issuance costs	-	-	-	-	-
Total Expenditures	2,603,875	2,656,784	588,519	-	378,238
Excess (Deficiency) of Revenues Over Expenditures	801,318	1,171,887	130,293	-	(103,939)
Other Financing Sources (Uses)					
Proceeds from bond issuance	-	-	-	-	-
School bond loan issued	-	-	-	-	103,284
Transfers in	-	243,553	-	2,247	-
Transfers out	-	-	-	-	(2,247)
Total Other Financing Sources (Uses)	-	243,553	-	2,247	101,037
Net Change in Fund Balances	801,318	1,415,440	130,293	2,247	(2,902)
Fund Balances, Beginning of Year	797,740	935,507	443,110	-	2,902
Fund Balances, End of Year	$ 1,599,058	$ 2,350,947	$ 573,403	$ 2,247	$ -

Debt Service						
2016 SBLF Refunding	2017 Debt	2018 Refunding	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding
$ 1,614,281	$ 2,923,980	$ 974,660	$ 304,581	$ 1,522,906	$ 2,284,362	$ 761,454
643	512	420	3,955	490	458	(3,615)
-	-	-	-	-	-	-
-	-	-	-	-	-	5,227
1,614,924	2,924,492	975,080	308,536	1,523,396	2,284,820	763,066
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,614,924	2,924,492	975,080	308,536	1,523,396	2,284,820	763,066
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,080,000	1,065,000	1,160,000	-	1,580,000	895,000	1,010,000
166,267	2,729,865	172,289	262,731	764,591	1,981,313	512,594
-	-	-	-	-	-	-
2,246,267	3,794,865	1,332,289	262,731	2,344,591	2,876,313	1,522,594
(631,343)	(870,373)	(357,209)	45,805	(821,195)	(591,493)	(759,528)
-	-	-	-	-	-	-
629,594	869,635	356,150	-	811,745	592,662	709,304
-	-	-	-	-	-	-
-	-	-	-	-	-	-
629,594	869,635	356,150	-	811,745	592,662	709,304
(1,749)	(738)	(1,059)	45,805	(9,450)	1,169	(50,224)
11,832	18,804	7,612	1,711	19,383	12,961	9,874
$ 10,083	$ 18,066	$ 6,553	$ 47,516	$ 9,933	$ 14,130	$ (40,350)

BYRON CENTER PUBLIC SCHOOLS
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds (Continued)
For the year ended June 30, 2022

	Capital Projects			
	Building and Site Sinking	2017 Construction	2022 Technology and Buses	Total
Revenues				
Local sources:				
Property taxes	$ 1,484,225	$ -	$ -	$ 12,144,573
Interest earnings	6,116	2,619	3,752	18,545
Food sales	-	-	-	208,763
Other local sources	-	-	-	2,773,587
Total local sources	1,490,341	2,619	3,752	15,145,468
Non-educational sources	-	-	-	186,395
State sources	-	-	-	122,927
Federal sources	-	-	-	4,663,211
Total Revenues	1,490,341	2,619	3,752	20,118,001
Expenditures				
Current:				
Supporting services	-	-	-	588,519
Community services	-	-	-	2,656,784
Food service	-	-	-	2,603,875
Capital outlay	1,217,263	130,720	-	1,347,983
Debt service:				
Principal repayment	-	-	-	8,160,000
Interest and fiscal charges	-	-	-	6,597,888
Bond issuance costs	-	-	48,332	48,332
Total Expenditures	1,217,263	130,720	48,332	22,003,381
Excess (Deficiency) of Revenues Over Expenditures	273,078	(128,101)	(44,580)	(1,885,380)
Other Financing Sources (Uses)				
Proceeds from bond issuance	-	-	2,885,000	2,885,000
School bond loan issued	-	-	-	4,072,374
Transfers in	-	-	-	245,800
Transfers out	(141,180)	-	-	(143,427)
Total Other Financing Sources (Uses)	(141,180)	-	2,885,000	7,059,747
Net Change in Fund Balances	131,898	(128,101)	2,840,420	5,174,367
Fund Balances, Beginning of Year	4,718,674	2,271,874	-	9,251,984
Fund Balances, End of Year	$ 4,850,572	$ 2,143,773	$ 2,840,420	$ 14,426,351

BYRON CENTER PUBLIC SCHOOLS
Food Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2022

	Budget	Actual	Variance
Revenues			
Local sources	$ 201,729	$ 209,965	$ 8,236
State sources	113,439	122,927	9,488
Federal sources	3,071,987	3,072,301	314
Total Revenues	3,387,155	3,405,193	18,038
Expenditures			
Food service	2,941,362	2,603,875	337,487
Net Change in Fund Balances	445,793	801,318	(319,449)
Fund Balances, Beginning of Year	797,740	797,740	-
Fund Balances, End of Year	$ 1,243,533	$ 1,599,058	$ 355,525

BYRON CENTER PUBLIC SCHOOLS
Community Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2022

	Budget	Actual	Variance
Revenues			
Local sources	$ 2,003,943	$ 2,051,366	$ 47,423
Non-educational sources	186,057	186,395	338
Federal sources	904,889	1,590,910	686,021
Total Revenues	3,094,889	3,828,671	733,782
Expenditures			
Current:			
Community services	2,729,898	2,656,784	73,114
Excess of Revenues Over Expenditures	364,991	1,171,887	660,668
Other Financing Sources (Uses)			
Transfers in	243,553	243,553	-
Net Change in Fund Balances	608,544	1,415,440	806,896
Fund Balances, Beginning of Year	935,507	935,507	-
Fund Balances, End of Year	$ 1,544,051	$ 2,350,947	$ 806,896

BYRON CENTER PUBLIC SCHOOLS
Student/School Activity Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2022

	Budget	Actual	Variance
Revenues			
Local sources	$ 540,870	$ 718,812	$ 177,942
Expenditures			
Current:			
Supporting services	675,000	588,519	86,481
Net Change in Fund Balances	(134,130)	130,293	264,423
Fund Balances, Beginning of Year	443,110	443,110	-
Fund Balances, End of Year	$ 308,980	$ 573,403	$ 264,423

SPECIAL REVENUE FUNDS

Food Service — to account for monies received from food service activities and federal subsidies for use in administering the hot lunch program of the District.

Community Service — to account for fees received for use in childcare and preschool services for residents, as well as, admission fees, donations and interest earnings for use in the operation and maintenance of the District's fine arts performance center.

Student/School Activity Fund — to account for monies held for the benefit of the District's students.

BYRON CENTER PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents, deposits and investments	$ 1,716,559	$ 929,175
Due from other funds	-	7,252
Due from other governmental units	9,486	-
Inventory	28,774	25,152
Total Assets	$ 1,754,819	$ 961,579
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 88,652	$ 4,167
Due to other funds	147	68,861
Due to other governmental units	2,312	3,828
Salaries payable	6,419	10,900
Unearned revenue	58,231	76,083
Total Liabilities	155,761	163,839
Fund Balances		
Nonspendable	28,774	25,152
Restricted	1,570,284	772,588
Total Fund Balances	1,599,058	797,740
Total Liabilities and Fund Balances	$ 1,754,819	$ 961,579

BYRON CENTER PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Local sources:		
Interest earnings:		
Interest on deposits and investments	$ 1,202	$ 189
Food sales:		
Adult lunches	6,880	5,331
Milk	6,432	1,329
Ala carte	156,090	67,294
Catering	39,361	33,225
	208,763	107,179
Total local sources	209,965	107,368
State sources	122,927	67,095
Federal sources	3,072,301	2,217,039
Total Revenues	3,405,193	2,391,502
Expenditures		
Current:		
Food service:		
Salaries	533,208	449,573
Employee benefits	279,108	243,539
Purchased services	213,455	200,992
Supplies	1,375,596	929,890
Capital outlay	193,935	34,833
Miscellaneous	8,573	5,835
Total Expenditures	2,603,875	1,864,662
Excess of Revenues Over Expenditures	801,318	526,840
Other Financing Uses		
Transfers out	-	(68,500)
Net Change in Fund Balances	801,318	458,340
Fund Balances, Beginning of Year	797,740	339,400
Fund Balances, End of Year	$ 1,599,058	$ 797,740

BYRON CENTER PUBLIC SCHOOLS
Community Service Special Revenue Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents, deposits and investments	$ 2,093,636	$ 949,836
Due from other funds	991,550	230,234
Total Assets	$ 3,085,186	$ 1,180,070
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 84,274	$ 38,015
Due to other funds	1,034	9,382
Due to other governmental units	16,165	13,830
Salaries payable	43,505	40,621
Unearned revenue	589,261	142,715
Total Liabilities	734,239	244,563
Fund Balances		
Restricted for programs:		
Driver education	163,901	158,427
Preschool	119,279	131,483
Childcare	1,664,133	355,997
BCTV	93,605	103,767
Pool	68,816	33,636
Van Singel	241,213	152,197
Total Fund Balances	2,350,947	935,507
Total Liabilities and Fund Balances	$ 3,085,186	$ 1,180,070

BYRON CENTER PUBLIC SCHOOLS
Community Service Special Revenue Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Local sources:		
Interest earnings:		
Interest on deposits and investments	$ 1,818	$ 334
Other local sources:		
Ticket sales	33,054	2,064
Donations	4,029	77,255
Facility rental	123,028	65,189
Underwriting	33,232	10,000
Preschool fees	258,761	166,894
Driver education fees	38,475	95,280
Daycare fees	1,403,395	1,242,285
Pool fees	151,487	88,745
Other	4,087	1,360
	2,049,548	1,749,072
Total local sources	2,051,366	1,749,406
Non-educational sources:		
BCTV	186,395	172,145
Federal sources:		
Child care relief grant	903,391	56,700
Child care sustainability grant	687,519	-
Total federal sources	1,590,910	56,700
Total Revenues	3,828,671	1,978,251
Expenditures		
Community services:		
Community recreation:		
Salaries	250,439	198,745
Employee benefits	123,029	96,828
Purchased services	43,595	24,176
Supplies	13,762	40,362
Miscellaneous	37,680	19,889
	468,505	380,000
Preschool:		
Salaries	181,890	161,945
Employee benefits	64,338	58,492
Purchased services	15,361	942
Supplies	4,813	2,562
Miscellaneous	4,873	1,957
	271,275	225,898
Child care:		
Salaries	593,241	492,313
Employee benefits	294,483	271,336
Purchased services	698,216	615,507
Supplies	85,139	40,161
Miscellaneous	16,134	10,429
	1,687,213	1,429,746

BYRON CENTER PUBLIC SCHOOLS
Community Service Special Revenue Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2022 and 2021

	2022	2021
Driver education:		
Salaries	$ 18,507	$ 31,687
Employee benefits	4,875	9,278
Purchased services	7,650	8,250
Supplies	1,958	1,993
Miscellaneous	170	10
	33,160	51,218
BCTV:		
Salaries	107,602	98,594
Employee benefits	53,127	49,451
Purchased services	487	1,263
Supplies	35,415	5,976
	196,631	155,284
Total Expenditures	2,656,784	2,242,146
Excess (Deficiency) of Revenues Over Expenditures	1,171,887	(263,895)
Other Financing Sources (Uses)		
Transfers in	243,553	463,534
Other transactions	-	(814)
Total Other Financing Sources (Uses)	243,553	462,720
Net Change in Fund Balances	1,415,440	198,825
Fund Balances, Beginning of Year	935,507	736,682
Fund Balances, End of Year	$ 2,350,947	$ 935,507

BYRON CENTER PUBLIC SCHOOLS
Student/School Activity Special Revenue Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents, deposits and investments	$ 572,383	$ 444,737
Due from other funds	1,020	-
	$ 573,403	$ 444,737
Liabilities and Fund Balances		
Liabilities		
Due to other funds	$ -	$ 1,627
Fund Balances		
Restricted	573,403	443,110
Total Liabilities and Fund Balances	$ 573,403	$ 444,737

BYRON CENTER PUBLIC SCHOOLS
Student/School Activity Special Revenue Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Local sources:		
Other student activity	$ 718,812	$ 407,739
Expenditures		
Current:		
Other student/school activity	588,519	395,906
Net Change in Fund Balances	130,293	11,833
Fund Balances, Beginning of Year	443,110	431,277
Fund Balances, End of Year	$ 573,403	$ 443,110

DEBT SERVICE FUNDS

To accumulate property tax revenues and interest earnings for repayment of the bond issues of the District used to finance new building construction projects.

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BYRON CENTER PUBLIC SCHOOLS
Debt Service Funds
Combining Balance Sheet
June 30, 2022

	2012 Debt	2015 Refunding	2016 SBLF Refunding	2017 Debt
Assets				
Cash equivalents, deposits and investments	$ 2,247	$ -	$ 10,083	$ 18,066
Liabilities and Fund Balances				
Liabilities				
Due to other funds	$ -	$ -	$ -	$ -
Fund Balances				
Unassigned	-	-	-	-
Restricted	2,247	-	10,083	18,066
Total Fund Balances	2,247	-	10,083	18,066
Total Liabilities and Fund Balances	$ 2,247	$ -	$ 10,083	$ 18,066

2018 Refunding	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	Totals 2022	Totals 2021
$ 6,553	$ 47,516	$ 9,933	$ 14,130	$ (40,116)	$ 68,412	$ 85,079
$ -	$ -	$ -	$ -	$ 234	$ 234	$ -
-	-	-	-	(40,350)	(40,350)	-
6,553	47,516	9,933	14,130	-	108,528	85,079
6,553	47,516	9,933	14,130	(40,350)	68,178	
$ 6,553	$ 47,516	$ 9,933	$ 14,130	$ (40,116)	$ 68,412	$ 85,079

BYRON CENTER PUBLIC SCHOOLS
Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2022

	2012 Debt	2015 Refunding	2016 SBLF Refunding	2017 Debt
Revenues				
Local sources:				
Property taxes:				
Current property taxes	$ -	$ 273,537	$1,610,823	$2,917,717
Industrial facilities taxes	-	448	2,638	4,778
Delinquent and other property taxes	-	26	153	276
Interest on delinquent taxes	-	113	667	1,209
	-	274,124	1,614,281	2,923,980
Interest earnings:				
Interest on deposits and investments	-	175	643	512
Other local sources	-	-	-	-
Total Local Sources	-	274,299	1,614,924	2,924,492
Total Revenues	-	274,299	1,614,924	2,924,492
Expenditures				
Debt service:				
Principal repayment	-	370,000	2,080,000	1,065,000
Interest and fiscal charges:				
Interest expense	-	7,587	164,876	2,727,750
Paying agent fees	-	500	500	500
Tax refunds	-	151	891	1,615
Bond issuance costs	-	-	-	-
Underwriter's discount	-	-	-	-
Total Expenditures	-	378,238	2,246,267	3,794,865
Deficiency of Revenues Over Expenditures	-	(103,939)	(631,343)	(870,373)
Other Financing Sources (Uses)				
Refunding bonds issued	-	-	-	-
Bond premium	-	-	-	-
School bond loan issued	-	103,284	629,594	869,635
Transfers in	2,247	-	-	-
Transfers out	-	(2,247)	-	-
Payment to escrow agent	-	-	-	-
Total Other Financing Sources (Uses)	2,247	101,037	629,594	869,635
Net Change in Fund Balances	2,247	(2,902)	(1,749)	(738)
Fund Balances, Beginning of Year	-	2,902	11,832	18,804
Fund Balances, End of Year	$ 2,247	$ -	$ 10,083	$ 18,066

2018 Refunding	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	Totals 2022	2021
$ 972,572	$ 303,929	$1,519,645	$ 2,279,468	$ 759,823	$ 10,637,514	$ 9,970,242
1,593	498	2,488	3,733	1,244	17,420	9,567
92	28	143	216	72	1,006	2,331
403	126	630	945	315	4,408	12,719
974,660	304,581	1,522,906	2,284,362	761,454	10,660,348	9,994,859
420	3,955	490	458	(3,615)	3,038	1,226
-	-	-	-	5,227	5,227	-
975,080	308,536	1,523,396	2,284,820	763,066	10,668,613	9,996,085
975,080	308,536	1,523,396	2,284,820	763,066	10,668,613	9,996,085
1,160,000	-	1,580,000	895,000	1,010,000	8,160,000	7,135,000
171,751	262,063	763,250	1,979,552	511,674	6,588,503	6,622,846
-	500	500	500	500	3,500	2,651
538	168	841	1,261	420	5,885	740
-	-	-	-	-	-	109,322
-	-	-	-	-	-	57,561
1,332,289	262,731	2,344,591	2,876,313	1,522,594	14,757,888	13,928,120
(357,209)	45,805	(821,195)	(591,493)	(759,528)	(4,089,275)	(3,932,035)
-	-	-	-	-	-	13,870,000
-	-	-	-	-	-	2,242,478
356,150	-	811,745	592,662	709,304	4,072,374	3,754,970
-	-	-	-	-	2,247	9,874
-	-	-	-	-	(2,247)	(9,874)
-	-	-	-	-	-	(15,945,595)
356,150	-	811,745	592,662	709,304	4,072,374	3,921,853
(1,059)	45,805	(9,450)	1,169	(50,224)	(16,901)	(10,182)
7,612	1,711	19,383	12,961	9,874	85,079	95,261
$ 6,553	$ 47,516	$ 9,933	$ 14,130	$ (40,350)	$ 68,178	$ 85,079

CAPITAL PROJECTS FUNDS

Building and Site Sinking — to account for property tax revenues and interest earnings used to finance building improvements projects.

2017 Construction — to account for bond proceeds used to finance building construction and improvement projects.

2020 Construction — to account for bond proceeds used to finance building construction and improvement projects.

2022 Technology and Buses – to account for bond proceeds used to finance technology and bus purchases.

BYRON CENTER PUBLIC SCHOOLS
Building and Site Sinking Capital Projects Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents, deposits and investments	$ 4,954,503	$ 4,730,724
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 103,931	$ 12,050
Fund Balances		
Restricted	4,130,572	4,118,674
Committed	720,000	600,000
Total Fund Balances	4,850,572	4,718,674
Total Liabilities and Fund Balances	$ 4,954,503	$ 4,730,724

BYRON CENTER PUBLIC SCHOOLS
Building and Site Sinking Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Local sources:		
Property taxes:		
Current property taxes	$ 1,481,046	$ 1,397,197
Industrial facilities taxes	2,425	1,341
Delinquent and other property taxes	140	388
Interest on delinquent taxes	614	1,783
Total property taxes	1,484,225	1,400,709
Interest earnings:		
Interest on deposits and investments	6,116	2,039
Total Revenues	1,490,341	1,402,748
Expenditures		
Capital outlay:		
Site acquisition services	-	20,000
Architecture and engineering fees	523,139	-
Building improvements	693,304	423,592
Tax refunds	820	104
Total Expenditures	1,217,263	443,696
Excess of Revenues Over Expenditures	273,078	959,052
Other Financing Uses		
Transfers out	(141,180)	-
Net Change in Fund Balances	131,898	959,052
Fund Balances, Beginning of Year	4,718,674	3,759,622
Fund Balances, End of Year	$ 4,850,572	$ 4,718,674

BYRON CENTER PUBLIC SCHOOLS
2017 Construction Capital Projects Fund
Comparative Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents, deposits and investments	$ 2,143,773	$ 2,485,128
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 213,254
Fund Balances		
Restricted	2,143,773	-
Assigned for future expenditures	-	2,792,328
Unassigned	-	(520,454)
Total Fund Balances	2,143,773	2,271,874
Total Liabilities and Fund Balances	$ 2,143,773	$ 2,485,128

BYRON CENTER PUBLIC SCHOOLS
2017 Construction Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Local sources:		
Interest earnings:		
Interest on cash equivalents, deposits and investments	$ 2,619	$ 126,189
Other local revenue	-	193,911
Total Revenues	2,619	320,100
Expenditures		
Supporting services:		
Pupil transportation services:		
New school buses	-	200,000
Total supporting services	-	200,000
Capital outlay:		
Site improvement	-	494,298
Building improvements	88,386	5,603,176
Architect fees	3,300	38,417
Other facilities acquisition and construction services	39,034	382,363
Technology hardware	-	2,274
Total capital outlay	130,720	6,520,528
Total Expenditures	130,720	6,720,528
Net Change in Fund Balances	(128,101)	(6,400,428)
Fund Balances, Beginning of Year	2,271,874	8,672,302
Fund Balances, End of Year	$ 2,143,773	$ 2,271,874

BYRON CENTER PUBLIC SCHOOLS
2020 Construction Capital Projects Fund
Balance Sheet
June 30, 2022 and 2021

	2022	2021
Assets		
Cash equivalents, deposits and investments	$ 30,725,340	$ 49,858,942
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 2,505,337	$ 932,606
Fund Balance		
Restricted	28,220,003	48,926,336
Total Fund Balances	28,220,003	48,926,336
Total Liabilities and Fund Balances	$ 30,725,340	$ 49,858,942

BYRON CENTER PUBLIC SCHOOLS
2020 Construction Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2022 and 2021

	2022	2021
Revenues		
Local sources:		
Interest earnings:		
Interest on cash equivalents, deposits and investments	$ 70,007	$ 46,282
State sources:	-	72,455
Total Revenues	70,007	118,737
Expenditures		
Supporting services:		
Operations and maintinence:		
Builders risk insurance	-	17,674
Pupil transportation services:		
New school buses	305,704	106,913
Total supporting services	305,704	124,587
Capital outlay:		
Site improvement	1,568,867	179,448
Building acquisition services	-	1,664
Building improvements	16,621,616	1,483,034
Architect fees	486,966	2,356,240
Furniture & equipment	268,906	549,948
Technology hardware	1,665,461	532,714
Total capital outlay	20,611,816	5,103,048
Total Expenditures	20,917,520	5,227,635
Deficiency of Revenues Over Expenditures	(20,847,513)	(5,108,898)
Other Financing Sources		
Transfers in	141,180	-
Net Change in Fund Balance	(20,706,333)	(5,108,898)
Fund Balance, Beginning of Year	48,926,336	54,035,234
Fund Balance, End of Year	$ 28,220,003	$ 48,926,336

BYRON CENTER PUBLIC SCHOOLS
2022 Technology and Bus Capital Projects Fund
Balance Sheet
June 30, 2022

	2022
Assets	
Cash equivalents, deposits and investments	$ 2,840,420
Liabilities and Fund Balance	
Liabilities	$ -
Fund Balance	
Restricted	2,840,420
Total Liabilities and Fund Balance	$ 2,840,420

BYRON CENTER PUBLIC SCHOOLS
2022 Technology and Bus Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2022

	2022
Revenues	
Local sources:	
Interest earnings:	
Interest on cash equivalents, deposits and investments	$ 3,752
Expenditures	
Debt service:	
Bond issuance costs	48,332
Deficiency of Revenues Over Expenditures	(44,580)
Other Financing Sources	
Proceeds from bond issuance	2,885,000
Net Change in Fund Balance	2,840,420
Fund Balance, Beginning of Year	-
Fund Balance, End of Year	$ 2,840,420

BYRON CENTER
PUBLIC SCHOOLS
Kent County, Michigan

Additional Reports Required by
the Uniform Guidance

For the year ended June 30, 2022

Hungerford Nichols CPAs + Advisors
Where good ideas add up

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BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2022

Hungerford Nichols CPAs + Advisors
Where good ideas add up

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

October 25, 2022

The Board of Education
Byron Center Public Schools
Kent County, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Byron Center Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Byron Center Public Schools' basic financial statements, and have issued our report thereon dated October 25, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Hungerford Nichols

Certified Public Accountants
Grand Rapids, Michigan

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

October 25, 2022

The Board of Education
Byron Center Public Schools
Kent County, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Byron Center Public Schools' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Byron Center Public Schools' compliance with the requirements of each major federal program as a whole.

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

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

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Byron Center Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Byron Center Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Byron Center Public Schools' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Byron Center Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise of Byron Center Public Schools' basic financial statements. We issued our report thereon dated October 25, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Hungerford Nichols

Certified Public Accountants
Grand Rapids, Michigan

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BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2022

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
U. S. Department of Education		
Passed through Michigan Department of Education (MDE):		
Title I:	84.010	
211530 2021		$ 226,707
221530 2122		320,951
Total Title I		547,658
Title II, Part A:	84.367	
210520 2021		101,521
220520 2122		132,880
Total Title IIA		234,401
Title III, Part A:	84.365	
210570 2021		8,025
220570 2122		3,255
Total Title III, Part A		11,280
Title IV, Part A:	84.424	
220750 2122		24,820
Education Stabilization Fund:		
Elementary and Secondary School Emergency Relief Fund:	84.425	
203710 1920 ESSER I Formula	84.425D	109,280
213712 2021 ESSER II Formula	84.425D	734,788
211202 2122 GEER II Teacher & Supprt Staff Payments	84.425C	43,000
211222 2022 GEER II - Benchmark Assessment	84.425C	38,738
213722 2122 ESSER II 23b(2c) - Summer School	84.425D	134,565
213742 2122 ESSER II 23b(2a) - Credit Recovery	84.425D	19,437
213752 2122 ESSER II 23b(2a) - Extended Day	84.425D	5,922
213713 2122 ARP/ESSER III	84.425U	1,651,403
213723 2122 ESSER III - 11t Equalization	84.425U	2,988,622
Total Education Stabilization Fund		5,725,755
Total Passed Through MDE		6,543,914

See Notes to Schedule of Expenditures of Federal Awards.

Accrued (Deferred) Revenue At July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2022
$ 9,040	$ 115,901	$ -	$ 9,040	$ -
-	-	238,548	218,544	20,004
9,040	115,901	238,548	227,584	20,004
1,220	44,931	-	1,220	-
-	-	83,502	82,211	1,291
1,220	44,931	83,502	83,431	1,291
389	6,543	-	389	-
-	-	3,215	3,215	-
389	6,543	3,215	3,604	-
-	-	8,409	8,409	-
798	20,110	-	798	-
115,755	279,967	264,789	362,744	17,800
-	-	42,500	42,500	-
-	-	37,857	37,857	-
-	-	134,562	134,562	-
-	-	19,436	19,436	-
-	-	5,920	5,920	-
-	-	353,379	344,962	8,417
-	-	364,150	-	364,150
116,553	300,077	1,222,593	948,779	390,367
127,202	467,452	1,556,267	1,271,807	411,662

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2022

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
Passed through Kent Intermediate School District (KISD):		
Title III, Part A:	84.365	
220580 2122		$ 9,558
Special Education Cluster:		
I.D.E.A. Flowthrough:	84.027	
210450 2021		727,669
220450 2122		749,951
221280 2122 IDEA Flowthrough ARP	84.027X	88,843
Total I.D.E.A. Flowthrough		1,566,463
I.D.E.A. Preschool:	84.173	
210460 2021		39,994
220460 2122		38,610
221285 2122 IDEA Preschool ARP	84.173X	9,587
Total I.D.E.A. Preschool		88,191
Total Special Education Cluster		1,654,654
Total Passed Through KISD		1,664,212
Total U.S. Department of Education		8,208,126
Federal Communications Commission		
Passed Through Universal Service Administrative Company (USAC):		
Emergency Connectivity Fund Program:	32.009	
ECF2190003391		740,000
ECF2190026570		120,000
Total Emergency Connectivity Funds		860,000
Total Fedreal Communications Commission		860,000

See Notes to Schedule of Expenditures of Federal Awards.

Accrued (Deferred) Revenue At July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2022
$ -	$ -	$ 9,558	$ 9,558	$ -
142,783	727,669	-	142,783	-
-	-	749,951	595,373	154,578
-	-	88,843	68,052	20,791
142,783	727,669	838,794	806,208	175,369
14,703	39,994	-	14,703	-
-	-	38,610	38,598	12
-	-	9,587	7,443	2,144
14,703	39,994	48,197	60,744	2,156
157,486	767,663	886,991	866,952	177,525
157,486	767,663	896,549	876,510	177,525
284,688	1,235,115	2,452,816	2,148,317	589,187
-	-	740,000	740,000	-
-	-	120,000	120,000	-
-	-	860,000	860,000	-
-	-	860,000	860,000	-

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2022

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
U.S. Department of Health and Human Services		
Passed through Kent Intermediate School District (KISD):		
Medicaid Cluster:		
Medical Assistance Program:	93.778	
2122 Medicaid Outreach		$ 13,818
Health Resource Advocate:	93.323	
22810-HRA2022		33,584
Total U.S. Department of Health and Human Services		47,402
U.S. Department of Agriculture		
Passed through Michigan Department of Education (MDE):		
Child Nutrition Cluster:		
Non-Cash Assistance (U.S.D.A. Commodities):	10.555	
Entitlement Commodities		131,814
Cash Assistance:		
Seamless Summer Option - Breakfast	10.553	
211971		48,346
221971		389,978
Total Seamless Summer Option - Breakfast		438,324
Seamless Summer Option - Lunch	10.555	
211961		315,596
220910		93,988
221961		2,092,579
Total Seamless Summer Option - Lunch		2,502,163
Total Cash Assistance		2,940,487
Total Child Nutrition Cluster		3,072,301
Pandemic EBT Local Level Costs	10.649	
210980 2021		3,063
Total U.S. Department of Agriculture		3,075,364
Total Federal Financial Assistance		$ 12,190,892

See Notes to Schedule of Expenditures of Federal Awards.

Accrued (Deferred) Revenue At July 1, 2021	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2022
$ -	$ -	$ 13,818	$ 13,818	$ -
-	-	33,584	954	32,630
-	-	47,402	14,772	32,630
-	-	131,814	131,814	-
-	-	48,346	48,346	-
-	-	389,978	389,978	-
-	-	438,324	438,324	-
-	-	315,596	315,596	-
-	-	93,988	93,988	-
-	-	2,092,579	2,092,579	-
-	-	2,502,163	2,502,163	-
-	-	2,940,487	2,940,487	-
-	-	3,072,301	3,072,301	-
-	-	3,063	3,063	-
-	-	3,075,364	3,075,364	-
$ 284,688	$ 1,235,115	$ 6,435,582	$ 6,098,453	$ 621,817

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2022

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Byron Center Public Schools under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Byron Center Public Schools, it is not intended to and does not present the financial position, changes in net position, or cash flows, as applicable, of Byron Center Public Schools.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

Byron Center Public Schools has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note D – Grant Section Auditor Report

Management has utilized the MDE NexSys Grant, Application and Cash Management System Grant Auditor Report (GAR) in preparing the Schedule of Expenditures of Federal Awards.

Note E – Non-Cash Assistance

The amounts reported on the Recipient Entitlement Balance Report, or PAL Report, agree with the SEFA for USDA donated food commodities.

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2022

Note F – Federal Income Reconciliation

	Grant Expenditures Per Schedule of Federal Financial Assistance	Federal Revenue Per Financial Statements	Difference
Title I	$ 238,548	$ 238,548	$ -
Title II, Part A	83,502	83,502	-
Title III, Part A	12,773	12,773	-
Title IV, Part A	8,409	8,409	-
ESSER Stabilization Funds	1,222,593	1,222,593	-
Emergency Connectivity Funds	860,000	860,000	-
Special Education Cluster	886,991	886,991	-
Medicaid Cluster	13,818	13,818	-
Health Resource Advocate	33,584	33,584	-
Child Care and Development Block Grant	-	1,590,910	(1,590,910) *
Nutrition Cluster	3,072,301	3,072,301	-
Pandemic EBT Local Level Costs	3,063	3,063	-
	$ 6,435,582	$ 8,026,492	$ (1,590,910)

* The difference in Federal expenditures to Federal revenue per the financial statements is due to the determination made by the Office of Child Development & Care (CDC) that deemed the recipients of Child Care Stabilization portion of the Child Care and Development Grants to be beneficiaries, not subrecipients.

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	*Unmodified*	
Internal control over financial reporting:		
• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified?	____ Yes	X None reported
Noncompliance material to financial statements noted?	____ Yes	X No

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified?	____ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	*Unmodified*	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____ Yes	X No

Identification of major programs audited:

10.553/10.555	Child Nutrition Cluster
32.009	Emergency Connectivity Fund
84.425	Education Stabilization Fund

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2022

Section I - Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000			
Auditee qualified as a low-risk auditee?	X	Yes		No

Section II - Financial Statements Audit Findings

There were no findings that are required to be reported under *Government Auditing Standards.*

Section III – Major Federal Award Programs Findings and Questioned Costs

Current Year Findings

There were no current year audit findings.

BYRON CENTER PUBLIC SCHOOLS
For the year ended June 30, 2022

Prior Year Findings

2021-001 Cash Management – Inaccurate Meal Counts

Condition: The District did not maintain effective internal controls over the Nutrition program to ensure the accuracy of meals served, as reported on monthly Claims for Reimbursement.

Criteria: 7 CFR 210.8(a) requires that school food authorities establish internal controls which ensure the accuracy of lunch counts prior to the submission of the monthly Claim for Reimbursement. At a minimum, these internal controls shall include on-site reviews of the meal counting and claiming system employed by each school in the District, comparisons of daily meal counts against data which will assist in the identification of meal counts in excess of the number of meals served each day to children eligible for such meals; and a system for following upon those meal counts which suggest the likelihood of meal counting problems.

Cause: The District's process for recording, monitoring, and reporting meals did not include the level of review necessary to identify differences between the monthly Claims for Reimbursement and source documentation.

Effect: Monthly Claims for Reimbursement were in some cases inaccurate, and full meal reimbursements to the extent allowed under the program were not received by the District.

Resolution: The finding has been resolved.

Hungerford Nichols CPAs + Advisors
Where good ideas add up

October 25, 2022

The Board of Education
Byron Center Public Schools
Kent County, Michigan

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Byron Center Public Schools for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and Government Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 22, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Government-Wide financial statements were:

> Management's estimate of the liability of the payout for the employee compensated absences upon their retirement is based on expected payout. We evaluated the key factors and assumptions used to develop the balance of compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.
>
> Management's estimate of the lives of capital assets. We evaluated the key factors and assumptions used to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole. Certain amounts included in capital assets have been estimated by appraisers based on historical information for assets placed in service prior to implementation of GASB Statement No. 34.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statements were related to the District's share of the net pension and net OPEB liabilities related to GASB Statements No. 68 and 75.

> The disclosure of the net pension liability and the net OPEB liability in the Notes to the financial statements were recorded as of June 30, 2022 based on information received from the Michigan Office of Retirement Services. We evaluated the key factors and assumptions used to develop these liabilities in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 25, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Per 7 CFR Part 210.14(b), and as detailed in the Michigan Department of Education (MDE) School Auditing Manual, the District must limit its net cash resources in the Food Service Fund to an amount that does not exceed 3 months average expenditures for its nonprofit school food service. Due to the impact of the COVID-19 pandemic on the School Nutrition Program, which resulted in increased reimbursement rates for meals served, many school districts in the State, including Byron Center Public Schools, now have an excess fund balance and must work with MDE to gain approval of a spend down plan for the subsequent school year. To assist in MDE monitoring efforts, all CPA firms performing audits of school districts in Michigan have been asked to identify districts with excess fund balance though this required communication with governance. An audit finding has not been included in the Single Audit report that accompanies this letter, as excess fund balance requirements are not detailed in the Office of Management and Budget's Compliance Supplement for the Child Nutrition Cluster of Programs.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and Schedules related to the Proportionate Share and Contributions of the District's Net Pension and Net OPEB Liabilities, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Other Comments

The District General Fund balance increased by $2,018,432 to $12,914,615 at June 30, 2022. This balance represents approximately 23.41 percent of the District's 2022-23 expenditure budget (up from 22.27 percent at June 30, 2021). Maintaining a fund balance of at least 10 to 20 percent of the ensuing year's expenditure budget is advisable for Byron Center Public Schools. This gives the District more stable operating funds during the year, helps avoid or reduce the necessity of borrowing for short-term cash flow purposes and acts as a buffer against the uncertainty of state aid revenues accruing to the District.

Closing

This communication is intended solely for the information and use of the Byron Center Public Schools Board of Education and management and is not intended to be, and should not be, used by anyone other than these specified parties. We have furnished a copy of this letter to the Michigan Departments of Education and Treasury as an enclosure with the audited financial statements as required by the State of Michigan.

Hungerford Nichols

Certified Public Accountants