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# Hartland Consolidated Schools

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**Financial Report  
with Supplementary Information  
June 30, 2024**

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## **Independent Auditor's Report**

To the Board of Education  
Hartland Consolidated Schools

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hartland Consolidated Schools (the "School District") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of June 30, 2024 and the respective changes in its 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for 12 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 GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Education  
Hartland Consolidated Schools

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Education  
Hartland Consolidated Schools

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

*Plante & Moreau, PLLC*

October 10, 2024

This section of Hartland Consolidated Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2024. Please read it in conjunction with the School District's financial statements, which immediately follow this section.

### ***Using This Annual Report***

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand Hartland Consolidated Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term and what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds, the General Fund, the 2010 Debt Service Fund, and the 2022 Capital Projects Fund, with all other funds presented in one column as nonmajor funds. The remaining statements, the statement of fiduciary net position and statement of changes in fiduciary net position, present financial information about activities for which the School District acts solely as an agent for the benefit of others. This report is composed of the following elements:

#### **Management's Discussion and Analysis (MD&A) (Required Supplementary Information)**

##### **Basic Financial Statements**

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

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

Budgetary Information for the General Fund

Schedules of Proportionate Share of the Net Pension and Net OPEB Liabilities (Asset)

Schedules of Pension and OPEB Contributions

##### **Other Supplementary Information**

### ***Reporting the School District as a Whole - Government-wide Financial Statements***

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the School District's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the statement of net position - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position, as reported in the statement of activities, are indicators of whether its financial health is improving or deteriorating. The relationship between revenue and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District.

## Hartland Consolidated Schools

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### Management's Discussion and Analysis (Continued)

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The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

#### ***Reporting the School District's Fund Financial Statements***

The School District's fund financial statements provide detailed information about the most significant funds, not the School District as a whole. Some funds are required to be established by state law and by bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Food Services Fund is an example) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (such as bond-funded construction funds used for voter-approved capital projects).

#### **Governmental Funds**

Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. We describe the relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds in a reconciliation.

#### **Fiduciary Funds**

The School District is the trustee, or fiduciary, of the School District's scholarship assets. All of the School District's fiduciary activities are reported in a separate statement of fiduciary net position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## Hartland Consolidated Schools

### Management's Discussion and Analysis (Continued)

#### ***The School District as a Whole***

Recall that the statement of net position provides the perspective of the School District as a whole. The following table provides a summary of the School District's net position as of June 30, 2024 and 2023:

	Governmental Activities	
	2024	2023
	(in millions)	
<b>Assets</b>		
Current and other assets	\$ 61.9	\$ 70.2
Capital assets	127.3	116.7
Total assets	189.2	186.9
<b>Deferred Outflows of Resources</b>	33.7	41.0
<b>Liabilities</b>		
Current liabilities	11.5	10.4
Noncurrent liabilities	238.2	270.7
Total liabilities	249.7	281.1
<b>Deferred Inflows of Resources</b>	31.3	25.6
<b>Net Position (Deficit)</b>		
Net investment in capital assets	(7.1)	(14.5)
Restricted	12.2	9.7
Unrestricted	(63.2)	(73.9)
Total net position (deficit)	<u><u>\$ (58.1)</u></u>	<u><u>\$ (78.7)</u></u>

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was \$(58.1) million at June 30, 2024. Net investment in capital assets totaling \$(7.1) million compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position (\$(63.2) million) was unrestricted.

The \$(63.2) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and the impact from adoption of Governmental Accounting Standards Board (GASB) Statement No. 68 (recording the School District's share of the net pension liabilities from the state managed retirement system), which is driving the substantial negative net position. The operating results of the General Fund and the change in the net pension will have significant impacts on the change in unrestricted net position from year to year.



## Hartland Consolidated Schools

### Management's Discussion and Analysis (Continued)

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2024 and 2023:

	Governmental Activities	
	2024	2023
	(in millions)	
<b>Revenue</b>		
Program revenue:		
Charges for services	\$ 4.6	\$ 5.3
Operating grants	23.5	17.6
General revenue:		
Taxes	22.3	20.7
State aid not restricted to specific purposes	43.6	41.9
Other	2.6	3.1
Total revenue	96.6	88.6
<b>Expenses</b>		
Instruction	35.6	34.7
Support services	22.1	22.1
Athletics	1.0	1.0
Food services	2.5	1.9
Community services	3.2	3.8
Debt service	4.6	4.8
Depreciation expense (unallocated)	7.0	6.3
Total expenses	76.0	74.6
<b>Change in Net Position</b>	20.6	14.0
<b>Net Position (Deficit) - Beginning of year</b>	(78.7)	(92.7)
<b>Net Position (Deficit) - End of year</b>	<u><u>\$ (58.1)</u></u>	<u><u>\$ (78.7)</u></u>

As reported in the statement of activities, the cost of all of our governmental activities this year was \$76.0 million. Certain activities were partially funded from those who benefited from the programs (\$4.6 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$23.5 million). We paid for the remaining public benefit portion of our governmental activities with \$22.3 million in taxes, \$43.6 million in state foundation allowance, and other revenue (i.e., interest and general entitlements).

As discussed in the paragraph above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

#### ***The School District's Funds***

As we noted earlier, the School District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$48.9 million, which is a decrease of \$11.5 million from last year. The primary reasons for the decrease is due to the spending of bond proceeds that were received in a prior year.

## Hartland Consolidated Schools

### Management's Discussion and Analysis (Continued)

#### **General Fund Budgetary Highlights**

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted in June 2024. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplementary information of these financial statements.

There were significant revisions made to the 2023-2024 General Fund original budget. Revenue was increased to account for an increase in state categorical funding compared to what was originally budgeted. The increase in revenue was offset by a similar increase in expenditures to account for the spending related to these categorical awards. There were no significant variances between the final budget and actual amounts.

#### **Capital Assets and Debt Administration**

##### **Capital Assets**

As of June 30, 2024, the School District had \$127.3 million invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of approximately \$10.6 million, or 9.0 percent, from last year.

	2024	2023
Land	\$ 2,419,502	\$ 2,419,502
Construction in progress	2,907,594	4,647,690
Buildings and improvements	208,117,286	192,043,143
Furniture and equipment	24,061,325	27,386,292
Buses and other vehicles	6,702,943	6,489,115
Total capital assets	244,208,650	232,985,742
Less accumulated depreciation	116,884,104	116,271,290
Total capital assets - Net of accumulated depreciation	<b>\$ 127,324,546</b>	<b>\$ 116,714,452</b>

This year's additions of \$4.5 million included vehicles and capital improvements to school district facilities. Depreciation expense was \$7.0 million.

##### **Debt**

At the end of this year, the School District had \$128.8 million in bonds outstanding versus \$140.0 million in the previous year, a change of 8.0 percent. The overall change in bonded debt contemplates the debt service payments made on outstanding issues.

# Hartland Consolidated Schools

## Management's Discussion and Analysis (Continued)

Those bonds consisted of the following:

	2024	2023
General obligation bonds	\$ 128,755,000	\$ 139,980,000

The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues qualified debt (i.e., debt backed by the State of Michigan), such obligations are not subject to this debt limit. The School District has no outstanding unqualified general obligation debt.

Other obligations include bus loans payable, the School Loan Revolving Fund, and compensated absences. We present more detailed information about our long-term liabilities in the notes to the financial statements.

### **Economic Factors and Next Year's Budget**

Our elected officials and administration consider many factors when setting the School District's 2024-2025 fiscal year budget. One of the most important factors affecting the budget is our student count. The state foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. Under state law, the School District cannot access additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local school operations. At budget adoption, the per pupil foundation allowance for 2024-2025 was not yet established. Additionally, enrollment projections remain uncertain, as the School District continues to assess state school-aged population trends. The per pupil foundation allowance and enrollment figures used in preparing the 2024-2025 budget were estimated based on the best available information at the time. Once the final student count and related per pupil funding are validated, the budget will be amended.

### **Contacting the School District's Management**

This financial report is intended to provide our taxpayers, parents, and investors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the business office.

## Hartland Consolidated Schools

### Statement of Net Position

June 30, 2024

	Governmental Activities
<b>Assets</b>	
Cash and investments (Note 4)	\$ 21,898,454
Receivables	12,232,428
Inventory	182,106
Prepaid costs	391,312
Restricted assets (Notes 4 and 10)	25,466,855
Net OPEB asset (Note 12)	1,660,025
Capital assets - Net (Note 7)	127,324,546
Total assets	189,155,726
<b>Deferred Outflows of Resources</b>	
Deferred charges on bond refunding (Note 9)	452,443
Deferred pension costs (Note 12)	27,319,629
Deferred OPEB costs (Note 12)	5,963,093
Total deferred outflows of resources	33,735,165
<b>Liabilities</b>	
Accounts payable	3,755,114
Due to other governmental units	1,355,244
Accrued liabilities and other	4,241,606
Unearned revenue (Note 6)	2,126,614
Noncurrent liabilities:	
Due within one year:	
Arbitrage liability	406,542
Current portion of bonds and contracts payable (Note 9)	11,865,082
Due in more than one year:	
Compensated absences (Note 9)	29,375
Net pension liability (Note 12)	94,695,824
Bonds and contracts payable - Net of current portion (Note 9)	131,188,805
Total liabilities	249,664,206
<b>Deferred Inflows of Resources</b>	
Revenue in support of pension contributions made subsequent to the measurement date (Note 12)	5,739,888
Deferred pension cost reductions (Note 12)	11,565,176
Deferred OPEB cost reductions (Note 12)	14,040,617
Total deferred inflows of resources	31,345,681
<b>Net Position (Deficit)</b>	
Net investment in capital assets	(7,134,583)
Restricted:	
Debt service	10,508,279
Net OPEB asset	1,660,025
Unrestricted	(63,152,717)
Total net position (deficit)	\$ (58,118,996)

# Hartland Consolidated Schools

## Statement of Activities

Year Ended June 30, 2024

	Expenses	Program Revenue		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Change in Net Position
<b>Functions/Programs</b>				
Primary government - Governmental activities:				
Instruction	\$ 35,648,451	\$ 55,521	\$ 11,327,010	\$ (24,265,920)
Support services	22,065,586	91,616	8,604,072	(13,369,898)
Athletics	1,035,130	539,131	-	(495,999)
Food services	2,485,024	324,087	2,834,044	673,107
Community services	3,196,831	3,602,875	54,596	460,640
Interest	4,532,196	-	670,092	(3,862,104)
Other	9,612	-	-	(9,612)
Depreciation expense (unallocated)	6,965,685	-	-	(6,965,685)
Total primary government	<b>\$ 75,938,515</b>	<b>\$ 4,613,230</b>	<b>\$ 23,489,814</b>	(47,835,471)
General revenue (expense):				
Taxes:				
Property taxes levied for general purposes				6,322,631
Property taxes levied for debt service				16,009,979
State aid not restricted to specific purposes				43,570,191
Interest and investment earnings				1,635,847
Penalties, interest, and other taxes				36,192
Loss on sale of capital assets				(703,310)
Other				1,555,549
Total general revenue				68,427,079
<b>Change in Net Position</b>				20,591,608
<b>Net Position (Deficit) - Beginning of year</b>				(78,710,604)
<b>Net Position (Deficit) - End of year</b>				<b>\$ (58,118,996)</b>

## Hartland Consolidated Schools

## Governmental Funds Balance Sheet

June 30, 2024

	Combined General Fund	2010 Debt Service Fund	2022 Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments (Note 4)	\$ 13,546,262	\$ -	\$ -	\$ 8,352,192	\$ 21,898,454
Receivables (Note 5)	12,205,910	85	-	26,433	12,232,428
Due from other funds (Note 8)	-	46	-	38,951	38,997
Inventory	152,543	-	-	29,563	182,106
Prepaid costs	391,312	-	-	-	391,312
Restricted assets (Notes 4 and 10)	-	9,331,946	11,008,298	5,126,611	25,466,855
<b>Total assets</b>	<b>\$ 26,296,027</b>	<b>\$ 9,332,077</b>	<b>\$ 11,008,298</b>	<b>\$ 13,573,750</b>	<b>\$ 60,210,152</b>
<b>Liabilities</b>					
Accounts payable	\$ 287,885	\$ -	\$ 3,093,451	\$ 373,778	\$ 3,755,114
Due to other governmental units	1,355,244	-	-	-	1,355,244
Due to other funds (Note 8)	8,873	-	30,124	-	38,997
Accrued liabilities and other	3,586,241	-	-	11,412	3,597,653
Unearned revenue (Note 6)	2,086,364	-	-	40,250	2,126,614
Arbitrage liability	-	-	360,455	46,087	406,542
<b>Total liabilities</b>	<b>7,324,607</b>	<b>-</b>	<b>3,484,030</b>	<b>471,527</b>	<b>11,280,164</b>
<b>Fund Balances</b>					
Nonspendable:					
Inventory	152,543	-	-	29,563	182,106
Prepays	391,312	-	-	-	391,312
Restricted:					
Debt service	-	9,332,077	-	1,820,172	11,152,249
Capital projects	-	-	7,524,268	2,970,180	10,494,448
Food services	-	-	-	1,204,536	1,204,536
Committed - Student activities	-	-	-	1,785,352	1,785,352
Assigned:					
Subsequent year's budget	386,207	-	-	-	386,207
Capital projects	-	-	-	5,292,420	5,292,420
Unassigned	18,041,358	-	-	-	18,041,358
<b>Total fund balances</b>	<b>18,971,420</b>	<b>9,332,077</b>	<b>7,524,268</b>	<b>13,102,223</b>	<b>48,929,988</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,296,027</b>	<b>\$ 9,332,077</b>	<b>\$ 11,008,298</b>	<b>\$ 13,573,750</b>	<b>\$ 60,210,152</b>

## Hartland Consolidated Schools

### Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2024

<b>Fund Balances Reported in Governmental Funds</b>	<b>\$ 48,929,988</b>
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:	
Cost of capital assets	244,208,650
Accumulated depreciation	<u>(116,884,104)</u>
Net capital assets used in governmental activities	127,324,546
Deferred inflows and outflows related to bond refundings are not reported in the funds	452,443
Bonds payable, unamortized bond premiums, and bus notes payable are not due and payable in the current period and are not reported in the funds, including bond premiums	(143,053,887)
Accrued interest is not due and payable in the current period and is not reported in the funds	(643,953)
Some employee fringe benefits provide benefit (or are payable) over a long period of years and do not represent a benefit to (or a claim on) current financial resources; therefore, they are not reported as fund assets (liabilities):	
Employee compensated absences	(29,375)
Net pension liability and related deferred inflows and outflows	(78,941,371)
Net OPEB asset and related deferred inflows and outflows	(6,417,499)
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	<u>(5,739,888)</u>
<b>Net Position (Deficit) of Governmental Activities</b>	<b><u>\$ (58,118,996)</u></b>

## Hartland Consolidated Schools

### Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

	Combined General Fund	2010 Debt Service Fund	2022 Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>					
Local sources	\$ 10,000,552	\$ 1,282,556	\$ 556,987	\$ 18,333,333	\$ 30,173,428
State sources	56,385,040	4,032	-	1,888,698	58,277,770
Federal sources	1,545,095	670,092	-	1,142,847	3,358,034
Interdistrict and other	3,305,822	-	-	-	3,305,822
Total revenue	71,236,509	1,956,680	556,987	21,364,878	95,115,054
<b>Expenditures</b>					
Current:					
Instruction	40,681,974	-	-	-	40,681,974
Support services	21,959,435	-	10,692	1,637,563	23,607,690
Athletics	1,097,476	-	-	-	1,097,476
Food services	-	-	-	2,637,827	2,637,827
Community services	3,478,482	-	-	-	3,478,482
Debt service:					
Principal	156,250	95,553	-	12,005,669	12,257,472
Interest	5,282	809,970	-	3,579,859	4,395,111
Other	-	4,125	-	5,487	9,612
Capital outlay	1,822,433	-	12,155,292	4,459,441	18,437,166
Total expenditures	69,201,332	909,648	12,165,984	24,325,846	106,602,810
<b>Excess of Revenue Over (Under) Expenditures</b>	2,035,177	1,047,032	(11,608,997)	(2,960,968)	(11,487,756)
<b>Other Financing Sources (Uses)</b>					
Proceeds from sale of capital assets	35,356	-	-	-	35,356
Transfers in (Note 8)	188,067	-	-	-	188,067
Transfers out (Note 8)	-	-	-	(188,067)	(188,067)
Total other financing sources (uses)	223,423	-	-	(188,067)	35,356
<b>Net Change in Fund Balances</b>	2,258,600	1,047,032	(11,608,997)	(3,149,035)	(11,452,400)
<b>Fund Balances - Beginning of year</b>	16,712,820	8,285,045	19,133,265	16,251,258	60,382,388
<b>Fund Balances - End of year</b>	<b>\$ 18,971,420</b>	<b>\$ 9,332,077</b>	<b>\$ 7,524,268</b>	<b>\$ 13,102,223</b>	<b>\$ 48,929,988</b>



## Hartland Consolidated Schools

### Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2024

**Net Change in Fund Balances Reported in Governmental Funds** \$ (11,452,400)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:

Capitalized capital outlay	18,314,445
Depreciation expense	(6,965,685)
Net book value of assets disposed of	(738,666)

Revenue in support of pension contributions made subsequent to the measurement date	2,118,379
---	-----------

Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt ); amortization of premium/discounts and inflows/outflows related to bond refundings are not expenses in the governmental funds	12,379,286
--	------------

Interest expense is recognized in the government-wide statements as it accrues	(258,899)
--	-----------

Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	7,195,148
--	-----------

**Change in Net Position of Governmental Activities** \$ 20,591,608

## Hartland Consolidated Schools

### Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2024

	Private Purpose Trust - 5/3 Bank	Private Purpose Trust - Ameritrust
<b>Assets</b> - Cash, investments, and receivables	\$ 24,177	\$ 23,910
<b>Liabilities</b> - Due to other funds	-	-
<b>Net Position</b> - Restricted for individuals, organizations, and other governments	<u>\$ 24,177</u>	<u>\$ 23,910</u>

## Hartland Consolidated Schools

### Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	Private Purpose Trust - 5/3 Bank	Private Purpose Trust - Ameritrust
<b>Additions</b> - Interest and contributions	\$ 18,000	\$ 17,668
<b>Deductions</b> - Scholarships/Projects awarded	18,050	26,122
<b>Change in Net Position</b>	(50)	(8,454)
<b>Net Position</b> - Beginning of year	24,227	32,364
<b>Net Position</b> - End of year	<u><u>\$ 24,177</u></u>	<u><u>\$ 23,910</u></u>

June 30, 2024

### Note 1 - Nature of Business

Hartland Consolidated Schools (the "School District") is a school district in the state of Michigan that provides educational services to students.

### Note 2 - Significant Accounting Policies

#### ***Accounting and Reporting Principles***

The School District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the School District:

#### ***Reporting Entity***

The School District is governed by an elected seven-member board. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

#### ***Report Presentation***

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue 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 statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from the government-wide statements.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### ***Basis of Accounting***

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

June 30, 2024

### Note 2 - Significant Accounting Policies (Continued)

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the School District considers amounts collected within 60 days of year end to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

Fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

#### ***Fund Accounting***

The School District accounts for its various activities in several different funds in order to demonstrate accountability for how it has spent certain resources; separate funds allow the School District to show the particular expenditures for which specific revenue was used. The various funds are aggregated into the following broad fund types:

#### **Governmental Funds**

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Fund, special revenue funds, debt service funds, and capital project funds. The School District reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The 2010 Debt Service Fund is used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on the 2010 School Building and Site Bonds, Series B.
- The 2022 Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for remodeling, furnishing, and equipping school buildings and sites; purchasing school buses; and purchasing computing devices and classroom technology. The fund operates until the purpose for which it was created is accomplished.

Additionally, the School District reports the following nonmajor governmental fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The School District's special revenue funds are the Food Services and the Student Activities funds. Revenue sources for the Food Services Fund include sales to customers and dedicated grants from federal sources. Revenue sources for the Student Activities Fund include fundraising revenue and donations earned and received by student groups. Any operating deficit generated by these activities is the responsibility of the General Fund.
- Capital project funds are used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, and equipment; technology upgrades; and remodeling and repairs. The funds operate until the purpose for which they were created is accomplished.
- Debt service funds are used to record tax, interest, and other revenue for payment of interest, principal, and other expenditures on long-term debt.

#### **Fiduciary Funds**

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include private purpose trust funds that are used to account for resources legally held, including contributions received by the School District, to be awarded in the form of scholarships.

Note 2 - Significant Accounting Policies (Continued)

Interfund Activity

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

Furthermore, 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.

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based on quoted market prices, except for investments in external investment pools, which are valued at amortized cost. Investment income is recorded in the fund for which the investment account was established.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

The unspent bond proceeds and related interest of the capital project funds require amounts to be set aside for acquiring new sites, buildings, equipment, and technology upgrades and for remodeling and repairs. In addition, the unspent property taxes levied in the debt service funds and the Sinking Fund are required to be set aside for future bond principal and interest and approved Sinking Fund projects, respectively. These amounts have been classified as restricted assets and are made up of cash and cash equivalents and investments.

Capital Assets

Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Buildings and building additions	20 to 50
Buses and other vehicles	5 to 10
Furniture and equipment	5 to 10

**Note 2 - Significant Accounting Policies (Continued)****Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as other financing sources, as well as bond premiums and discounts. The debt service funds are generally used to liquidate governmental long-term debt.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The School District reports deferred outflows of resources related to deferred charges on bond refundings and deferred pension and OPEB costs.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The School District reports deferred inflows of resources related to revenue in support of pension contributions made subsequent to the measurement date and deferred pension and OPEB plan cost reductions.

**Net Position**

Net position of the School District is classified in three components. Net investment in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

**Net Position Flow Assumption**

The School District will sometimes fund outlays for a particular purpose from both restricted 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 government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**Fund Balance Flow Assumptions**

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, 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.

**June 30, 2024****Note 2 - Significant Accounting Policies (Continued)****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 nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The School 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 School District's highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by 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 government for specific purposes but do not meet the criteria to be classified as committed. The School District has, by resolution, authorized the superintendent to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only 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.

**Property Tax Revenue**

Properties are assessed as of December 31, and the related property taxes become a lien on July 1 of the following year. Tax collections are forwarded to the School District as collected by the assessing municipalities through March 1, at which time they are considered delinquent and added to county tax rolls. Any delinquent taxes collected by the county are remitted to the School District by June 30. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

**Pension and Other Postemployment Benefit (OPEB) Plans**

For purposes of measuring the net pension and net OPEB liabilities (assets), deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB 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. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

**Compensated Absences (Vacation Leave)**

It is the School District's policy to permit employees to accumulate earned but unused vacation pay benefits. The liability reported in the government-wide statements consists of earned but unused accumulated vacation benefits. A liability for these amounts is reported in governmental funds as it comes due for payment. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments at normal retirement age and other employees who are expected to become eligible in the future to receive such payments upon normal retirement are included.



**June 30, 2024****Note 2 - Significant Accounting Policies (Continued)****Use of Estimates**

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

**Upcoming Accounting Pronouncements**

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2025.

In December 2023, the Governmental Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2025.

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2026.

**Note 3 - Stewardship, Compliance, and Accountability****Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all special revenue funds, except that the budget for the athletics program (a subfund of the General Fund) was adopted separately from the General Fund. In accordance with GASB Statement No. 54, the statement of revenue, expenditures, and changes in fund balances reports the combined activity of the General Fund and the athletics program. The budgetary comparison schedule - General Fund is presented consistent with the budgets adopted and, accordingly, excludes athletics and presents only items related to facilities acquisition and improvement as capital outlay.

Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

**Excess of Expenditures Over Appropriations in Budgeted Funds**

The School District did not have significant expenditure budget variances.

June 30, 2024

### Note 3 - Stewardship, Compliance, and Accountability (Continued)

#### ***Capital Project Fund Compliance***

The Sinking Fund capital project fund records capital project activities funded with Sinking Fund millage. For this fund, authorized on or after March 29, 2017, the School District has complied with the applicable provisions of §1212(1) of the State of Michigan revised School Code.

Beginning with the year of bond issuance, the School District has reported the annual construction activity in the 2020 Capital Projects Fund. The project for which the 2020 School Building and Site Bonds, Series I were issued was considered complete as of June 30, 2024. The cumulative expenditures recognized for the construction period were \$23,043,983 as of June 30, 2024.

The 2020 Capital Projects Fund and 2022 Capital Projects Fund include capital project activities funded with bonds issued after May 1, 1994. For these funds, the School District has complied with the applicable provisions of §1351a of the State of Michigan Revised School Code. The 2022 Capital Projects Fund is not considered substantially complete and a subsequent year audit is expected.

### Note 4 - Deposits and Investments

State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits are in accordance with statutory authority.

The School District has designated three banks for the deposit of its funds.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost.

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

#### ***Custodial Credit Risk of Bank Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. At year end, the School District had bank deposits of \$15,775,506 (checking and money market accounts) that were uninsured and uncollateralized. The School District believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

#### ***Custodial Credit Risk of Investments***

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's policy for custodial credit risk states that custodial credit risk will be minimized by limiting investments to the types of securities allowed by state law and by prequalifying the financial institutions, broker/dealers, intermediaries, and advisors with which the School District will do business using the criteria established in the investment policy.

June 30, 2024

**Note 4 - Deposits and Investments (Continued)*****Interest Rate Risk***

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities, other than commercial paper, which can be purchased only with a 270-day maturity. The School District's policy minimizes interest rate risk by requiring structuring of 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; 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 School District's cash requirements.

***Credit Risk***

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District's investment policy does not further limit its investment choices.

At year end, the maturities of investments and the credit quality ratings of debt securities are as follows:

Investment	Fair Value	Maturities	Average Maturity (Years)	Rating	Rating Organization
Federated Government Obligations Fund*	\$ 10,502,776	N/A	N/A	AAAm	Standard & Poor's
U.S. Treasury STRIPS	6,556,997	2/15/2027 6/30/2024-	1.50	AA+	Standard & Poor's
U.S. Treasurys	3,384,452	7/15/2025 7/22/2024-	2.63	AAAm	Standard & Poor's
Asset-backed securities	9,607,198	6/11/2027	0.52	AA+	Standard & Poor's
Total	<u>\$ 30,051,423</u>				

\*Securities are valued at amortized cost rather than fair value.

***Concentration of Credit Risk***

The School District places no limit on the amount the School District may invest in any one issuer. Any investment over 5 percent of total investments is a concentration. The School District's investments in the Federated Government Obligations Fund, U.S. Treasury STRIPS, U.S. Treasurys, and asset-backed securities, listed above, are considered to be concentrations. The School District's asset-backed securities are held with the Federal Farm Credit, Federal Home Loan Mortgage Corporation, and Federal Home Loan Banks.

***Fair Value Measurements***

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The School District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

**June 30, 2024**
**Note 4 - Deposits and Investments (Continued)**

The School District has \$6,556,997 in U.S. Treasury STRIPS that are measured using Level 1 inputs. The School District has \$9,607,198 and \$3,384,452 in asset-backed securities and U.S. Treasuries, respectively, that are measured using Level 2 inputs.

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

**Note 5 - Receivables**

Receivables as of June 30, 2024 for the School District's individual major funds and the nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Combined General Fund	2010 Debt Service Fund	Nonmajor Funds	Total
Receivables:				
Property taxes receivable	\$ 4,416	\$ 85	\$ 1,442	\$ 5,943
Other receivables	94,240	-	9,998	104,238
Due from other governments	12,107,254	-	14,993	12,122,247
Net receivables	<u>\$ 12,205,910</u>	<u>\$ 85</u>	<u>\$ 26,433</u>	<u>\$ 12,232,428</u>

**Note 6 - Unavailable/Unearned Revenue**

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned.

At June 30, 2024, the School District had no unavailable revenue and the following components of unearned revenue:

	Governmental Funds Liability - Unearned
Grant and categorical aid payment received prior to meeting all eligibility requirements	\$ 2,027,799
Payments received but not yet earned	98,815
Total	<u>\$ 2,126,614</u>

**June 30, 2024**
**Note 7 - Capital Assets**

Capital asset activity of the School District's governmental activities was as follows:

**Governmental Activities**

	Balance July 1, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 2,419,502	\$ -	\$ -	\$ -	\$ 2,419,502
Construction in progress	4,647,690	(15,571,340)	13,831,244	-	2,907,594
Subtotal	7,067,192	(15,571,340)	13,831,244	-	5,327,096
Capital assets being depreciated:					
Buildings and improvements	192,043,143	15,423,089	683,844	(32,790)	208,117,286
Furniture and equipment	27,386,292	148,251	3,048,605	(6,521,823)	24,061,325
Buses and other vehicles	6,489,115	-	750,752	(536,924)	6,702,943
Subtotal	225,918,550	15,571,340	4,483,201	(7,091,537)	238,881,554
Accumulated depreciation:					
Buildings and improvements	92,420,113	-	5,074,984	-	97,495,097
Furniture and equipment	20,126,632	-	1,325,791	(5,869,640)	15,582,783
Buses and other vehicles	3,724,545	-	564,910	(483,231)	3,806,224
Subtotal	116,271,290	-	6,965,685	(6,352,871)	116,884,104
Net capital assets being depreciated	109,647,260	15,571,340	(2,482,484)	(738,666)	121,997,450
Net governmental activities capital assets	<u>\$ 116,714,452</u>	<u>\$ -</u>	<u>\$ 11,348,760</u>	<u>\$ (738,666)</u>	<u>\$ 127,324,546</u>

Depreciation expense was not charged to activities, as the School District's assets benefit multiple activities, and allocation is not practical.

**Construction Commitments**

The School District has committed approximately \$2,566,000 and \$135,000 to active construction projects at year end related to the 2022 Capital Projects Fund and Sinking Fund, respectively.

**Note 8 - Interfund Transfers**

Interfund balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

The School District transferred \$188,067 from Food Services Fund to General Fund during the year ended June 30, 2024. There were no other significant interfund transfers.

**June 30, 2024**
**Note 9 - Long-term Debt**

Long-term debt activity for the year ended June 30, 2024 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:					
Direct borrowings and direct placements:					
School bond loan revolving fund (including accrued interest)	\$ 10,427,948	\$ 455,802	\$ (876,222)	\$ 10,007,528	\$ -
Bus loans payable	221,795	-	(156,250)	65,545	65,545
Other debt - General obligations	139,980,000	-	(11,225,000)	128,755,000	11,495,000
Unamortized bond premiums	4,530,351	-	(304,537)	4,225,814	304,537
Total bonds and contracts payable	155,160,094	455,802	(12,562,009)	143,053,887	11,865,082
Compensated absences	31,417	-	(2,042)	29,375	-
Total governmental activities long-term debt	<u>\$ 155,191,511</u>	<u>\$ 455,802</u>	<u>\$ (12,564,051)</u>	<u>\$ 143,083,262</u>	<u>\$ 11,865,082</u>

The School District had deferred outflows of \$452,443 related to deferred charges on bond refundings at June 30, 2024.

**General Obligation Bonds and Contracts**

The School District issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The School District's general obligation bonds are qualified bonds and are fully guaranteed by the State of Michigan. The primary source of any required repayment is from the School District's property tax levy; however, the State of Michigan may withhold the School District's state aid funding in order to recover amounts it has paid on behalf of the School District. Notes and installment purchase agreements are also general obligations of the School District. Other long-term obligations include compensated absences.

General obligations outstanding at June 30, 2024 are as follows:

Purpose	Remaining Annual Installments	Interest Rates (Percent)	Maturing May 1	Outstanding at June 30, 2024
\$12,180,000 - 2010 serial bonds	\$12,180,000	6.65	2027*	\$ 12,180,000
\$26,615,000 - 2016 refunding bonds	\$870,000 - \$2,185,000	4.00 - 5.00	2035	16,845,000
\$38,980,000 - 2019 refunding bonds	\$2,925,000 - \$7,565,000	2.05 - 2.56	2031	34,015,000
\$41,945,000 - 2020 refunding bonds	\$3,290,000 - \$5,465,000	1.33 - 2.08	2029	24,070,000
\$23,230,000 - 2020 serial bonds	\$625,000 - \$1,450,000	2.25 - 2.50	2045	21,500,000
\$20,705,000 - 2022 serial bonds	\$585,000 - \$1,150,000	4.00	2047	20,145,000
Total				<u>\$ 128,755,000</u>

\*Balloon payment due upon maturity

June 30, 2024

### Note 9 - Long-term Debt (Continued)

Bus loans payable consist of the following:

Date	Original Amount	Interest Rate	Due Date	Principal - Remaining to Maturity	Interest - Remaining to Maturity
April 8, 2019	\$ 669,269	2.97%	11/1/2024	\$ 65,545	\$ 975

#### Debt Service Requirements to Maturity

The School District's 2010 serial bonds issued in 2010 are Build America Bonds. Build America Bonds, a program under the American Recovery and Reinvestment Act of 2009, provides funding for state and local governments at lower borrowing rates. The program is designed to provide a federal subsidy for a larger portion of the borrowing costs of state and local governments than traditional tax-exempt bonds. The federal interest subsidy is indicated in the table below.

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities					
	Direct Borrowings and Direct Placements		Other Debt		Interest Subsidy	Total
	Principal	Interest	Principal	Interest		
2025	\$ 65,545	\$ 975	\$ 11,495,000	\$ 4,147,498	\$ (706,440)	\$ 15,002,578
2026	-	-	11,770,000	3,882,442	(706,440)	14,946,002
2027	-	-	24,355,000	3,589,070	(706,440)	27,237,630
2028	-	-	13,440,000	2,460,585	-	15,900,585
2029	-	-	12,230,000	2,100,432	-	14,330,432
2030-2034	-	-	27,540,000	6,518,757	-	34,058,757
2035-2039	-	-	11,150,000	3,686,469	-	14,836,469
2040-2044	-	-	11,935,000	1,982,381	-	13,917,381
2045-2048	-	-	4,840,000	309,050	-	5,149,050
Total	\$ 65,545	\$ 975	\$ 128,755,000	\$ 28,676,684	\$ (2,119,320)	\$ 155,378,884

#### School Loan Revolving Fund

The School Loan Revolving Fund payable represents a direct borrowing from the State of Michigan for loans made to the School District, as authorized by the 1963 State of Michigan Constitution, for the purpose of paying principal and interest on general obligation bonds of the School District issued for capital expenditures. Interest rates are to be annually determined by the State Administrative Board in accordance with Section 9 of Act No. 92 of the Public Acts of 2005 (the "Act"), as amended. The School Loan Revolving Fund is accessible to school districts for borrowings that initiated after July 19, 2005. Interest during the year ended June 30, 2024 ranged between 4.14 and 4.56 percent. Repayment begins as soon as annual tax collections exceed annual debt service payment requirements. The predetermined mandatory final loan repayment date is May 1, 2035. If the School District fails to levy the appropriate debt mills in accordance with the agreement or defaults in loan repayment, the School District shall increase its debt levy in the next succeeding year, and a default late charge of 3 percent will apply. Due to the variability of the factors that affect the timing of repayment, including the future amount of state equalized value of property in the School District, no provision for repayment has been included in the above debt maturity schedule. If the School District is in default of the loan agreement, the State of Michigan may withhold state aid funding until repayment terms satisfactory to the State of Michigan have been made.



Note 10 - Restricted Assets

At June 30, 2024, restricted assets are composed of the following:

Description	Governmental Activities
Unspent bond proceeds	\$ 12,648,054
Bond debt service reserve	11,150,007
Unspent property taxes of the Sinking Fund	1,668,794
Total	\$ 25,466,855

Note 11 - Risk Management

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

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

Note 12 - Michigan Public School Employees' Retirement System

Plan Description

The School District participates in the Michigan Public School Employees' Retirement System (the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. Certain school district employees also receive defined contribution retirement and health care benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the pension and postemployment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care 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 pension plan and the postemployment health care plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of services times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.



Note 12 - Michigan Public School Employees' Retirement System (Continued)

Depending on the member's date of hire, MPSERS offers the option of participating in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation, with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits but with an actuarial reduction.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustment, if applicable, is 3 percent. Some members who do not receive an annual increase are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions.

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS, with the balance deducted from the monthly pension of each retiree health care recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Contributions

Public Act 300 of 1980, as amended, required the School District to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state Legislature. Under these provisions, each school district's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

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

The School District's contributions are determined based on employee elections. There are multiple different pension and health care benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The ranges of rates are as follows:

	Pension	OPEB
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%

**June 30, 2024****Note 12 - Michigan Public School Employees' Retirement System (Continued)**

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The School District's required and actual pension contributions to the plan for the year ended June 30, 2024 were \$12,741,006, which includes the School District's contributions required for those members with a defined contribution benefit. For the year ended June 30, 2024, the School District's required and actual pension contributions include an allocation of \$5,739,888 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2024 were \$2,667,079, which includes the School District's contributions required for those members with a defined contribution benefit.

***Net Pension Liability***

At June 30, 2024, the School District reported a liability of \$94,695,824 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2022, which used update procedures to roll forward the estimated liability to September 30, 2023. The School 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, 2023 and 2022, the School District's proportion was 0.293 percent and 0.291 percent, respectively, representing a change of 0.79 percent.

***Net OPEB Asset***

At June 30, 2024, the School District reported an asset of \$(1,660,025) for its proportionate share of the net OPEB asset. The net OPEB asset for fiscal year 2024 was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of September 30, 2022, which used update procedures to roll forward the estimated asset to September 30, 2023. The School District's proportion of the net OPEB asset 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, 2023 and 2022, the School District's proportion was 0.293 percent and 0.290 percent, respectively, representing a change of 0.80 percent.

June 30, 2024

## Note 12 - Michigan Public School Employees' Retirement System (Continued)

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

For 2024, the School District recognized pension expense of \$10,504,854, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,989,258	\$ (145,059)
Changes in assumptions	12,831,715	(7,398,475)
Net difference between projected and actual earnings on pension plan investments	-	(1,937,783)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	553,430	(2,083,859)
The School District's contributions to the plan subsequent to the measurement date	10,945,226	-
Total	<u>\$ 27,319,629</u>	<u>\$ (11,565,176)</u>

The \$5,739,888 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ending June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2025	\$ 857,943
2026	1,043,595
2027	4,228,005
2028	(1,320,316)
Total	<u>\$ 4,809,227</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

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

For the year ended June 30, 2024, the School District recognized OPEB recovery of \$3,117,619.

June 30, 2024

## Note 12 - Michigan Public School Employees' Retirement System (Continued)

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (12,543,998)
Changes in assumptions	3,695,504	(445,009)
Net difference between projected and actual earnings on OPEB plan investments	5,061	-
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	370,237	(1,051,610)
Employer contributions to the plan subsequent to the measurement date	1,892,291	-
Total	<u>\$ 5,963,093</u>	<u>\$ (14,040,617)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB asset and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2025	\$ (3,313,120)
2026	(3,164,530)
2027	(1,241,499)
2028	(1,029,703)
2029	(804,342)
Thereafter	(416,621)
Total	<u>\$ (9,969,815)</u>

### Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2023 are based on the results of an actuarial valuation as of September 30, 2022 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Investment rate of return - Pension	6.00% Net of investment expenses based on the groups
Investment rate of return - OPEB	6.00% Net of investment expenses based on the groups
Salary increases	2.75% - 11.55% Including wage inflation of 2.75%
Health care cost trend rate - OPEB	6.25% - 7.50% Year 1 graded to 3.5 percent in year 15
Mortality basis	PubT-2010 Male and Female Employee Mortality Tables, scaled 100% (retirees: 116% for males and 116% for females) and adjusted for mortality improvements using projection scale MP-2021 from 2010
Cost of living pension adjustments	3.00% Annual noncompounded for MIP members

Assumption changes as a result of an experience study for the periods from 2017 to 2022 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2023 valuation.

June 30, 2024

**Note 12 - Michigan Public School Employees' Retirement System (Continued)**

Significant assumption changes since the prior measurement date, September 30, 2022 for the OPEB plans include a decrease in the health care cost trend rate of 0.25 percent for members under 65 and an increase of 1.0 percent for members over 65. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2022.

**Discount Rate**

The discount rate used to measure the total pension and OPEB liability was 6.00 to 6.80 percent as of September 30, 2023 depending on the plan option. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

The long-term expected rate of return on pension plan and OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.00 %	5.80 %
Private equity pools	16.00	9.60
International equity pools	15.00	6.80
Fixed-income pools	13.00	1.30
Real estate and infrastructure pools	10.00	6.40
Absolute return pools	9.00	4.80
Real return/opportunistic pools	10.00	7.30
Short-term investment pools	2.00	0.30
Total	100.00 %	

Long-term rates of return are net of administrative expense and inflation of 2.7 percent.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the School District, calculated using the discount rate depending on the plan option. The following also reflects what the School District's 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:

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
Net pension liability of the School District	\$ 127,933,781	\$ 94,695,824	\$ 67,024,023

June 30, 2024

Note 12 - Michigan Public School Employees' Retirement System (Continued)

*Sensitivity of the Net OPEB Asset to Changes in the Discount Rate*

The following presents the net OPEB asset of the School District, calculated using the current discount rate. It also reflects what the School District's net OPEB liability (asset) 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:

	<u>1 Percentage Point Decrease (5.00%)</u>	<u>Current Discount Rate (6.00%)</u>	<u>1 Percentage Point Increase (7.00%)</u>
Net OPEB liability (asset) of the School District	\$ 1,720,947	\$ (1,660,025)	\$ (4,565,638)

*Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rate*

The following presents the net OPEB asset of the School District, calculated using the current health care cost trend rate. It also reflects what the School District's net OPEB (asset) liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1 Percentage Point Decrease</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Increase</u>
Net OPEB (asset) liability of the School District	\$ (4,572,883)	\$ (1,660,025)	\$ 1,492,643

*Pension Plan and OPEB Plan Fiduciary Net Position*

Detailed information about the plan's fiduciary net position is available in the separately issued MPSERS financial report.

*Payable to the Pension Plan and OPEB Plan*

At June 30, 2024, the School District reported a payable of \$1,639,102 and \$216,306 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2024.

Note 13 - Tax Abatements

For the fiscal year ended June 30, 2024, the School District had no significant tax abatements.

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## Required Supplementary Information

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## Hartland Consolidated Schools

### Required Supplementary Information Budgetary Comparison Schedule General Fund\*

Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
<b>Revenue</b>				
Local sources	\$ 8,728,097	\$ 9,273,461	\$ 9,483,304	\$ 209,843
State sources	54,430,025	56,152,826	56,327,571	174,745
Federal sources	1,649,778	1,540,901	1,545,095	4,194
Interdistrict and other	2,805,633	3,285,413	3,305,822	20,409
Total revenue	67,613,533	70,252,601	70,661,792	409,191
<b>Expenditures</b>				
Current:				
Instruction:				
Basic programs	32,594,723	31,952,911	31,773,608	(179,303)
Added needs	8,169,785	9,113,886	9,028,368	(85,518)
Support services:				
Pupil	2,127,172	2,327,909	2,301,059	(26,850)
Instructional staff	1,824,313	1,894,488	1,817,373	(77,115)
General administration	1,687,797	1,896,136	1,876,118	(20,018)
School administration	4,297,020	4,124,096	4,094,469	(29,627)
Business	645,401	667,606	610,525	(57,081)
Operations and maintenance	8,049,946	7,837,590	7,548,771	(288,819)
Pupil transportation services	3,150,886	3,116,924	3,060,469	(56,455)
Central	514,550	900,244	892,954	(7,290)
Other	185,243	217,641	205,957	(11,684)
Community services	3,376,422	3,573,268	3,548,958	(24,310)
Debt service	161,532	161,532	161,532	-
Capital outlay	1,360,000	1,280,875	1,159,176	(121,699)
Total expenditures	68,144,790	69,065,106	68,079,337	(985,769)
<b>Excess of Revenue (Under) Over Expenditures</b>	(531,257)	1,187,495	2,582,455	1,394,960
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	20,000	35,356	35,356	-
Transfers in	84,093	191,865	188,067	(3,798)
Transfers out	(590,560)	(569,896)	(547,278)	22,618
Total other financing uses	(486,467)	(342,675)	(323,855)	18,820
<b>Net Change in Fund Balance</b>	(1,017,724)	844,820	2,258,600	1,413,780
<b>Fund Balance - Beginning of year</b>	15,160,519	16,507,585	16,507,585	-
<b>Fund Balance - End of year</b>	<u>\$ 14,142,795</u>	<u>\$ 17,352,405</u>	<u>\$ 18,766,185</u>	<u>\$ 1,413,780</u>

\*Does not include Athletics Subfund



## Hartland Consolidated Schools

### Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability Michigan Public School Employees' Retirement System

	Last Ten Plan Years Plan Years Ended September 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.29258 %	0.29027 %	0.29158 %	0.30713 %	0.31391 %	0.30992 %	0.30821 %	0.30621 %	0.30230 %	0.29457 %
School District's proportionate share of the net pension liability	\$ 94,695,824	\$ 109,167,341	\$ 69,032,576	\$ 105,501,936	\$ 103,955,501	\$ 93,167,832	\$ 79,869,067	\$ 76,396,790	\$ 73,836,008	\$ 64,883,693
School District's covered payroll	\$ 29,049,970	\$ 28,088,045	\$ 25,700,168	\$ 26,624,991	\$ 27,566,352	\$ 26,467,896	\$ 25,791,629	\$ 25,961,095	\$ 25,208,712	\$ 24,770,772
School District's proportionate share of the net pension liability as a percentage of its covered payroll	325.98 %	388.66 %	268.61 %	396.25 %	377.11 %	352.00 %	309.67 %	294.27 %	292.50 %	261.94 %
Plan fiduciary net position as a percentage of total pension liability	65.91 %	60.77 %	72.32 %	59.49 %	62.12 %	62.12 %	63.96 %	63.01 %	62.92 %	66.15 %

## Hartland Consolidated Schools

### Required Supplementary Information Schedule of Pension Contributions Michigan Public School Employees' Retirement System

	Last Ten Fiscal Years Years Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 12,467,728	\$ 13,539,471	\$ 9,783,491	\$ 8,902,630	\$ 8,565,606	\$ 8,353,601	\$ 7,905,937	\$ 7,424,055	\$ 7,182,838	\$ 5,401,001
Contributions in relation to the statutorily required contribution	12,467,728	13,539,471	9,783,491	8,902,630	8,565,606	8,353,601	7,905,937	7,424,055	7,182,838	5,401,001
<b>Contribution Deficiency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>School District's Covered Payroll</b>	<b>\$ 30,499,300</b>	<b>\$ 28,459,093</b>	<b>\$ 26,679,260</b>	<b>\$ 25,640,156</b>	<b>\$ 26,871,786</b>	<b>\$ 27,298,635</b>	<b>\$ 26,227,843</b>	<b>\$ 26,765,504</b>	<b>\$ 25,875,781</b>	<b>\$ 24,676,189</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>40.88 %</b>	<b>47.58 %</b>	<b>36.67 %</b>	<b>34.72 %</b>	<b>31.88 %</b>	<b>30.60 %</b>	<b>30.14 %</b>	<b>27.74 %</b>	<b>27.76 %</b>	<b>21.89 %</b>

## Hartland Consolidated Schools

### Required Supplementary Information Schedule of Proportionate Share of the Net OPEB Liability (Asset) Michigan Public School Employees' Retirement System

	Last Seven Plan Years Plan Years Ended September 30						
	2023	2022	2021	2020	2019	2018	2017
School District's proportion of the net OPEB (asset) liability	0.29345 %	0.29140 %	0.28593 %	0.30154 %	0.31601 %	0.31139 %	0.30810 %
School District's proportionate share of the net OPEB (asset) liability	\$ (1,660,025) \$	6,172,087 \$	4,364,402 \$	16,154,225 \$	22,682,569 \$	24,752,065 \$	27,283,294
School District's covered payroll	\$ 29,049,970 \$	28,088,045 \$	25,700,168 \$	26,624,991 \$	27,566,352 \$	26,467,896 \$	25,791,629
School District's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	(5.71)%	21.97 %	16.98 %	60.67 %	82.28 %	93.52 %	105.78 %
Plan fiduciary net position as a percentage of total OPEB liability	105.04 %	83.09 %	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

## Hartland Consolidated Schools

### Required Supplementary Information Schedule of OPEB Contributions Michigan Public School Employees' Retirement System

	<b>Last Seven Fiscal Years</b>						
	<b>Years Ended June 30</b>						
	2024	2023	2022	2021	2020	2019	2018
Statutorily required contribution	\$ 2,505,647	\$ 2,290,729	\$ 2,174,146	\$ 2,133,710	\$ 2,159,309	\$ 2,144,315	\$ 1,894,365
Contributions in relation to the statutorily required contribution	2,505,647	2,290,729	2,174,146	2,133,710	2,159,309	2,144,315	1,894,365
<b>Contribution Deficiency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>School District's Covered Payroll</b>	<b>\$ 30,499,300</b>	<b>\$ 28,459,093</b>	<b>\$ 26,679,260</b>	<b>\$ 25,640,156</b>	<b>\$ 26,871,786</b>	<b>\$ 27,298,635</b>	<b>\$ 26,227,843</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>8.22 %</b>	<b>8.05 %</b>	<b>8.15 %</b>	<b>8.32 %</b>	<b>8.04 %</b>	<b>7.86 %</b>	<b>7.22 %</b>

June 30, 2024

### ***Pension Information***

#### **Benefit Changes**

There were no changes of benefit terms for each of the reported plan years ended September 30.

#### **Changes in Assumptions**

There were no significant changes of benefit assumptions for each of the reported plan years ended September 30 except for the following:

- 2023 - The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.80 percentage points.
- 2020 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.
- 2019 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017.
- 2018 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

### ***OPEB Information***

Ultimately, 10 years of data will be presented in both of the OPEB-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

#### **Benefit Changes**

There were no changes of benefit terms for each of the reported plan years ended September 30.

#### **Changes in Assumptions**

There were no significant changes of benefit assumptions for each of the reported plan years ended September 30 except for the following:

- 2023 - The health care cost trend rate used in the September 30, 2023 actuarial valuation decreased by 0.25 percentage points for members under 65 and increased by 1.00 percentage points for members over 65. In addition, actual per person health benefit costs were lower than projected. The valuation includes the impact of an updated experience study for periods from 2017 to 2022.
- 2022 - The discount rate and investment rate of return used in the September 30, 2021 actuarial valuation decreased by 0.95 percentage points. This resulted in a lower than projected per person health benefit costs to reduce the plan's total OPEB liability by an additional \$1.1 billion in 2022.
- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation decreased by 0.75 percentage points for members under 65 and decreased by 1.75 percent for members over 65. In addition, actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.
- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points and actual per person health benefit costs were lower than projected. This reduced the plan's total OPEB liability by \$1.8 billion in 2020.

## Hartland Consolidated Schools

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### Notes to Required Supplementary Information (Continued)

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**June 30, 2024**

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.

- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

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## Other Supplementary Information

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## Hartland Consolidated Schools

### Other Supplementary Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Combined General Fund

Year Ended June 30, 2024

	General Fund	Athletics	Eliminating Entries	Total
<b>Revenue</b>				
Local sources	\$ 9,483,304	\$ 517,248	\$ -	\$ 10,000,552
State sources	56,327,571	57,469	-	56,385,040
Federal sources	1,545,095	-	-	1,545,095
Interdistrict and other	3,305,822	-	-	3,305,822
Total revenue	70,661,792	574,717	-	71,236,509
<b>Expenditures</b>				
Current:				
Instruction:				
Basic programs	31,772,562	-	-	31,772,562
Added needs	8,909,412	-	-	8,909,412
Support services:				
Pupil	2,301,059	-	-	2,301,059
Instructional staff	1,817,373	-	-	1,817,373
General administration	1,876,118	-	-	1,876,118
School administration	4,094,469	-	-	4,094,469
Business	610,525	-	-	610,525
Operations and maintenance	7,454,839	-	-	7,454,839
Pupil transportation services	3,060,469	-	-	3,060,469
Central	538,626	-	-	538,626
Other	205,957	-	-	205,957
Athletics	-	1,097,476	-	1,097,476
Community services	3,478,482	-	-	3,478,482
Debt service	161,532	-	-	161,532
Capital outlay	1,797,914	24,519	-	1,822,433
Total expenditures	68,079,337	1,121,995	-	69,201,332
<b>Excess of Revenue Over (Under) Expenditures</b>	2,582,455	(547,278)	-	2,035,177
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of capital assets	35,356	-	-	35,356
Transfers in	188,067	547,278	(547,278)	188,067
Transfers out	(547,278)	-	547,278	-
Total other financing (uses) sources	(323,855)	547,278	-	223,423
<b>Net Change in Fund Balances</b>	2,258,600	-	-	2,258,600
<b>Fund Balances - Beginning of year</b>	16,507,585	205,235	-	16,712,820
<b>Fund Balances - End of year</b>	<u>\$ 18,766,185</u>	<u>\$ 205,235</u>	<u>\$ -</u>	<u>\$ 18,971,420</u>



## Hartland Consolidated Schools

### Other Supplementary Information Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2024

	Special Revenue Funds		Debt Service Funds					Capital Project Funds				
	Food Services	Student Activities	2020 Building and Site	2022 Building and Site	2016 Refunding	2019 Refunding	2020 Refunding	2010 Capital Projects Combined	2020 Capital Projects	Sinking	Capital Projects Set Aside	Total
<b>Assets</b>												
Cash and investments	\$ 1,245,459	\$ 1,814,313	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,292,420	\$ 8,352,192
Receivables	15,050	9,941	101	116	253	322	575	75	-	-	-	26,433
Due from other funds	-	-	55	63	137	177	312	-	1,682	36,525	-	38,951
Inventory	29,563	-	-	-	-	-	-	-	-	-	-	29,563
Restricted assets	-	-	263,103	433,167	421,032	423,335	277,424	6,480	1,633,276	1,668,794	-	5,126,611
<b>Total assets</b>	<b>\$ 1,290,072</b>	<b>\$ 1,824,254</b>	<b>\$ 263,259</b>	<b>\$ 433,346</b>	<b>\$ 421,422</b>	<b>\$ 423,834</b>	<b>\$ 278,311</b>	<b>\$ 6,555</b>	<b>\$ 1,634,958</b>	<b>\$ 1,705,319</b>	<b>\$ 5,292,420</b>	<b>\$ 13,573,750</b>
<b>Liabilities</b>												
Accounts payable	\$ 4,311	\$ 38,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,325	\$ 196,240	\$ -	\$ 373,778
Accrued liabilities and other	11,412	-	-	-	-	-	-	-	-	-	-	11,412
Unearned revenue	40,250	-	-	-	-	-	-	-	-	-	-	40,250
Arbitrage liability	-	-	-	-	-	-	-	-	46,087	-	-	46,087
<b>Total liabilities</b>	<b>55,973</b>	<b>38,902</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,412</b>	<b>196,240</b>	<b>-</b>	<b>471,527</b>
<b>Fund Balances</b>												
Nonspendable - Inventory	29,563	-	-	-	-	-	-	-	-	-	-	29,563
Restricted:												
Debt service	-	-	263,259	433,346	421,422	423,834	278,311	-	-	-	-	1,820,172
Capital projects	-	-	-	-	-	-	-	6,555	1,454,546	1,509,079	-	2,970,180
Food services	1,204,536	-	-	-	-	-	-	-	-	-	-	1,204,536
Committed - Student activities	-	1,785,352	-	-	-	-	-	-	-	-	-	1,785,352
Assigned	-	-	-	-	-	-	-	-	-	-	5,292,420	5,292,420
<b>Total fund balances</b>	<b>1,234,099</b>	<b>1,785,352</b>	<b>263,259</b>	<b>433,346</b>	<b>421,422</b>	<b>423,834</b>	<b>278,311</b>	<b>6,555</b>	<b>1,454,546</b>	<b>1,509,079</b>	<b>5,292,420</b>	<b>13,102,223</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,290,072</b>	<b>\$ 1,824,254</b>	<b>\$ 263,259</b>	<b>\$ 433,346</b>	<b>\$ 421,422</b>	<b>\$ 423,834</b>	<b>\$ 278,311</b>	<b>\$ 6,555</b>	<b>\$ 1,634,958</b>	<b>\$ 1,705,319</b>	<b>\$ 5,292,420</b>	<b>\$ 13,573,750</b>

## Hartland Consolidated Schools

### Other Supplementary Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2024

	Special Revenue Funds		Debt Service Funds					Capital Project Funds				
	Food Services	Student Activities	2020 Building and Site	2022 Building and Site	2016 Refunding	2019 Refunding	2020 Refunding	2010 Capital Projects Combined	2020 Capital Projects	Sinking	Capital Projects Set Aside	Total
<b>Revenue</b>												
Local sources	\$ 324,087	\$ 1,555,549	\$ 1,127,828	\$ 1,308,863	\$ 2,812,387	\$ 3,612,684	\$ 6,378,242	\$ 2,301	\$ 125,688	\$ 839,049	\$ 246,655	\$ 18,333,333
State sources	1,823,162	-	4,838	5,571	12,096	15,541	27,490	-	-	-	-	1,888,698
Federal sources	1,142,847	-	-	-	-	-	-	-	-	-	-	1,142,847
Total revenue	3,290,096	1,555,549	1,132,666	1,314,434	2,824,483	3,628,225	6,405,732	2,301	125,688	839,049	246,655	21,364,878
<b>Expenditures</b>												
Current:												
Support services	-	1,629,308	-	-	-	-	-	-	3,743	40	4,472	1,637,563
Food services	2,637,827	-	-	-	-	-	-	-	-	-	-	2,637,827
Debt service:												
Principal	-	-	636,818	684,299	1,956,689	2,810,479	5,917,384	-	-	-	-	12,005,669
Interest	-	-	507,969	828,200	911,450	848,547	483,693	-	-	-	-	3,579,859
Other	-	-	1,854	1,912	635	477	609	-	-	-	-	5,487
Capital outlay	380,472	-	-	-	-	-	-	173,441	3,401,107	504,421	-	4,459,441
Total expenditures	3,018,299	1,629,308	1,146,641	1,514,411	2,868,774	3,659,503	6,401,686	173,441	3,404,850	504,461	4,472	24,325,846
<b>Excess of Revenue Over (Under) Expenditures</b>	271,797	(73,759)	(13,975)	(199,977)	(44,291)	(31,278)	4,046	(171,140)	(3,279,162)	334,588	242,183	(2,960,968)
<b>Other Financing Uses - Transfers out</b>	(188,067)	-	-	-	-	-	-	-	-	-	-	(188,067)
<b>Net Change in Fund Balances</b>	83,730	(73,759)	(13,975)	(199,977)	(44,291)	(31,278)	4,046	(171,140)	(3,279,162)	334,588	242,183	(3,149,035)
<b>Fund Balances - Beginning of year</b>	1,150,369	1,859,111	277,234	633,323	465,713	455,112	274,265	177,695	4,733,708	1,174,491	5,050,237	16,251,258
<b>Fund Balances - End of year</b>	<u>\$ 1,234,099</u>	<u>\$ 1,785,352</u>	<u>\$ 263,259</u>	<u>\$ 433,346</u>	<u>\$ 421,422</u>	<u>\$ 423,834</u>	<u>\$ 278,311</u>	<u>\$ 6,555</u>	<u>\$ 1,454,546</u>	<u>\$ 1,509,079</u>	<u>\$ 5,292,420</u>	<u>\$ 13,102,223</u>

## Hartland Consolidated Schools

### Other Supplementary Information Schedule of Bonded Indebtedness

June 30, 2024

Years Ending June 30	2010 School Building and Site Bonds, Series B Principal	2016 Refunding Bonds Principal	2019 Refunding Bonds Principal	2020 Refunding Bonds Principal	2020 Building and Site Fund Principal	2022 Building and Site Fund Principal
2025	\$ -	\$ 1,895,000	\$ 2,925,000	\$ 5,465,000	\$ 625,000	\$ 585,000
2026	-	1,970,000	3,325,000	5,220,000	650,000	605,000
2027	12,180,000	2,035,000	3,725,000	5,110,000	675,000	630,000
2028	-	2,100,000	5,000,000	4,985,000	700,000	655,000
2029	-	2,155,000	5,375,000	3,290,000	725,000	685,000
2030	-	2,185,000	6,100,000	-	775,000	710,000
2031	-	870,000	7,565,000	-	800,000	740,000
2032	-	900,000	-	-	850,000	770,000
2033	-	905,000	-	-	900,000	800,000
2034	-	910,000	-	-	925,000	835,000
2035	-	920,000	-	-	975,000	870,000
2036	-	-	-	-	1,100,000	905,000
2037	-	-	-	-	1,125,000	940,000
2038	-	-	-	-	1,175,000	950,000
2039	-	-	-	-	1,225,000	965,000
2040	-	-	-	-	1,275,000	980,000
2041	-	-	-	-	1,325,000	995,000
2042	-	-	-	-	1,375,000	1,015,000
2043	-	-	-	-	1,400,000	1,050,000
2044	-	-	-	-	1,450,000	1,070,000
2045	-	-	-	-	1,450,000	1,110,000
2046	-	-	-	-	-	1,130,000
2047	-	-	-	-	-	1,150,000
Total remaining payments	<b>\$ 12,180,000</b>	<b>\$ 16,845,000</b>	<b>\$ 34,015,000</b>	<b>\$ 24,070,000</b>	<b>\$ 21,500,000</b>	<b>\$ 20,145,000</b>
Interest rate	6.65% (excluding subsidized portion)	4.00% to 5.00%	2.05% to 2.56%	1.33% to 2.08%	2.25% to 2.50%	4.00%
Original issue	<b>\$ 12,180,000</b>	<b>\$ 26,615,000</b>	<b>\$ 38,980,000</b>	<b>\$ 41,945,000</b>	<b>\$ 23,230,000</b>	<b>\$ 20,750,000</b>

Principal payments for the bond issues are due on May 1 of each year. Interest payments for the bond issues are due on May 1 and November 1 of each year.