

**MORLEY STANWOOD COMMUNITY SCHOOLS**  
**ANNUAL FINANCIAL REPORT**  
**(with required supplementary and additional information)**  
**JUNE 30, 2022**



CERTIFIED PUBLIC ACCOUNTANTS  
134 WEST HARRIS STREET CADILLAC, MICHIGAN 49601 PHONE: (231) 775-9789 FAX: (231) 775-9749  
[www.bcbcpa.com](http://www.bcbcpa.com)



MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

	<u>PAGES</u>
<b>Independent Auditor's Report</b>	i-iii
<b>Management's Discussion and Analysis</b>	iv-xii
<b>Basic Financial Statements</b>	
Government-Wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet - Governmental Funds	3
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	6
Notes to Financial Statements	7-36
<b>Required Supplementary Information</b>	
Budgetary Comparison Schedule - General Fund	37
Schedule of Proportionate Share of the Net Pension Liability	38
Schedule of Pension Contributions	39
Schedule of Proportionate Share of OPEB Liability	40
Schedule of OPEB Contributions	41
Notes to Required Supplementary Information	42
<b>Supplementary Information</b>	
<b>Combining Fund Financial Statements</b>	
Combining Balance Sheet – Nonmajor Governmental Fund Types	43
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Fund Types	44
<b>Financial Statements of Individual Major Funds</b>	
General Fund	
Comparative Balance Sheet	45
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	46-47
Comparative Analysis of Revenues	48
Comparative Analysis of Expenditures	49-53

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

	<u>PAGES</u>
Food Service Fund	
Comparative Balance Sheet	54
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	55
2020 Debt Retirement Fund	
Balance Sheet	56
Statement of Revenues, Expenditures and Changes in Fund Balance	57
2020 Capital Projects Fund	
Balance Sheet	58
Statement of Revenues, Expenditures and Changes in Fund Balance	59
2022 Capital Projects Fund	
Balance Sheet	60
Statement of Revenues, Expenditures and Changes in Fund Balance	61
<b>Financial Statements of Individual Nonmajor Funds</b>	
Nonmajor Special Revenue Funds	
Combining Balance Sheet	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	63
Public Library Fund	
Comparative Balance Sheet	64
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	65
Student Activity Fund	
Comparative Balance Sheet	66
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	67
Nonmajor Debt Retirement Funds	
Combining Balance Sheet	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	69
2013 School Improvement Debt Retirement Fund	
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	70
2010 Energy Bond Debt Retirement Fund	
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	71

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

ANNUAL FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

	<u>PAGES</u>
Capital Projects Fund	
Balance Sheet	72
Statement of Revenues, Expenditures and Changes in Fund Balance	73
<b>Other Information</b>	
Schedule of Bonds Payable	
2010 Energy Conservation Bonds	74
2010 Energy Conservation Bonds – Series B	75
2013 School Improvement Bonds	76
2020 School Building and Site Bonds – Series I	77-78
2022 School Building and Site Bonds – Series II	79-80





# Baird, Cotter & Bishop, P.C.

SERVING YOUR PAST, PRESENT & FUTURE

CERTIFIED PUBLIC ACCOUNTANTS

134 WEST HARRIS STREET MORLEY, MICHIGAN 49601 PHONE: (231) 775-9789 FAX: (231) 775-9749  
www.bcbcpa.com

August 16, 2022

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Morley Stanwood Community Schools  
Morley, 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 Morley Stanwood Community Schools, Morley, Michigan as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

#### ***Change in Accounting Principle***

As discussed in Note 4 to the financial statements, in 2022 the District adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Morley Stanwood Community Schools' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Morley Stanwood Community Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Morley Stanwood Community Schools' ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as identified in the table of contents, on pages iv-xii and 37-42 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 Morley Stanwood Community Schools' basic financial statements. The accompanying combining and individual 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 financial statements of combining and individual funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the bond schedules, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 16, 2022, on our consideration of Morley Stanwood Community Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Morley Stanwood Community Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Morley Stanwood Community Schools' internal control over financial reporting and compliance.

BAIRD, COTTER AND BISHOP, P.C.

*Baird, Cotter & Bishop, P.C.*

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

This section of Morley Stanwood Community Schools' ("the District") annual report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2022. Please read it in conjunction with the District's financial statements, which immediately follow this section.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

**A. Government-Wide Financial Statements**

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Activities* presents the information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future periods.

Both of the government-wide statements distinguish functions of the District that are principally supported by state aid and property taxes (governmental activities) from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction, supporting services, food service activities, school operated public library activities, community services, interest and other transactions.

**B. Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. All of the funds of the District are considered governmental funds.

***Governmental Funds*** Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Notes to Financial Statements**

The notes provide additional information that is necessary to acquire a full understanding of the data provided in both the government-wide and the fund financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report further presents Required Supplementary Information (RSI) that explains and supports the information presented in the financial statements.

**C. Summary of Net Position**

The following schedule summarizes the net position at fiscal year ended June 30, 2022 and June 30, 2021. The amounts for the year ended June 30, 2021 were not restated as a result of the implementation of GASB 87.

	<u>2022</u>	<u>2021</u>
<b>Assets and Deferred Outflows of Resources</b>		
<b>Assets</b>		
Current Assets	\$ 13,569,589	\$ 11,890,204
Non Current Assets		
Capital Assets	30,841,623	26,671,999
Less Accumulated Depreciation/Amortization	<u>(14,162,530)</u>	<u>(13,935,467)</u>
Total Non Current Assets	<u>16,679,093</u>	<u>12,736,532</u>
Total Assets	30,248,682	24,626,736
<b>Deferred Outflows of Resources</b>	<u>5,011,147</u>	<u>7,103,455</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 35,259,829</u></u>	<u><u>\$ 31,730,191</u></u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Liabilities</b>		
Current Liabilities	\$ 2,839,124	\$ 3,411,145
Non Current Liabilities	<u>27,556,586</u>	<u>32,846,749</u>
Total Liabilities	<u>30,395,710</u>	<u>36,257,894</u>
<b>Deferred Inflows of Resources</b>	<u>10,307,560</u>	<u>3,736,445</u>
<b>Net Position</b>		
Net Investment in Capital Assets	12,109,559	11,768,596
Restricted for Specific Purposes	280,445	271,618
Unrestricted (Deficit)	<u>(17,833,445)</u>	<u>(20,304,362)</u>
Total Net Position (Deficit)	<u>(5,443,441)</u>	<u>(8,264,148)</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 35,259,829</u></u>	<u><u>\$ 31,730,191</u></u>

**D. Analysis of Financial Position**

During the fiscal year ended June 30, 2022, the District's net position increased by \$2,820,707. A few of the more significant factors affecting net position during the year are discussed below:

**1. Depreciation/Amortization Expense**

GASB 34 and GASB 87 require school districts to maintain a record of annual depreciation/amortization expense and the accumulation of depreciation/amortization expense over time. The net increase in accumulated depreciation/amortization expense is a reduction in net position.

Depreciation/amortization expense is recorded on a straight-line basis over the estimated useful lives of the assets. In accordance with GAAP, depreciation/amortization expense is calculated based on the original cost of the asset less an estimated salvage value, where applicable. For the fiscal year ended June 30, 2022, \$644,827 was recorded for depreciation/amortization expense.

**2. Capital Outlay Acquisitions**

For the fiscal year ended June 30, 2022, \$4,180,800 of expenditures were capitalized and recorded as assets of the District. These additions to the District's capital assets will be depreciated over time as explained above.

The net effect of the new capital assets, the current year's depreciation, current year disposal of capital assets, and a restatement due to GASB 87 is an increase to capital assets in the amount of \$3,942,561 for the fiscal year ended June 30, 2022.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2022

**3. Pension Expense**

GASB 68 and GASB 75 require the District to account for its payments to the Michigan Public School Employees' Retirement System in a manner that has a significant effect on the District's change in net position. Based on various factors, the District may report an increase or decrease in net position depending on whether the District's proportionate share of the net pension and OPEB liabilities increase or decrease in any given year. For the year ended June 30, 2021, the District reported an increase in net position related to GASB 68 and GASB 75.

**E. Results of Operations**

The following schedule summarizes the results of operations, on a district-wide basis, for the year ended June 30, 2022 and June 30, 2021. The amounts for the year ended June 30, 2021 were not restated as a result of the implementation of GASB 87.

	<u>2022</u>	<u>2021</u>
<b>General Revenues</b>		
Property Taxes	\$ 2,971,582	\$ 2,909,648
Investment Earnings	13,612	7,577
State Sources	7,221,968	7,355,176
Other	71,604	13,602
Total General Revenues	<u>10,278,766</u>	<u>10,286,003</u>
<b>Program Revenues</b>		
Charges for Services	84,371	84,000
Operating Grants and Contributions	6,406,955	5,330,375
Capital Grants and Contributions	143,533	0
Total Program Revenues	<u>6,634,859</u>	<u>5,414,375</u>
Total Revenues	<u>16,913,625</u>	<u>15,700,378</u>
<b>Expenses</b>		
Instruction	7,233,240	9,018,342
Supporting Services	5,644,806	6,057,008
Community Services	93,362	92,226
Payments to Other Governmental Agencies, Facilities Acquisition, and Prior Period Adjustments	99,703	0
Interest on Long-Term Debt	219,120	156,235
Other Expenses	157,860	155,462
Unallocated Depreciation	644,827	434,167
Total Expenses	<u>14,092,918</u>	<u>15,913,440</u>
Changes in Net Position	<u>\$ 2,820,707</u>	<u>\$ (213,062)</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

**F. Financial Analysis of the District's Funds**

The financial performance of the District as a whole is also reflected in its governmental funds. The following table shows the change in total fund balances of each of the District's governmental funds:

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>
<b>Major Funds</b>			
General Fund	\$ 3,729,729	\$ 2,741,533	\$ 988,196
Food Service Fund	469,885	303,814	166,071
2020 Debt Retirement Fund	332,336	304,311	28,025
2020 Capital Projects Fund	1,616,521	5,627,962	(4,011,441)
2022 Capital Projects Fund	5,049,831	0	5,049,831
<b>Nonmajor Funds</b>			
Public Library Fund	84,300	91,396	(7,096)
Student Activity Fund	152,829	135,649	17,180
2013 School Improvement Fund	0	0	0
2010 Energy Debt Fund	0	0	0
Capital Projects Fund	<u>150,092</u>	<u>150,001</u>	<u>91</u>
Total Governmental Funds	<u>\$ 11,585,523</u>	<u>\$ 9,354,666</u>	<u>\$ 2,230,857</u>

In 2021-2022, the General Fund experienced an increase in fund balance of \$988,196. Federal and state revenues related to programs specifically designed to deal with the impact of the pandemic were the primary reason for the increase. While some of the revenue had restrictions on how it had to be spent, a significant portion of the revenues was allowed to be used to supplant expenditures previously paid by unrestricted revenues.

The Food Service Fund increased its fund balance significantly as the programs, as a result of the pandemic, were designed to provide free meals to all children and the District was reimbursed at a higher rate than it typically would have. The District has plans to expend some of its resources on capital improvements next year.

The 2020 Debt Retirement Fund increased its fund balance during the year. Property tax revenues outpaced the debt obligations, causing the increase.

The 2020 Capital Projects Fund is the fund the District uses to account for Series I of its 2020 bond issue. The District is in the process of spending down these funds on various capital projects, causing the decrease in fund balance.

The 2022 Capital Projects Fund is the fund the District uses to account for Series II of its 2020 bond issue. The District is in the process of spending down these funds on various capital projects, but the bond proceeds received during the year caused the increase in fund balance.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2022

The Public Library Fund decreased its fund balance during the year. Expenditures continue to outpace the growth of revenues for the fund, causing the decrease in fund balance.

The Student Activity Fund increased its fund balance during the year as the expenditures related to student activities were outpaced by the revenues. Student groups and organizations were able to resume fundraising activities once again as restrictions from the pandemic eased, causing the increase in fund balance.

The 2013 School Improvement Debt Fund and the 2010 Energy Debt Fund have revenue or transfers that match the debt payments that the District is obligated to pay each year, therefore, typically there is no change in fund balance.

The Capital Projects Fund increased its fund balance by \$91 as the only activity was investment earnings.

**G. Analysis of Significant Revenues and Expenses**

Significant revenues and expenditures are discussed in the segments below:

***1. Property Taxes***

The District levies approximately 18 mills of property taxes for operations on real non-homestead properties and 6 mills of property taxes for operations on commercial non-homestead properties, less the mandatory reductions required by the Headlee Amendment, Article IX, Section 31. According to Michigan law, the taxable levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of the prior year's Consumer's Price Index increase or 5%, whichever is less. At the time property is sold, its taxable valuation is readjusted to the State Equalized Value, which in theory is half of the property's market value.

For the 2021-2022 fiscal year, the District levied \$2,047,555 in non-homestead property taxes.

The following table summarizes the general fund non-homestead property tax levies for operations for the past five years:

Fiscal Year	Non-Homestead Tax Levy
2021-2022	\$ 2,047,555
2020-2021	2,013,255
2019-2020	1,948,053
2018-2019	1,868,493
2017-2018	1,579,209

A large Industrial Facilities Tax exemption expired in 2017-2018, causing the District to receive more property tax revenues starting in 2018-2019.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR FISCAL YEAR ENDED JUNE 30, 2022

**2. *State Sources***

The majority of the state sources is comprised of the per student foundation allowance. The State of Michigan funds districts based on a blended student enrollment. The blended enrollment consists of 90% of the current year's fall count and 10% of the prior year's spring count. For 2020-2021 only, the blended count was blended with the prior year count ("super blend"). For the 2021-2022 fiscal year, the District received \$8,700 per student FTE.

**3. *Student Enrollment***

The following schedule summarizes the blended student enrollment for the past five fiscal years:

<u>Fiscal Year</u>	<u>Blended Student FTE</u>
2021-2022	1,079
2020-2021	1,161
2019-2020	1,181
2018-2019	1,166
2017-2018	1,162

**4. *Operating Grants***

The District funds a significant portion of its operations with categorical sources. For the fiscal year ended June 30, 2022, federal, state, and other grants of this type were \$6,406,955.

**H. General Fund Budgetary Highlights**

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to its starting on July 1. Any amendments made to the operating budget must be approved by the Board prior to the close of the fiscal year on June 30. For the 2021-2022 fiscal year, the District amended the general fund budget various times throughout the year. The following schedule shows a comparison of the original general fund budget, the final amended general fund budget and actual totals from operations.

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>
<u>REVENUES</u>	<u>\$ 12,858,458</u>	<u>\$ 14,621,303</u>	<u>\$ 14,879,260</u>
<u>EXPENDITURES</u>			
Instruction	\$ 8,756,053	\$ 8,307,786	\$ 8,307,948
Supporting Services	5,400,136	5,270,276	5,270,276
Community Services	26,774	17,897	17,897
Debt Service	0	207,855	207,855
Total Expenditures	<u>\$ 14,182,963</u>	<u>\$ 13,803,814</u>	<u>\$ 13,803,976</u>



MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

The revenue budget was amended once it became clear how much the District would receive in state and federal funding. The expenditures were amended because a lot of the expenditures are revenue driven and once the revenue picture became clearer, the District was able to allocate additional funds for expenditures it had not allocated for in its original budget. Expenditures were also reallocated between functions.

The revenue variance between budget and actual was due to the District receiving more state aid than it had budgeted for. The expenditure variance, in total, was minimal.

**I. Capital Asset and Debt Administration**

***1. Capital Assets***

At June 30, 2022, the District has \$30,841,623 in a broad range of capital assets, including school buildings and facilities, school buses and other vehicles, and various types of equipment. Depreciation/amortization expense for the year amounted to \$644,827 bringing the accumulated depreciation/amortization to \$14,162,530 as of June 30, 2022. The District expended \$4,180,800 on capital items during the year, with the majority of that amount (\$4,008,268) coming from its bond proceeds for various building upgrades. A security system (\$143,533), a utility vehicle (\$13,999) and a fence (\$15,000) made up the rest of the capital items. The District is committed to spend approximately 2.44 million dollars related to its bond project in 2022-2023.

***2. Long-Term Obligations***

At June 30, 2022, the District had \$10,358,000 in general obligation bonds outstanding. This represents an increase of \$4,200,000 from the amount outstanding at the close of the prior fiscal year. The District also reports a liability related to a lease liability of \$200,880, a net pension liability of \$15,983,827 and a net other postemployment benefits liability of \$1,020,845. The District reports a liability for compensated absences of \$116,908 at June 30, 2022.

**J. Factors Bearing on the District's Future**

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

- As student count is the driving force behind the District's revenue streams, the District continues to be concerned with declining enrollment as any loss in students will have a direct impact on the District's revenue.
- The District continues to monitor certain one-time funding sources, primarily Federal funding due to pandemic recovery efforts. As these funding sources go away, it is unlikely that the revenue received from these sources will be made up.
- The District has been affected by supply chain shortages for many supplies and products that are used in day-to-day activities. We are hopeful that in future years, the shortages will become less significant.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

- The District has faced significant staffing challenges for almost all positions, including, but not limited to full-time teaching staff, substitute teacher staff, and other support staff.
- In August 2020, voters in the District approved a bond proposal. The bond proposal will provide district-wide improvements to address identified and ongoing facility needs based on detailed strategic planning, facility assessments, and community input. The bond proposal was developed to create safe and modern schools and address the aging facilities; the school buildings are between 25 and 60 years old. The District received its first series of these bonds in 2020-2021 and began putting those dollars to work immediately. In 2021-2022, the District received its second series of bonds. The District still has \$6.9 million left to be spent in 2022-2023 and beyond. When the majority of those funds have been spent, the District will issue the remaining amounts and appropriate those funds as well.

**K. Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact Morley Stanwood Community Schools, 4700 Northland Drive, Morley, Michigan 49336.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

STATEMENT OF NET POSITION

JUNE 30, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash	\$ 4,470,880
Accounts Receivable	64,535
Due from Other Governments	2,007,549
Inventories	9,775
Restricted Investments	6,960,260
Prepaid Expense	56,590
Total Current Assets	<u>13,569,589</u>
<u>NON CURRENT ASSETS</u>	
Capital Assets	30,841,623
Less Accumulated Depreciation/Amortization	<u>(14,162,530)</u>
Total Non Current Assets	<u>16,679,093</u>
TOTAL ASSETS	<u>30,248,682</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources Related to Other Postemployment Benefits	1,395,942
Deferred Outflows of Resources Related to Pensions	<u>3,615,205</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>5,011,147</u>
<u>LIABILITIES</u>	
<u>CURRENT LIABILITIES</u>	
Accounts and Retainage Payable	616,830
Accrued Interest Payable	54,178
Salaries and Fringes Payable	1,000,209
State Aid Note Payable	243,179
Unearned Revenue	123,848
Current Portion of Non Current Liabilities	<u>800,880</u>
Total Current Liabilities	<u>2,839,124</u>
<u>NON CURRENT LIABILITIES</u>	
Bonds Payable - Net	11,035,006
Right to Use Asset - Lease Liability	200,880
Compensated Absences	116,908
Net Other Postemployment Benefits Liability	1,020,845
Net Pension Liability	15,983,827
Less Current Portion of Non Current Liabilities	<u>(800,880)</u>
Total Non Current Liabilities	<u>27,556,586</u>
TOTAL LIABILITIES	<u>30,395,710</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows of Resources Related to Other Postemployment Benefits	3,910,627
Deferred Inflows of Resources Related to Pensions	<u>6,396,933</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>10,307,560</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	12,109,559
Restricted for Debt Service	280,445
Unrestricted (Deficit)	<u>(17,833,445)</u>
TOTAL NET POSITION (Deficit)	<u>\$ (5,443,441)</u>

The notes to the financial statements are an integral part of this statement.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				GOVERNMENTAL ACTIVITIES
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
<u>GOVERNMENTAL ACTIVITIES</u>					<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
Instruction	\$ 7,233,240	\$ 0	\$ 2,780,688	\$ 0	\$ (4,452,552)
Supporting Services	5,644,806	84,371	3,493,924	143,533	(1,922,978)
Community Services	93,362	0	81,559	0	(11,803)
Payments to Other Governmental Agencies, Facilities Acquisition, and Prior Period Adjustments	99,703	0	0	0	(99,703)
Interest on Long-Term Debt	219,120	0	50,784	0	(168,336)
Other Expenses	157,860	0	0	0	(157,860)
Unallocated Depreciation	644,827	0	0	0	(644,827)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$14,092,918</b>	<b>\$ 84,371</b>	<b>\$ 6,406,955</b>	<b>\$ 143,533</b>	<b>(7,458,059)</b>
<u>GENERAL REVENUES</u>					
Property Taxes - General Purposes					2,047,555
Property Taxes - Debt Service					924,027
Investment Earnings					13,612
State Sources					7,221,968
Other					71,604
<b>Total General Revenues</b>					<b>10,278,766</b>
<b>Change in Net Position</b>					<b>2,820,707</b>
<u>NET POSITION - Beginning of Year (Deficit)</u>					<u>(8,264,148)</u>
<u>NET POSITION - End of Year (Deficit)</u>					<u>\$ (5,443,441)</u>

The notes to the financial statements are an integral part of this statement.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2022

	GENERAL FUND	FOOD SERVICE FUND	2020 DEBT RETIREMENT FUND	2020 CAPITAL PROJECTS FUND	2022 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>							
Cash	\$ 3,340,577	\$ 461,530	\$ 281,552	\$ 0	\$ 0	\$ 387,221	\$ 4,470,880
Accounts Receivable	64,535	0	0	0	0	0	64,535
Due from Other Funds	21,000	0	50,784	13,958	0	0	85,742
Due from Other Governments	1,998,895	8,654	0	0	0	0	2,007,549
Inventories	0	9,775	0	0	0	0	9,775
Restricted Investments	0	0	0	1,867,858	5,092,402	0	6,960,260
Prepaid Expenditures	16,590	40,000	0	0	0	0	56,590
TOTAL ASSETS	\$ 5,441,597	\$ 519,959	\$ 332,336	\$ 1,881,816	\$ 5,092,402	\$ 387,221	\$ 13,655,331
<u>LIABILITIES AND FUND BALANCES</u>							
<u>LIABILITIES</u>							
Accounts and Retainage Payable	\$ 310,806	\$ 12,116	\$ 0	\$ 265,295	\$ 28,613	\$ 0	\$ 616,830
Salaries and Fringes Payable	983,251	16,958	0	0	0	0	1,000,209
State Aid Note Payable	243,179	0	0	0	0	0	243,179
Due to Other Funds	50,784	21,000	0	0	13,958	0	85,742
Unearned Revenue	123,848	0	0	0	0	0	123,848
Total Liabilities	1,711,868	50,074	0	265,295	42,571	0	2,069,808
<u>FUND BALANCES</u>							
Nonspendable, Inventory	0	9,775	0	0	0	0	9,775
Nonspendable, Prepaid Expenditures	16,590	40,000	0	0	0	0	56,590
Restricted for Public Library	0	0	0	0	0	84,300	84,300
Restricted for Debt Service	0	0	332,336	0	0	0	332,336
Restricted for Food Service	0	420,110	0	0	0	0	420,110
Restricted for Capital Projects	0	0	0	1,616,521	5,049,831	0	6,666,352
Committed for Capital Projects	0	0	0	0	0	150,092	150,092
Assigned for Student Activities	0	0	0	0	0	152,829	152,829
Unassigned	3,713,139	0	0	0	0	0	3,713,139
Total Fund Balances	3,729,729	469,885	332,336	1,616,521	5,049,831	387,221	11,585,523
TOTAL LIABILITIES AND FUND BALANCE	\$ 5,441,597	\$ 519,959	\$ 332,336	\$ 1,881,816	\$ 5,092,402	\$ 387,221	\$ 13,655,331

The notes to the financial statements are an integral part of this statement.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

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

JUNE 30, 2022

Total Governmental Fund Balances	\$ 11,585,523
----------------------------------	---------------

Amounts reported for governmental activities in the Statement of Net  
Position are different because:

Capital assets used in governmental activities are not financial resources and are not  
reported in the funds.

The cost of the capital assets is	\$30,841,623	
Accumulated depreciation/amortization is	<u>(14,162,530)</u>	16,679,093

Bond discounts (premiums) and deferred charges for bonds issued are expenditures at the  
modified accrual fund level, but are capitalized and written off over the life of the bonds  
payable at the district-wide full accrual level.

Bond Discount (Premium)	(677,006)
-------------------------	-----------

Long-term liabilities are not due and payable in the current period and are not reported in  
the funds.

Bonds Payable	(10,358,000)
Right to Use Asset - Lease Liability	(200,880)
Compensated Absences	(116,908)
Net Pension Liability	(15,983,827)
Net Other Postemployment Benefits Liability	(1,020,845)

Accrued interest is not included as a liability in government funds. It is recorded when	(54,178)
--	----------

Deferred outflows and inflows of resources related to pensions and other postemployment  
benefits are applicable to future periods and, therefore, are not reported in the funds.

Deferred Inflows of Resources Related to Pensions and Other Postemployment Benefits	(10,307,560)
Deferred Outflows of Resources Related to Pensions and Other Postemployment Benefits	<u>5,011,147</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (5,443,441)</u></u>
---	------------------------------

The notes to the financial statements are an integral part of this statement.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2022

	GENERAL FUND	FOOD SERVICE FUND	2020 DEBT RETIREMENT FUND	2020 CAPITAL PROJECTS FUND	2022 CAPITAL PROJECTS FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>REVENUES</u>							
Local Sources	\$ 2,315,157	\$ 11,252	\$ 924,397	\$ 8,271	\$ 0	\$ 197,120	\$ 3,456,197
State Sources	9,834,101	65,796	50,784	0	0	5,051	9,955,732
Federal Sources	2,321,860	932,475	0	0	0	0	3,254,335
Other Transactions	408,142	0	0	0	0	0	408,142
Total Revenues	14,879,260	1,009,523	975,181	8,271	0	202,171	17,074,406
<u>EXPENDITURES</u>							
Instruction							
Basic Programs	6,140,713	0	0	0	0	0	6,140,713
Added Needs	2,167,235	0	0	0	0	0	2,167,235
Supporting Services							
Pupil	749,521	0	0	0	0	0	749,521
Instructional Staff	435,202	0	0	0	0	0	435,202
General Administration	459,018	0	0	0	0	0	459,018
School Administration	906,181	0	0	0	0	0	906,181
Business	216,916	0	0	0	0	0	216,916
Operation and Maintenance of Plant	1,350,243	0	0	0	0	0	1,350,243
Pupil Transportation Services	598,498	0	0	0	0	0	598,498
Support Services	554,697	822,452	0	0	0	116,531	1,493,680
Community Services							
Community Activities	17,897	0	0	0	0	0	17,897
School Operated Public Library	0	0	0	0	0	75,465	75,465
Payments to Other Governmental Agencies, Facilities Acquisition and Prior Period Adjustments							
Site Improvement Services	0	0	0	3,856,792	88,259	0	3,945,051
Building Improvement Services	0	0	0	162,920	0	0	162,920
Debt Service							
Principal	0	0	750,000	0	0	90,000	840,000
Interest and Other	0	0	197,156	0	0	18,088	215,244
Payment on Lease Obligations	207,855	0	0	0	0	0	207,855
Other Expenditures							
Bond Issuance Costs	0	0	0	0	157,860	0	157,860
Total Expenditures	13,803,976	822,452	947,156	4,019,712	246,119	300,084	20,139,499
Excess (Deficiency) of Revenues Over Expenditures	1,075,284	187,071	28,025	(4,011,441)	(246,119)	(97,913)	(3,065,093)
<u>OTHER FINANCING SOURCES (USES)</u>							
Face Value of Debt Issued	0	0	0	0	5,040,000	0	5,040,000
Premium on Debt Issued	0	0	0	0	255,950	0	255,950
Transfers In	21,000	0	0	0	0	108,088	129,088
Transfers Out	(108,088)	(21,000)	0	0	0	0	(129,088)
Total Other Financing Sources (Uses)	(87,088)	(21,000)	0	0	5,295,950	108,088	5,295,950
Net Change in Fund Balance	988,196	166,071	28,025	(4,011,441)	5,049,831	10,175	2,230,857
FUND BALANCE - Beginning of Year	2,741,533	303,814	304,311	5,627,962	0	377,046	9,354,666
FUND BALANCE - End of Year	\$ 3,729,729	\$ 469,885	\$ 332,336	\$ 1,616,521	\$ 5,049,831	\$ 387,221	\$ 11,585,523

The notes to the financial statements are an integral part of this statement.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

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

YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances Total Governmental Funds	\$ 2,230,857
--	--------------

Amounts reported for governmental activities are different because:

Governmental funds report capital outlays as expenditures; in the Statement of Activities these costs are allocated over their estimated useful lives as depreciation/amortization.

Depreciation/Amortization Expense	(644,827)
Capital Outlay	4,180,800

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities over the life of the long-term bond issue.

Face Value of Bonds Issued	(5,040,000)
Premium on Bonds Issued	(255,950)
Amortization of Bond Premium	16,842

Accrued interest on bonds is recorded in the Statement of Activities when incurred; it is not recorded in governmental funds until it is paid:

Accrued Interest Payable - Beginning of Year	35,607
Accrued Interest Payable - End of Year	(54,178)

Repayments of principal on long-term debt is an expenditure in the governmental funds, but not in the Statement of Activities (where it is a reduction of liabilities).	1,045,708
---	-----------

Compensated Absences are reported on the accrual method in the Statement of Activities, and recorded as an expenditure when financial resources are used in the governmental funds:

Compensated Absences - Beginning of Year	123,841
Compensated Absences - End of Year	(116,908)

Governmental funds report District pension and other postemployment benefit contributions as expenditures. However, in the Statement of Activities, the cost of pension and other postemployment benefits earned net of employee contributions is reported as an expense.

Change in Pension and Other Postemployment Benefits Related Items	1,459,696
---	-----------

Restricted revenue reported in the governmental funds that is deferred to offset the deferred outflows related to Section 147 C pension benefit contributions subsequent to the measurement date.

Change in State Aid Funding for Pension Benefits	<u>(160,781)</u>
--	------------------

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,820,707</u></u>
---	----------------------------

The notes to the financial statements are an integral part of this statement.



MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Morley Stanwood Community Schools have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government 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 District's accounting policies are described below.

**A. Reporting Entity**

The School District ("the District") is located in Mecosta, Newaygo, and Montcalm Counties with its administrative offices located in Morley, Michigan. The District operates under an elected 7-member board of education and provides services to its approximately 1,079 students in elementary, middle school, high school, special education, guidance, health, transportation, food service and community services. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by generally accepted accounting principles. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters.

**B. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report the information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable. The District does not have any business-type activities or component units.

**C. Basis of Presentation – Government-Wide Financial Statements**

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

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

**D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the government's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. 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.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

The District reports the following major governmental funds:

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

The *Food Service Fund* accounts for the resources that are restricted for the operation of the District's food service that is provides to its students.

The *2020 Debt Retirement Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *2020 Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects.

The *2022 Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects.

Other non-major funds:

The *Special Revenue Funds* account for revenue sources that are legally restricted or assigned to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service, public library and student activities in the special revenue funds.

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

The *Capital Projects Fund* accounts for the acquisition of capital assets or construction of major capital projects.

During the course of operations the government 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, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

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, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

#### **E. 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*

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

*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 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term obligations and acquisitions under capital leases are reported as other financing sources.

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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue resource (within 60 days of year-end). 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). All other revenue items are considered to be measurable and available only when cash is received by the government.

## **F. Budgetary Information**

### ***1. Budgetary Basis of 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 and special revenue funds.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the governmental funds. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

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

- a) In June, the superintendent submits to the school board a proposed operating budget for the fiscal year commencing on July 1.
- b) A public hearing is conducted during June to obtain taxpayer comments.
- c) Prior to June 30, the budget is legally adopted by the School Board resolution pursuant to the Uniform Budgeting and Accounting Act. 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 financial 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.
- d) The superintendent is charged with general supervision of the budgets and shall hold the department heads responsible for performance of their responsibilities.
- e) For purposes of meeting emergency needs of the school district, transfer of appropriations may be made by the authorization of the superintendent. Such transfers of appropriations must be approved by the Board of Education at its next regularly scheduled meeting.
- f) During the year the budgets are monitored and amendments to the budget resolution are made when it is deemed necessary.
- g) Budgeted amounts are as originally adopted on June 2021, or as amended by the School Board of Education throughout the year.

**2. *Excess of Expenditures over Appropriations***

	<u>APPROPRIATIONS</u>	<u>EXPENDITURES</u>
General Fund		
Instruction		
Added Needs	\$ 2,167,073	\$ 2,167,235

This overage was covered by available fund balance.

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

**1. *Cash and Cash Equivalents***

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. The government considers all highly liquid investments (including certificates of deposit) to be cash equivalents.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**2. *Investments***

Certain investments are valued at fair value as determined by quoted market prices, or by estimated fair values when quoted market prices are not available. Standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration and the rate of return is fixed, and the District intends to hold the investment until maturity.

State statutes authorize the District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of 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 District is also authorized to invest in U.S. District or federal agency obligation repurchase agreements, banker's acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

Investments in the U.S. Treasury securities and those other securities completely guaranteed by the Treasury as to payment of principal and interest may be purchased in any dollar amount or up to 100 percent of the available reserves.

All investments must mature or be redeemable within two years of the date of purchase. The District's deposits and investments are held separately by several of the District's funds.

**3. *Inventory and Prepaid Items***

Inventory is valued at cost using the first-in/first-out method. Inventory consists of expendable supplies held for consumption, which are recorded as expenditures when consumed rather than when purchased.

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

The nonspendable fund balance at the governmental fund level is equal to the amount of inventories and prepaid items at year-end to indicate the portion of the governmental fund balances that are nonspendable.

**4. *Capital Assets***

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated capital assets are valued at acquisition value at the date of the donation.

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

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

Major outlays for capital assets and improvements are capitalized as projects are constructed. Land and construction in progress, if any, are not depreciated. Right to use assets of the District are amortized using the straight-line method over the shorter of the lease period or the estimated useful lives. Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Buildings and Additions	50 years
Machinery and Equipment	5-15 years

The District's capitalization policy is to capitalize individual amounts exceeding \$5,000.

**5. *Unearned Revenue***

Unearned revenue arises when resources are received by the District before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized. The District recognizes unearned revenue related to grants received but unspent due to restrictions on how they can be spent.

**6. *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 deferred outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The 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.

The District has various deferred outflows and deferred inflows of resources related to the pension and other post-employment benefit plans its employees participate in. More detail of these deferred outflows and deferred inflows of resources can be found in footnotes 3 – I and 3 – J of this report.

**7. *Net Position Flow Assumption***

Sometimes the District 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 to report as restricted – net position and unrestricted – net position 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 District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**8. *Fund Balance Flow Assumption***

Sometimes the 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

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

considered to be applied. It is the 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.

**9. *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 District 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 District's highest level of decision-making authority. The governing board is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The governing board has by resolution authorized the superintendent to assign fund balance. The board 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.

**10. *Defined Benefit Plans***

For purposes of measuring the net pension and other postemployment benefits liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and other postemployment benefits, and pension and other postemployment benefits expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. 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.

**11. *Use of Estimates***

The process of preparing basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

***12. Long-Term Obligations***

In the government-wide financial statements, long-term other obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method over the term of the related obligation.

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

***13. Restricted Assets***

Certain resources are classified as restricted assets on the balance sheet because their use is limited by applicable spending requirements and they are maintained in separate bank accounts.

***14. Leases***

Lessee: The District is a lessee for a noncancelable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

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

Key estimates and judgements related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The 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 District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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



MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**H. Revenues and Expenditures/Expenses**

**1. *State Revenue***

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 districts. For the year ended June 30, 2022, the foundation allowance was based on pupil membership counts taken in October 2021 and February 2021. For fiscal year ended June 30, 2022, the per pupil foundation allowance was \$8,700 for Morley Stanwood Community Schools.

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead 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 2021 to August 2022. Thus, the unpaid portion at June 30th is reported as due from other governmental units.

The 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, which are not expended by the close of the fiscal year are recorded as unearned revenue. Other categorical funding is recognized when the appropriation is received.

**2. *Program Revenues***

Amounts reported as program revenue 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, state foundation aid, certain revenue from the intermediate school district and other unrestricted items are not included as program revenue but instead as *general revenues*.

**3. *Property Taxes***

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are billed as of December 1. The due date is February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

The various counties in which the District is located have tax revolving funds which allow the counties to pay off the various taxing units for their share of the current year real property taxes returned delinquent. Taxes receivable are uncollected delinquent personal property taxes.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

For the year ended June 30, 2022, the District levied the following amounts per \$1,000 of taxable valuation:

<u>Fund</u>	<u>Mills</u>
General Fund - Non-Homestead Real	17.9910
General Fund - Commercial PPT	6.0000
Debt Service Fund - Homestead and Non-Homestead	3.0000

**4. *Compensated Absences***

It is the District's policy to permit employees to accumulate earned but unused sick pay and vacation time benefits. The amount allowable to be compensated for depends on the position and the longevity of the individual employee. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Violations of Legal or Contractual Provisions**

Note 1.F.2, on the Excess of Expenditures over Appropriations, describes a budgetary violation that occurred for the year ended June 30, 2022.

**NOTE 3 – DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of June 30, 2022 the District had deposits and investments subject to the following risks:

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2022, the District's bank balance was \$4,492,933 and \$3,988,568 of that amount was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books consisted of deposits of \$4,470,730 and petty cash of \$150.

*Interest rate risk.* In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

Investment Type	Fair Value	Weighted Average Maturity (Years)
Government Bonds	\$ 3,992,720	0.0825
Corporate Bonds	698,218	0.0140
Michigan CLASS Investment Pool	2,269,322	0.0027
	\$ 6,960,260	
Portfolio Weighted Average Maturity		0.0496
1 Day Maturity Equals 0.0027, One Year Equals 1.000		

*Credit risk.* State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSOs). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Investment Type	Fair Value	Standard & Poor's Rating
Government Bonds	\$ 3,992,720	AA
Corporate Bonds	698,218	B+
Michigan CLASS Investment Pool	2,269,322	AAAm
	\$ 6,960,260	

*Concentration of credit risk.* The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

*Foreign currency risk.* The District is not authorized to invest in investments which have this type of risk; therefore, it is not addressed in the investment policy.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

**Fair Market Value Disclosure** - The District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Quoted prices in active markets for identical securities.

Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices from similar securities, interest rates, prepayment speeds, credit risk, and others.

Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant unobservable inputs may be used. Unobservable inputs reflect the reporting entity's own assumptions about the factors market participants would use in pricing the security and would be based on the best information available.

	Level 1	Level 2	Level 3	Balance at 6/30/2022
Investments by Fair Value Level				
Government Bonds	\$ 0	\$ 3,992,720	\$ 0	\$ 3,992,720
Corporate Bonds	0	698,218	0	698,218
Total Investments at Fair Value	\$ 0	\$ 4,690,938	\$ 0	\$ 4,690,938
Investments at Net Assets Value (NAV)				
Primary Government				
MI Class Investment Pool				2,269,322
Total Investments at NAV				
Total Investments				\$ 6,960,260

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The cash and investments referred to above have been reported in either the cash or investments captions on the financial statements, based upon criteria disclosed in Note 1.

The following summarized the categorization of these amounts as of June 30, 2022:

	Primary Government
Cash	\$ 4,470,880
Restricted Investments	6,960,260
	<u>\$ 11,431,140</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**B. Receivables**

Receivables as of year-end for the government's individual major funds and nonmajor are as follows:

	General	Food Service	Total
Receivables			
Accounts	\$ 64,535	\$ 0	\$ 64,535
Due from Other Governments	1,998,895	8,654	2,007,549
Total Receivables	<u>\$ 2,063,430</u>	<u>\$ 8,654</u>	<u>\$ 2,072,084</u>

Amounts due from other governments include amounts due from federal, state, and local sources for various projects and programs.

Because of the District's favorable collection experience, no allowance for doubtful accounts has been recorded.

**C. Accrued Liabilities**

Accrued liabilities reported by governmental funds at June 30, 2022, were as follows:

	General Fund	Food Service Fund	Total Governmental Funds
Salaries	\$ 732,369	\$ 12,810	\$ 745,179
Employee Benefits	250,882	4,148	255,030
Total Accrued Liabilities	<u>\$ 983,251</u>	<u>\$ 16,958</u>	<u>\$ 1,000,209</u>

**D. Capital Assets**

A summary of changes in the District's capital assets follows:

	As Restated Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Capital assets being depreciated/amortized				
Buildings and additions	\$20,734,931	\$4,151,801	\$ 0	\$24,886,732
Machinery and equipment	5,747,959	15,000	326,340	5,436,619
Right to Use - Leased transportation equipment	406,588	0	0	406,588
Transportation equipment	189,109	13,999	91,424	111,684
Subtotal	<u>27,078,587</u>	<u>4,180,800</u>	<u>417,764</u>	<u>30,841,623</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

	As Restated Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Less accumulated depreciation/amortization for:				
Buildings and additions	8,683,624	336,153	0	9,019,777
Machinery and equipment	5,134,800	94,757	326,340	4,903,217
Right to Use - Leased transportation equipment	0	203,294	0	203,294
Transportation equipment	117,043	10,623	91,424	36,242
Accumulated depreciation/amortization	13,935,467	644,827	417,764	14,162,530
Net Capital assets being depreciated/amortized	\$13,143,120	\$3,535,973	\$ 0	\$16,679,093

Depreciation/amortization for the fiscal year ended June 30, 2022, amounted to \$644,827. The District determined that it was impractical to allocate depreciation to the various governmental activities as the assets serve multiple functions.

#### **E. Long-Term Obligations**

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District. The following is a summary of the long-term obligation transactions for the District for the year ended June 30, 2022:

	COMPENSATED ABSENCES	NET PENSION LIABILITY	NET OPEB LIABILITY	NOTES FROM DIRECT BORROWINGS AND DIRECT PLACEMENTS	GENERAL OBLIGATION BONDS	TOTAL
Balance, July 1, 2021, As Restated	\$ 123,841	\$23,316,491	\$3,650,519	\$ 406,588	\$ 6,158,000	\$33,655,439
Additions	2,655	0	0	0	5,040,000	5,042,655
Deletions	(9,588)	(7,332,664)	(2,629,674)	(205,708)	(840,000)	(11,017,634)
Balance, June 30, 2022	116,908	15,983,827	1,020,845	200,880	10,358,000	27,680,460
Less current portion	Unknown	Unknown	Unknown	(200,880)	(600,000)	(800,880)
Total due after one year	\$ 116,908	\$15,983,827	\$1,020,845	\$ 0	\$ 9,758,000	\$26,879,580

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

The District's debt obligations at June 30, 2022, are comprised of the following issues:

General Obligation Bonds

2010 Series B Energy bond due in annual installments \$15,000 through May 2025, with interest at 4.20% to 4.30%.	\$ 45,000
2010 Energy bond due in annual installments of \$70,000 to \$75,000 through May 2025, with interest at 4.50% to 4.60%.	215,000
2013 School Improvement bond due in annual installments of \$10,000 to \$13,000 through May 2028, with interest at 2.65% to 3.25%.	68,000
2020 School Building and Site bond, Series I due in annual installments of \$145,000 to \$320,000 through May 2047, with interest at 2.00% to 5.00%.	4,990,000
2022 School Building and Site bond, Series I due in annual installments of \$100,000 to \$450,000 through May 2048, with interest at 3.00% to 5.00%.	5,040,000

Notes From Direct Borrowings and Direct Placements

Bus lease due in annual installments of \$207,855 through August 2022, with interest at 4.59%	200,880
---	---------

Net Pension Liability, Net OPEB Liability, & Compensated Absences

Net Pension Liability	15,983,827
Net OPEB Liability	1,020,845
Compensated Absences	<u>116,908</u>
	<u><u>\$27,680,460</u></u>

The District's outstanding notes from direct borrowings and direct placements related to governmental activities of \$200,880 contains provisions that in an event of default, either by (1) unable to make principal or interest payments (2) false or misrepresentation is made to the lender (3) become insolvent or make an assignment for the benefit of its creditors (4) if the lender at any time in good faith believes that the prospect of payment of any indebtedness is impaired. Upon the occurrence of any default event, the outstanding amounts, including accrued interest become immediately due and payable.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

The annual requirements to amortize all long-term obligations outstanding as of June 30, 2022, including interest payments of \$4,470,390 are as follows:

YEAR ENDING JUNE 30,	GENERAL OBLIGATION BONDS		NOTES FROM DIRECT BORROWINGS AND DIRECT PLACEMENTS		TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
2023	\$ 600,000	\$ 464,652	\$ 200,880	\$ 6,974	\$ 1,272,506
2024	750,000	337,295	0	0	1,087,295
2025	491,000	307,320	0	0	798,320
2026	357,000	283,404	0	0	640,404
2027	302,000	264,669	0	0	566,669
2028-2032	1,608,000	1,097,042	0	0	2,705,042
2033-2037	1,755,000	823,842	0	0	2,578,842
2038-2042	1,920,000	592,354	0	0	2,512,354
2043-2047	2,125,000	283,838	0	0	2,408,838
2048	450,000	9,000	0	0	459,000
	<u>\$ 10,358,000</u>	<u>\$ 4,463,416</u>	<u>\$ 200,880</u>	<u>\$ 6,974</u>	<u>15,029,270</u>
Net Pension Liability					15,983,827
Net OPEB Liability					1,020,845
Compensated Absences					116,908
					<u>\$ 32,150,850</u>

Interest expense for the year ended June 30, 2022 was approximately \$236,000.

The annual requirements to amortize the compensated absences, the net pension liability and the net OPEB liability are uncertain because it is unknown when the repayments will be made. These liabilities will be paid by the fund in which the employee worked, including the general fund and other governmental funds.

#### **F. Short-Term Obligations**

In August 2021, the District issued a State Aid Anticipation Note in the amount of \$1,200,000. The Note carried an interest rate of 0.39% and matured on July 20, 2022. The District has pledged its future State Aid revenue for payment of this liability at maturity. The notes are secured by the full faith and credit of the District as well as pledged state aid. In an event of a default on the note, the state may impose a penalty interest rate and at the state's discretion, accelerate the repayment terms. The required payments of \$1,203,526, which includes interest, are in an irrevocable set-aside account with a local bank. At year-end, the balances of these payments are considered defeased debt and are not included in the year-end balance.



MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

The following is a summary of the short-term obligations transaction for the District for the year ended June 30, 2022:

Balance - July 1, 2021	\$ 369,149
New Debt Issued	1,200,000
Debt Retired and Paid	<u>(1,325,970)</u>
Balance - June 30, 2022	<u><u>\$ 243,179</u></u>

**G. Interfund Receivables, Payables, and Transfers**

Individual fund interfund receivable and payable balances at June 30, 2022, were:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Food Service Fund	\$ 21,000
2020 Debt Retirement Fund	General Fund	50,784
2020 Capital Projects Fund	2022 Capital Projects Fund	<u>13,958</u>
		<u><u>\$ 85,742</u></u>

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

Individual fund transfers at June 30, 2022, were:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
General Fund	Food Service Fund	\$ 21,000
2013 School Improvement Debt Fund	General Fund	12,275
2010 Energy Bond Debt Retirement Fund	General Fund	<u>95,813</u>
		<u><u>\$ 129,088</u></u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**H. Defined Benefit Plan and Postemployment Benefits**

**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

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

authority to promulgate or amend the provisions of the System. MPSERS issues a publicly available Annual Comprehensive Financial Report that can be obtained at [www://michigan.gov/orsschools](http://www://michigan.gov/orsschools).

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.

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 of Michigan Investment Board serves as the investment fiduciary and custodian of the System.

**Benefits Provided- Overall**

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

<b><u>Plan Name</u></b>	<b><u>Plan Type</u></b>	<b><u>Plan Status</u></b>
Basic	Defined Benefit	Closed
Member Investment Plan (MIP)	Defined Benefit	Closed
Pension Plus	Hybrid	Closed
Pension Plus 2	Hybrid	Open
Defined Contribution	Defined Contribution	Open

**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. Retirement benefits for DB plan members are determined by final average compensation and years of service. 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.

Prior to Pension reform of 2010 there were two plans commonly referred to as Basic and the Member Investment Plan (MIP). Basic Plan member's contributions range from 0% - 4%. On January 1, 1987, the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. Members first hired January 1, 1990, or later including Pension Plus Plan members, contribute at various graduated permanently fixed contribution rates from 3.0% - 7.0%.

***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 (MPSERS) who became a member of MPSERS after June 30, 2010 is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary)

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

***Pension Reform 2012***

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010 and who earned service credit in the 12 months ending September 3, 2012, or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's *transition date*, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

An amount determined by the member's election of Option 1, 2, 3, or 4 described below:

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

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

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

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

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

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose.

Employees who first work on or after September 4, 2012 choose between two retirement plans: the Pension Plus Plan and a Defined Contribution that provides a 50% employer match up to 3% of salary on employee contributions.

Final Average Compensation (FAC) - Average of highest 60 consecutive months for Basic Plan members and Pension Plus members (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected Option 4, in which case the FAC is calculated at the transition date.

***Pension Reform of 2017***

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

**Benefits Provided – Other postemployment benefit (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 health care recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP-Graded plan members), the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008, (MIP-Plus plan members), have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date.

***Retiree Healthcare Reform of 2012***

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

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

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

***Regular Retirement (no reduction factor for age)***

Eligibility - A Basic plan member may retire at age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, age 46 with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through 60<sup>th</sup> birthday and has credited service in each of the last 5 years. For Pension Plus Plan (PPP) members, age 60 with 10 years of credited service.

Annual Amount - 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.

**Member Contributions**

Depending on the plan selected, member contributions range from 0% to 7% for pension and 0% to 3% for other postemployment benefits. Plan members electing the defined contribution plan are not required to make additional contributions.

**Employer Contributions**

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of pension benefits and OPEB. 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 normal cost is the annual cost assigned under the actuarial funding method, to the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

Pension and OPEB contributions made in the fiscal year ending September 30, 2021 were determined as of the September 30, 2018 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2018 are amortized over a 18-year period beginning October 1, 2020, and ending September 30, 2038.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

School districts' contributions are determined based on employee elections. There are several different benefit options included in the plan available to employees based on date of hire. Contribution rates are adjusted annually by the ORS. The range of rates is as follows:

	<u>Pension</u>	<u>Other Postemployment Benefit</u>
October 1, 2020 - September 30, 2021	13.39% - 19.78%	7.57% - 8.45%
October 1, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%

The District's pension contributions for the year ended June 30, 2022 were equal to the required contribution total. Pension contributions were approximately \$2,278,900, with approximately \$2,244,800 specifically for the defined benefit plan and approximately \$34,100 was contributed to the Defined Contribution Fund.

The District's OPEB contributions for the year ended June 30, 2022 were equal to the required contribution total. OPEB contributions were approximately \$501,900, with approximately \$476,000 specifically for the defined benefit plan and approximately \$25,900 was contributed to the Defined Contribution Fund.

These amounts for pension contributions include contributions funded from state revenue Section 147c restricted to fund MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

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

**Pension Liabilities**

At June 30, 2022, the District reported a liability of \$15,983,827 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2020 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2021 and 2020, the District's proportion was 0.06751235% and 0.06787701%.

**MPSERS (Plan) Non-university Employers Net Pension Liability**

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Total Pension Liability	\$ 86,392,473,395	\$ 85,290,583,799
Fiduciary Net Position	(62,717,060,920)	(50,939,496,006)
Net Pension Liability	<u>\$ 23,675,412,475</u>	<u>\$ 34,351,087,793</u>
Fiduciary Net Position as a Percentage of		
Total Pension Liability	72.60%	59.72%
Net Pension Liability as a Percentage of		
Covered Payroll	261.68%	387.25%

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

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

For the year ended June 30, 2022, the District recognized total pension expense of \$1,841,012.

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

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 247,596	\$ 94,126
Section 147c revenue related to District Pension contributions subsequent to measurement date	0	1,043,699
Changes of assumptions	1,007,563	0
Net difference between projected and actual earnings on pension plan investments	0	5,138,749
Changes in proportion and differences between District contributions and proportionate share of contributions	220,306	120,359
District contributions subsequent to the measurement date	<u>2,139,740</u>	<u>0</u>
<b>Total</b>	<b><u>\$ 3,615,205</u></b>	<b><u>\$ 6,396,933</u></b>

\$2,139,740 reported as deferred outflows of resources and \$1,043,699 reported as deferred inflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a net reduction of the net pension liability in the subsequent fiscal year.

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

<b><u>Year Ended September 30,</u></b>	<b><u>Amount</u></b>
2022	\$ (399,198)
2023	(842,845)
2024	(1,235,298)
2025	<u>(1,400,428)</u>
	<b><u>\$ (3,877,769)</u></b>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

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

**OPEB Liabilities**

At June 30, 2022, the District reported a liability of \$1,020,845 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2020 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2021 and 2020, the District's proportion was 0.06688022% and 0.06814145%.

**MPSERS (Plan) Non-University Employers Net OPEB Liability**

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Total OPEB Liability	\$ 12,046,393,511	\$ 13,206,903,534
Fiduciary Net Position	(10,520,015,621)	(7,849,636,555)
Net OPEB Liability	<u>\$ 1,526,377,890</u>	<u>\$ 5,357,266,979</u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	87.33%	59.44%
Net OPEB Liability as a Percentage of Covered Payroll	16.87%	60.39%

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

For the year ended June 30, 2022, the District recognized total OPEB benefit of \$579,803.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 2,913,929
Changes of Assumptions	853,376	127,697
Net difference between projected and actual earnings on OPEB plan investments	0	769,429
Changes in proportion and differences between District contributions and proportionate share of contributions	113,727	99,572
District contributions subsequent to the measurement date	428,839	0
<b>Total</b>	<u>\$ 1,395,942</u>	<u>\$ 3,910,627</u>



MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

\$428,839 reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

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

<u>Year Ended September 30,</u>	<u>Amount</u>
2022	\$ (763,717)
2023	(694,757)
2024	(633,759)
2025	(598,670)
2026	(223,322)
Thereafter	(29,299)
	<u>\$ (2,943,524)</u>

**K. Actuarial Assumptions**

**Investment rate of return for Pension** – 6.80% a year, compounded annually net of investment and administrative expenses for the MIP, Basic, and Pension Plus groups and 6.00% a year, compounded annually net of investment and administrative expenses for the Pension Plus 2 Plan.

**Investment rate of return for OPEB** – 6.95% a year, compounded annually net of investment and administrative expenses.

**Salary increases** - The rate of pay increase used for individual members is 2.75% - 11.55%, including inflation at 2.75%.

**Inflation** – 3.0%

**Mortality assumptions –**

Retirees: RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.

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

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

**Experience study** - The annual actuarial valuation report of the System used for these statements is dated September 30, 2020. Assumption changes as a result of an experience study for the periods 2012 through 2017 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2018 valuation.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**The long-term expected rate of return on pension and other postemployment benefit plan investments**

- The pension rate was 6.80% (MIP, Basic, and Pension Plus Plan) and 6.00% for Pension Plus 2 Plan, and the other postemployment benefit rate was 6.95%, net of investment and administrative expenses was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension and OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**Cost of Living Pension Adjustments** – 3.0% annual non-compounded for MIP members

**Healthcare cost trend rate for other postemployment benefit** – Pre 65, 7.75% for year one and graded to 3.5% in year fifteen. Post 65, 5.25% for year one and graded to 3.5% in year fifteen.

**Additional assumptions for other postemployment benefit only – Applies to individuals hired before September 4, 2012:**

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

**Survivor Coverage** – 80% of male retirees and 67% of female retirees are assumed to have coverage continuing after the retiree's death.

**Coverage Election at Retirement** – 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

The target asset allocation at September 30, 2021 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic Equity Pools	25.00%	5.40%
Private Equity Pools	16.00%	9.10%
International Equity Pools	15.00%	7.50%
Fixed Income Pools	10.50%	-0.70%
Real Estate & Infrastructure Pools	10.00%	5.40%
Absolute Return Pools	9.00%	2.60%
Real Return/Opportunistic Pools	12.50%	6.10%
Short-Term Investment Pools	2.00%	-1.30%
	<u>100%</u>	

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

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

***Rate of return***

For fiscal year ended September 30, 2021, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 27.3% and 27.14% respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Pension Discount Rate***

A single discount rate of 6.80% was used to measure the total pension liability (6.00% for the Pension Plus 2 Plan). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.80% (6.00% for the Pension Plus 2 Plan). The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions from school districts will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***OPEB Discount Rate***

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

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

The following presents the Reporting Unit's proportionate share of the net pension liability calculated using a single discount rate of 6.80% (6.00% for the Pension Plus 2 Plan), as well as what the Reporting Unit'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 than the current rate:

Pension			
1% Decrease	Discount Rate	1% Increase	
\$ 22,852,538	\$ 15,983,827	\$ 10,289,215	

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

The following presents the Reporting Unit's proportionate share of the net OPEB liability calculated using a single discount rate of 6.95%, as well as what the Reporting Unit's proportionate share of the net OPEB

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

<b>OPEB</b>				
<b>1% Decrease</b>		<b>Discount Rate</b>		<b>1% Increase</b>
\$	1,896,914	\$	1,020,845	\$ 277,375

***Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the Reporting Unit's proportionate share of the net other postemployment benefit liability calculated using the healthcare cost trend rate as well as what the Reporting Unit's proportionate share of the net other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

<b>OPEB</b>				
<b>1% Decrease</b>		<b>Healthcare Cost Trend Rates</b>		<b>1% Increase</b>
\$	248,466	\$	1,020,845	\$ 1,889,865

**L. Pension and OPEB Plan Fiduciary Net Position**

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued Michigan Public School Employees Retirement System 2021 Annual Comprehensive Financial Report.

**M. Payables to the Pension and OPEB Plan**

As of June 30, 2022, the District is current on all required pension and other postemployment benefit plan payments. As of June 30, 2022, the District reported payables in the amount of \$393,879 to the pension and OPEB plan. These amounts represent accruals for summer pay primarily for teachers and the contributions due from state revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

**N. Risk Management**

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) as well as medical benefits provided to employees.

The District participates in a distinct pool of schools within the State of Michigan for various risks of loss, including general liability, property and casualty, employee health, accident insurance and workers' disability compensation. The pool is considered a public entity risk pool. The school pays annual premiums to each pool 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 District has not been informed of any special assessments being required.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**O. Single Audit Report**

The District is required to have an audit performed in accordance with the guidelines of the Single Audit Act of 1984, as amended. This audit has been performed and the reports based thereon have been issued under separate cover.

**P. Commitments & Contingencies**

Under the terms of various federal and state grants and regulatory requirements, periodic audits are required and certain cost may be questioned as not being appropriate expenditures under the terms of the grants and requirements. Such audits could lead to reimbursement of the grantor or regulatory agencies. However, management does not believe such disallowances, if any, would be material to the financial position of the District.

As of June 30, 2022, the District has committed to spending \$2,445,060 for various construction projects.

**NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLE**

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

**Summary:**

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

The restatement of the beginning of year had no impact on net position. The change capital assets and long-term obligations is as follows:

	<u>Capital Asset</u>	<u>Long-Term Obligations</u>
Balances as of July 1, 2021, as previously stated	\$ 12,736,532	\$ 33,138,313
Adoption of GASB Statement 87	<u>406,588</u>	<u>406,588</u>
Balances as of July 1, 2021, as restated	<u><u>\$ 13,143,120</u></u>	<u><u>\$ 33,544,901</u></u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022

**NOTE 5 – UPCOMING ACCOUNTING PRONOUNCEMENTS**

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

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

YEAR ENDED JUNE 30, 2022

	GENERAL FUND			FOOD SERVICE FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
<u>REVENUES</u>						
Local Sources	\$ 2,161,940	\$ 2,393,696	\$ 2,315,157	\$ 10,100	\$ 15,065	\$ 11,252
State Sources	8,987,941	9,547,285	9,834,101	41,000	65,222	65,796
Federal Sources	1,338,577	2,272,180	2,321,860	782,098	934,251	932,475
Other Transactions	370,000	408,142	408,142	0	0	0
Total Revenues	12,858,458	14,621,303	14,879,260	833,198	1,014,538	1,009,523
<u>EXPENDITURES</u>						
Instruction						
Basic Programs	6,292,880	6,140,713	6,140,713	0	0	0
Added Needs	2,463,173	2,167,073	2,167,235	0	0	0
Supporting Services						
Pupil	710,481	749,521	749,521	0	0	0
Instructional Staff	669,065	435,202	435,202	0	0	0
General Administration	469,444	459,018	459,018	0	0	0
School Administration	820,335	906,181	906,181	0	0	0
Business	206,057	216,916	216,916	0	0	0
Operation and Maintenance of Plant	1,163,865	1,350,243	1,350,243	0	0	0
Pupil Transportation Services	835,595	598,498	598,498	0	0	0
Support Services	525,294	554,697	554,697	791,281	901,011	822,452
Community Services						
Community Activities	26,774	17,897	17,897	0	0	0
Debt Service	0	207,855	207,855			
Total Expenditures	14,182,963	13,803,814	13,803,976	791,281	901,011	822,452
Excess (Deficiency) of Revenues Over Expenditures	(1,324,505)	817,489	1,075,284	41,917	113,527	187,071
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers In (Out)	(125,233)	(64,282)	(87,088)	(50,000)	(50,000)	(21,000)
Net Change in Fund Balance	(1,449,738)	753,207	988,196	(8,083)	63,527	166,071
<u>FUND BALANCE - Beginning of Year</u>	2,852,083	2,741,533	2,741,533	268,473	303,814	303,814
<u>FUND BALANCE - End of Year</u>	<u>\$ 1,402,345</u>	<u>\$ 3,494,740</u>	<u>\$ 3,729,729</u>	<u>\$ 260,390</u>	<u>\$ 367,341</u>	<u>\$ 469,885</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH PLAN YEAR)  
JUNE 30, 2022

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of net pension liability (%)			0.06751%	0.06788%	0.06660%	0.06631%	0.06670%	0.66193%	0.06585%	0.06426%
District's proportionate share of net pension liability		\$ 15,983,827	\$ 23,316,491	\$ 22,055,876	\$ 19,934,136	\$ 17,284,969	\$ 16,514,525	\$ 16,083,819	\$ 14,153,363	
District's covered payroll		6,002,833	6,020,362	5,836,227	5,614,114	5,589,654	5,576,641	5,474,204	5,453,008	
District's proportionate share of net pension liability as a percentage of its covered payroll		266.27%	387.29%	377.91%	355.07%	309.23%	296.14%	293.81%	259.55%	
Plan fiduciary net position as a percentage of total pension liability		72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%	



MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION CONTRIBUTIONS  
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

JUNE 30, 2022

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions										
Contributions in relation to statutorily required contributions *			\$ 2,244,828	\$ 1,925,442	\$ 1,774,093	\$ 1,721,487	\$ 1,688,984	\$ 1,599,065	\$ 1,540,005	\$ 1,147,420
Contribution deficiency (excess)			2,244,828	1,925,442	1,774,093	1,721,487	1,688,984	1,599,065	1,540,005	1,147,420
Covered Payroll			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions as a percentage of covered payroll			\$ 6,147,491	\$ 5,956,554	\$ 6,038,000	\$ 5,778,458	\$ 5,532,841	\$ 5,781,596	\$ 5,548,095	\$ 5,467,359
			36.52%	32.32%	29.38%	29.79%	30.53%	27.66%	27.76%	20.99%

\* Contributions in relation to statutorily contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OTHER POSTEMPLOYMENT BENEFIT LIABILITY  
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 9/30 OF EACH PLAN YEAR)  
JUNE 30, 2022

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
District's proportion of net OPEB liability (%)						0.06688%	0.06814%	0.06688%	0.06602%	0.06666%
District's proportionate share of net OPEB liability					\$ 1,020,845	\$ 3,650,519	\$ 4,800,596	\$ 5,247,778	\$ 5,903,056	
District's covered payroll					6,002,833	6,020,362	5,836,227	5,614,114	5,589,654	
District's proportionate share of net OPEB liability as a percentage of its covered payroll					17.01%	60.64%	82.26%	93.47%	105.61%	
Plan fiduciary net position as a percentage of total OPEB liability					87.33%	59.44%	48.46%	42.95%	36.39%	

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFIT CONTRIBUTIONS  
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)  
JUNE 30, 2022

	2027	2026	2025	2024	2023	2022	2021	2020	2019	2018
Statutorily required contributions						\$ 476,077	\$ 433,243	\$ 425,932	\$ 441,772	\$ 404,398
Contributions in relation to statutorily required contributions *						476,077	433,243	425,932	441,772	404,398
Contribution deficiency (excess)						\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll						\$ 6,147,491	\$ 5,956,554	\$ 6,038,000	\$ 5,778,458	\$ 5,532,841
Contributions as a percentage of covered payroll						7.74%	7.27%	7.05%	7.65%	7.31%

\* Contributions in relation to statutorily contributions are the contributions a reporting unit actually made to the System, as distinct from the statutorily required contributions.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR YEAR ENDED JUNE 30, 2022

Pension Information

**Changes of Benefit Terms** - There were no changes of benefit terms for the plan year ended September 30, 2021.

**Changes of Assumptions** – There were no changes of assumptions for the plan year ended September 30, 2021.

OPEB Information

**Changes of Benefit Terms** - There were no changes of benefit terms for the plan year ended September 30, 2021.

**Changes of Assumptions** – The assumption changes for the plan year ended September 30, 2021 were:

Healthcare cost trend rate was broken into two groups, Pre 65 and Post 65. The Pre 65 rate is 7.75% Year 1 graded to 3.50% Year 15. The Post 65 rate is 5.25% Year 1 graded to 3.50% Year 15. The prior healthcare cost trend rate was reported as one group with a rate of 7.00% Year 1 graded to 3.50% Year 15.

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUND TYPES

JUNE 30, 2022

	SPECIAL REVENUE FUNDS	DEBT RETIREMENT FUNDS	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash	\$ 237,129	\$ 0	\$ 150,092	\$ 387,221
<u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>	\$ 0	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>				
Restricted for Public Library	84,300	0	0	84,300
Committed for Capital Projects	0	0	150,092	150,092
Assigned for Student Activities	152,829	0	0	152,829
Total Fund Balances	237,129	0	150,092	387,221
TOTAL LIABILITIES AND FUND BALANCES	\$ 237,129	\$ 0	\$ 150,092	\$ 387,221

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 2022

	SPECIAL REVENUE FUNDS	DEBT RETIREMENT FUNDS	CAPITAL PROJECTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>REVENUES</u>				
Local Sources	\$ 197,029	\$ 0	\$ 91	\$ 197,120
State Sources	5,051	0	0	5,051
Total Revenues	202,080	0	91	202,171
<u>EXPENDITURES</u>				
Support Services				
Student Activities	116,531	0	0	116,531
Community Services				
School Operated Public Library	75,465	0	0	75,465
Debt Service				
Principal	0	90,000	0	90,000
Interest and Other	0	18,088	0	18,088
Total Expenditures	191,996	108,088	0	300,084
Excess (Deficiency) of Revenues Over Expenditures	10,084	(108,088)	91	(97,913)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In (Out)	0	108,088	0	108,088
Net Change in Fund Balance	10,084	0	91	10,175
<u>FUND BALANCE</u> - Beginning of Year	227,045	0	150,001	377,046
<u>FUND BALANCE</u> - End of Year	\$ 237,129	\$ 0	\$ 150,092	\$ 387,221

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

GENERAL FUND  
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash	\$ 3,340,577	\$ 2,126,052
Accounts Receivable	64,535	58,369
Due from Other Funds	21,000	41,000
Due from Other Governments	1,998,895	2,248,877
Prepaid Expenditures	16,590	19,443
TOTAL ASSETS	<u>\$ 5,441,597</u>	<u>\$ 4,493,741</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 310,806	\$ 285,468
Salaries and Fringes Payable	983,251	930,526
Due to Other Funds	50,784	0
State Aid Note Payable	243,179	369,149
Unearned Revenue	123,848	167,065
Total Liabilities	<u>1,711,868</u>	<u>1,752,208</u>
<u>FUND BALANCE</u>		
Nonspendable, Prepaid Expenditures	16,590	19,443
Assigned for Subsequent Year Budget Shortfall	0	1,449,738
Unassigned	3,713,139	1,272,352
Total Fund Balance	<u>3,729,729</u>	<u>2,741,533</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,441,597</u>	<u>\$ 4,493,741</u>

MORLEY STANWOOD COMMUNITY SCHOOLS

MORLEY, MICHIGAN

GENERAL FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2022	2021
<u>REVENUES</u>		
Local Sources	\$ 2,315,157	\$ 2,266,968
State Sources	9,834,101	9,556,156
Federal Sources	2,321,860	1,680,913
Other Transactions	408,142	389,128
Total Revenues	14,879,260	13,893,165
<u>EXPENDITURES</u>		
Instruction		
Basic Programs		
Elementary	2,869,289	2,814,380
Middle/Junior High	1,458,309	1,537,214
High School	1,813,115	1,763,861
Added Needs		
Special Education	1,554,284	1,621,687
Compensatory Education	612,951	604,947
Supporting Services		
Pupil		
Truancy/Absenteeism Services	3,615	0
Guidance Services	136,820	171,038
Health Services	20,071	0
Social Work Services	534,480	459,485
Other Pupil Services	54,535	51,841
Instructional Staff		
Improvement of Instruction	345,487	298,829
Educational Media Services	37,659	36,174
Supervision and Direction of Instructional Staff	44,085	31,008
Academic Student Assessment	7,971	5,817
General Administration		
Board of Education	66,255	67,272
Executive Administration	333,311	313,347
Grant Writer	59,452	56,570
School Administration		
Office of the Principal	906,181	772,445
Business		
Fiscal Services	177,785	170,583
Other Business Services	39,131	23,385



MORLEY STANWOOD COMMUNITY SCHOOLS

MORLEY, MICHIGAN

GENERAL FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>
Operation and Maintenance of Plant		
Operating Building Services	1,350,243	1,231,761
Pupil Transportation Services	598,498	516,207
Support Services		
Staff Personnel Services	7,631	2,968
Support Services Technology	264,076	256,978
Athletic Activities	282,990	228,102
Community Services		
Community Activities	17,897	12,400
Payments to Other Governmental Agencies, Facilities Acquisition, and Prior Period Adjustments		
Site Improvement Services	0	2,188
Debt Service		
Payments on Lease Obligations	207,855	207,855
Total Expenditures	<u>13,803,976</u>	<u>13,258,342</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,075,284</u>	<u>634,823</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In (Out)		
Food Service Fund	21,000	41,000
2013 School Improvement Debt Retirement Fund	(12,275)	(11,486)
2010 Energy Bond Debt Retirement Fund	(95,813)	(94,083)
Capital Projects Fund	0	(150,000)
Total Other Financing Sources (Uses)	<u>(87,088)</u>	<u>(214,569)</u>
Net Change in Fund Balance	988,196	420,254
<u>FUND BALANCE</u> - Beginning of Year	<u>2,741,533</u>	<u>2,321,279</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 3,729,729</u>	<u>\$ 2,741,533</u>

MORLEY STANWOOD COMMUNITY SCHOOLS

MORLEY, MICHIGAN

GENERAL FUND

COMPARATIVE ANALYSIS OF REVENUES

YEAR ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>LOCAL SOURCES</u>		
Property Tax Levy	\$ 2,047,550	\$ 2,012,774
Other Taxes	5	481
Earnings on Investments	1,855	916
Other Local Revenues		
Athletics	54,569	53,292
Medicaid Fees	54,268	48,120
Transportation Reimbursements	25,181	22,277
Miscellaneous	131,729	129,108
Total Local Sources	<u>2,315,157</u>	<u>2,266,968</u>
<u>STATE SOURCES</u>		
Grants-In-Aid		
Received through the State		
State School Aid	<u>9,834,101</u>	<u>9,556,156</u>
<u>FEDERAL SOURCES</u>		
Grant-In-Aid Restricted		
Received through the State		
Title I	468,788	541,414
Title II Part A Teacher Training	71,223	65,757
Title V	0	22,227
Title IV	31,959	36,024
ESSER I	0	428,895
ESSER II	1,655,825	36,601
ESSER III	47,943	0
GEER	32,650	89,389
Coronavirus Relief Funds	0	413,315
District COVID Costs	0	14,549
P-EBT Administration	3,063	0
Received through the County		
Schools and Roads	3,854	7,457
Received through Intermediate School District		
MI Connect	0	21,640
Medicaid Outreach	6,555	3,645
Total Federal Sources	<u>2,321,860</u>	<u>1,680,913</u>
<u>OTHER TRANSACTIONS</u>		
Transfers from Other Governmental Units	<u>408,142</u>	<u>389,128</u>
Total Revenues	<u>14,879,260</u>	<u>13,893,165</u>
<u>OTHER FINANCING SOURCES</u>		
Transfers In	<u>21,000</u>	<u>41,000</u>
TOTAL REVENUES AND OTHER SOURCES	<u>\$ 14,900,260</u>	<u>\$ 13,934,165</u>

MORLEY STANWOOD COMMUNITY SCHOOLS

MORLEY, MICHIGAN

GENERAL FUND

COMPARATIVE ANALYSIS OF EXPENDITURES

YEAR ENDED JUNE 30,

<u>INSTRUCTION</u>	<u>2022</u>	<u>2021</u>
<u>Basic Programs</u>		
<u>Elementary</u>		
Salaries	\$ 1,457,628	\$ 1,429,373
Employee Benefits	1,162,554	1,094,418
Purchased Services	86,571	176,310
Supplies and Materials	111,159	97,069
Capital Outlay	0	16,616
Dues, Fees and Miscellaneous	51,377	594
Total Elementary	<u>2,869,289</u>	<u>2,814,380</u>
<u>Middle School/Junior High</u>		
Salaries	820,656	768,518
Employee Benefits	536,083	644,596
Purchased Services	46,730	44,369
Supplies and Materials	54,735	79,092
Dues, Fees and Miscellaneous	105	639
Total Middle School/Junior High	<u>1,458,309</u>	<u>1,537,214</u>
<u>High School</u>		
Salaries	897,135	855,614
Employee Benefits	723,776	655,510
Purchased Services	127,086	109,382
Supplies and Materials	60,788	139,801
Capital Outlay	0	299
Dues, Fees and Miscellaneous	4,330	3,255
Total High School	<u>1,813,115</u>	<u>1,763,861</u>
<u>Added Needs</u>		
<u>Special Education</u>		
Salaries	780,726	897,078
Employee Benefits	755,932	718,139
Purchased Services	4,096	5,090
Supplies and Materials	13,530	1,233
Dues, Fees and Miscellaneous	0	147
Total Special Education	<u>1,554,284</u>	<u>1,621,687</u>
<u>Compensatory Education</u>		
Salaries	276,201	327,869
Employee Benefits	256,351	263,647
Purchased Services	1,890	3,364
Supplies and Materials	78,509	10,067
Total Compensatory Education	<u>612,951</u>	<u>604,947</u>

MORLEY STANWOOD COMMUNITY SCHOOLS

MORLEY, MICHIGAN

GENERAL FUND

COMPARATIVE ANALYSIS OF EXPENDITURES

YEAR ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>SUPPORTING SERVICES</u>		
<u>Pupil Services</u>		
<u>Truancy/Absenteeism Services</u>		
Dues, Fees, and Miscellaneous	3,615	0
<u>Guidance Services</u>		
Salaries of Counselors	81,710	89,923
Employee Benefits	40,110	65,779
Purchased Services	15,000	15,000
Supplies and Materials	0	336
Total Guidance Services	136,820	171,038
<u>Health Services</u>		
Salaries	15,037	0
Employee Benefits	5,034	0
Total Health Services	20,071	0
<u>Social Work Services</u>		
Salaries	293,417	257,623
Employee Benefits	221,618	191,593
Purchased Services	10,000	5,394
Supplies and Materials	9,445	4,875
Total Social Work Services	534,480	459,485
<u>Other Pupil Services</u>		
Salaries	36,198	34,502
Employee Benefits	18,337	17,339
Total Other Pupil Services	54,535	51,841
<u>Instructional Staff</u>		
<u>Improvement of Instruction</u>		
Salaries	167,539	168,474
Employee Benefits	112,390	96,454
Purchased Services	63,866	32,475
Supplies and Materials	1,352	1,426
Dues, Fees and Miscellaneous	340	0
Total Improvement of Instruction	345,487	298,829
<u>Educational Media Services</u>		
Salaries	20,570	20,127
Employee Benefits	17,089	16,047
Total Educational Media Services	37,659	36,174

MORLEY STANWOOD COMMUNITY SCHOOLS

MORLEY, MICHIGAN

GENERAL FUND

COMPARATIVE ANALYSIS OF EXPENDITURES

YEAR ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>Supervision and Direction of Instructional Staff</u>		
Salaries	34,333	28,690
Employee Benefits	9,752	2,278
Supplies and Materials	0	40
Total Supervision and Direction of Instructional Staff	<u>44,085</u>	<u>31,008</u>
<u>Academic Student Assessment</u>		
Purchased Services	<u>7,971</u>	<u>5,817</u>
<u>General Administrative Services</u>		
<u>Board of Education</u>		
Salaries	3,089	1,400
Employee Benefits	41	32
Purchased Services	48,616	57,779
Dues, Fees and Miscellaneous	14,509	8,061
Total Board of Education	<u>66,255</u>	<u>67,272</u>
<u>Executive Administration</u>		
Salaries	172,329	151,552
Employee Benefits	129,361	133,419
Purchased Services	12,196	16,440
Supplies and Materials	1,007	2,267
Dues, Fees and Miscellaneous	18,418	9,669
Total Executive Administration	<u>333,311</u>	<u>313,347</u>
<u>Grant Writer</u>		
Salaries	33,683	33,205
Employee Benefits	25,706	23,340
Purchased Services	16	0
Supplies and Materials	47	0
Dues, Fees and Miscellaneous	0	25
Total Grant Writer	<u>59,452</u>	<u>56,570</u>
<u>School Administrative Services</u>		
<u>Office of the Principal</u>		
Salaries	482,323	440,676
Employee Benefits	418,891	327,396
Purchased Services	1,663	2,368
Materials and Supplies	2,249	1,555
Dues, Fees, and Miscellaneous	1,055	450
Total Office of the Principal	<u>906,181</u>	<u>772,445</u>

MORLEY STANWOOD COMMUNITY SCHOOLS

MORLEY, MICHIGAN

GENERAL FUND

COMPARATIVE ANALYSIS OF EXPENDITURES

YEAR ENDED JUNE 30,

	2022	2021
<u>Business Services</u>		
<u>Fiscal Services</u>		
Salaries	92,199	91,898
Employee Benefits	81,560	77,597
Purchased Services	1,169	340
Supplies and Materials	2,494	0
Dues, Fees, and Miscellaneous	363	748
Total Fiscal Services	177,785	170,583
<u>Other Business Services</u>		
Purchased Services	13,922	14,286
Dues, Fees, and Miscellaneous	25,209	9,099
Total Other Business	39,131	23,385
<u>Operation and Maintenance of Plant</u>		
<u>Operating Building Services</u>		
Salaries of Custodians	9,104	8,019
Employee Benefits	5,140	4,979
Purchased Services	818,405	743,744
Materials and Supplies	319,489	392,938
Capital Outlay	196,961	77,135
Dues, Fees and Miscellaneous	1,144	4,946
Total Operating Building Services	1,350,243	1,231,761
<u>Pupil Transportation Services</u>		
Salaries	286,795	265,584
Employee Benefits	180,542	157,522
Purchased Services	18,162	12,615
Supplies and Materials	106,002	55,742
Capital Outlay	96	23,575
Dues, Fees and Miscellaneous	6,901	1,169
Total Pupil Transportation Services	598,498	516,207
<u>Support Services</u>		
<u>Staff Personnel Services</u>		
Purchased Services	7,631	2,968
<u>Support Services - Technology</u>		
Salaries	65,525	64,365
Employee Benefits	57,106	51,897
Purchased Services	71,885	100,288
Supplies and Materials	42,802	40,428
Capital Outlay	22,623	0
Dues, Fees and Miscellaneous	4,135	0
Total Support Services - Technology	264,076	256,978

MORLEY STANWOOD COMMUNITY SCHOOLS

MORLEY, MICHIGAN

GENERAL FUND

COMPARATIVE ANALYSIS OF EXPENDITURES

YEAR ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>Athletic Activities</u>		
Salaries	124,476	102,454
Employee Benefits	76,606	39,255
Purchased Services	34,806	27,306
Supplies and Materials	17,724	21,234
Capital Outlay	22,351	32,485
Dues, Fees and Miscellaneous	7,027	5,368
Total Athletic Activities	<u>282,990</u>	<u>228,102</u>
 <u>COMMUNITY SERVICES</u>		
<u>Community Activities</u>		
Salaries	6,169	0
Employee Benefits	2,153	0
Supplies and Materials	9,575	12,400
Total Community Activities	<u>17,897</u>	<u>12,400</u>
 <u>PAYMENTS TO OTHER GOVERNMENTAL AGENCIES, FACILITIES</u>		
<u>ACQUISITION, AND PRIOR PERIOD ADJUSTMENTS</u>		
<u>Facilities Acquisition, Construction, and Improvements</u>		
<u>Site Improvements Services</u>		
Capital Outlay	<u>0</u>	<u>2,188</u>
 <u>Debt Service</u>		
Payments on Lease Obligations	<u>207,855</u>	<u>207,855</u>
 Total Expenditures	<u>13,803,976</u>	<u>13,258,342</u>
 <u>OTHER FINANCING USES</u>		
<u>Transfers Out</u>		
2013 School Improvement Debt Retirement Fund	12,275	11,486
2010 Energy Bond Debt Retirement Fund	95,813	94,083
Capital Projects Fund	0	150,000
Total Transfers Out	<u>108,088</u>	<u>255,569</u>
 Total Other Financing Uses	<u>108,088</u>	<u>255,569</u>
 TOTAL EXPENDITURES AND OTHER USES	<u>\$ 13,912,064</u>	<u>\$ 13,513,911</u>

MORLEY STANWOOD COMMUNITY SCHOOLS

MORLEY, MICHIGAN

FOOD SERVICE FUND  
COMPARATIVE BALANCE SHEET

JUNE 30,

	2022	2021
<u>ASSETS</u>		
Cash	\$ 461,530	\$ 303,390
Due from Other Governments	8,654	23,474
Inventory	9,775	6,432
Prepaid Expenditures	40,000	40,000
TOTAL ASSETS	<u>\$ 519,959</u>	<u>\$ 373,296</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts Payable	\$ 12,116	\$ 11,398
Salaries and Fringes Payable	16,958	17,084
Due to Other Funds	21,000	41,000
Total Liabilities	<u>50,074</u>	<u>69,482</u>
<u>FUND BALANCE</u>		
Nonspendable, Inventory	9,775	6,432
Nonspendable, Prepaid Expenditures	40,000	40,000
Restricted for Food Service	420,110	257,382
Total Fund Balance	<u>469,885</u>	<u>303,814</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 519,959</u>	<u>\$ 373,296</u>



MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

FOOD SERVICE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	2022	2021
<u>REVENUES</u>		
Local Sources		
Earnings on Investments and Deposits	\$ 483	\$ 370
Children's Lunches	3,302	8,886
Adult Lunches	7,008	4,375
Snack Bar	459	188
Miscellaneous	0	1,136
Total Local Sources	<u>11,252</u>	<u>14,955</u>
State Sources		
State Aid - Regular	40,796	51,124
State Aid - 147C	25,000	25,000
Total State Sources	<u>65,796</u>	<u>76,124</u>
Federal Sources		
Federal Aid - Regular	883,369	749,161
Federal Aid - U.S.D.A. Commodities	49,106	46,808
Total Federal Sources	<u>932,475</u>	<u>795,969</u>
Total Revenues	<u>1,009,523</u>	<u>887,048</u>
<u>EXPENDITURES</u>		
Salaries	144,732	137,927
Employee Benefits	114,454	120,662
Purchased Services	201,780	201,419
Supplies and Materials	355,413	417,464
Capital Outlay	0	111,127
Other Expenditures	6,073	7,171
Total Expenditures	<u>822,452</u>	<u>995,770</u>
Excess (Deficiency) of Revenues Over Expenditures	187,071	(108,722)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers Out	<u>(21,000)</u>	<u>(41,000)</u>
Net Change in Fund Balance	166,071	(149,722)
<u>FUND BALANCE</u> - Beginning of Year	<u>303,814</u>	<u>453,536</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 469,885</u>	<u>\$ 303,814</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

2020 DEBT RETIREMENT FUND  
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash	\$ 281,552	\$ 304,311
Due from Other Funds	50,784	0
Total Assets	<u>\$ 332,336</u>	<u>\$ 304,311</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
<u>FUND BALANCE</u>		
Restricted for Debt Service	<u>332,336</u>	<u>304,311</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 332,336</u>	<u>\$ 304,311</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

2020 DEBT RETIREMENT FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>REVENUES</u>		
Local Sources		
Property Tax Levy	\$ 924,027	\$ 896,393
Earnings on Investments	370	11
State Sources		
Personal Property Reimbursement	<u>50,784</u>	<u>0</u>
Total Revenues	<u>975,181</u>	<u>896,404</u>
<u>EXPENDITURES</u>		
Principal Payments	750,000	685,000
Interest Payments	196,156	105,603
Miscellaneous	<u>1,000</u>	<u>3</u>
Total Expenditures	<u>947,156</u>	<u>790,606</u>
Excess (Deficiency) of Revenues Over Expenditures	28,025	105,798
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In		
2009 Refunding Debt Retirement Fund	<u>0</u>	<u>198,513</u>
Net Change in Fund Balance	28,025	304,311
<u>FUND BALANCE</u> - Beginning of Year	<u>304,311</u>	<u>0</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 332,336</u>	<u>\$ 304,311</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

2020 CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Restricted Investments	\$ 1,867,858	\$ 6,372,810
Due from Other Funds	13,958	0
Total Assets	<u>\$ 1,881,816</u>	<u>\$ 6,372,810</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts and Retainage Payable	\$ 265,295	\$ 744,848
<u>FUND BALANCE</u>		
Restricted for Capital Projects	<u>1,616,521</u>	<u>5,627,962</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,881,816</u>	<u>\$ 6,372,810</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

2020 CAPITAL PROJECTS FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>REVENUES</u>		
Local Sources		
Earnings on Investments	\$ 8,271	\$ 3,499
<u>EXPENDITURES</u>		
Facilities Acquisition, Construction and Improvements		
Site Improvements Services	3,856,792	1,086,015
Building Improvements Services	162,920	13,800
Other Expenditures		
Bond Issuance Costs	0	155,462
Total Expenditures	<u>4,019,712</u>	<u>1,255,277</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(4,011,441)</u>	<u>(1,251,778)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Face Value of Debt Issued	0	6,425,000
Premium on Debt Issued	0	454,740
Total Other Financing Sources (Uses)	<u>0</u>	<u>6,879,740</u>
Net Change in Fund Balance	(4,011,441)	5,627,962
<u>FUND BALANCE</u> - Beginning of Year	<u>5,627,962</u>	<u>0</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 1,616,521</u>	<u>\$ 5,627,962</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

2022 CAPITAL PROJECTS FUND  
BALANCE SHEET

JUNE 30, 2022

	<u>2022</u>
<u>ASSETS</u>	
Restricted Investments	<u>\$    5,092,402</u>
<u>LIABILITIES AND FUND BALANCE</u>	
<u>LIABILITIES</u>	
Accounts Payable	\$        28,613
Due to Other Funds	<u>        13,958</u>
Total Liabilities	42,571
<u>FUND BALANCE</u>	
Restricted for Capital Projects	<u>5,049,831</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$    5,092,402</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

2022 CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2022

	<u>2022</u>
<u>REVENUES</u>	<u>\$ 0</u>
<u>EXPENDITURES</u>	
Facilities Acquisition, Construction and Improvements	
Site Improvements Services	88,259
Other Expenditures	
Bond Issuance Costs	<u>157,860</u>
Total Expenditures	<u>246,119</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(246,119)</u>
<u>OTHER FINANCING SOURCES (USES)</u>	
Face Value of Debt Issued	5,040,000
Premium on Debt Issued	<u>255,950</u>
Total Other Financing Sources (Uses)	<u>5,295,950</u>
Net Change in Fund Balance	5,049,831
<u>FUND BALANCE</u> - Beginning of Year	<u>0</u>
<u>FUND BALANCE</u> - End of Year	<u><u>\$ 5,049,831</u></u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2022  
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021

	PUBLIC LIBRARY	STUDENT ACTIVITY	TOTALS	
			2022	2021
<u>ASSETS</u>				
Cash	\$ 84,300	\$ 152,829	\$ 237,129	\$ 237,045
TOTAL ASSETS	\$ 84,300	\$ 152,829	\$ 237,129	\$ 237,045
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Unearned Revenue	\$ 0	\$ 0	\$ 0	\$ 10,000
<u>FUND BALANCE</u>				
Restricted for:				
Public Library	84,300	0	84,300	91,396
Assigned for Student Activities	0	152,829	152,829	135,649
Total Fund Balance	84,300	152,829	237,129	227,045
TOTAL LIABILITIES AND FUND BALANCE	\$ 84,300	\$ 152,829	\$ 237,129	\$ 237,045



MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2022  
WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021

	PUBLIC LIBRARY	STUDENT ACTIVITY	TOTALS	
			2022	2021
<u>REVENUES</u>				
Local Sources	\$ 63,318	\$ 133,711	\$ 197,029	\$ 137,979
State Sources	5,051	0	5,051	6,275
Total Revenues	68,369	133,711	202,080	144,254
<u>EXPENDITURES</u>				
Salaries	42,603	0	42,603	40,691
Employee Benefits	17,502	0	17,502	16,523
Purchased Services	11,103	0	11,103	13,257
Other Expenditures	4,257	116,531	120,788	96,974
Total Expenditures	75,465	116,531	191,996	167,445
Excess (Deficiency) of Revenues Over Expenditures	(7,096)	17,180	10,084	(23,191)
<u>FUND BALANCE</u> - Beginning of Year	91,396	135,649	227,045	250,236
<u>FUND BALANCE</u> - End of Year	\$ 84,300	\$ 152,829	\$ 237,129	\$ 227,045

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

PUBLIC LIBRARY FUND  
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash	\$ 84,300	\$ 91,396
 TOTAL ASSETS	 <u>\$ 84,300</u>	 <u>\$ 91,396</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$ 0	\$ 0
 <u>FUND BALANCE</u>		
Restricted for Public Library	<u>84,300</u>	<u>91,396</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 84,300</u>	 <u>\$ 91,396</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

PUBLIC LIBRARY FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>REVENUES</u>		
Local Sources		
Earnings on Investments and Deposits	\$ 2,542	\$ 2,603
Penal Fines	34,484	34,727
Township Aid	11,587	13,032
Miscellaneous	14,705	4,178
Total Local Sources	<u>63,318</u>	<u>54,540</u>
 State Sources		
State Aid	<u>5,051</u>	<u>6,275</u>
 Total Revenues	<u>68,369</u>	<u>60,815</u>
 <u>EXPENDITURES</u>		
Salaries	42,603	40,691
Employee Benefits	17,502	16,523
Purchased Services	11,103	13,257
Other Expenditures	<u>4,257</u>	<u>2,515</u>
 Total Expenditures	<u>75,465</u>	<u>72,986</u>
 Excess (Deficiency) of Revenues Over Expenditures	(7,096)	(12,171)
 <u>FUND BALANCE</u> - Beginning of Year	<u>91,396</u>	<u>103,567</u>
 <u>FUND BALANCE</u> - End of Year	<u>\$ 84,300</u>	<u>\$ 91,396</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

STUDENT ACTIVITY FUND  
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash	<u>\$      152,829</u>	<u>\$      145,649</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Unearned Revenue	\$              0	\$          10,000
<u>FUND BALANCE</u>		
Assigned for Student Activities	<u>152,829</u>	<u>135,649</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$      152,829</u>	<u>\$      145,649</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

STUDENT ACTIVITY FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>REVENUES</u>		
Local Sources		
Miscellaneous	\$ 133,711	\$ 83,439
<u>EXPENDITURES</u>		
Other Expenditures	<u>116,531</u>	<u>94,459</u>
Excess (Deficiency) of Revenues Over Expenditures	17,180	(11,020)
<u>FUND BALANCE</u> - Beginning of Year	<u>135,649</u>	<u>146,669</u>
<u>FUND BALANCE</u> - End of Year	<u><u>\$ 152,829</u></u>	<u><u>\$ 135,649</u></u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NONMAJOR DEBT RETIREMENT FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2022

	2013 SCHOOL IMPROVEMENT DEBT	2010 ENERGY DEBT	TOTALS
<u>ASSETS</u>	\$ 0	\$ 0	\$ 0
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>	\$ 0	\$ 0	\$ 0
<u>FUND BALANCE</u>	0	0	0
TOTAL LIABILITIES AND FUND BALANCE	\$ 0	\$ 0	\$ 0

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

NONMAJOR DEBT RETIREMENT FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2022

	2013 SCHOOL IMPROVEMENT DEBT	2010 ENERGY DEBT	TOTALS
<u>REVENUES</u>			
Local Sources	\$ 0	\$ 0	\$ 0
State Sources	0	0	0
Total Revenues	0	0	0
<u>EXPENDITURES</u>			
Principal Payments	10,000	80,000	90,000
Interest Payments	2,275	15,213	17,488
Miscellaneous	0	600	600
Total Expenditures	12,275	95,813	108,088
Excess (Deficiency) of Revenues Over Expenditures	(12,275)	(95,813)	(108,088)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers In (Out)	12,275	95,813	108,088
Net Change in Fund Balance	0	0	0
<u>FUND BALANCE</u> - Beginning of Year	0	0	0
<u>FUND BALANCE</u> - End of Year	\$ 0	\$ 0	\$ 0

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

2013 SCHOOL IMPROVEMENT DEBT RETIREMENT FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>REVENUES</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>EXPENDITURES</u>		
Principal Payments	10,000	9,000
Interest Payments	<u>2,275</u>	<u>2,486</u>
Total Expenditures	<u>12,275</u>	<u>11,486</u>
Excess (Deficiency) of Revenues Over Expenditures	(12,275)	(11,486)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In		
General Fund	<u>12,275</u>	<u>11,486</u>
Net Change in Fund Balance	0	0
<u>FUND BALANCE</u> - Beginning of Year	<u>0</u>	<u>0</u>
<u>FUND BALANCE</u> - End of Year	<u>\$ 0</u>	<u>\$ 0</u>



MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

2010 ENERGY BOND DEBT RETIREMENT FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>REVENUES</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>EXPENDITURES</u>		
Principal Payments	80,000	75,000
Interest Payments	15,213	18,483
Miscellaneous	600	600
	<u>95,813</u>	<u>94,083</u>
Total Expenditures	<u>95,813</u>	<u>94,083</u>
Excess (Deficiency) of Revenues Over Expenditures	(95,813)	(94,083)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In		
General Fund	<u>95,813</u>	<u>94,083</u>
Net Change in Fund Balance	0	0
<u>FUND BALANCE - Beginning of Year</u>	<u>0</u>	<u>0</u>
<u>FUND BALANCE - End of Year</u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET

JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Cash	\$      150,092	\$      150,001
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>	\$                  0	\$                  0
<u>FUND BALANCE</u>		
Committed for Capital Projects	150,092	150,001
TOTAL LIABILITIES AND FUND BALANCE	\$      150,092	\$      150,001

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

CAPITAL PROJECTS FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30,

	<u>2022</u>	<u>2021</u>
<u>REVENUES</u>		
Local Sources		
Earnings on Investments	\$ 91	\$ 1
<u>EXPENDITURES</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	91	1
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers In		
General Fund	<u>0</u>	<u>150,000</u>
Net Change in Fund Balance	91	150,001
<u>FUND BALANCE</u> - Beginning of Year	<u>150,001</u>	<u>0</u>
<u>FUND BALANCE</u> - End of Year	<u><u>\$ 150,092</u></u>	<u><u>\$ 150,001</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2022

<u>TITLE OF ISSUE</u>	2010 Energy Conservation Bonds
<u>PURPOSE</u>	Energy conservation improvements.
<u>DATE OF ISSUE</u>	May 12, 2010
<u>INTEREST PAYABLE</u>	May 1, and November 1, of each year
<u>AMOUNT OF ISSUE</u>	\$ 860,000
<u>AMOUNT REDEEMED</u>	
Redeemed Prior to Current Year	\$ 580,000
Redeemed During Current Year	65,000
	645,000
<u>BALANCE OUTSTANDING - June 30, 2022</u>	\$ 215,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
November 1, 2022		\$ 4,893	\$ 4,893	
May 1, 2023	4.500%	74,893	4,893	\$ 70,000
November 1, 2023		3,317	3,317	
May 1, 2024	4.550%	73,317	3,317	70,000
November 1, 2024		1,725	1,725	
May 1, 2025	4.600%	76,725	1,725	75,000
		\$ 234,870	\$ 19,870	\$ 215,000

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2022

<u>TITLE OF ISSUE</u>	2010 Energy Conservation Bonds - Series B		
<u>PURPOSE</u>	Energy conservation improvements.		
<u>DATE OF ISSUE</u>	October 1, 2010		
<u>INTEREST PAYABLE</u>	May 1, and November 1, of each year		
<u>AMOUNT OF ISSUE</u>		\$	165,000
<u>AMOUNT REDEEMED</u>			
Redeemed Prior to Current Year		\$	105,000
Redeemed During Current Year		15,000	120,000
<u>BALANCE OUTSTANDING</u> - June 30, 2022		\$	<u>45,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
November 1, 2022		\$ 956	\$ 956	
May 1, 2023	4.200%	15,956	956	\$ 15,000
November 1, 2023		641	641	
May 1, 2024	4.250%	15,641	641	15,000
November 1, 2024		323	323	
May 1, 2025	4.300%	15,323	323	15,000
		<u>\$ 48,840</u>	<u>\$ 3,840</u>	<u>\$ 45,000</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2022

<u>TITLE OF ISSUE</u>	2013 School Improvement Bonds
<u>PURPOSE</u>	Remodeling school buildings with carpet installation.
<u>DATE OF ISSUE</u>	July 10, 2013
<u>INTEREST PAYABLE</u>	May 1, and November 1, of each year
<u>AMOUNT OF ISSUE</u>	\$ 139,000
<u>AMOUNT REDEEMED</u>	
Redeemed Prior to Current Year	\$ 61,000
Redeemed During Current Year	10,000
	71,000
<u>BALANCE OUTSTANDING</u> - June 30, 2022	\$ 68,000

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
November 1, 2022		\$ 1,012	\$ 1,012	
May 1, 2023	2.65%	11,012	1,012	\$ 10,000
November 1, 2023		880	880	
May 1, 2024	2.80%	10,880	880	10,000
November 1, 2024		740	740	
May 1, 2025	2.90%	11,740	740	11,000
November 1, 2025		580	580	
May 1, 2026	3.00%	12,580	580	12,000
November 1, 2026		400	400	
May 1, 2027	3.15%	12,400	400	12,000
November 1, 2027		211	211	
May 1, 2028	3.25%	13,211	211	13,000
		\$ 75,646	\$ 7,646	\$ 68,000

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2022

<u>TITLE OF ISSUE</u>	2020 School Building and Site Bonds, Series I		
<u>PURPOSE</u>	Erecting additions to, remodeling, including security improvements to, furnishing and refurnishing and equipping and reequipping school buildings; acquiring and installing instructional technology and instructional technology equipment for school buildings; and developing and improving playgrounds, athletic fields and facilities, driveways, parking areas and sites and to pay costs of issuance for the bonds.		
<u>DATE OF ISSUE</u>	November 16, 2020		
<u>INTEREST PAYABLE</u>	May 1, and November 1, of each year		
<u>AMOUNT OF ISSUE</u>			\$ 6,425,000
<u>AMOUNT REDEEMED</u>			
Redeemed Prior to Current Year	\$	685,000	
Redeemed During Current Year		750,000	1,435,000
<u>BALANCE OUTSTANDING - June 30, 2022</u>			<u>\$ 4,990,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
November 1, 2022		\$ 79,328	\$ 79,328	
May 1, 2023	5.00%	399,328	79,328	\$ 320,000
November 1, 2023		71,328	71,328	
May 1, 2024	5.00%	351,328	71,328	280,000
November 1, 2024		64,328	64,328	
May 1, 2025	5.00%	354,328	64,328	290,000
November 1, 2025		57,078	57,078	
May 1, 2026	5.00%	302,078	57,078	245,000
November 1, 2026		50,953	50,953	
May 1, 2027	5.00%	195,953	50,953	145,000
November 1, 2027		47,328	47,328	
May 1, 2028	5.00%	202,328	47,328	155,000
November 1, 2028		43,453	43,453	



MORLEY STANWOOD COMMUNITY SCHOOLS

MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2022

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
May 1, 2029	5.00%	203,453	43,453	160,000
November 1, 2029		39,453	39,453	
May 1, 2030	5.00%	209,453	39,453	170,000
November 1, 2030		35,203	35,203	
May 1, 2031	2.00%	215,203	35,203	180,000
November 1, 2031		33,403	33,403	
May 1, 2032	2.00%	213,403	33,403	180,000
November 1, 2032		31,603	31,603	
May 1, 2033	2.00%	216,603	31,603	185,000
November 1, 2033		29,753	29,753	
May 1, 2034	2.00%	219,753	29,753	190,000
November 1, 2034		27,853	27,853	
May 1, 2035	2.00%	222,853	27,853	195,000
November 1, 2035		25,903	25,903	
May 1, 2036	2.00%	225,903	25,903	200,000
November 1, 2036		23,903	23,903	
May 1, 2037	2.00%	223,903	23,903	200,000
November 1, 2037		21,903	21,903	
May 1, 2038	2.00%	226,903	21,903	205,000
November 1, 2038		19,853	19,853	
May 1, 2039	2.125%	229,853	19,853	210,000
November 1, 2039		17,622	17,622	
May 1, 2040	2.125%	232,622	17,622	215,000
November 1, 2040		15,338	15,338	
May 1, 2041	2.375%	230,337	15,337	215,000
November 1, 2041		12,784	12,784	
May 1, 2042	2.375%	192,784	12,784	180,000
November 1, 2042		10,647	10,647	
May 1, 2043	2.375%	190,647	10,647	180,000
November 1, 2043		8,509	8,509	
May 1, 2044	2.375%	193,509	8,509	185,000
November 1, 2044		6,313	6,313	
May 1, 2045	2.50%	191,312	6,312	185,000
November 1, 2045		4,000	4,000	
May 1, 2046	2.50%	164,000	4,000	160,000
November 1, 2046		2,000	2,000	
May 1, 2047	2.50%	162,000	2,000	160,000
		<u>\$ 6,549,676</u>	<u>\$ 1,559,676</u>	<u>\$ 4,990,000</u>

MORLEY STANWOOD COMMUNITY SCHOOLS  
MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2022

<u>TITLE OF ISSUE</u>	2022 School Building and Site Bonds, Series II
<u>PURPOSE</u>	Erecting additions to, remodeling, including security improvements to, furnishing and refurnishing and equipping and reequipping school buildings; acquiring and installing instructional technology and instructional technology equipment for school buildings; and developing and improving playgrounds, athletic fields and facilities, driveways, parking areas and sites and to pay costs of issuance for the bonds.
<u>DATE OF ISSUE</u>	May 16, 2022
<u>INTEREST PAYABLE</u>	May 1, and November 1, of each year
<u>AMOUNT OF ISSUE</u>	\$ 5,040,000
<u>AMOUNT REDEEMED</u>	
Redeemed Prior to Current Year	\$ 0
Redeemed During Current Year	0
	<hr/>
<u>BALANCE OUTSTANDING - June 30, 2022</u>	<u>\$ 5,040,000</u>

<u>DUE DATES</u>	<u>INTEREST RATES</u>	<u>REQUIREMENTS</u>		
		<u>TOTAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>
May 1, 2023	5.000%	\$ 380,105	\$ 195,105	\$ 185,000
November 1, 2023		97,169	97,169	
May 1, 2024	5.000%	472,169	97,169	375,000
November 1, 2024		87,794	87,794	
May 1, 2025	5.000%	187,794	87,794	100,000
November 1, 2025		85,294	85,294	
May 1, 2026	5.000%	185,294	85,294	100,000
November 1, 2026		82,794	82,794	
May 1, 2027	5.000%	227,794	82,794	145,000
November 1, 2027		79,169	79,169	
May 1, 2028	5.000%	224,169	79,169	145,000
November 1, 2028		75,544	75,544	
May 1, 2029	5.000%	225,544	75,544	150,000
November 1, 2029		71,794	71,794	

MORLEY STANWOOD COMMUNITY SCHOOLS

MORLEY, MICHIGAN

SCHEDULE OF BONDS PAYABLE

JUNE 30, 2022

DUE DATES	INTEREST RATES	REQUIREMENTS		
		TOTAL	INTEREST	PRINCIPAL
May 1, 2030	5.000%	221,794	71,794	150,000
November 1, 2030		68,044	68,044	
May 1, 2031	5.000%	218,044	68,044	150,000
November 1, 2031		64,294	64,294	
May 1, 2032	5.000%	219,294	64,294	155,000
November 1, 2032		60,419	60,419	
May 1, 2033	3.000%	215,419	60,419	155,000
November 1, 2033		58,094	58,094	
May 1, 2034	3.000%	213,094	58,094	155,000
November 1, 2034		55,769	55,769	
May 1, 2035	3.000%	210,769	55,769	155,000
November 1, 2035		53,444	53,444	
May 1, 2036	3.000%	208,444	53,444	155,000
November 1, 2036		51,119	51,119	
May 1, 2037	3.000%	216,119	51,119	165,000
November 1, 2037		48,541	48,541	
May 1, 2038	3.125%	213,541	48,541	165,000
November 1, 2038		45,963	45,963	
May 1, 2039	3.125%	215,962	45,962	170,000
November 1, 2039		43,200	43,200	
May 1, 2040	3.250%	208,200	43,200	165,000
November 1, 2040		40,519	40,519	
May 1, 2041	3.250%	215,519	40,519	175,000
November 1, 2041		37,675	37,675	
May 1, 2042	3.250%	257,675	37,675	220,000
November 1, 2042		34,100	34,100	
May 1, 2043	4.000%	264,100	34,100	230,000
November 1, 2043		29,500	29,500	
May 1, 2044	4.000%	264,500	29,500	235,000
November 1, 2044		24,800	24,800	
May 1, 2045	4.000%	264,800	24,800	240,000
November 1, 2045		20,000	20,000	
May 1, 2046	4.000%	290,000	20,000	270,000
November 1, 2046		14,600	14,600	
May 1, 2047	4.000%	294,600	14,600	280,000
November 1, 2047		9,000	9,000	
May 1, 2048	4.000%	459,000	9,000	450,000
		\$ 7,912,382	\$ 2,872,382	\$ 5,040,000



