Whitehall District Schools

REPORT ON FINANCIAL STATEMENTS

(with required supplementary information)

Year ended June 30, 2023

Whitehall District Schools

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Whitehall District Schools
Whitehall, Michigan

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, 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 School District as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note L to the financial statements, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based IT Agreement*. Our opinions are not modified with respect to this matter.

Report on the Audit of the Financial Statements—Continued

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 School District's 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 misstatements 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 School District's 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 School District's 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.

Report on the Audit of the Financial Statements—Continued

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information 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 School District's basic financial statements. The accompanying combining 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2023 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Brickley DeLong, P.C.

Muskegon, Michigan
October 4, 2023

Whitehall District Schools
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

This discussion and analysis of Whitehall District Schools' financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this Management Discussion and Analysis is to provide, in simple terms, a look at the District's past performance and current position. Readers should review the financial statements, and notes to the financial statements to enhance their understanding of the District's financial performance.

This information is required by GASB 34 (Governmental Accounting Standards Board's Statement No. 34). GASB 34 requires the presentation of two basic types of financial statements; namely, District-wide Financial Statements and Fund Financial Statements. Certain comparative information between the current year and the prior year is typically presented in the MD&A.

Overview of the Financial Statements

This annual report consists of five parts:

(1) the independent auditors' report,
(2) management's discussion and analysis (this section),
(3) the basic financial statements,
(4) required supplementary information, and
(5) combining financial statements.

The financial statements include notes that explain some of the information in the statements by providing detailed data. These statements are followed by a section of required supplementary information that further explains and supports the financial statements, utilizing a comparison to the District's budget for the year. Additionally, the basic financial statements also include two kinds of statements that present different views of the District.

District-Wide Financial Statements

The district-wide financial statements are full accrual basis statements that provide information about the District's overall financial status. They are used to help determine whether or not the District is in a better or worse financial position as a result of the year's activities. The Statement of Net Position reports all of the District's

- assets – current and capital
- deferred outflows and inflows
- liabilities – short-term, including current, and long-term

Current assets and liabilities are those that are usable or due within a year. 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 it has changed. Net position, the difference between the District's assets, deferred outflows and inflows, and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in net position is an indicator of whether the District's financial position is improving or worsening.

In order to accurately assess the District's overall health, the reader should also consider additional non-financial factors such as changes in the District's property tax base, the quality of the education provided, and the condition of the District's facilities.

In district-wide statements, the District's activities are classified as governmental activities. Governmental activities include most of the District's basic services, such as regular and special education, food service, athletics, transportation, community services, and administration. Property taxes and state aid finance most of these services.

Fund Financial Statements

The fund financial statements focus on individual parts or funds of the District, while reporting the District's operations in more detail than the district-wide statements. The fund level statements are reported on a modified accrual basis. Only those assets that are measurable and currently available are reported. Liabilities are recognized to the extent that they are expected to be paid with current financial resources.

Fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's Accounting Manual. In the State of Michigan, the District's major instructional and instructional support activities are reported in the General Fund. Additional activities are reported in their relevant funds including: Special Revenue Funds exist for Community Education, Food Service, Technology/Security, and Activity accounts. Other funds include a common Debt Service Fund and Capital Project Funds.

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

In addition to the General Fund, which is required to be reported individually as a major fund, the District reports the Community Education Fund and Debt Retirement Fund as major funds. The Community Education Fund represents the operations of White Lake Area Community Education, a five-district consortium for which the District serves as the fiscal agent. The Debt Retirement Fund is operating as a common debt fund since 2013-14 as allowed by Michigan law.

Financial Analysis of the District as a Whole

The net position of the District at June 30, 2023 is approximately $(26) million, a decrease from the previous year, as shown below in a condensed comparative statement of net position.

Statement of Net Position

	For the Year Ended June 30	
	2023	**2022**
Assets		
Current assets	$ 15,247,282	$ 14,291,338
Capital assets (net of depreciation)	39,318,681	40,345,787
Deferred outflows of resources	23,425,316	11,256,035
Total assets and deferred outflows of resources	77,991,279	65,893,160
Liabilities		
Current liabilities	8,718,355	7,755,871
Bonds and other obligations	23,034,873	25,760,805
Net pension and other post-employment benefits liabilities	60,408,743	37,352,141
Deferred inflows of resources	11,437,254	23,090,922
Total liabilities and deferred inflows of resources	103,599,225	93,959,739
Net Position		
Net investment in capital assets	14,946,143	13,522,653
Restricted funds	2,139,831	1,038,140
Unrestricted funds	(42,693,920)	(42,627,372)
Net position	$ (25,607,946)	$ (28,066,579)

The District uses its capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves will not be used to liquidate these liabilities. The remaining net position represents resources that are either restricted for debt service, food services, and community services, committed for specific projects, or are unrestricted as to how they may be used.

Comments on Major Changes to Net Position

- Deferred outflows of resources includes an amount related to pensions which increased from $7,811,755 to $18,483,910 and an amount related to post-employment benefits which increased from $3,082,014 to $4,673,915.
- Long-term debt and post-employment liability decreased by $(2,725,932). This represents the long-term portion of bonds (net of premiums and discounts) paid down by $(2,701,678) a decrease in compensated absences and termination benefits of $(39,873) and an increase in Subscription Based IT Arrangements (SBITA) of $30,540.
- The net pension liability and other postemployment benefit liability increased by $22,067,752 and $988,850 respectively, which are a result of current year transactions and actuarial assumptions in connection with the estimated portion of the School District's employee retirement and health benefits under GASB 68 and 75.

The Statement of Activities provides detail on the District's activity. The cost of the District's governmental activities for the year was approximately $36.2 million. Certain activities and programs were paid through charges for services by the beneficiaries of the programs, or grants restricted to specific uses. The remaining public benefit portion of expenditures was paid for with property taxes, state pupil foundation aid, investment earnings, and other miscellaneous revenues.

Statement of Activities

	For the Year Ended June 30	
	2023	**2022**
District Wide Revenues		
Program Revenues		
Charges for services	$ 1,466,849	$ 1,418,411
Operating grants	14,615,492	14,710,660
General Revenues		
Property taxes	7,451,164	7,123,371
Unrestricted grants	14,941,787	14,129,784
Other revenues	215,723	135,356
Total revenues	38,691,015	37,517,582
District Wide Expenses		
Instruction	18,966,468	16,417,739
Support services	10,718,458	9,087,235
Community services	2,673,768	1,654,761
Food services	1,950,800	1,915,565
Student/School activities	418,060	414,115
Athletics	769,667	552,299
Interest on long-term debt	730,778	871,258
Unallocated amortization	4,383	4,383
Total expenses	36,232,382	30,917,355
Change in net position	2,458,633	6,600,227
Net position at beginning of year, as restated	(28,066,579)	(34,666,806)
Net position at end of year	$ (25,607,946)	$ (28,066,579)

Capital Assets and Debt Administration

Capital assets, net of depreciation, decreased in value from July 1, 2022, to June 30, 2023 as the result of less construction activity and the sale of older buses in the fleet and continuing depreciation.

	Net Capital Asset Values				
	June 30, 2022	Additions	Deductions	Change in Accumulated Depreciation	June 30, 2023
Land	$ 817,882	$ -	$ -	$ -	$ 817,882
Construction in progress	-	265,546	-	-	265,546
Buildings & improvements	38,688,698	76,398	-	1,463,697	37,301,399
Furniture & equipment	336,636	88,729	145,216	(76,657)	356,806
Buses and vehicles	502,571	154,800	59,500	75,799	522,072
Right to use - subscription-based IT	-	80,545	-	25,569	54,976
Total	$ 40,345,787	$ 666,018	$ 204,716	$ 1,488,408	$ 39,318,681

	Debt Obligations				
	June 30, 2022	Additions	Reductions	June 30, 2023	Current
Bonds for capital financing	$ 27,185,400	$ -	$ 2,600,347	$ 24,585,053	$ 2,250,000
Compensated absences	244,427	12,804	27,618	229,613	10,781
Retirement obligations	517,978	37,034	62,093	492,919	27,500
Right to use - subscription-based IT	-	46,732	16,192	30,540	14,971
Total	$ 27,947,805	$ 96,570	$ 2,706,250	$ 25,338,125	$ 2,303,252

As indicated above, total debt obligations of the District decreased during the year ended June 30, 2023. Principal and interest payments were made according to debt schedules. Currently the District is not borrowing for cash flow purposes.

General Fund Budgetary Highlights

The State of Michigan's Uniform Budget Act requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. When the budget is prepared each year, several unknown factors exist. Estimates are used for such major items as student count, employee contracts, state aid, staffing, and tax appeals. When compared in total, the variances between the initial budget, final budget and actual results are minimal considering all of the unknowns that exist during initial budgeting. As a matter of practice the District amends its budget periodically during the fiscal year. These revisions are made in order to deal with changes in revenues and expenditures that become known during the year.

The district was required to have a budget in place by July 1, 2022 but the State of Michigan had not finalized a budget for its fiscal year beginning October 1, 2022. Whitehall District Schools prepared a budget based on available projections at the time. The initial budget for 2022-23 assumed a $435 increase in the per pupil foundation grant from $8,700 to $9,135, which increased revenue by $788 thousand. Enrollment was projected to return to the normal typical calculation which reduced the FTE (full-time equivalent) by 15 and the revenue by $45 thousand. Expenses increased $354 thousand for wages and benefits. The resulting budget planned for a surplus of $5 thousand to be added to fund balance leaving an ending fund balance of $5.2 million or 19.64% of expenditures.

The economic picture for the State of Michigan improved as the economy re-opened and federal money flowed into the state. In February, the District amended its budget for the first time to reflect the new state budget and educational program in place. The foundation grant was increased to $9,150 which increased revenue by $54 thousand. Staffing changes were adjusted with resulting in an increase of $389 thousand. The resulting budget projected a deficit of $107 thousand with an ending fund balance of $5.1 million or 18.6% of expenditures. The projected fund balance is up due to a change in the starting fund balance from the audited figures of the prior year, which was $610 thousand better than projected in the original budget.

A final budget amendment was approved in May 2023 to capture changes throughout the fiscal year and as a base for the upcoming year's budget. The State of Michigan made a special appropriation to reduce the pension liabilities in the retirement system, this resulted in a $1.5 million state revenue and employee benefits expense. State revenue increased by another $400 thousand due to safety grants and special education. Expenses were adjusted based on year-to-date spending. The final budget projected a deficit of $393 thousand resulting in an ending fund balance of $4.8 million or 16.3% of expenditures.

The actual results reflect an operating deficit of approximately $282 thousand, $111 thousand less than expected compared to the final budget amendment. A table showing these results follows.

2022-23 General Fund

	Initial Budget	Final Budget	Actual
Revenues			
Local revenue			
Local sources	$ 3,879,644	$ 3,805,451	$ 3,884,301
Received from other districts	733,000	820,000	791,554
State revenue	19,773,106	22,184,564	22,539,234
Federal revenue	2,052,488	2,167,578	1,762,302
Transfers and other	135,422	216,800	236,926
Total revenues	26,573,660	29,194,393	29,214,317
Variance of actual from budget	2,640,657	19,924	
	9.94%	0.07%	
Expenditures			
Instruction	$ 15,989,410	$ 17,912,652	$ 17,753,868
Instructional support	3,203,084	3,601,451	3,492,283
Administration	3,070,713	3,275,553	3,084,287
Maintenance and operations	1,805,489	2,037,318	2,150,511
Transportation	1,248,206	1,369,803	1,433,017
Athletics	678,935	832,097	920,705
Community Services	136,156	194,503	205,550
Transfers and other	437,000	364,000	456,089
Total expenditures	26,568,993	29,587,377	29,496,310
Variance of actual from budget	(2,927,317)	91,067	
	-11.02%	0.31%	
Change in Fund Balance	4,667	(392,984)	(281,993)
Variance of actual from budget	(286,660)	110,991	
Percentage of expenditures	-1.08%	0.38%	

The significant budget variances are attributed to the following items:

Revenue Sources
- State Revenue was more than budgeted due to a change in the Special Education pupil funding.
- Federal Revenue was down due to less reimbursement than budgeted for ESSER III.

Expenditures:
- Athletic expenses were higher than budgeted.
- Transfers and other expenses were up due to remodeling costs at White Lake Community Center.

Budget variances in expenditures by object category are below.

General Fund	**2022-23**	**Percent**	**2022-23**	**Percent**	**Variance**	
Expenditures by Object	**Budget**	**of budget**	**Actual**	**of actual**	**Amount**	**Percent**
Wages	$ 13,296,967	44.93%	$ 13,141,845	44.57%	$ 155,122	1.17%
Benefits	11,250,793	38.03%	11,089,090	37.59%	$ 161,703	1.44%
Purchased services	2,064,014	6.98%	2,079,844	7.05%	$ (15,830)	-0.77%
Supplies	1,755,042	5.93%	1,980,596	6.71%	$(225,554)	-12.85%
Capital	528,776	1.79%	596,416	2.02%	$ (67,640)	-12.79%
Other	691,785	2.34%	608,519	2.06%	$ 83,266	12.04%
Total	$ 29,587,377	100.00%	$ 29,496,310	100.00%	$ 91,067	

- Supplies and capital were up due to athletic expenses and remodeling costs.
- Costs for Special Ed services from the Intermediate School District were less than budgeted in the Other category.

General Fund Year-to-Year Comparative Highlights

In comparing results for the year ended June 30, 2023 to results for the year ended June 30, 2022, State revenue increased with the foundation grant and categorical grants, including the special retirement payment.

All compensation related expenses were up due to the special retirement expense in all categories. Athletics increased due to added expenses such as uniforms and equipment. Community services increased due to operational costs at the Viking Athletic Center.

General Fund Year-to-Year Comparison of Actual Results

	2022	2023	Difference
Revenues			
Local revenue			
Local sources	$3,753,468	$ 3,884,301	$ 130,833
Received from other districts	821,357	791,554	(29,803)
State revenue	19,401,982	22,539,234	3,137,252
Federal revenue	2,003,401	1,762,302	(241,099)
Transfers and other	120,951	236,926	115,975
Totals revenues	$26,101,159	$ 29,214,317	$ 3,113,158
Expenditures			
Instruction	$ 15,624,497	$ 17,753,868	$ 2,129,371
Instructional support	2,904,817	3,492,283	587,466
Administration	2,914,149	3,084,287	170,138
Maintenance and operations	1,880,158	2,150,511	270,353
Transportation	1,082,387	1,433,017	350,630
Athletics	755,679	920,705	165,026
Community Services	155,462	205,550	50,088
Transfers and other	453,547	456,089	2,542
Total expenditures	$ 25,770,696	$ 29,496,310	$ 3,725,614

As indicated below, funding from the State of Michigan is the District's largest source of revenue at 77.15% which is similar in amount and percentage to last year. The financial stability of the District depends significantly on the economic health of the State of Michigan.

General Fund Revenue and Other Financing Sources

Revenues	**2022-23**	**Percent**	**2021-22**	**Percent**
State revenue	$ 22,539,234	77.15%	$ 19,401,982	74.34%
Federal revenue	1,762,302	6.03%	2,003,401	7.68%
Local sources	3,884,301	13.30%	3,753,468	14.38%
Local from other districts	791,554	2.71%	821,357	3.15%
Transfers and other	236,926	0.81%	120,951	0.46%
Total revenues	$ 29,214,317	100.00%	$ 26,101,159	100.00%

General Fund Expenditures by Function

Expenditures	**2022-23**	**Percent**	**2021-22**	**Percent**
Instruction and support	$ 21,246,151	72.02%	$ 18,529,314	71.90%
Business and administration	3,084,287	10.46%	2,914,149	11.31%
Maintenance and operations	2,150,511	7.29%	1,880,158	7.30%
Transportation	1,433,017	4.86%	1,082,387	4.20%
Athletics	920,705	3.12%	755,679	2.93%
Community Services	205,550	0.70%	155,462	0.60%
Transfers and other	456,089	1.55%	453,547	1.76%
Total expenditures	$ 29,496,310	100.00%	$ 25,770,696	100.00%

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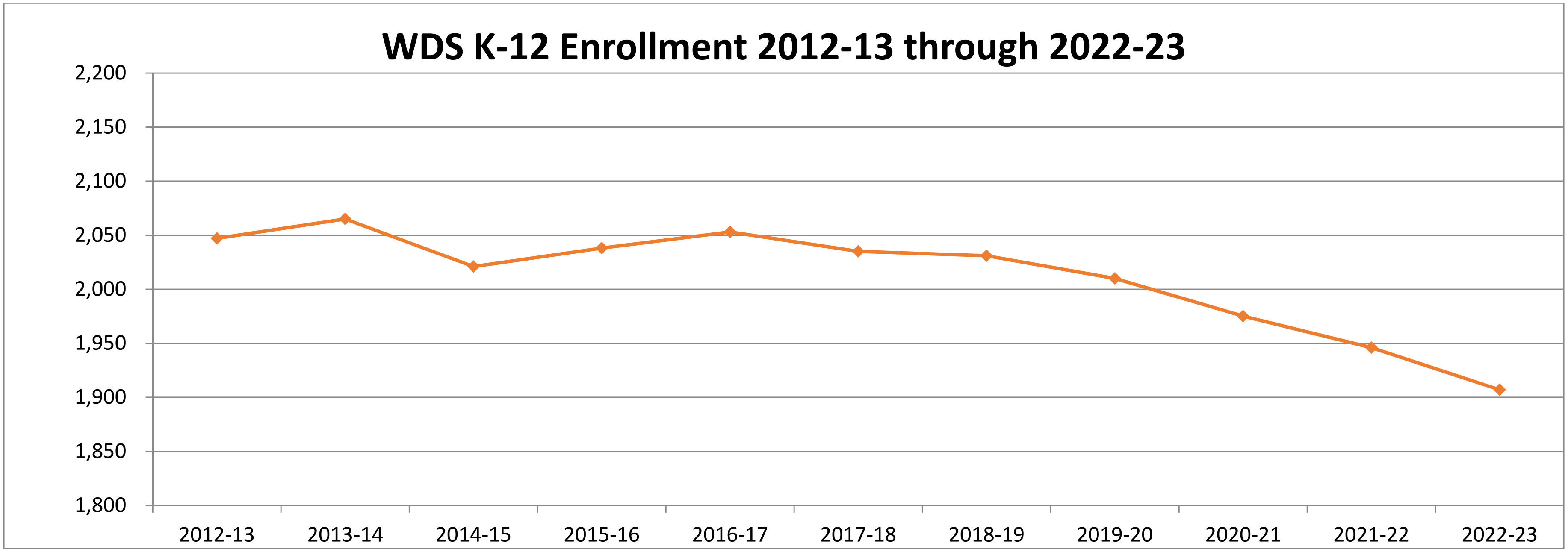
As the chart above indicates, 72.02% of the District's resources are spent on instruction and instructional support services. This indicates the District's priority of spending resources in the classroom and in ways that directly benefit students. It is noted that the District spends approximately 7.29% of its budget on maintenance and operations and 4.86% of its budget on transportation of its students.

The District's pupil enrollment for state aid funding purposes decreased by 39 full-time equivalent students in the traditional K-12 program in 2022-23. The chart below depicts the enrollment changes experienced by the District over the past ten years. For the time period presented, the peak K-12 enrollment for the District was 2,065 students in 2013-14.



White Lake Area Community Education Budgetary Highlights

White Lake Area Community Education (WLACE) is a five-district consortium for which Whitehall District Schools serves as the fiscal agent. WLACE provides early childhood, community enrichment, alternative & adult education, and other community service programs to the five-member districts – Whitehall District Schools, Holton Public Schools, Montague Area Public Schools, North Muskegon Public Schools, and Reeths-Puffer Schools.

2022-23 Community Education Fund

	Initial Budget	Final Budget	Actual
Revenues			
Local revenue	$ 603,750	$ 653,450	$ 710,276
State revenue	2,521,458	2,176,510	1,965,315
Federal revenue	1,591,095	2,334,603	2,292,875
Transfers and other	-	-	-
Total revenues	4,716,303	5,164,563	4,968,466
Variance of actual from budget	252,163	(196,097)	
	5.3%	-3.8%	
Expenditures			
Instruction	1,883,833	1,578,434	1,613,340
Support services	463,068	386,775	398,663
Community enrichment	17,680	23,720	19,717
Early childhood	2,307,578	3,102,388	2,878,983
Transfers and other	75,422	179,911	118,638
Total expenditures	4,747,581	5,271,228	5,029,341
Variance of actual from budget	281,760	(241,887)	
	5.9%	-4.6%	
Change in Fund balance	(31,278)	(106,665)	(60,875)
Variance of actual from budget	(29,597)	45,790	
Percentage of budgeted Expenditures	-0.6%	0.9%	

The significant budget variances are attributed to the following items:

Revenue Variances

- Local Revenue was higher than budgeted as the daycare program returned to more normal enrollments and sites that were closed, reopened.
- State Revenue was less than budgeted due to deferring funds into 2023-24.

Expenditure Variances

- A transfer was budgeted but was not made until the following year when calculations could be made on actual results.
- Early Childhood expenses were less than budgeted due to lower enrollments in the preschool program.

Summary

- The ending fund balance for WLACE is $610,775 or 12.14% of 2022-23 expenditures.

Currently Known Facts and Conditions Affecting the 2023-24 School Year

The adopted general fund budget for the 2023-24 fiscal year projects a surplus of approximately $98 thousand. This budget will be amended in the winter of 2023-24 to reflect updated factors such as foundation grant information, actual student counts, and final staffing levels. A state budget funding public schools had not been finalized by the state prior to June 30, 2023 when a new district budget was required to be in place. Therefore, estimates were used based on various legislative and executive proposals.

The main assumptions in this budget are:

- The District has budgeted for the per pupil foundation grant to be $9,608, an increase of $458 over the prior year. Enrollment was projected to be down 20 students for a budgeted enrollment of 2,030 in all general fund programs.
- The White Lake Area Community Education budget projects a deficit of $125 thousand. Much of the budget is grant based and expenses are adjusted to meet funding levels. Some of the expense includes a transfer to consortium districts for the prior year surplus.

Employee Contracts (MEA affiliates)

A successor contract for certified staff (teachers and professional instructional support) was ratified in August 2013, and expires August 31, 2027 with periodic re-opener clauses for wages and/or benefits. The most recent re-opener was ratified in June 2023. The current contract with the transportation employees' group was ratified in July of 2023 and expires June 30, 2026.

Requests for Information

This financial report is designed to provide the citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances, and to show how the District is accountable for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to:

Dr. Jerry McDowell, Superintendent
Whitehall District Schools
541 E. Slocum Street
Whitehall, MI 49461
Telephone number (231) 893-1005.

Whitehall District Schools

STATEMENT OF NET POSITION

June 30, 2023

	Governmental activities
ASSETS	
Current assets	
Cash and cash equivalents	$ 8,229,491
Investments	1,500,000
Receivables	31,101
Note and interest receivable	12,205
Due from other governmental units	5,161,197
Inventories	38,011
Prepaid items	275,277
Total current assets	15,247,282
Noncurrent assets	
Capital assets, net	
Nondepreciable/amortizable	1,083,428
Depreciable/amortizable	38,235,253
Total noncurrent assets	39,318,681
Total assets	54,565,963
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	267,491
Related to other postemployment benefits	4,673,915
Related to pensions	18,483,910
Total deferred outflows of resources	23,425,316
Total assets and deferred outflows of resources	77,991,279
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	3,691,106
Due to other governmental units	1,269,541
Unearned revenue	1,454,456
Bonds and other obligations, due within one year	2,303,252
Total current liabilities	8,718,355
Noncurrent liabilities	
Bonds and other obligations, less amounts due within one year	23,034,873
Net other postemployment benefits liability	3,256,198
Net pension liability	57,152,545
Total noncurrent liabilities	83,443,616
Total liabilities	92,161,971
DEFERRED INFLOWS OF RESOURCES	
Related to other postemployment benefits	6,758,371
Related to pensions	4,678,883
Total deferred inflows of resources	11,437,254
Total liabilities and deferred inflows of resources	103,599,225
NET POSITION	
Net investment in capital assets	14,946,143
Restricted	
Debt service	1,723,096
Technology	416,735
Unrestricted	(42,693,920)
Total net position	**$(25,607,946)**

The accompanying notes are an integral part of this statement.

Whitehall District Schools
STATEMENT OF ACTIVITIES
For the year ended June 30, 2023

		Program Revenue		Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for services	Operating grants and contributions	Governmental activities
Governmental activities				
Instruction	$ 18,966,468	$ -	$ 7,276,732	$ (11,689,736)
Support services	10,718,458	44,566	3,718,130	(6,955,762)
Community services	2,673,768	813,156	2,290,648	430,036
Food services	1,950,800	47,566	1,329,982	(573,252)
Student/school activities	418,060	465,211	-	47,151
Athletics	769,667	96,350	-	(673,317)
Interest on long-term debt	730,778	-	-	(730,778)
Unallocated depreciation and amortization	4,383	-	-	(4,383)
Total governmental activities	**$ 36,232,382**	**$ 1,466,849**	**$ 14,615,492**	(20,150,041)
General revenues				
Property taxes				7,451,164
Grants and contributions not restricted to specific programs				14,941,787
Investment earnings				84,831
Miscellaneous				130,892
Total general revenues				22,608,674
Change in net position				2,458,633
Net position at beginning of year				(28,066,579)
Net position at end of year				**$ (25,607,946)**

The accompanying notes are an integral part of this statement.

Whitehall District Schools
BALANCE SHEET
Governmental Funds
June 30, 2023

	General Fund	Community Education Fund	Debt Service Fund	Other governmental funds	Total governmental funds
ASSETS					
Cash and cash equivalents	$ 4,961,973	$ 1,427,062	$ 378,491	$ 1,461,965	$ 8,229,491
Investments	-	-	1,500,000	-	1,500,000
Receivables	16,902	4,039	12,205	10,160	43,306
Due from other governmental units	4,628,824	464,970	-	67,403	5,161,197
Due from other funds	131,355	-	-	968	132,323
Inventories	25,988	-	-	12,023	38,011
Prepaid items	75,088	-	-	200,189	275,277
Total assets	**$ 9,840,130**	**$ 1,896,071**	**$ 1,890,696**	**$ 1,752,708**	**$ 15,379,605**
LIABILITIES					
Accounts payable	$ 486,812	$ 26,013	$ -	$ 97,072	$ 609,897
Accrued liabilities	2,616,638	283,532	-	13,439	2,913,609
Due to other governmental units	831,973	437,568	-	-	1,269,541
Due to other funds	-	79,167	-	53,156	132,323
Unearned revenue	973,814	459,016	-	21,626	1,454,456
Total liabilities	4,909,237	1,285,296	-	185,293	6,379,826
FUND BALANCES					
Nonspendable					
Inventories	25,988	-	-	12,023	38,011
Prepaid items	75,088	-	-	200,189	275,277
Restricted					
Community education	-	610,775	-	-	610,775
Debt service	-	-	1,890,696	-	1,890,696
Food services	-	-	-	524,789	524,789
Technology	-	-	-	416,735	416,735
Committed					
Student/school activities	-	-	-	295,561	295,561
Capital projects	-	-	-	118,118	118,118
Assigned to White Lake Area					
Community Education	30,957	-	-	-	30,957
Unassigned	4,798,860	-	-	-	4,798,860
Total fund balances	4,930,893	610,775	1,890,696	1,567,415	8,999,779
Total liabilities and fund balances	**$ 9,840,130**	**$ 1,896,071**	**$ 1,890,696**	**$ 1,752,708**	**$ 15,379,605**

The accompanying notes are an integral part of this statement.

Whitehall District Schools

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2023

Total fund balances—governmental funds		$ 8,999,779
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and are not reported in the governmental funds.		
Cost of capital assets	$ 65,556,143	
Accumulated depreciation/amortization	(26,237,462)	39,318,681
Deferred charges on refunding are not capitalized and amortized in the governmental funds.		
Deferred charges on refunding	677,982	
Accumulated amortization	(410,491)	267,491
Deferred inflows and outflows of resources related to pensions and other postemployment benefits are not reported in the governmental funds.		
Deferred outflows of resources - related to other postemployment benefits	4,673,915	
Deferred inflows of resources - related to other postemployment benefits	(6,758,371)	
Deferred outflows of resources - related to pensions	18,483,910	
Deferred inflows of resources - related to pensions	(4,678,883)	11,720,571
Accrued interest in governmental activities is not reported in the governmental funds.		(167,600)
Long-term obligations in governmental activities are not due and payable in the current period and are not reported in the governmental funds.		(85,746,868)
Net position of governmental activities		**$ (25,607,946)**

The accompanying notes are an integral part of this statement.

Whitehall District Schools

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Governmental Funds

For the year ended June 30, 2023

	General Fund	Community Education Fund	Debt Service Fund	Other governmental funds	Total governmental funds
REVENUES					
Local sources					
Property taxes	$ 3,440,719	$ -	$ 4,030,678	$ -	$ 7,471,397
Investment earnings	44,493	16,203	15,602	8,533	84,831
Fees and charges	209,125	669,996	-	47,566	926,687
Student/school activities	-	-	-	465,211	465,211
Other	981,518	24,077	-	458,605	1,464,200
Total local sources	4,675,855	710,276	4,046,280	979,915	10,412,326
State sources	22,539,234	1,965,315	257,139	33,530	24,795,218
Federal sources	1,762,302	2,292,875	-	1,287,901	5,343,078
Total revenues	28,977,391	4,968,466	4,303,419	2,301,346	40,550,622
EXPENDITURES					
Current					
Instruction	17,753,868	1,613,340	-	293,999	19,661,207
Support services	11,080,803	398,663	-	100,483	11,579,949
Community services	205,550	2,898,700	-	-	3,104,250
Food services	-	-	-	2,031,264	2,031,264
Student/school activities	-	-	-	423,445	423,445
Debt service					
Principal repayment	16,192	-	2,160,000	-	2,176,192
Interest and other charges	-	-	1,111,083	-	1,111,083
Capital projects	429,914	-	-	-	429,914
Total expenditures	29,486,327	4,910,703	3,271,083	2,849,191	40,517,304
Excess (deficiency) of revenues over (under) expenditures	(508,936)	57,763	1,032,336	(547,845)	33,318
OTHER FINANCING SOURCES (USES)					
Transfers in	190,194	-	-	9,983	200,177
Transfers out	(9,983)	(118,638)	-	(71,556)	(200,177)
Other transactions	-	-	-	15,162	15,162
Proceeds from subscription-based IT arrangements	46,732	-	-	-	46,732
Total other financing sources (uses)	226,943	(118,638)	-	(46,411)	61,894
Net change in fund balances	(281,993)	(60,875)	1,032,336	(594,256)	95,212
Fund balances at beginning of year	5,212,886	671,650	858,360	2,161,671	8,904,567
Fund balances at end of year	**$ 4,930,893**	**$ 610,775**	**$ 1,890,696**	**$ 1,567,415**	**$ 8,999,779**

The accompanying notes are an integral part of this statement.

Whitehall District Schools

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2023

Net change in fund balances—total governmental funds		$ 95,212
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures; in the Statement of Activities these costs are depreciated over their estimated useful lives.		
Depreciation/amortization expense	$ (1,693,124)	
Capital outlay	666,018	(1,027,106)
Governmental funds report outflows for deferred charges on refunding as expenditures; in the Statement of Activities these costs are amortized over the bond period.		(94,775)
Debt proceeds are other financing sources in the governmental funds, but the proceeds increase long-term debt in the Statement of Net Position.		(46,732)
Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.		2,616,539
Interest expense on long-term obligations is recorded in the Statement of Activities when incurred, but is not reported in governmental funds until paid.		14,500
Compensated absences and retirement obligations reported in the Statement of Activities do not require the use of current financial resources. They are reported as expenditures when financial resources are used in the governmental funds.		39,873
Some other postemployment benefit related expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		2,513,530
Some pension related expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(1,652,408)
Change in net position of governmental activities		**$ 2,458,633**

The accompanying notes are an integral part of this statement.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Whitehall District Schools (School District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

Reporting Entity
The School District is governed by an elected seven-member Board of Education (Board), which has responsibility and control over all activities related to public school education within the School District. The School District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities.

Generally accepted accounting principles require that if the School District is considered to be financially accountable for other organizations, those organizations should be included as component units in the School District’s financial statements. Since no organizations met this criterion, none are included in the financial statements.

Basis of Presentation—Government-wide and Fund Financial Statements
The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the School District. All fiduciary activities, if any, are reported only in the fund financial statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The fund financial statements provide information about the School District’s funds. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The School District reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund.

The Community Education Fund accounts for community education, early childhood, adult and alternative education, and employment development programs.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Presentation—Government-wide and Fund Financial Statements—Continued

Additionally, the School District reports the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The School District accounts for its food service, technology, and student/school activities in the school service special revenue funds.

The capital project funds account for the financial resources to be used for the acquisition of fixed assets or construction of major capital projects.

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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 provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are 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 School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, retirement obligations and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Measurement Focus and Basis of Accounting—Continued
Property taxes, state and federal aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

The State of Michigan utilizes a foundation grant approach, which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the school districts. For the current fiscal year, the foundation allowance was based on pupil membership counts taken in October and February.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills on Principal Residence Exemption (PRE) property and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-PRE property taxes, which may be levied at a rate of up to 18 mills. The state revenue is recognized during the foundation period and is funded through payments from October to August. Thus, the unpaid portion at June 30 is reported as due from other governmental units.

The School District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain governmental funds require an accounting to the state of the expenditures incurred. For categorical funds meeting this requirement, funds received and accrued, which are not expended by the close of the fiscal year are recorded as unearned revenue.

All other revenue items are considered to be measurable and available only when cash is received by the government.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Investments
The School District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the School District are reported at fair value (generally based on quoted market prices). Standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the School District intends to hold the investment until maturity.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Cash and Investments—Continued
State statutes authorize the School District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The School District is also authorized to invest in U. S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above. The School District's deposits and investments are in accordance with statutory authority.

Inventories and Prepaid Items
All inventories are valued at cost using the first-in/first-out method. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets
Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year.

As the School District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, and equipment, of the School District are depreciated/amortized using the straight-line method over the following estimated useful lives:

Capital Asset Classes	Years
Buildings and improvements	10-50
Furniture and equipment	5-20
Busses and other vehicles	5-10
Right to use – subscription-based IT	2-5

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Long-term Obligations
In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year in which they are incurred.

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

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

Deferred 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until that time.

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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position Flow Assumption
Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts of net position to report as restricted and unrestricted in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the School District’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Fund Balance Flow Assumptions
Sometimes the School District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies
Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by formal action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by formal action remains in place until a similar action is taken (another formal action) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as committed. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Subscription Based IT Arrangements (SBITAs)
The School District is a lessee for multiple noncancelable subscriptions of IT arrangements. The School District recognizes SBITA liabilities and intangible right-to-use SBITA assets in the government-wide financial statements.

At the commencement of a subscription, the School District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

***Subscription Based IT Arrangements (SBITAs)*—Continued**
Key estimates and judgments related to SBITAs include how the School District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

The School District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the School District generally uses its estimated incremental borrowing rate as the discount rate for the SBITA.

The SBITA term includes the noncancelable period of the subscription. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the School District is reasonably certain to exercise.

The School District monitors changes in circumstances that would require a remeasurement of each SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets, and SBITA liabilities are reported with long-term obligations on the statement of net position.

Revenues and Expenditures/Expenses

Program Revenues
Amounts reported as 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, unrestricted state aid, interest and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes
Property taxes levied by the School District are collected by various municipalities and periodically remitted to the School District. The taxes are levied as of December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due date is February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

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

For fund financial statements, no compensated absence liability is reported for current employees and a compensated absence liability is reported for terminated employees only when the termination date is on or before year end.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Revenues and Expenditures/Expenses—Continued

Retirement Obligations
For government-wide financial statements, the liability for retirement obligations is reported when legally enforceable. For fund financial statements, the liability for retirement obligations is reported either 1) on the due date when there is a specified due date or 2) on the retirement date if it is before year end, when there is not a specified legally enforceable due date.

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting
Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, Community Education Fund, and special revenue funds. All annual appropriations lapse at year end.

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

1. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally adopted by Board of Education resolution pursuant to the Uniform Budgeting and Accounting Act (P.A. 621 of 1978). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the General Fund and Community Education Fund are noted in the required supplementary information section.
4. The Director of Finance is authorized to transfer budgeted amounts within major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration is employed as a management control device during the year.
6. The budget is amended during the year with supplemental appropriations, the last one approved prior to June 30, 2023.

NOTE C—DEPOSITS AND INVESTMENTS

As of June 30, 2023, the School District had the following investments:

Investment Type	Fair value	Weighted average maturity (Days)	Standard & Poor's rating	Percent
Certificate of Deposit	$ 1,500,000	120	Not rated	100%

Risks and Uncertainties
The School District has accounts that invest in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term that such changes could materially affect account balances, and the amounts reported in the financial statements.

Interest rate risk
The School District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk
State law limits investments in commercial paper and corporate bonds to the three highest classifications issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices.

Concentration of credit risk
The School District does not have a concentration of credit risk policy. Concentration of credit risk is the risk of loss attributed to the magnitude of the School District 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.

Custodial credit risk - deposits
In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. At of June 30, 2023, $10,784,267 of the School District's bank balance of $11,284,267 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk - investments
The School District does not have a custodial credit risk policy for investments. This is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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

NOTE D—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2023
Capital assets, not being depreciated/amortized:				
Land	$ 817,882	$ -	$ -	$ 817,882
Construction in progress	-	265,546	-	265,546
Total capital assets, not being depreciated/amortized	817,882	265,546	-	1,083,428
Capital assets, being depreciated/amortized:				
Buildings and improvements	59,629,586	76,398	-	59,705,984
Furniture and equipment	2,983,044	88,729	145,216	2,926,557
Buses and other vehicles	1,664,329	154,800	59,500	1,759,629
Right to use - subscription-based IT	-	80,545	-	80,545
Total capital assets, being depreciated/amortized	64,276,959	400,472	204,716	64,472,715
Less accumulated depreciation/amortization:				
Buildings and improvements	20,940,888	1,463,697	-	22,404,585
Furniture and equipment	2,646,408	68,559	145,216	2,569,751
Buses and other vehicles	1,161,758	135,299	59,500	1,237,557
Right to use - subscription-based IT	-	25,569	-	25,569
Total accumulated depreciation/amortization	24,749,054	1,693,124	204,716	26,237,462
Total capital assets, being depreciated/amortized, net	39,527,905	(1,292,652)	-	38,235,253
Capital assets, net	**$40,345,787**	**$ (1,027,106)**	**$ -**	**$ 39,318,681**

Depreciation/amortization

Depreciation/amortization expense has been charged to functions as follows:

Instruction	$ 900,528
Support services	553,022
Community services	208,252
Athletics	15,965
Food services	10,974
Unallocated	4,383
	$ 1,693,124

NOTE E—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2023 is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
General Fund	Community Education Fund	$ 78,199
General Fund	Other governmental funds	53,156
Other governmental funds	Community Education Fund	968
		$ 132,323

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers
The General Fund transferred $8,977 to the Capital Improvements Fund to cover the cost of future capital improvements and $1,006 to the Food Service Fund as required by the State's At-Risk funding rules for the breakfast program. The Community Education Fund transferred $69,661 to the General Fund as a sharing of local funds to be used in any manner. The transfer of $48,977 from the Community Education Fund to the General Fund represents the Whitehall portion of the White Lake Area Community Education payments to consortium members recognizing the use of daycare facilities in member districts. The Food Service Fund transferred $71,556 to the General Fund to cover allowable indirect costs.

NOTE F—LONG-TERM OBLIGATIONS

The School District issues bonds, and other contractual commitments to provide for the acquisition, construction and improvement of major capital facilities and for the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other obligations include Subscription-Based IT Arrangements.

The following is a summary of long-term obligations activity for the School District for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due within one year
Governmental activities					
Bonds	$ 24,465,000	$ -	$ 2,160,000	$ 22,305,000	$ 2,250,000
Premium	2,763,672	-	447,318	2,316,354	-
Discount	(43,272)	-	(6,971)	(36,301)	-
Other obligations	-	46,732	16,192	30,540	14,971
Compensated absences	244,427	12,804	27,618	229,613	10,781
Retirement obligations	517,978	37,034	62,093	492,919	27,500
	$ 27,947,805	**$ 96,570**	**$ 2,706,250**	**$ 25,338,125**	**$ 2,303,252**

NOTE F—LONG-TERM OBLIGATIONS—Continued

The governmental activities general obligation bonds are secured by future state aid and property tax revenues of the School District. If the School District defaults, the bonds are callable.

General obligation bonds and other obligations consist of the following:

	Interest Rate	Date of Maturity	Balance
Governmental activities:			
General obligation bonds			
2015 Refunding Bonds	4%	May 2024	$ 1,660,000
2017 School Building and Site Bonds	4-5%	May 2035	11,200,000
2021 Refunding Bonds	4%	May 2029	9,445,000
			$ 22,305,000
Other obligations			
Subscription-Based IT Arrangements	4%	August 2025	**$ 30,540**

The annual requirements of principal and interest to amortize the bonds, other obligations, and retirement obligations outstanding as of June 30, 2023 follow:

	Governmental Activities					
Year ending	Bonds		Subscription-Based IT Arrangements		Other	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 2,250,000	$ 1,002,950	$ 14,971	$ 1,221	$ 27,500	$ -
2025	2,340,000	912,950	15,569	623	21,000	-
2026	2,425,000	819,350	-	-	21,000	-
2027	2,490,000	722,350	-	-	21,000	-
2028	2,025,000	622,750	-	-	21,000	-
2029-2033	7,700,000	1,857,500	-	-	105,000	-
2034-2035	3,075,000	231,250	-	-	276,419	-
	$ 22,305,000	**$ 6,169,100**	**$ 30,540**	**$ 1,844**	**$ 492,919**	**$ -**

Prior-year Defeasance of Debt

In prior years, the School District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the School District’s financial statements. On June 30, 2023, $13.545 million of bonds outstanding are considered defeased.

NOTE G—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

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

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

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

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

Benefits Provided – Pension

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 (Basic, Member Investment Plan (MIP), Pension Plus, Pension Plus 2), member retirement benefits for DB plan members 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 requirement.

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System who became a member 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 percent of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50 percent (up to 1 percent 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.

NOTE G—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – Pension—Continued

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 service 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.

Employees who first work on or after September 4, 2012, choose between two retirement plans: the Pension Plus plan described above and a DC plan that provides a 50 percent employer match (up to 3 percent 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.

Employees in the Pension Plus and DC plans are immediately vested in their own contributions and earnings on those contributions. The employee becomes vested in the employer match contribution at the following rates: 50 percent after two years of service, 75 percent after three years of service, and 100 percent after four years of service. Non-vested contributions are forfeited upon termination of employment. Forfeitures during a plan year are credited to a forfeitures account. Forfeitures are first applied to restore any forfeited amounts that are required to be restored. The remaining amounts in the forfeitures account may be maintained in reserve, used to cover a portion of the plan's administrative expenses or offset future employer contributions, as determined by the plan administrator.

Pension Reform 2017

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

NOTE G—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – Pension—Continued

Regular Retirement
The pension 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 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 period 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.

Post-Retirement Adjustments
A retiree who became a Member Investment Plan member prior to July 1, 2010, receives an annual post-retirement non-compounded increase of three percent 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.

Plan Status
The Basic, MIP, and Pension Plus plans are closed to new entrants. The Pension Plus 2 plan and the DC plan are still open to new entrants.

Benefits Provided – OPEB
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 percent beginning January 1, 2013; 90 percent 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.

NOTE G—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Benefits Provided – OPEB—Continued

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 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 percent contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3 percent 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 percent employee contribution into their 457 account as of their transition date, earning them a 2 percent employer match into a 401(k) account. Members who selected this option stop paying the 3 percent contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions – Pension and OPEB

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

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

NOTE G—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Contributions – Pension and OPEB—Continued
The schedules below summarize the contribution rates in effect for the System's fiscal year ended September 30, 2022.

Pension Contribution Rates

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

OPEB Contribution Rates

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

The School District's pension contributions for the year ended June 30, 2023 were equal to the required contribution total. Pension contributions were approximately $7,449,000, including Section 147c(1) and Section 147c(2) contributions.

For the year ended June 30, 2023, the School District and employee defined contribution plan contributions were approximately $327,400 and $493,300, respectively.

The School District's OPEB contributions for the year ended June 30, 2023 were equal to the required contribution total. OPEB contributions were approximately $1,381,200.

Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
At June 30, 2023, the School District reported a liability of $57,152,545 for its proportionate share of the MPSERS net pension liability and a liability of $3,256,198 for its proportionate share of the MPSERS net OPEB liability.

The net pension and OPEB liabilities were measured as of September 30, 2022, and the total pension and OPEB liabilities used to calculate the net pension and OPEB liabilities were determined by an actuarial valuation rolled forward from September 30, 2020. The School District's proportion of the net pension and OPEB liabilities was determined by dividing each employer's statutorily required pension and OPEB contributions to the system during the measurement period by the percent of pension and OPEB contributions, respectively, required from all applicable employers during the measurement period. At September 30, 2022 and 2021, the School District's pension proportion was 0.15197 and 0.14819 percent, respectively. At September 30, 2022 and 2021, the School District's OPEB proportion was 0.15373 and 0.14854 percent, respectively.

For the year ended June 30, 2023, the School District recognized pension expense (benefit) of $7,021,015 and OPEB expense (benefit) of $(1,251,825).

NOTE G—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources—Continued

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

	Pension		OPEB	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 571,725	$ 127,787	$ -	$ 6,377,645
Changes of assumptions	9,820,855	-	2,902,354	236,326
Net difference between projected and actual earnings on plan investments	134,023	-	254,498	-
Changes in proportion and differences between School District contributions and proportionate share of contributions	865,640	344,145	287,280	144,400
State of Michigan Section 147c(1) UAAL rate stabilization and 147c(2) one time deposit state aid payments subsequent to the measurement date	-	4,206,951	-	-
School District contributions subsequent to the measurement date	7,091,667	-	1,229,783	-
Total	**$18,483,910**	**$ 4,678,883**	**$4,673,915**	**$6,758,371**

The School District's contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions and OPEB resulting from employer contributions subsequent to the measurement date, in the chart above, will be recognized as a reduction of the net pension liability and the net OPEB liability, respectively, in the year ended June 30, 2024. The State of Michigan Section 147c(1) UAAL rate stabilization and 147c(2) one time deposit state aid payments subsequent to the measurement date reported as deferred inflows of resources will be recognized as revenue in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in expense as follows:

Year ending June 30,	Pension	OPEB
2024	$ 3,044,436	$ (1,219,746)
2025	2,361,402	(1,089,771)
2026	2,132,545	(967,621)
2027	3,381,928	(37,612)
2028	-	(11,171)
Thereafter	-	11,682
	$ 10,920,311	**$ (3,314,239)**

NOTE G—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Actuarial assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing 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.

Summary of Actuarial Assumptions

Valuation date –	September 30, 2021
Actuarial cost method –	Entry age, Normal
Wage Inflation Rate –	2.75%
Investment rate of return –	6% a year for the MIP and Basic plans 6% a year for the Pension Plus plan 6% a year for the Pension Plus 2 plan 6% a year for OPEB
Salary increases –	2.75%-11.55%, including wage inflation at 2.75%
Cost-of-living pension adjustments –	3% annual non-compounded for MIP members
Healthcare cost trend rate –	Pre-65: 7.75% Year 1 graded to 3.5% Year 15; 3% Year 120
	Post-65: 5.25% Year 1 graded to 3.5% Year 15; 3% Year 120

Mortality Assumptions
The healthy life post-retirement mortality tables used in this valuation of the System were the RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82 percent for males and 78 percent for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

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

Survivor Coverage
80 percent of male retirees and 67 percent of female retirees are assumed to have coverages continuing after the retiree’s death.

Coverage Election at Retirement
75 percent of male and 60 percent of female future retirees are assumed to elect coverage of one or more dependents.

NOTE G—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Actuarial assumptions—Continued

Experience Study

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 and OPEB valuations beginning with the September 30, 2018 valuation. The total pension and OPEB liabilities as of September 30, 2022 are based on the results of an actual valuation date of September 30, 2021, and rolled forward using generally accepted actuarial procedures, including the experience study.

Long-Term Expected Rate of Return on Investments

The long-term expected rate of return on 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 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 plan's target asset allocation as of September 30, 2022 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25 %	5.1 %
Private Equity Pools	16	8.7
International Equity Pools	15	6.7
Fixed Income Pools	13	(0.2)
Real Estate and Infrastructure Pools	10	5.3
Absolute Return Pools	9	2.7
Real Return/Opportunistic Pools	10	5.8
Short Term Investment Pools	2	(0.5)
Total	**100** %	

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

Rate of return

For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on plan investments, net of plan investment expense, was (4.18) percent and (4.99) percent on pension plan and OPEB plan investments, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE G—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Actuarial assumptions—Continued

Discount rate
In the current year, the discount rates used to measure the total pension and OPEB liabilities were 6 percent (6 percent for the Pension Plus Plan and 6 percent for the Pension Plus 2 plan, hybrid plans provided through non-university employers only), and 6 percent, respectively. The discount rates used to measure the total pension and OPEB liability as of June 30, 2022 were 6.8 percent (6.8 percent for the Pension Plus plan and 6 percent for the Pension Plus 2 plan, hybrid plans provided through non-university plans only), and 6.95 percent, respectively. These discount rates for the current year were based on the long-term expected rates of return on pension plan and OPEB investments of 6 percent (6 percent for the Pension Plus plan, 6 percent for the Pension Plus 2 plan) and 6 percent, respectively. 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 and OPEB plans' 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 and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liabilities.

Sensitivity of the net pension liability to changes in the discount rate
The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6 percent (6 percent for the Pension Plus plan and 6 percent for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1% Lower* (5% / 5% / 5%)	Discount Rate* (6% / 6% / 6%)	1% Higher* (7% / 7% / 7%)
$ 75,420,127	$ 57,152,545	$ 42,099,235

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

Sensitivity of the net OPEB liability to changes in the discount rate
The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 6 percent, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

1% Lower (5%)	Discount Rate (6%)	1% Higher (7%)
$ 5,461,959	$ 3,256,198	$ 1,398,674

NOTE G—PENSION AND OTHER POSTEMPLOYMENT BENEFITS (OPEB)—Continued

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate
The following presents the School District's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the School District's proportionate share of 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% Lower	Current Healthcare Cost Trend Rate	1% Higher
$ 1,363,540	$ 3,256,198	$ 5,380,745

Pension and OPEB Plans Fiduciary Net Position
Detailed information about the pension and OPEB plans' fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System Annual Comprehensive Financial Report available at www.michigan.gov/orsschools.

Payable to the pension and OPEB plan
At year end, the School District is current on all required pension and OPEB payments. Accruals for July and August deferred payroll and for July and August Section 147c(1) and Section 147c(2) amounts are not considered payables for this purpose.

NOTE H—COMMITMENTS AND CONTINGENCIES

Grant Programs
The School District participates in grant programs, which are subject to program compliance audits by the grantor or its representatives. Such audits of these programs may be performed at some future date. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

Commitments
As of June 30, 2023, the School District had approved commitments for building improvements, equipment, and bus purchases for approximately $550,000.

NOTE I—OTHER INFORMATION

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The School District participates in two distinct pools of educational institutions within the State of Michigan for self-insuring property and casualty and workers' disability compensation. The pools are considered public entity risk pools. The School District pays annual premiums under a retrospectively rated policy to the pools for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The workers' compensation pool and the property casualty pool maintain reinsurance for claims generally in excess of $500,000 for each occurrence with the overall maximum coverage varying depending on the specific type coverage of reinsurance.

The School District continues to carry commercial insurance for other risks of loss, including employee health and accident insurance. No settlements have occurred in excess of coverage for June 30, 2023 or any of the prior three years.

NOTE J—TAX ABATEMENTS

The School District receives reduced property tax revenues as a result of Industrial Facilities Tax (IFT) exemptions, Brownfield Redevelopment Agreements (BRA), and Payments in Lieu of Taxes (PILOT) granted by cities, villages and townships. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield Redevelopment Agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties; PILOT programs apply to multiple unit housing for citizens of low income and the elderly. The property taxes abated for all fund types by municipality under these programs are as follows:

Municipality	Abatement type	Taxes abated
City of Whitehall	IFT	$ 107,626
Whitehall Township	IFT	1,232
City of Whitehall	BRA	37,366
Fruitland Township	PILOT	43,646
		$ 189,870

The tax abatements that reduce the general fund operating tax levy are considered by the State of Michigan when calculating the School District's state aid—section 22 of the State School Aid Act.

There are no significant abatements made by the School District.

NOTE K—SUBSEQUENT EVENT

Subsequent to June 30, 2023, the School District approved approximately $30,000 of purchases for math curriculum.

NOTE L—CHANGE IN ACCOUNTING PRINCIPLE

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

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

NOTE M—UPCOMING ACCOUNTING PRONOUNCEMENTS

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Whitehall District Schools
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
General Fund
For the year ended June 30, 2023

	Budgeted amounts			Variance with
	Original	**Final**	**Actual**	**final budget**
REVENUES				
Local revenue				
Local sources	$ 3,879,644	$ 3,805,451	$ 3,884,301	$ 78,850
Received from other districts	733,000	820,000	791,554	(28,446)
State sources	19,773,106	22,184,564	22,539,234	354,670
Federal sources	2,052,488	2,167,578	1,762,302	(405,276)
Incoming transfers and other transactions	135,422	216,800	236,926	20,126
Total revenues	26,573,660	29,194,393	29,214,317	19,924
EXPENDITURES				
Instruction				
Basic programs	12,855,494	14,519,040	14,574,892	(55,852)
Added needs	2,940,599	3,208,331	3,063,064	145,267
Adult and continuing education	193,317	185,281	115,912	69,369
Support services				
Pupil	2,065,384	2,343,818	2,323,262	20,556
Instructional staff	1,137,700	1,257,633	1,169,021	88,612
General administration	541,645	611,569	590,002	21,567
School administration	1,529,525	1,598,894	1,625,408	(26,514)
Business services	482,284	498,835	466,680	32,155
Operations and maintenance	1,805,489	2,037,318	2,150,511	(113,193)
Pupil transportation services	1,248,206	1,369,803	1,433,017	(63,214)
Central support	517,259	566,255	402,197	164,058
Athletics	678,935	832,097	920,705	(88,608)
Community services	136,156	194,503	205,550	(11,047)
Outgoing transfers and other transactions	437,000	364,000	456,089	(92,089)
Total expenditures	26,568,993	29,587,377	29,496,310	91,067
Excess (deficiency) of revenues over (under) expenditures	**$ 4,667**	**$ (392,984)**	(281,993)	**$ 110,991**
Fund balance at beginning of year			5,212,886	
Fund balance at end of year			**$ 4,930,893**	

Whitehall District Schools

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE

Community Education Fund

For the year ended June 30, 2023

	Budgeted amounts			Variance with
	Original	**Final**	**Actual**	**final budget**
REVENUES				
Local sources	$ 603,750	$ 653,450	$ 710,276	$ 56,826
State sources	2,521,458	2,176,510	1,965,315	(211,195)
Federal sources	1,591,095	2,334,603	2,292,875	(41,728)
Total revenues	4,716,303	5,164,563	4,968,466	(196,097)
EXPENDITURES				
Instruction	1,883,833	1,578,434	1,613,340	(34,906)
Support services	463,068	386,775	398,663	(11,888)
Community services				
Community enrichment	17,680	23,720	19,717	4,003
Early childhood	2,307,578	3,102,388	2,878,983	223,405
Outgoing transfers and other transactions	75,422	179,911	118,638	61,273
Total expenditures	4,747,581	5,271,228	5,029,341	241,887
Excess (deficiency) of revenues over (under) expenditures	**$ (31,278)**	**$ (106,665)**	(60,875)	**$ 45,790**
Fund balance at beginning of year			671,650	
Fund balance at end of year			**$ 610,775**	

Whitehall District Schools

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the School District's Proportionate Share of the Net Pension Liability

Michigan Public Schools Employees Retirement System

Last 10 Fiscal Years (Amounts were determined as of 9/30 of each fiscal year)

	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
School District's proportion of the net pension liability (%)	0.15197%	0.14819%	0.14872%	0.15097%	0.15182%	0.15112%	0.14696%	0.14052%	0.13925%	-
School District's proportionate share of the net pension liability	$57,152,545	$35,084,793	$51,088,095	$49,997,400	$45,639,307	$39,161,046	$36,665,038	$34,321,498	$30,672,425	$ -
School District's covered payroll	$16,675,686	$14,750,429	$14,367,445	$14,021,135	$13,610,807	$12,761,711	$12,706,907	$11,751,837	$11,877,270	$ -
School District's proportionate share of the net pension liability as a percentage of its covered payroll	342.73%	237.86%	355.58%	356.59%	335.32%	306.86%	288.54%	292.05%	258.24%	-
Plan fiduciary net position as a percentage of the total pension liability	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%	-

Note: For years prior to 2014 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Whitehall District Schools

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the School District's Pension Contributions

Michigan Public School Employees Retirement System

Last 10 Fiscal Years (Amounts were determined as of 6/30 of each year)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contributions	$ 3,242,062	$ 2,990,259	$ 2,635,436	$ 2,568,842	$ 2,389,257	$ 2,352,092	$ 2,409,905	$ 2,694,696	$ 2,886,330	$ -
Contributions in relation to the statutorily required contributions	3,242,062	2,990,259	2,635,436	2,568,842	2,389,257	2,352,092	2,409,905	2,694,696	2,886,330	-
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
School District's covered payroll	$ 17,930,108	$ 16,278,968	$ 14,467,934	$ 14,420,091	$ 13,959,002	$ 13,467,650	$ 12,692,730	$ 12,486,944	$ 12,042,345	$ -
Contributions as a percentage of covered payroll	18.08%	18.37%	18.22%	17.81%	17.12%	17.46%	18.99%	21.58%	23.97%	-

Note: For years prior to 2015 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Whitehall District Schools

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the School District's Proportionate Share of the Net OPEB Liability

Michigan Public School Employees Retirement System

Last 10 Fiscal Years (Amounts were determined as of 9/30 of each year)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
School District's proportion of the net OPEB liability (%)	0.15373%	0.14854%	0.14879%	0.15076%	0.15246%	0.15121%	-	-	-	-
School District's proportionate share of the net OPEB liability	$ 3,256,198	$ 2,267,348	$ 7,970,972	$10,821,530	$12,118,923	$13,390,200	$ -	$ -	$ -	$ -
School District's covered payroll	$16,675,686	$14,750,429	$14,367,445	$14,021,135	$13,610,807	$12,761,711	$ -	$ -	$ -	$ -
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	19.53%	15.37%	55.48%	77.18%	89.04%	104.92%	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	83.09%	87.33%	59.44%	48.46%	42.95%	36.39%	-	-	-	-

Note: For years prior to 2017 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Whitehall District Schools

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the School District's OPEB Contributions

Michigan Public School Employees Retirement System

Last 10 Fiscal Years (Amounts were determined as of 6/30 of each year)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contributions	$ 1,381,175	$ 1,274,311	$ 1,179,127	$ 1,136,996	$ 1,075,306	$ 1,003,843	$ -	$ -	$ -	$ -
Contributions in relation to the statutorily required contributions	1,381,175	1,274,311	1,179,127	1,136,996	1,075,306	1,003,843	-	-	-	-
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
School District's covered payroll	$ 17,930,108	$ 16,278,968	$ 14,467,934	$ 14,420,091	$ 13,959,002	$ 13,467,650	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	7.70%	7.83%	8.15%	7.88%	7.70%	7.45%	-	-	-	-

Note: For years prior to 2018 the information is not available. Until a full 10-year trend is compiled, information will only be presented for those years for which information is available.

Pension Information

Benefit changes – There were no changes of benefit terms in 2022.

Changes of assumptions – There were no changes of assumptions in 2022.

OPEB Information

Benefit changes – There were no changes of benefit terms in 2022.

Changes of assumptions – There were no changes of benefit assumptions in 2022.

OTHER SUPPLEMENTAL INFORMATION

Whitehall District Schools

COMBINING BALANCE SHEET

Other Governmental Funds

June 30, 2023

	Total other governmental funds	Special Revenue			Capital Projects
		Food Service	Technology	Activity	Capital Improvements
ASSETS					
Cash and cash equivalents	$ 1,461,965	$ 544,607	$ 500,954	$ 298,286	$ 118,118
Receivables	10,160	8,660	-	1,500	-
Due from other governmental units	67,403	60,784	-	6,619	-
Due from other funds	968	-	-	968	-
Inventories	12,023	12,023	-	-	-
Prepaid items	200,189	200,189	-	-	-
Total assets	**$ 1,752,708**	**$ 826,263**	**$ 500,954**	**$ 307,373**	**$ 118,118**
LIABILITIES					
Accounts payable	$ 97,072	$ 6,260	$ 82,351	$ 8,461	$ -
Accrued liabilities	13,439	12,913	-	526	-
Due to other funds	53,156	48,463	1,868	2,825	-
Unearned revenue	21,626	21,626	-	-	-
Total liabilities	185,293	89,262	84,219	11,812	-
FUND BALANCES					
Nonspendable					
Inventories	12,023	12,023	-	-	-
Prepaid items	200,189	200,189	-	-	-
Restricted					
Food services	524,789	524,789	-	-	-
Technology	416,735	-	416,735	-	-
Committed					
Student/school activities	295,561	-	-	295,561	-
Capital projects	118,118	-	-	-	118,118
Total fund balances	1,567,415	737,001	416,735	295,561	118,118
Total liabilities and fund balances	**$ 1,752,708**	**$ 826,263**	**$ 500,954**	**$ 307,373**	**$ 118,118**

Whitehall District Schools

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Other Governmental Funds

For the year ended June 30, 2023

	Total other governmental funds	Special Revenue			Capital Projects
		Food Service	Technology	Activity	Capital Improvements
REVENUES					
Local sources					
Investment earnings	$ 8,533	$ 8,533	$ -	$ -	-
Fees and charges	47,566	47,566	-	-	-
Student/school activities	465,211	-	-	465,211	-
Other	458,605	8,551	449,337	-	717
Total local sources	979,915	64,650	449,337	465,211	717
State sources	33,530	33,530	-	-	-
Federal sources	1,287,901	1,287,901	-	-	-
Total revenues	2,301,346	1,386,081	449,337	465,211	717
EXPENDITURES					
Instruction	293,999	-	293,999	-	-
Support services	100,483	-	100,483	-	-
Food services	2,031,264	2,031,264	-	-	-
Student/school activities	423,445	-	-	423,445	-
Total expenditures	2,849,191	2,031,264	394,482	423,445	-
Excess (deficiency) of revenues over (under) expenditures	(547,845)	(645,183)	54,855	41,766	717
OTHER FINANCING SOURCES (USES)					
Transfers in	9,983	1,006	-	-	8,977
Transfers out	(71,556)	(71,556)	-	-	-
Other transactions	15,162	-	-	-	15,162
Total other financing sources (uses)	(46,411)	(70,550)	-	-	24,139
Net change in fund balances	(594,256)	(715,733)	54,855	41,766	24,856
Fund balances at beginning of year	2,161,671	1,452,734	361,880	253,795	93,262
Fund balances at end of year	**$ 1,567,415**	**$ 737,001**	**$ 416,735**	**$ 295,561**	**$ 118,118**