

WEST OTTAWA PUBLIC SCHOOLS

Holland, Michigan

Annual Comprehensive Financial Report

**Fiscal Year Ended
JUNE 30, 2022**

Prepared by:

**Business Office
Jeff Malloch, Assistant Superintendent of Business Services**

**WEST OTTAWA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal.....	1-4
Principal Officials and Administrative Staff.....	5
Organizational Chart.....	6
Certificate of Excellence in Financial Reporting.....	7
FINANCIAL SECTION	
Independent Auditor's Report.....	9-11
Management's Discussion and Analysis.....	12-21
Basic Financial Statements.....	22
Government-wide Financial Statements	
Statement of Net Position	23
Statement of Activities.....	24
Fund Financial Statements	
Balance Sheet - Governmental Funds	25-26
Reconciliation of Fund Balances on the Balance Sheet of Governmental Funds to Net Position of Governmental Activities on the Statement of Net Position.....	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	29-30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	31
Notes to Financial Statements	32-63
Required Supplementary Information	65
Budgetary Comparison Schedule - General Fund	66
Schedule of the Reporting Unit's Proportionate Share of the Net Pension Liability.....	67
Schedule of the Reporting Unit's Pension Contributions.....	68
Schedule of the Reporting Unit's Proportionate Share of the Net OPEB Liability.....	69
Schedule of the Reporting Unit's OPEB Contributions.....	70
Notes to Required Supplementary Information	71

**WEST OTTAWA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

TABLE OF CONTENTS

Page

FINANCIAL SECTION (Continued)

Additional Supplementary Information.....	72
Nonmajor Governmental Fund Types	
Combining Balance Sheet.....	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	74
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Food Service Fund.....	75
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual – Student/School Activities Fund.....	76
Debt Service Funds	
Combining Balance Sheet.....	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	78
Nonmajor Capital Projects Funds	
Combining Balance Sheet.....	79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	80
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Sinking Fund.....	81
Long-Term Debt	
Bonded Debt	82-90

STATISTICAL SECTION (UNAUDITED)

Statistical Section Overview	91
Financial Trends.....	93
Net Position by Component.....	94-95
Expenses, Program Revenues and Net Expense.....	96-97
General Revenues and Total Change in Net Position	98-99
Fund Balances - Governmental Funds	100-101
Governmental Funds Revenues.....	102-103
Governmental Funds Expenditures and Debt Service Ratio	104-105

**WEST OTTAWA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

TABLE OF CONTENTS

Page

STATISTICAL SECTION (UNAUDITED) (Concluded)

Other Financing Sources (Uses) and Net Change in Fund Balances, Governmental Funds	106-107
Revenue and Debt Capacity	109
Taxable Value and Actual Value of Taxable Property	110-111
Direct and Overlapping Property Tax Rates	112-113
Principal Property Taxpayers	114-115
Property Tax Levies and Collections	116
Outstanding Debt by Type	117
Ratios of Outstanding Debt.....	118
Direct and Overlapping Governmental Activities Debt	119
Legal Debt Margin Information	120
Demographic and Economic Information	121
Demographic and Economic Statistics	122
Principal Employers in West Michigan	123
Full-Time-Equivalent District Employees by Type	124
Operational Information.....	125
Operating Statistics.....	126
School Building Information.....	127

OTHER ITEMS

Schedule of Expenditures of Federal Awards.....	129-131
Notes to Schedule of Expenditures of Federal Awards.....	132
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	133-134
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.....	135-137
Schedule of Findings and Questioned Costs.....	138
Schedule of Prior Year Audit Findings	139
Vision and Mission Statement	140



... Preparing students to be College, Career and Life Ready!

West Ottawa Public Schools
1138- 136th Avenue Holland, MI 49424
Phone: (616)-786-2050
www.westottawa.net

*Superintendent
Timothy. Bearden*

*Assistant Superintendent Business Services
Jeff Malloch*

*Assistant Superintendent Human Resources
Jens Milobinski*

October 28, 2022

The Board of Education
West Ottawa Public Schools
1138 136th Avenue
Holland, MI 49424

Dear Board Members and Citizens of West Ottawa Public Schools:

This letter of transmittal provides an overview of the financial position of West Ottawa Public Schools (the District) from the perspective of the Superintendent and the Associate Superintendent of Business Services. It serves as an introduction to our Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. The ACFR is divided into three sections: introductory section, financial section and statistical section. The introductory section included the District's Organizational chart, a list of principal officials and this letter of transmittal. The financial section contains the independent auditor's unmodified opinion letter and the Management's Discussion and Analysis report. The Management's Discussion and Analysis report provides a more detailed analysis of the financial condition of the District and should be read in conjunction with this letter. The District's government-wide financial statements, fund financial statements and supplemental information are also contained in this section. The statistical section includes selected financial, demographic and general information, generally presented on a multi-year basis.

The District's business office has prepared this report, with responsibility and accuracy, fairness and completeness of the presentation, including all disclosures, resting with the District. We believe the information is accurate in all material respects, is presented in a manner designed to fairly show the financial position and results of operations of the District, and includes all disclosures necessary to enable the reader to gain an understanding of the District's financial affairs. The report includes a statistical section containing data on numerous financial trends as well as facility information.

The District

West Ottawa Public Schools is a suburban school district, located in Ottawa County and adjacent to the cities of Holland and Zeeland. The District covers approximately 73 square miles and includes major portions of Holland, Park, and Port Sheldon Townships as well as a portion of Olive Township. The District was formed in 1958. It is a fiscally independent school district governed by a seven-member elected Board of Education.

The District's student enrollment peaked twelve years ago with more than 8,000 student FTE (Full-time equivalent) and has been slowly declining every year until 2021-2022 where the district saw an increase in FTE from 6482 (2020-2021) to the current level of 6,541 FTE (2021-2022). The projected enrollment for the 2022-2023 fiscal year is 6,563 FTE. There are currently eight elementary schools (pre-kindergarten through 5th grade), two middle schools (6th-8th grades), one high school (9th-12th grades), and a virtual academy (Kindergarten – 12th grade).

Student Services Provided and Major Initiatives

West Ottawa Public Schools provides its students a comprehensive program of public education from the home delivery of services for early childhood special education students as early as age two through twelfth grade. The District has a broad-based curriculum designed to meet the individual needs of all students including regular daytime, at-risk, English language learners, special needs and alternative education pupils. All students have exposure to current technology integrated across curriculum and access to comprehensive media centers. Students also have the opportunity to participate in a Spanish Immersion program from pre-school through middle school. Middle school students have the opportunity to earn several high school credits prior to entering 9th grade. High School students can earn college credits through dual enrollment, Advanced Placement, and early college programs. The dual enrollment program allows qualifying high school students to attend local colleges and universities, receiving both high school and college credit. The High School also offers a rigorous International Baccalaureate program. The District's education program includes a wide array of special education services for eligible students. There are numerous opportunities for students to participate in extracurricular activities including music, drama, fine arts, interscholastic sports, clubs and many other special activities.

Accounting Systems, Budgetary Control and Annual Audit

The District adopts an annual appropriated budget for its general fund, food service fund, fiduciary fund, and repair and improvement fund. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund and two special revenue funds. Other funds do not have appropriated budgets. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

The District adheres to budgetary policies and procedure established by the Board of Education, including specific guidelines in the development and review of the budget. The District utilizes a line item budget developed by the Associate Superintendent of Business Services and the Superintendent, and finally submitted to the Board of Education for approval and adoption. The budget development process includes input from employees, parents and the community. This budget process is designed to effectively allocate resources and is amended by the Board of Education as needed during the fiscal year to reflect changes in assumptions and communicate fiscal projections openly to its constituents.

The District integrated the budget with the accounting system and internal controls. We have designed the internal controls to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use, and for maintaining accountability of the assets. These controls also provide assurance on the reliability of the financial records necessary for producing financial statements. We believe our budgetary and internal controls adequately safeguard District assets and provide reasonable assurance that errors or fraud that could be material to the financial statements are prevented or would be detected within a timely period.

The District is required to have an annual audit performed of its financial statements. The financial statements are the responsibility of the management of the District, and the auditor is expressing an opinion on the statements.

Economic Environment

Michigan voters approved the state constitutional amendment known as Proposal A in 1994. Funding of District operation shifted dramatically from local property tax revenue to State Aid as a result of this amendment, with funding predominantly determined by student enrollment. Voter approval of the District's bond issue in 2014 allowed West Ottawa Public Schools to begin a ten-year strategic plan to improve its facilities and technology which will allow it to improve upon the educational opportunities offered to students both in and outside of the classroom. The 2014 bond proposal allows for the sale of just under \$90 million of bonds to provide funding for essential capital projects and purchases including building improvements and additions, new buses, new technology, security enhancements, and site improvements. All of the 2014 voter approved bonds have been issued.

In May of 2019, voters approved an additional \$98 million to further support the District's strategic plan to improve facilities and technology. The 2019 bond proposal will provide funding for a new elementary school, new performing arts center, new athletic complex, new technology, building improvements, security enhancements, site improvements and new buses. Approximately \$66.15 million of the bonds have been issued. The remaining 2019 authorized bonds will be issued in 2023.

In November 2018 the community approved an enhancement millage that will generate approximately \$1.6 million annually for West Ottawa Public Schools. We appreciate the support from the community as the district has plans to invest these resources in lower class sizes and mental health support services for our students.

The District is reliant upon the State of Michigan for the majority of its funding which is appropriated annually by the Michigan legislature working with the executive branch of State government. It is difficult in this environment to develop a long-term operating plan as the State budget is subject to the whims of changes in elected officials and an overall unwillingness to increase State taxes. Nonetheless the District has developed a long-term facility and technology plan with the money approved by voters in the 2014 and 2019 bonds. Operationally the District spends about 84% of its resources on employees and adjusts staffing annually to work within the financial resources available.

The State of Michigan and much of the United States saw the thread of the COVID-19 virus begin to dwindle throughout the 2021-2022 fiscal year. However, there was still an ample amount of federal funds available to be utilized by the district to address learning loss. After federal aid and state revenue collections that out-paced the projections, the State of Michigan was able to appropriate \$8,700 per pupil for the minimum foundation allowance. The district received ESSER (Elementary and Secondary School Emergency Relief) Funds and CRF (Coronavirus Relief Funds) from the federal government in prior years, and has received ESSER II and ESSER III funding to address learning loss in 2021-2022 and subsequent years. Although additional resources have been allocated to public school districts, the economic headwind and unpredictability of an economy with inflationary concerns, makes it difficult to project per pupil revenue in the upcoming fiscal years. The district remains committed to budgeting based on the latest economic projections from the State of Michigan.

Certificate of Excellence

The District is applying for the Certificate of Excellence for the eighth time in its history in order to demonstrate its transparency to the community which has entrusted it with an unprecedented investment in its schools with the passage of the 2014 and 2019 bond proposals. The District was awarded its first Certificate of Excellence for the 2014-2015 financial statements and has recently received its seventh consecutive award for the 2020-2021 financial statements.

In Appreciation

We would like to express appreciation to a Board of Education that has adopted policies and programs designed to continue the District's quality improvement so that we can prepare all students to be college, career and life ready. We are also grateful to the staff members who work tirelessly to provide the best educational environment possible for West Ottawa students.

But we are most thankful for a community that supports its school system through its exceptional volunteerism, its tremendous ongoing financial support, and its commitment to helping West Ottawa Public Schools serve the needs of every one of its students each and every day.

Respectfully submitted,



Timothy J. Bearden
Superintendent of Schools



Jeffrey W. Malloch
Assistant Superintendent of Business Services

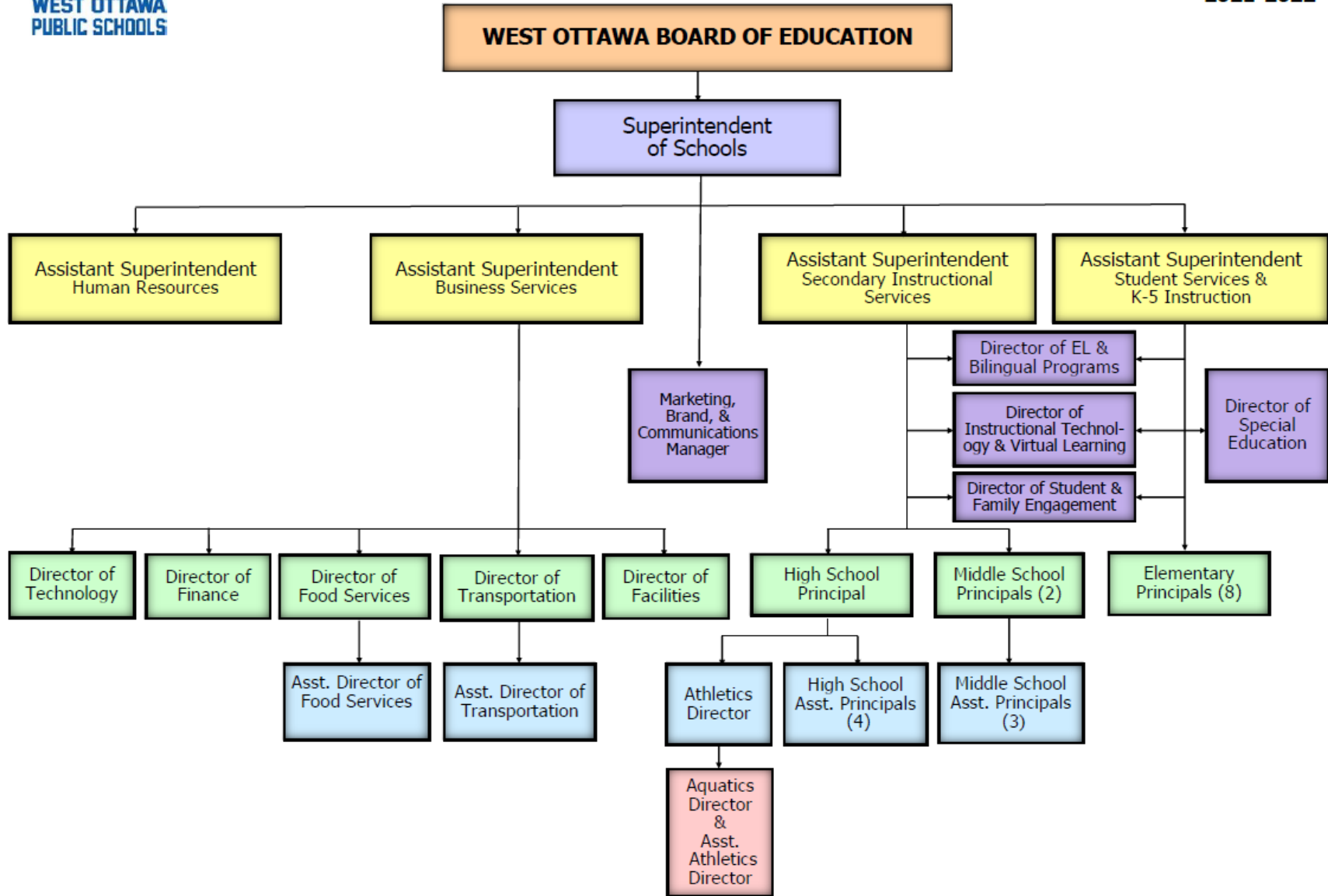
**West Ottawa Public Schools
Annual Comprehensive Financial Report
Principal Officials and Administrative Staff**

2022 Board of Education

President	Cathy Lebster
Vice President	Tyson Smith
Secretary	Mary Remenschneider
Treasurer	Randy Schipper
Trustee	Darrin Duistermars
Trustee	Lynn Rutan
Trustee	Kate McCoy

2021 - 2022 Administrative Staff

Superintendent	Tim Bearden
Assistant Superintendent of Business Services	Jeff Malloch
Director of Finance	Kyle Barr



Effective 07/01/2021



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

West Ottawa Public Schools

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Will Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

THIS PAGE IS INTENTIONALLY LEFT BLANK

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
West Ottawa Public Schools

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise West Ottawa Public Schools' basic financial statements. The accompanying additional supplementary information, as identified in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the additional supplementary information, including the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2022 on our consideration of West Ottawa Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of West Ottawa Public Schools' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Ottawa Public Schools' internal control over financial reporting and compliance.

Maney Costerian PC

October 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of West Ottawa Public Schools (the District), we offer this narrative overview and analysis of the financial activities of West Ottawa Public Schools for the year ended June 30, 2022.

Generally accepted accounting principles (GAAP) require the reporting of two types of financial statements: District-Wide Financial Statements and Fund Financial Statements.

District-Wide Financial Statements

The district-wide financial statements are prepared using full accrual accounting and more closely represent those presented by business and industry. All of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, both short and long-term, are reported. As such, these statements include capital assets, net of related depreciation, as well as the bonded debt and other long-term liabilities of the District.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases and decreases in net position can serve as a barometer of financial health and whether the District's financial position is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the year. This statement focuses on both the gross and net cost of the various activities which are supported by the District's general tax, state aid and other revenues. This presentation is intended to summarize and simplify the user's analysis of the cost of the various governmental services.

Fund Financial Statements

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

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education's Accounting Manual. In the State of Michigan, school districts' major instruction and instructional support activities are reported in the General Fund. Additional activities are reported in various other funds. These include Special Revenue Funds, Debt Service Funds and Capital Project Funds.

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

District-wide Financial Analysis

The following schedule summarizes the net position at June 30, 2022 and 2021.

Table 1 West Ottawa Public Schools Net Position (in Millions)			
	2022	2021	Change
Current assets	\$ 97.96	\$ 68.53	\$ 29.43
Capital assets, net	180.46	159.16	21.30
Total assets	278.42	227.69	50.73
Deferred outflows of resources	31.55	43.83	(12.28)
Long-term obligations outstanding	157.52	114.84	42.68
Other liabilities	18.63	15.18	3.45
Net pension liability and other postemployment benefit	112.71	177.89	(65.18)
Total liabilities	288.86	307.91	(19.05)
Deferred inflows of resources	69.14	26.57	42.57
Net position			
Net investment in capital assets	70.75	70.27	0.48
Restricted	3.01	2.79	0.22
Unrestricted	(121.79)	(136.02)	14.23
Total net position	\$ (48.03)	\$ (62.96)	\$ 14.93

The District's combined net position at the beginning of the fiscal year was (\$62,963,191), and on June 30, 2022 it was (\$48,029,103) which represents an increase of \$14,934,088 as recorded in the statement of activities.

Capital Assets

At June 30, 2022, the District had invested over \$294 million in a broad range of capital assets, including school buildings and facilities, site improvements, school buses and other vehicles and various types of equipment. Depreciation expense for the year amounted to approximately \$5.3 million, bringing accumulated depreciation to \$102.2 million as of June 30, 2022.

Table 2 West Ottawa Public Schools' Capital Assets				
	2022			2021
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 6,129,748	\$ -	\$ 6,129,748	\$ 6,129,748
Construction in progress	42,529,457	-	42,529,457	27,877,372
Buildings and improvements	216,315,840	89,601,511	126,714,329	119,265,326
Furniture and equipment	11,929,476	8,189,640	3,739,836	4,155,395
Buses and other vehicles	5,815,639	4,472,122	1,343,517	1,728,729
Total	\$ 282,720,160	\$ 102,263,273	\$ 180,456,887	\$ 159,156,570

Depreciation expense is recorded on a straight-line basis over the estimated useful lives of the assets. In accordance with accounting principles generally accepted in the United States of America, depreciation expense is calculated based on the original cost of the asset less an estimated salvage value, where applicable.

Long-Term Obligations

At June 30, 2022, the District had approximately \$157 million in long-term obligations outstanding. This represents an increase of approximately \$42.7 million from the amount outstanding at the close of the prior fiscal year. The increase is the result of the issuance of new refunding bonds in November 2021 less the retirement of principal as part of routine annual debt payments.

For more detailed information regarding capital assets and debt administration, please review the notes to the financial statements located in the financial section of this report.

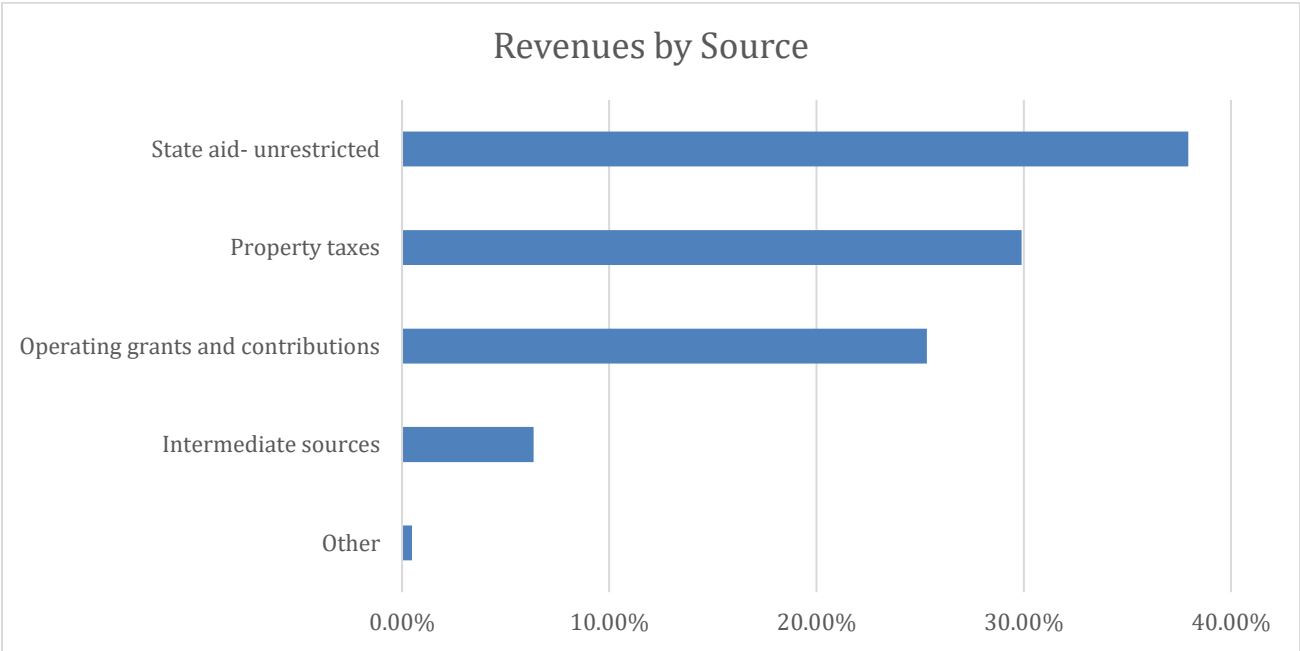
Results of Operations

For the fiscal years ended June 30, 2022 and 2021, the results of operations, on a district-wide basis were:

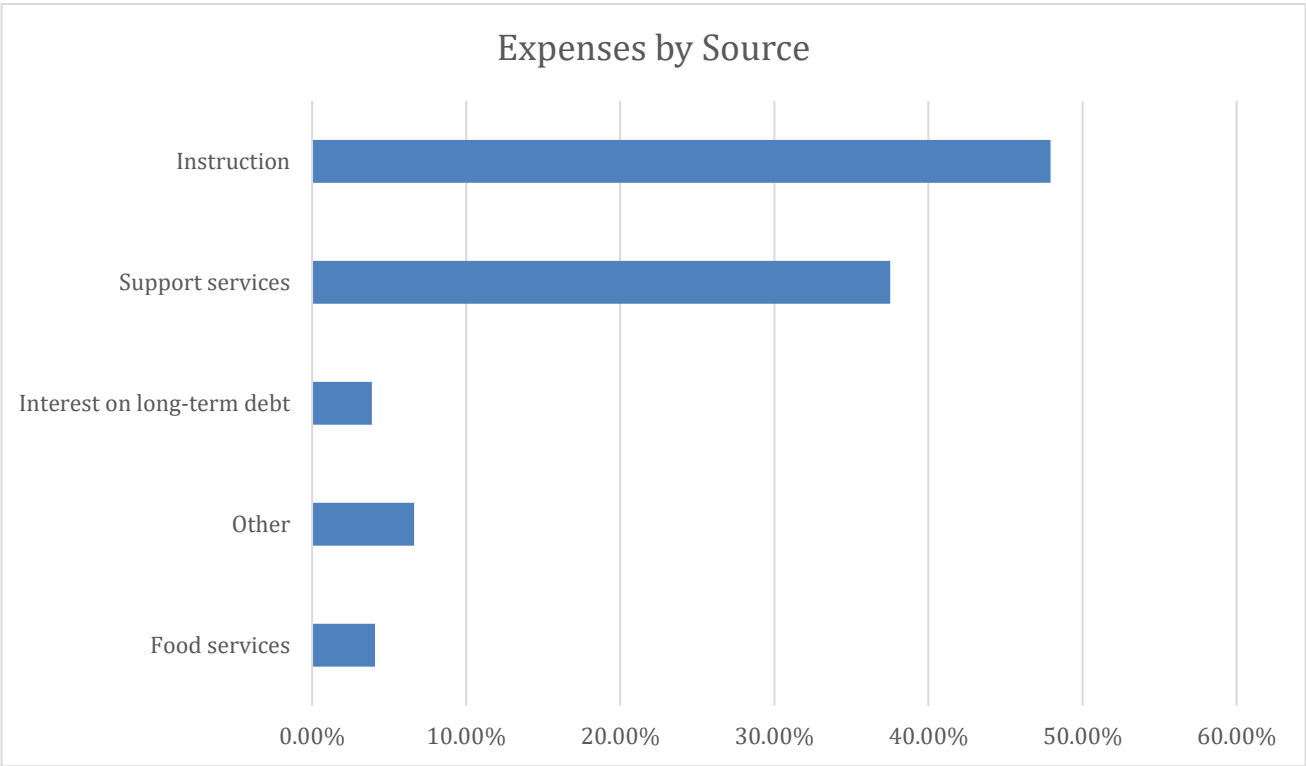
	2022	2021	Change
Revenues			
Program revenues			
Charges for services	\$ 566,621	\$ 326,610	\$ 240,011
Operating grants and contributions	28,647,224	23,945,475	4,701,749
General revenues			
Property taxes	33,859,194	32,517,422	1,341,772
Investment earnings (loss)	(301,876)	200,117	(501,993)
State aid - unrestricted	42,963,536	40,837,004	2,126,532
Intermediate sources	7,188,818	6,571,003	617,815
Other	294,654	149,892	144,762
Total revenues	113,218,171	104,547,523	8,670,648
Expenses			
Instruction	47,099,063	53,453,707	(6,354,644)
Support services	36,869,217	32,388,856	4,480,361
Community services	349,007	380,675	(31,668)
Food services	4,006,763	3,908,984	97,779
Student/school activities	781,834	546,701	235,133
Outgoing transfers and other transactions	-	-	-
Interest on long-term debt	3,804,850	4,051,588	(246,738)
Unallocated depreciation	5,373,349	5,549,951	(176,602)
Total expenses	98,284,083	100,280,462	(1,996,379)
Change in net position	14,934,088	4,267,061	10,667,027
Net position, beginning of year	(62,963,191)	(67,230,252)	4,267,061
Net position, end of year	\$ (48,029,103)	\$ (62,963,191)	\$ 14,934,088

In most of the above categories, the differences between the 2020-2021 fiscal year and the 2021-2022 fiscal year (change) would generally be considered well within the normal range.

There were three notable changes in revenue. One was related to an increase in operating grants and contributions as a result of the infusion of federal stimulus dollars. The increase this FY was even more substantial than in FY 21. These funds will remain fairly constant through FY 23 and then decrease in FY 24. At that time, we will see an adjustment to the percentage of revenues by source as it shifts towards state aid and property taxes.



On the expense side, the most noticeable change was an increase in support services. Many of these increases in support services continue to be associated with the infusion of federal dollars from the pandemic relief funds



Analysis of Significant Revenues and Expenditures

Significant revenues come from the State of Michigan in the form of per pupil revenue. The per pupil revenue is partially paid as State Aid and partially paid in the form of non-Principal Residence Exemption (non-homestead) property taxes on certain property within the District.

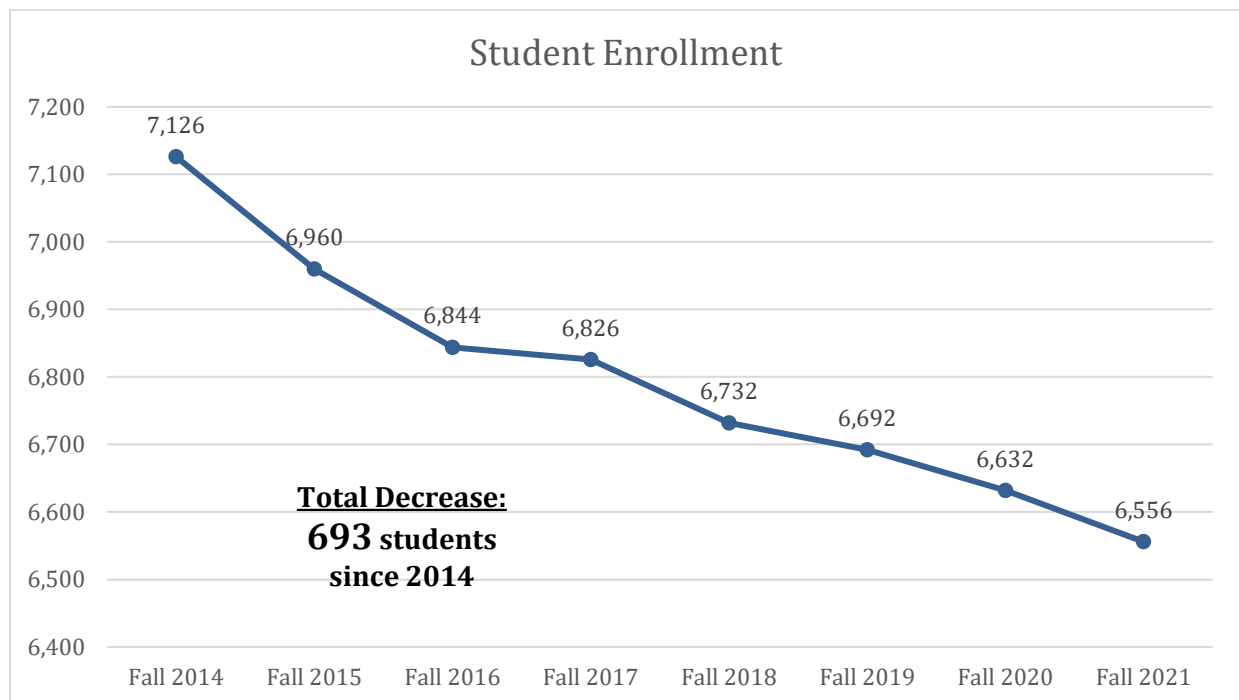
State Sources

The State of Michigan funds districts based on a blended student enrollment. A new super blend enrollment for the 2020-2021 fiscal year consisted of 75% of the prior year blend (90% October 2019 count and 10% of the February 2019 count) plus 25% of the current year blend (90% October 2020 count and 10% of the February 2020 count). This helped smooth the larger decrease in pupil attendance due to COVID-19. The state per-pupil allocation in 2021-2022 was \$8,700 per pupil.

Student Enrollment

The District's enrollment for the fall count of 2021-2022 was 6,556 students. This is a decrease of 76 students or 1.15% from the prior fall. The decrease was minimal. Historical data is included below.

Year	Enrollment	Change from Prior Year
Fall 2021	6,556	-76
Fall 2020	6,632	-60
Fall 2019	6,692	-40
Fall 2018	6,732	-94
Fall 2017	6,826	-18
Fall 2016	6,844	-116
Fall 2015	6,960	-166
Fall 2014	7,126	-123



Property Taxes

The District levies 18 mills of property taxes for operations on Non-Principal Residence Exemption (non-homestead) properties. Each year the voters of the District have approved an override to the reductions otherwise required by the Headlee Amendment. According to Michigan law, the taxable levy is based on the taxable valuation of properties. The annual taxable valuation increases are capped at the rate of the prior year's Consumer Price Index increase or 5%, whichever is less. At the time property is sold, its taxable valuation is re-adjusted to the State Equalized Value, which in theory is 50% of the property's market value.

The Non-Principal Residence Exemption (non-homestead) property tax levy is part of the state aid per pupil funding formula. For the 2021-2022 fiscal year, the District's net property tax revenues for general purposes were \$13,994,887. This was an increase of 4.6% from the prior year as property values continued to climb.

The District levied 7.75 mills of property taxes on all classes of property located within the District for bonded debt retirement. This levy is adjusted as property values increase or decrease and is used to pay the principal and interest on bond obligations. The total of property tax revenues for debt retirement in the current year was \$19,131,843.

West Ottawa Public Schools levied a 0.30 mill building and site property tax to pay for repairs. The building and site millage provides the revenue in the repair and improvement fund and is often referred to as a "sinking fund." The total sinking fund levy in the current year was \$730,765.

Wage and Benefit Expenditures

West Ottawa Public Schools spends the majority of its resources on staffing to provide for the educational needs of students, while also providing for the efficient operation of the District with staff that maintain grounds and facilities, transport students, administer state and federal programs, provide executive management for the organization, and feed students both breakfast and lunch.

The total wages paid to District employees exceeded \$43.9 million, consistent with the prior year, with benefit costs up by approximately \$3.5 million and equal to approximately \$30.2 million for the fiscal year. The total health benefit costs for 2021-22 were about \$6.5 million, up approximately \$680,000 from the prior year. The District contributed around \$19.2 million toward employees' pension and other postemployment benefits, an increase of 13.9% over 2020-2021. The remaining benefits consisted of employer contributions toward social security, Medicare, and worker's compensation. Wage and benefit costs were equal to approximately 85% of all general fund expenditures.

General Fund Budgetary Highlights

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to its starting on July 1. Any amendments made to the operating budget must be approved by the Board prior to the close of the fiscal year on June 30.

For the 2021-2022 fiscal year, the District amended the general fund budget, with the Board adopting the final changes in June 2022. The following schedule shows a comparison of the original general fund budget, the final amended general fund budget and actual totals from operations.

	Original Budget	Final Budget	Actual	Variance with Final Budget	% Variance
Total revenues and other financing sources	<u>\$ 80,436,000</u>	<u>\$ 86,905,000</u>	<u>\$ 87,313,102</u>	<u>\$ 408,102</u>	0.47%
Expenditures and other financing uses					
Instruction	\$ 51,195,000	\$ 55,810,000	\$ 55,305,045	\$ 504,955	0.90%
Support services	26,183,000	29,186,000	28,541,345	644,655	2.21%
Community services	360,000	400,000	349,007	50,993	12.75%
Capital outlay	<u>1,500,000</u>	<u>855,000</u>	<u>810,012</u>	<u>44,988</u>	5.26%
Total expenditures and other financing uses	<u>\$ 79,238,000</u>	<u>\$ 86,251,000</u>	<u>\$ 85,005,409</u>	<u>\$ 1,245,591</u>	1.44%

The actual revenues and other financing sources for the general fund were about \$87.3 million. This is above the final amended budget by \$408,102 or .47%. The actual general fund expenditures and other financing uses were \$85 million. This is below the final amended budget amount by \$1,245,591, or 1.44%. The variance in general fund revenue was related to the uncertainty of the amount of federal dollars utilized for summer school, staffing allocations, and PPE purchases.

Analysis of Financial Position

The District had a general fund increase of \$2,307,693 in 2021-2022. The small surplus is the result of conservative fiscal planning in anticipation of future deficits as the State of Michigan faces head wind recovering from the effect of the COVID-19 pandemic, as well as an infusion of federal stimulus dollars to combat unforeseen expenditures due to the COVID-19 pandemic.

The accumulated fund balance is approximately \$21.9 million and allows the District to provide appropriate capital investments to sustain long-term viability, allows the District to plan for the future without being subject to the whims of an ever-changing legislature, and allows the District to avoid borrowing for cash flow for its general operations.

As the District completed this year, the governmental funds reported a combined fund balance of \$80.5 million, this was an increase of \$26.5 million from the prior year. The primary reason for this decrease was due to the issuance of new bonds less capital project expenditures and an operating surplus in the general fund. Projects incurring significant expenditures during 2021-2022 included major ongoing renovations to Harbor Lights Middle School, addition of a new Performing Arts Center at the High school and the construction of a new athletic complex. The changes by major and nonmajor funds are as follows:

	General Fund	2014 Capital Projects Fund	2019 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
FUND BALANCE					
Beginning of year	\$ 19,646,622	\$ 2,593,215	\$ 23,676,922	\$ 8,070,256	\$ 53,987,015
Increase (decrease)	2,307,693	5,252,436	16,643,316	2,271,904	26,475,349
End of year	<u>\$ 21,954,315</u>	<u>\$ 7,845,651</u>	<u>\$ 40,320,238</u>	<u>\$ 10,342,160</u>	<u>\$ 80,462,364</u>

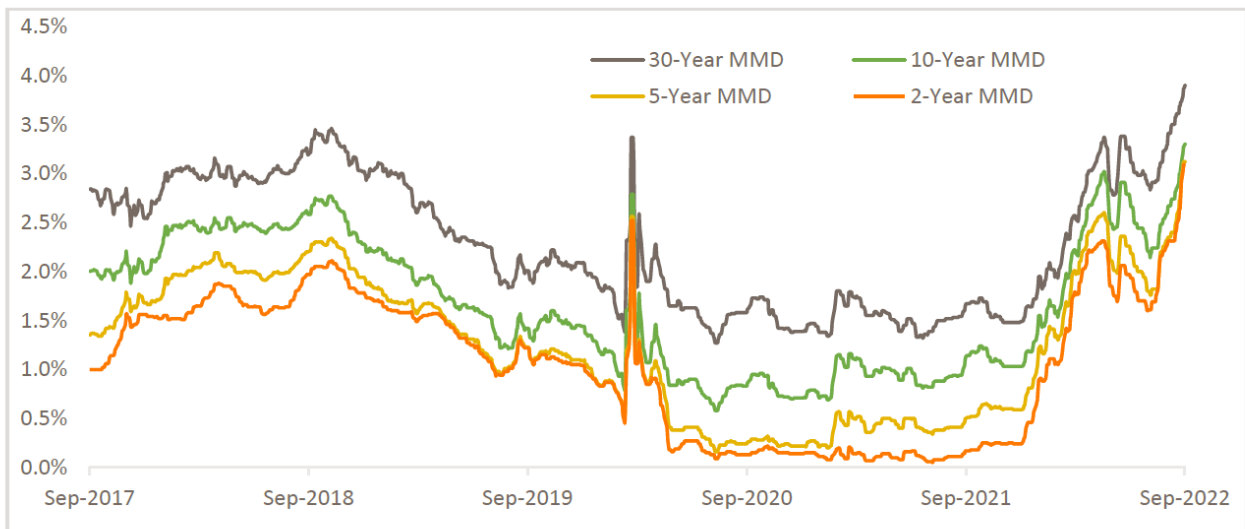
Factors Bearing on the District's Future

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

- The Governor and Legislature agreed on a budget for the 2022-2023 fiscal year with a foundation allowance increase of \$450 per pupil. This would bring the foundation allowance to \$9,150 per pupil. Although this increase seems substantial, it only represents a 5.2% increase in unrestricted revenue from the State. However, year over year inflation data continues to show CPI increases over 8%. Therefore, it will continue to be a challenge for the District to continue to remain competitive in the labor market when revenue increases cannot keep up with the increase of goods and services. Federal stimulus dollars are directly related to this boost in school aid fund revenue as millions of citizens had more discretionary spending to purchase goods and services, thus boosting the state revenue collections. It remains to be seen if the revenue stream will continue beyond the 2022-2023 fiscal year.
- In the past five fiscal years and the upcoming fiscal year, available K-12 funding has been used to reduce the pension's long-term liability and subsidize the current rate charged to the District. It is impossible to know how the pension system liabilities might change or whether the legislature might increase or decrease its retirement system subsidy. However, in recent years, the legislature has been committed to devoting an increasing amount towards the pension's UAAL (Unfunded Actuarial Accrued Liability).
- The global economy has continued to see significant price fluctuations in various industries as a result of a continued supply chain challenge resulting from the pandemic. Some of the disruption has resulted in economic hardships on the school district as there has been a sizeable increase in construction costs for new capital projects.
- It is difficult to project the future revenue streams for the state aid fund as the fund seems to be supported by the numerous stimulus packages approved by Congress during the pandemic. Coinciding with the pandemic, is further competition from online schools and other untested new educational models approved by the legislature and Governor in recent years that could potentially affect the District's student enrollment in the fall of 2022 and beyond. However, the District is now in its second year of operating our own West Ottawa Virtual Academy which will hopefully continue to capture non-traditional students.

- Continued focus on containing costs to match the size of enrollment will be key in maintaining positive fund balance going forward. The district has hired over 40 new FTE over the past two years as a result of the infusion of federal dollars. Many of these positions are instructional and behavioral support positions. However, the District will continue to utilize attrition to move these FTE into general fund certified positions, as the federal dollars are expended in the next two fiscal years.
- The District received approval from the voters to issue \$89.95 million in new bonds on May 6, 2014 and an additional \$97.95 million in new bonds on May 7, 2019. The District has issued all \$89.95 million of voter approved bonds, including bond premium, from the 2014 authorization. The District has issued approximately \$66.15 million of voter approved bonds, including bond premium, from the 2019 authorization with roughly \$31.8 million remaining to issue. These approvals will allow the District to make numerous site and building improvements, as well as purchasing new buses and technology. The District also finished building a new athletic complex, is currently constructing a new performing arts center, and will break ground on a new elementary school in the Spring of 2023. Those funds currently being utilized to complete a significant building renovation at Harbor Lights Middle School, replace boilers/chillers, improve building security, improve traffic flow, buy buses, purchase technology, complete the performing arts center, and start the new elementary school. These voter approved bonds continue to alleviate pressure on the general fund and repair and improvement fund to pay for all these needs.
- As inflation continues to be persistent, the Federal Reserve has remained committed to utilizing an increase in the federal funds rate to bring inflation closer to their 2% annualized goal. There are pros and cons for the District related to these rate increases as the district issues new debt and manages its cash flow. Bond proceeds and long-term debt will see an increase in the interest costs, but the bond proceeds will receive a much higher yield than in recent years as we manage the cash flow on construction projects. The chart below shows the last 5 years of historical data for the AAA MMD (municipal market debt) curve.

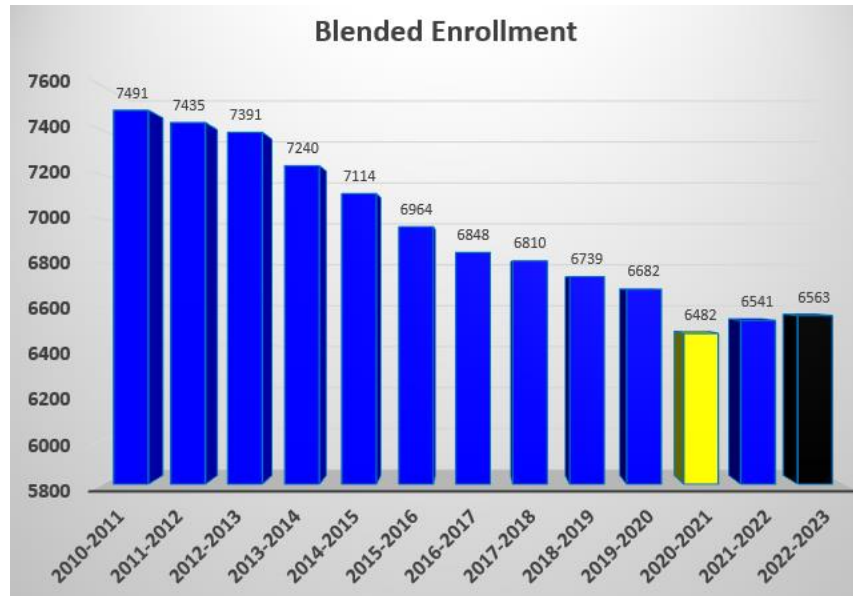
Historical AAA MMD Yields



Source: Refinitiv as of 9/30/2022

- The District's building and site fund millage was renewed by voters on August 4, 2020 for another 5 years. These funds will be utilized to keep up with continued repair and improvements across district sites and facilities. Projects over the next few years will include repaving aging parking lots, upgrading HVAC systems, and maintaining a high level of standard in our buildings and around our campuses.

- Our recent enrollment trend continues to reverse a decades old course for the District. We are projecting that the 2022-2023 school year will see an increase in state membership for the second year in a row. The chart below shows our last 12 school year enrollment data, as well as the actual enrolled FTE for the 2020-2021 school year even though the formula was changed by the state for payment during the pandemic year. The 2022-2023 bar shows a projection of FTE for the upcoming school year.



Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Associate Superintendent of Business Services, West Ottawa Public Schools, Holland, Michigan.

BASIC FINANCIAL STATEMENTS

WEST OTTAWA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 21,261,747
Investments	5,862,448
Receivables	
Accounts receivable	21,690
Taxes receivable	78,911
Interest receivable	54,404
Intergovernmental	13,993,960
Inventories	63,888
Prepays	528,635
Restricted cash - capital projects	5,144,034
Restricted investments - capital projects	50,951,600
Capital assets not being depreciated	48,659,205
Capital assets, net of accumulated depreciation	<u>131,797,682</u>
TOTAL ASSETS	<u>278,418,204</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to other postemployment benefits	9,114,051
Related to pension	<u>22,434,435</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>31,548,486</u>
LIABILITIES	
Accounts payable	8,317,219
Accrued salaries and related items	5,441,536
Accrued retirement	2,412,063
Accrued interest	1,128,607
Intergovernmental payable	219,683
Unearned revenue	1,108,452
Noncurrent liabilities	
Due within one year	14,447,446
Due in more than one year	143,076,784
Net other postemployment benefits liability	6,810,756
Net pension liability	<u>105,893,948</u>
TOTAL LIABILITIES	<u>288,856,494</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on refunding, net of amortization	418,341
Related to state aid funding for pension	7,023,036
Related to other postemployment benefits	26,013,707
Related to pension	<u>35,684,215</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>69,139,299</u>
NET POSITION	
Net investment in capital assets	70,754,663
Restricted for debt service	650,617
Restricted for capital projects - sinking fund	2,361,461
Unrestricted	<u>(121,795,844)</u>
TOTAL NET POSITION	<u>\$ (48,029,103)</u>

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

**WEST OTTAWA PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities				
Instruction	\$ 47,099,063	\$ 73,356	\$ 15,442,964	\$ (31,582,743)
Support services	36,869,217	82,509	6,663,408	(30,123,300)
Community services	349,007	-	205,988	(143,019)
Food services	4,006,763	410,756	5,242,357	1,646,350
Student/school activities	781,834	-	1,092,507	310,673
Interest on long-term debt	3,804,850	-	-	(3,804,850)
Unallocated depreciation*	5,373,349	-	-	(5,373,349)
Total governmental activities	<u>\$ 98,284,083</u>	<u>\$ 566,621</u>	<u>\$ 28,647,224</u>	<u>(69,070,238)</u>
General revenues				
Property taxes, levied for general purposes				13,994,887
Property taxes, levied for debt service				19,133,542
Property taxes, levied for capital projects sinking fund				730,765
Investment earnings				(301,876)
State sources				42,963,536
Intermediate sources				7,188,818
Other				<u>294,654</u>
Total general revenues				<u>84,004,326</u>
CHANGE IN NET POSITION				14,934,088
NET POSITION, beginning of year				<u>(62,963,191)</u>
NET POSITION, end of year				<u>\$ (48,029,103)</u>

*Unallocated depreciation includes 100% of depreciation expense,
no depreciation expense is allocated to various programs.

**WEST OTTAWA PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	2014 Capital Projects Fund	2019 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 13,996,831	\$ -	\$ -	\$ 7,264,916	\$ 21,261,747
Investments	3,049,691	-	-	2,812,757	5,862,448
Receivables					
Taxes receivable	67,025	-	-	11,886	78,911
Accounts receivable	-	-	-	21,690	21,690
Interest receivable	-	16,329	38,075	-	54,404
Intergovernmental	13,771,708	-	-	222,252	13,993,960
Due from other funds	2,650	-	6,724,368	45,186	6,772,204
Inventories	-	-	-	63,888	63,888
Prepays	517,260	-	-	11,375	528,635
Restricted cash - capital projects	-	5,144,034	-	-	5,144,034
Restricted investments - capital projects	-	16,444,416	34,507,184	-	50,951,600
TOTAL ASSETS	\$ 31,405,165	\$ 21,604,779	\$ 41,269,627	\$ 10,453,950	\$ 104,733,521
LIABILITIES					
Accounts payable	\$ 292,357	\$ 7,034,760	\$ 949,389	\$ 40,713	\$ 8,317,219
Accrued salaries and related items	5,425,230	-	-	16,306	5,441,536
Accrued retirement	2,409,387	-	-	2,676	2,412,063
Intergovernmental payable	218,694	-	-	989	219,683
Due to other funds	45,565	6,724,368	-	2,271	6,772,204
Unearned revenue	1,059,617	-	-	48,835	1,108,452
TOTAL LIABILITIES	9,450,850	13,759,128	949,389	111,790	24,271,157

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

	<u>General Fund</u>	<u>2014 Capital Projects Fund</u>	<u>2019 Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
FUND BALANCES					
Nonspendable					
Prepays	\$ 517,260	\$ -	\$ -	\$ 11,375	\$ 528,635
Restricted					
Food service	-	-	-	2,321,106	2,321,106
Capital projects	-	7,845,651	40,320,238	2,361,461	50,527,350
Debt service	-	-	-	1,779,224	1,779,224
Committed for student/school activities	-	-	-	1,792,987	1,792,987
Assigned					
Capital projects	-	-	-	2,076,007	2,076,007
Unassigned	21,437,055	-	-	-	21,437,055
	<u>21,954,315</u>	<u>7,845,651</u>	<u>40,320,238</u>	<u>10,342,160</u>	<u>80,462,364</u>
TOTAL FUND BALANCES					
	<u>21,954,315</u>	<u>7,845,651</u>	<u>40,320,238</u>	<u>10,342,160</u>	<u>80,462,364</u>
TOTAL LIABILITIES AND					
FUND BALANCES	<u>\$ 31,405,165</u>	<u>\$ 21,604,779</u>	<u>\$ 41,269,627</u>	<u>\$ 10,453,950</u>	<u>\$ 104,733,521</u>

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

WEST OTTAWA PUBLIC SCHOOLS
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO NET POSITION OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total governmental fund balances	\$ 80,462,364
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred outflows of resources - related to pension	22,434,435
Deferred outflows of resources - related to other postemployment benefits	9,114,051
Deferred inflows of resources - gain on refunding, net of amortization	(418,341)
Deferred inflows of resources - related to pension	(35,684,215)
Deferred inflows of resources - state aid funding for pension	(7,023,036)
Deferred inflows of resources - related to other postemployment benefits	(26,013,707)
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
The cost of the capital assets is	282,720,160
Accumulated depreciation is	(102,263,273)
Long-term obligations are not due and payable in the current period and are not reported in the funds:	
General obligation bonds	(157,449,772)
Compensated absences and termination benefits	(74,458)
Accrued interest is not included as a liability in government funds, it is recorded when paid	(1,128,607)
Net other postemployment benefits liability	(6,810,756)
Net pension liability	(105,893,948)
Net position of governmental activities	<u><u>\$ (48,029,103)</u></u>

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

WEST OTTAWA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	2014 Capital Projects Fund	2019 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Local sources					
Property taxes	\$ 13,994,887	\$ -	\$ -	\$ 19,864,307	\$ 33,859,194
Tuition	73,356	-	-	-	73,356
Investment earnings (loss)	12,251	2,232	(332,764)	16,405	(301,876)
Student/school activities	-	-	-	1,092,507	1,092,507
Food sales	-	-	-	379,609	379,609
Other	110,071	114,769	-	136,377	361,217
Total local sources	14,190,565	117,001	(332,764)	21,489,205	35,464,007
State sources	58,591,137	-	-	1,112,081	59,703,218
Federal sources	7,092,582	-	-	4,920,935	12,013,517
Incoming transfers and other	7,208,818	-	-	-	7,208,818
TOTAL REVENUES	87,083,102	117,001	(332,764)	27,522,221	114,389,560
EXPENDITURES					
Current					
Instruction	55,305,045	-	-	-	55,305,045
Supporting services	28,541,345	-	-	-	28,541,345
Food service activities	-	-	-	4,253,353	4,253,353
Student/school activities	-	-	-	781,834	781,834
Community service activities	349,007	-	-	-	349,007
Capital outlay	810,012	19,203,095	17,897,963	336,317	38,247,387

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

	General Fund	2014 Capital Projects Fund	2019 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
EXPENDITURES (continued)					
Debt service					
Principal repayment	\$ -	\$ -	\$ -	\$ 16,375,000	\$ 16,375,000
Interest	-	-	-	3,304,498	3,304,498
Other	-	186,583	280,342	232,036	698,961
TOTAL EXPENDITURES	85,005,409	19,389,678	18,178,305	25,283,038	147,856,430
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,077,693	(19,272,677)	(18,511,069)	2,239,183	(33,466,870)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of bonds	-	20,655,000	29,520,000	-	50,175,000
Refunding bonds issued	-	-	-	28,305,000	28,305,000
Payment to refunding bond escrow agent	-	-	-	(28,073,079)	(28,073,079)
Bond premium	-	3,870,113	5,634,385	-	9,504,498
Proceeds from sale of capital assets	-	-	-	30,800	30,800
Transfer in	230,000	-	-	170,589	400,589
Transfer out	-	-	-	(400,589)	(400,589)
TOTAL OTHER FINANCING SOURCES (USES)	230,000	24,525,113	35,154,385	32,721	59,942,219
NET CHANGE IN FUND BALANCES	2,307,693	5,252,436	16,643,316	2,271,904	26,475,349
FUND BALANCES					
Beginning of year	19,646,622	2,593,215	23,676,922	8,070,256	53,987,015
End of year	\$ 21,954,315	\$ 7,845,651	\$ 40,320,238	\$ 10,342,160	\$ 80,462,364

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

**WEST OTTAWA PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Net change in fund balances total governmental funds **\$ 26,475,349**

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

Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(5,373,349)
Capital outlay	26,702,109
Unrecovered cost on asset disposal	(28,443)

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

Accrued interest payable, beginning of the year	628,255
Accrued interest payable, end of the year	(1,128,607)

The issuance of long-term obligations (e.g., bonds) provides current financial resources to governmental funds, while the repayment of principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items and are as follows:

Refunding bonds issued	(28,305,000)
Payment to refunding bond escrow agent	28,073,079
Proceeds from debt issuance	(50,175,000)
Premium on the debt issuance	(9,504,498)
Payments on debt	16,375,000
Amortization of bond premium	60,661
Amortization of deferred gain on refunding	766,488

Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when financial resources are used in the governmental funds:

Compensated absences and termination benefits, beginning of the year	101,801
Compensated absences and termination benefits, end of the year	(74,458)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Pension related items	4,168,352
Other postemployment benefits related items	7,374,538

Restricted revenue reported in the government funds that is deferred to offset the deferred outflows related to section 147c pension contributions subsequent to the measurement period:

Pension related items, beginning of year	5,820,847
Pension related items, end of year	(7,023,036)

Change in net position of governmental activities	\$ 14,934,088
--	----------------------

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

NOTES TO BASIC FINANCIAL STATEMENTS

WEST OTTAWA PUBLIC SCHOOLS NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

Reporting Entity

The West Ottawa Public Schools (the "District") is governed by the West Ottawa Public Schools Board of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards Board (GASB) Statements.

Basis of Presentation - Government-wide Financial Statements

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

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

Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following *Major Governmental Funds*:

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

The major *Capital Projects Funds* includes capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the school district has complied with the applicable provisions of §1351a of the Revised School Code.

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation - Fund Financial Statements (continued)

The following is a summary of the revenue and expenditures for the 2014 and 2019 capital projects bond activity since inception through the current fiscal year:

	<u>2014 Bond</u>	<u>2019 Bond</u>
Revenues and other financing sources	<u>\$ 92,298,926</u>	<u>\$ 66,613,608</u>
Expenditures	<u>\$ 84,453,275</u>	<u>\$ 26,293,370</u>

The above revenue amount includes net bond issuance related to the 2014 and 2019 Bonds of \$90,597,587 and \$55,705,000, respectively.

Other Nonmajor Funds

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

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

The *Capital Projects Building Transfer Fund* accounts for the transfers from the general fund for the acquisition of capital assets.

The *Capital Projects Sinking Fund* accounts for the receipt of property taxes levied for sinking fund and subsequent expenditures of those funds. The fund has complied with the applicable provisions of Section 1212(1) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95.

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

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus and Basis of Accounting (continued)

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

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

Budgetary Information

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund and special revenue fund(s). The capital projects funds are appropriated on a project-length basis. Other funds do not have appropriated budgets.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

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

- a. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
- b. Public hearings are conducted to obtain taxpayer comments.
- c. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, in the general fund are noted in the required supplementary information section.

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information (continued)

Budgetary Basis of Accounting (continued)

- d. Transfers may be made for budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.
- e. The budget was amended during the year with supplemental appropriations, the last one approved prior to year-end June 30, 2022. The District does not consider these amendments to be significant.

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of 3 months or less from the date of acquisition.

Investments

In accordance with Michigan Compiled Laws, the District is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

Capital Assets

Capital assets, which include property, plant, equipment, and transportation vehicles, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 2 years. Group purchases are evaluated on a case by case basis. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

Land and construction in process is not depreciated. The other property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Lives</u>
Buildings and improvements	25 - 50
Furniture and equipment	5 - 20
Buses and other vehicles	8

Defined Benefit Plans

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category. They are the pension and other postemployment benefit related items reported in the government-wide statement of net position. A deferred outflow is recognized for pension and other postemployment benefit related items. These amounts are expensed in the plan year in which they apply.

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first is restricted section 147c state aid deferred to offset deferred outflows related to section 147c pension contributions subsequent to the measurement period. The second and third items are future resources yet to be recognized in relation to the pension and other postemployment benefit actuarial calculation. These future resources arise from differences in the estimates used by the actuary to calculate the pension and other postemployment benefit liability and the actual results. The amounts are amortized over a period determined by the actuary. The fourth is the deferred gain on refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied. The District's restricted food service net position has been eliminated by the accruals for the net pension liability and net other postemployment benefit liability.

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance Flow Assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. The resources received from selling inventory in the food service fund are restricted, therefore the fund balance amount related to inventory is not reported as nonspendable fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Board of Education has by resolution authorized the superintendent or his designee 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 only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

In the general fund, the District strives to maintain a secure financial position whereby the fund balance does not fall below 15% of the preceding year's expenditures.

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, unrestricted state aid, interest, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

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

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

Fund	Mills
General fund	
Non-Principal Residence Exemption (PRE)	18.0000
Commercial Personal Property	6.0000
Debt service fund	
PRE, Non-PRE, Commercial Personal Property	7.7500
Capital projects sinking fund	
PRE and Non-PRE	0.2968

Compensated Absences and Termination Benefits

The District's policies generally provide for granting vacation or sick leave with pay. The current and long-term liability for compensated absences and termination benefits is reported on the government-wide financial statements. A liability for these amounts, including related benefits, is reported in the governmental funds only if they have matured, for example, as a result of employee leave, resignations or retirements.

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues and Expenditures/Expenses (continued)

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method over the term of the related debt. Bond issuance costs are reported as expenditures in the year in which they are incurred.

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2022, \$27,972,380 of the District's bank balance of \$28,722,380 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was \$26,405,781.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the 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 District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

Interest Rate Risk

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk (continued)

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

Investment Type	Fair Value	Weighted Average Maturity (Years)	%
Fidelity Institutional Treasury Portfolio	\$ 16,051,911	0.0027	28.25%
United States Treasury Notes	34,899,689	1.8328	61.43%
Certificates of Deposit	5,838,615	0.4330	10.28%
FDIC insured deposit account	23,833	0.0027	0.04%
Total fair value	<u>\$ 56,814,048</u>		<u>100.00%</u>
Portfolio weighted average maturity		<u>1.1712</u>	

One day maturity equals 0.0027, one year equals 1.00

Concentration Of Credit Risk

The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Foreign Currency Risk

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

Fair Value Measurement

The District is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurement (continued)

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

The United States Treasury Notes and Fidelity Institutional Treasury Portfolio are the only investments subject to the fair value measurement. United States Treasury Notes are considered Level 1 and Fidelity Institutional Treasury Portfolio are considered Level 2.

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

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

	<u>Primary Government</u>
Cash and cash equivalents	\$ 21,261,747
Investments	5,862,448
Restricted cash and cash equivalents	5,144,034
Restricted investments	<u>50,951,600</u>
	<u><u>\$ 83,219,829</u></u>

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - CAPITAL ASSETS

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

	Balance July 1,	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2022
Assets not being depreciated				
Land	\$ 6,129,748	\$ -	\$ -	\$ 6,129,748
Construction in progress	27,877,372	25,814,541	11,162,456	42,529,457
Subtotal	34,007,120	25,814,541	11,162,456	48,659,205
Other capital assets				
Buildings and improvements	204,309,208	12,050,024	43,392	216,315,840
Furniture and equipment	12,149,579	-	220,103	11,929,476
Buses and other vehicles	5,815,639	-	-	5,815,639
Subtotal	222,274,426	12,050,024	263,495	234,060,955
Accumulated depreciation				
Buildings and improvements	85,043,882	4,578,099	20,470	89,601,511
Furniture and equipment	7,994,184	410,038	214,582	8,189,640
Buses and other vehicles	4,086,910	385,212	-	4,472,122
Total accumulated depreciation	97,124,976	5,373,349	235,052	102,263,273
Net capital assets being depreciated	125,149,450	6,676,675	28,443	131,797,682
Net governmental capital assets	<u>\$ 159,156,570</u>	<u>\$ 32,491,216</u>	<u>\$ 11,190,899</u>	<u>\$ 180,456,887</u>

Depreciation expense for the fiscal year ended June 30, 2022 amounted to \$5,373,349. The District has determined that it is impractical to allocate depreciation to various governmental activities as the assets serve multiple functions.

Costs to complete construction in progress are approximately \$33,289,000.

WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at June 30, 2022 consist of the following:

State aid	\$ 10,488,709
Federal revenue	3,284,921
Intermediate sources and other	<u>220,330</u>
	<u><u>\$ 13,993,960</u></u>

No allowance for doubtful accounts is considered necessary based on previous experience.

NOTE 5 - LONG-TERM OBLIGATIONS

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

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

	Compensated Absences and Termination Benefits	General Obligation Bonds	Total
Balance, July 1,	\$ 101,801	\$ 114,733,233	\$ 114,835,034
Additions	-	87,984,499	87,984,499
Deletions	<u>(27,343)</u>	<u>(45,267,960)</u>	<u>(45,295,303)</u>
Balance, June 30, 2022	74,458	157,449,772	157,524,230
Due within one year	<u>7,446</u>	<u>14,440,000</u>	<u>14,447,446</u>
Due in more than one year	<u><u>\$ 67,012</u></u>	<u><u>\$ 143,009,772</u></u>	<u><u>\$ 143,076,784</u></u>

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Long-term obligations at June 30, 2022 is comprised of the following issues:

General Obligation Bonds

2014 building and site bonds - \$42,500,000, due in annual installments of \$1,225,000 to \$1,275,000 through May 1, 2024 with interest of 5.000%.	\$ 2,500,000
2016 refunding bonds - \$5,715,000, due in annual installments of \$870,000 to \$930,000 through November 1, 2026 with interest at 1.690%.	3,600,000
2017 refunding bonds - \$12,835,000, due in annual installments of \$825,000 to \$1,620,000 through November 1, 2032 with interest from 4.000% to 5.000%.	11,570,000
2018 building and site bonds - \$13,795,000, due in annual installments of \$300,000 to \$575,000 through November 1, 2038 with interest at 5.000%.	7,150,000
2019 building and site bonds - \$21,190,000, due in annual installments of \$480,000 to \$1,000,000 through May 1, 2044 with interest from 4.000% to 5.000%.	17,330,000
2020 building and site bonds - \$7,350,000, due in annual installments of \$2,175,000 to \$2,750,000 through May 1, 2030 with interest of 4.000%.	7,350,000
2020 refunding bonds - \$22,525,000, due in annual installments of \$2,055,000 to \$3,030,000 through May 1, 2027 with interest from 0.770% to 1.415%.	13,300,000
2021 building and site bonds - \$50,175,000, due in annual installments of \$1,000,000 to \$6,030,000 through November 1, 2046 with interest from 4.000% to 5.000%.	50,175,000
2021 refunding bonds - \$28,305,000, due in annual installments of \$1,190,000 to \$9,680,000 through November 1, 2025 with interest from 0.320% to 1.060%.	27,785,000
Issuance premium	<u>16,689,772</u>
Total general obligation bonds	157,449,772
Compensated absences and termination benefits	<u>74,458</u>
Total general long-term obligations	<u><u>\$ 157,524,230</u></u>

On November 9, 2021, the District issued general obligation bonds of \$28,305,000 with an interest rate of 0.320% to 1.060% advance refund a portion of the District's outstanding 2014 Building and Site Bonds. The bonds mature at various times through November 1, 2025. The refunding bonds were issued with no premium or discount after paying issuance costs of \$231,820. The net issuance was \$28,073,079. The net issuance from the issuance of the general obligation bonds were used to purchase U.S. governmental securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are paid in full. The advance refunding met the requirements of an in-substance defeasance and the term bonds were removed from the District's government-wide financial statements.

WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

As a result of the advance refunding, the District reduced its total debt service requirements by \$8,837,033, creating an economic gain (difference between the present value of the debt service payment on the old and new debt) of \$6,716,653.

The District has defeased certain general obligation bonds by placing the issuance of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2022, \$100,840,000 of bonds outstanding are considered defeased.

The annual requirements to amortize long-term obligations exclusive of compensated absences payments as of June 30, 2022 are as follows:

Year Ending June 30,	General Obligation Bonds		Compensated Absences and Termination Benefits	Total
	Principal	Interest		
2023	\$ 14,440,000	\$ 5,533,592	\$ -	\$ 19,973,592
2024	14,720,000	4,131,299	-	18,851,299
2025	15,750,000	3,879,973	-	19,629,973
2026	15,985,000	3,648,712	-	19,633,712
2027	5,815,000	3,413,503	-	9,228,503
-	27,475,000	13,228,250	-	40,703,250
-	19,670,000	8,052,600	-	27,722,600
-	17,490,000	3,936,475	-	21,426,475
2043 - 2047	9,415,000	776,300	-	10,191,300
	140,760,000	46,600,704	-	187,360,704
Issuance premium	16,689,772	-	-	16,689,772
Compensated absences and termination benefits	-	-	74,458	74,458
	<u>\$ 157,449,772</u>	<u>\$ 46,600,704</u>	<u>\$ 74,458</u>	<u>\$ 204,124,934</u>

Compensated absences and termination benefits typically are liquidated by the general fund. Interest expense for the year ended June 30, 2022 was approximately \$3,305,000.

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund payable and receivable balances at June 30, 2022 are as follows:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
General fund	\$ 2,650	General fund	\$ 45,565
2019 Capital Projects Fund	6,724,368	2014 Capital Projects Fund	6,724,368
Nonmajor funds	<u>45,186</u>	Nonmajor funds	<u>2,271</u>
	<u>\$ 6,772,204</u>		<u>\$ 6,772,204</u>

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS) (System) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the Board's authority to promulgate or amend the provisions of the System. MPSERS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.michigan.gov/orsschools.

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

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided - Overall

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

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

Benefits Provided - Pension

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

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

Pension Reform 2010

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

Pension Reform 2012

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

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform 2012 (continued)

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

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

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

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

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

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

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

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

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Reform of 2017

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

Benefits Provided - Other Postemployment Benefit (OPEB)

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

Retiree Healthcare Reform of 2012

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

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Regular Retirement (no reduction factor for age)

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

Annual Amount - The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member's pension is determined by their pension election under PA 300 of 2012.

Member Contributions

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

Employer Contributions

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

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

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

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

	Pension	Other Postemployment Benefit
October 1, 2020 - September 30, 2021	13.39% - 19.78%	7.57% - 8.43%
October 1, 2021 - September 30, 2022	13.79% - 20.14%	7.23% - 8.09%

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (continued)

The District's pension contributions for the year ended June 30, 2022 were equal to the required contribution total. Total pension contributions were approximately \$15,436,000. Of the total pension contributions approximately \$14,988,000 was contributed to fund the Defined Benefit Plan and approximately \$448,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2022 were equal to the required contribution total. Total OPEB contributions were approximately \$3,808,000. Of the total OPEB contributions approximately \$3,543,000 was contributed to fund the Defined Benefit Plan and approximately \$265,000 was contributed to fund the Defined Contribution Plan.

These amounts, for both pension and OPEB benefit, include contributions funded from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL) Stabilization Rate (100% for pension and 0% for OPEB).

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

Pension Liabilities

The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2020 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined.

<u><i>MPSERS (Plan) Non-University Employers</i></u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Total pension liability	\$ 86,392,473,395	\$ 85,290,583,799
Plan fiduciary net position	\$ 62,717,060,920	\$ 50,939,496,006
Net pension liability	\$ 23,675,412,475	\$ 34,351,087,793
Proportionate share	0.44727%	0.44798%
Net pension liability for the District	\$ 105,893,948	\$ 153,886,161

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

For the year ended June 30, 2022, the District recognized pension expense of \$10,819,722.

WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At June 30, 2022, the Reporting Unit 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
Changes of assumptions	\$ 6,675,176	\$ -
Net difference between projected and actual earnings on pension plan investments	-	(34,044,564)
Differences between expected and actual experience	1,640,343	(623,589)
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	(1,016,062)
Reporting Unit's contributions subsequent to the measurement date	14,118,916	-
	<u>\$ 22,434,435</u>	<u>\$ (35,684,215)</u>

\$14,118,916, reported as deferred outflows of resources related to pensions resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

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

Year Ending September 30,	Amount
2022	\$ (3,558,277)
2023	(6,242,232)
2024	(8,339,863)
2025	(9,228,324)

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

OPEB Liabilities

The net OPEB liability was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2020 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

<u>MPERS (Plan) Non-University Employers</u>	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Total other postemployment benefits liability	\$ 12,046,393,511	\$ 13,206,903,534
Plan fiduciary net position	\$ 10,520,015,621	\$ 7,849,636,555
Net other postemployment benefits liability	\$ 1,526,377,890	\$ 5,357,266,979
Proportionate share	0.44620%	0.44816%
Net other postemployment benefits liability for the District	\$ 6,810,756	\$ 24,009,049

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

For the year ended June 30, 2022, the District recognized OPEB benefit of \$3,831,786.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 5,693,454	\$ (851,953)
Net difference between projected and actual earnings on pension plan investments	-	(5,133,389)
Differences between expected and actual experience	-	(19,440,817)
Changes in proportion and differences between employer contributions and proportionate share of contributions	235,736	(587,548)
Reporting Unit's contributions subsequent to the measurement date	3,184,861	-
	<u>\$ 9,114,051</u>	<u>\$ (26,013,707)</u>

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

\$3,184,861, reported as deferred outflows of resources related to OPEB resulting from District employer contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ (5,312,344)
2023	(4,837,970)
2024	(4,354,302)
2025	(3,983,877)
2026	(1,410,912)
2027	(185,112)

Actuarial Assumptions

Investment Rate of Return for Pension - 6.80% a year, compounded annually net of investment and administrative expenses for the MIP, Basic and Pension Plus groups and 6.00% a year, compounded annually net of investment and administrative expenses for Pension Plus 2 Plan.

Investment Rate of Return for OPEB - 6.95% a year, compounded annually net of investment and administrative expenses.

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

Inflation - 3.0%.

Mortality Assumptions -

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

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

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

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

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

Healthcare Cost Trend Rate for Other Postemployment Benefit - Pre 65, 7.75% for year one and graded to 3.5% in year fifteen. Post 65, 5.25% for year one and graded to 3.5% in year fifteen.

Additional Assumptions for Other Postemployment Benefit Only - Applies to Individuals Hired Before September 4, 2012:

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

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

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

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

<u>Investment Category</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return*</u>
Domestic Equity Pools	25.0%	5.4%
International Equity Pools	15.0%	7.5%
Private Equity Pools	16.0%	9.1%
Real Estate and Infrastructure Pools	10.0%	5.4%
Fixed Income Pools	10.5%	-0.7%
Absolute Return Pools	9.0%	2.6%
Real Return/Opportunistic Pools	12.5%	6.1%
Short Term Investment Pools	2.0%	-1.3%
	<u>100.0%</u>	

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

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

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

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net pension liability calculated using a single discount rate of 6.80% (6.00% for the Pension Plus 2 Plan), as well as what the Reporting Unit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Pension		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net pension liability	<u>\$ 151,399,627</u>	<u>\$ 105,893,948</u>	<u>\$ 68,166,755</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the Reporting Unit's proportionate share of the net OPEB liability calculated using a single discount rate of 6.95%, as well as what the Reporting Unit's proportionate share of the net OPEB 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:

	Other Postemployment Benefits		
	1% Decrease	Discount Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability	<u>\$ 12,655,613</u>	<u>\$ 6,810,756</u>	<u>\$ 1,850,595</u>

Sensitivity to the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the Reporting Unit's proportionate share of the net other postemployment benefit liability calculated using the healthcare cost trend rate, as well as what the Reporting Unit's proportionate share of the net other postemployment benefit liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Other Postemployment Benefits		
		Current Healthcare Cost Trend Rate	
	1% Decrease		1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability	<u>\$ 1,657,684</u>	<u>\$ 6,810,756</u>	<u>\$ 12,608,582</u>

Pension and OPEB Plan Fiduciary Net Position

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Assumptions (continued)

Payable to the Pension and OPEB Plan - At year end the School District is current on all required pension and other postemployment benefit plan payments. Amounts accrued at year end for accounting purposes are separately stated in the financial statements as a liability titled accrued retirement. These amounts represent current payments for June paid in July, accruals for summer pay primarily for teachers, and the contributions due from State Revenue Section 147c restricted to fund the MPSERS Unfunded Actuarial Accrued Liability (UAAL).

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (worker's compensation), as well as medical benefits provided to employees. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past 3 fiscal years.

The District participates in the MASB-SEG Property Casualty Pool program. This program provides substantially all the insurance needs of the District, including property, general liability, automobile, and umbrella, with no significant changes in coverage from the prior year. The contributions made by the District fund the program at rates predicated on expected losses, excess insurance premium contribution, and administration costs, including appropriate state assessment. The members of the trust have contributed amounts sufficient to fund individual and aggregate losses of up to \$1,000,000 each, along with a \$6,000,000 umbrella coverage.

The District is insured for health benefits through the West Michigan Health Insurance Pool for certain employees of the District which includes medical coverage, of which hospitalization is a component, and prescription drug coverage. The pool pays the first \$600,000 of claims for every participant. The District has purchased excess insurance to cover claims exceeding this amount, both individually and in the aggregate.

The District is insured under the Michigan Workers Disability Compensation Act through the SEG Worker's Compensation Fund. The fund (risk-sharing pool) pays the first \$750,000 of any worker's compensation and \$1,000,000 employers' liability exposure.

The District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the District must reimburse the Employment Commission for all benefits charged against the District. The District believes that any claims incurred but not reported would be insignificant.

NOTE 9 - TRANSFERS

The food service fund transferred \$230,000 to the general fund. The transfer from the food service fund was made to allocate indirect costs between the funds. \$170,589 was transferred between the debt service funds.

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

NOTE 11 - TAX ABATEMENTS

The District is required to disclose significant tax abatements as required by GASB Statement No. 77, *Tax Abatements*.

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

Municipality	Taxes Abated				
	IFT	Brownfield	PILOT	Other	Total
Olive Township	\$ 12,975	\$ -	\$ -	\$ -	\$ 12,975
Holland Charter Township	658,418	27,494	137,846	30,048	853,806
	<u>\$ 671,393</u>	<u>\$ 27,494</u>	<u>\$ 137,846</u>	<u>\$ 30,048</u>	<u>\$ 866,781</u>

The taxes abated for the general fund operating millage is considered by the State of Michigan when determining the District's Section 22 funding of the State School Aid Act.

There were no abatements made by the District.

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENT

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

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLE

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

Summary:

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

There was no material impact on the District's financial statement after the adoption of GASB Statement 87.

THIS PAGE IS INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION

**WEST OTTAWA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 14,255,000	\$ 14,560,000	\$ 14,190,565	\$ (369,435)
State sources	53,860,000	58,340,000	58,591,137	251,137
Federal sources	5,565,000	6,650,000	7,092,582	442,582
Incoming transfers and other	6,756,000	7,355,000	7,208,818	(146,182)
TOTAL REVENUES	80,436,000	86,905,000	87,083,102	178,102
EXPENDITURES				
Current				
Instruction				
Basic programs	39,800,000	45,350,000	45,066,732	283,268
Added needs	11,395,000	10,460,000	10,238,313	221,687
Total instruction	51,195,000	55,810,000	55,305,045	504,955
Supporting services				
Pupil	5,075,000	5,005,000	4,976,951	28,049
Instructional staff	3,430,000	4,260,000	4,194,118	65,882
General administration	658,000	775,000	767,120	7,880
School administration	4,560,000	4,740,000	4,706,081	33,919
Business	915,000	1,030,000	1,010,995	19,005
Operation/maintenance	6,910,000	7,655,000	7,442,697	212,303
Pupil transportation	2,460,000	3,061,000	2,887,357	173,643
Central	785,000	875,000	790,340	84,660
Athletics	1,390,000	1,785,000	1,765,686	19,314
Total supporting services	26,183,000	29,186,000	28,541,345	644,655
Community services	360,000	400,000	349,007	50,993
Capital outlay	1,500,000	855,000	810,012	44,988
TOTAL EXPENDITURES	79,238,000	86,251,000	85,005,409	1,245,591
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,198,000	654,000	2,077,693	1,423,693
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	230,000	230,000
NET CHANGE IN FUND BALANCE	\$ 1,198,000	\$ 654,000	2,307,693	\$ 1,653,693
FUND BALANCE				
Beginning of year			19,646,622	
End of year			\$ 21,954,315	

**WEST OTTAWA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST EIGHT FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)**

	2021	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	0.44727%	0.44798%	0.44849%	0.45466%	0.45840%	0.46027%	0.46219%	0.45848%
Reporting Unit's proportionate share of net pension liability	\$ 105,898,948	\$ 153,886,161	\$ 148,525,879	\$ 136,679,364	\$ 118,791,816	\$ 114,833,132	\$ 112,891,123	\$ 100,986,711
Reporting Unit's covered-employee payroll	\$ 40,266,034	\$ 39,635,134	\$ 38,824,228	\$ 36,794,433	\$ 38,644,745	\$ 38,799,114	\$ 38,594,806	\$ 39,187,214
Reporting Unit's proportionate share of net pension liability as a percentage of its covered-employee payroll	263.00%	388.26%	382.56%	371.47%	307.39%	295.97%	292.50%	257.70%
Plan fiduciary net position as a percentage of total pension liability (Non-university employers)	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**WEST OTTAWA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PENSION CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST EIGHT FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	\$ 14,988,074	\$ 13,015,202	\$ 12,050,949	\$ 11,697,607	\$ 11,766,432	\$ 10,335,560	\$ 9,810,891	\$ 8,086,710
Contributions in relation to statutorily required contributions	14,988,074	13,015,202	12,050,949	11,697,607	11,766,432	10,335,560	9,810,891	8,086,710
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reporting Unit's covered-employee payroll	\$ 42,790,281	\$ 39,384,233	\$ 39,595,133	\$ 38,665,365	\$ 38,146,494	\$ 37,878,158	\$ 38,800,553	\$ 38,388,804
Contributions as a percentage of covered-employee payroll	35.03%	33.05%	30.44%	30.25%	30.85%	27.29%	25.29%	21.07%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**WEST OTTAWA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S PROPORTIONATES SHARE
OF THE NET OPEB LIABILITY
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST FIVE FISCAL YEARS (DETERMINED AS OF THE PLAN YEAR SEPTEMBER 30)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Reporting Unit's proportion of net OPEB liability (%)	0.44620%	0.44816%	0.44477%	0.45128%	0.45772%
Reporting Unit's proportionate share of net OPEB liability	\$ 6,810,756	\$ 24,009,049	\$ 31,924,826	\$ 35,872,101	\$ 40,533,595
Reporting Unit's covered-employee payroll	\$ 40,266,034	\$ 39,635,134	\$ 38,824,228	\$ 36,794,433	\$ 38,644,745
Reporting Unit's proportionate share of net OPEB liability as a percentage of its covered-employee payroll	16.91%	60.58%	82.23%	97.49%	104.89%
Plan fiduciary net position as a percentage of total OPEB liability (Non-university employers)	87.33%	59.44%	48.46%	42.95%	36.39%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**WEST OTTAWA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE REPORTING UNIT'S OPEB CONTRIBUTIONS
MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT PLAN
LAST FIVE FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	2022	2021	2020	2019	2018
Statutorily required contributions	\$ 3,542,753	\$ 3,416,453	\$ 3,379,893	\$ 3,204,538	\$ 3,729,757
Contributions in relation to statutorily required contributions	<u>3,542,753</u>	<u>3,416,453</u>	<u>3,379,893</u>	<u>3,204,538</u>	<u>3,729,757</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 42,790,281	\$ 39,384,233	\$ 39,595,133	\$ 38,665,365	\$ 38,146,494
Contributions as a percentage of covered-employee payroll	8.28%	8.67%	8.54%	8.29%	9.78%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the District presents information for those years for which information is available.

**WEST OTTAWA PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 - PENSION INFORMATION

Benefit Changes - there were no changes of benefit terms in 2021.

Changes of Assumptions – there were no changes of assumptions in 2021.

NOTE 2 - OPEB INFORMATION

Benefit Changes - there were no changes of benefit terms in 2021.

Changes of Assumptions - the assumption changes for 2021 were:

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

ADDITIONAL SUPPLEMENTARY INFORMATION

**WEST OTTAWA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2022**

	Special Revenues		Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Funds
	Food Service	Student/School Activities			
ASSETS					
Cash and cash equivalents	\$ 2,097,940	\$ 1,252,892	\$ 1,794,061	\$ 2,120,023	\$ 7,264,916
Investments	-	500,889	-	2,311,868	2,812,757
Accounts receivable	5,731	15,000	-	959	21,690
Taxes receivable	-	-	9,692	2,194	11,886
Intergovernmental receivable	222,252	-	-	-	222,252
Due from other funds	6,101	32,979	1,194	4,912	45,186
Inventories	63,888	-	-	-	63,888
Prepays	11,375	-	-	-	11,375
TOTAL ASSETS	\$ 2,407,287	\$ 1,801,760	\$ 1,804,947	\$ 4,439,956	\$ 10,453,950
LIABILITIES					
Accounts payable	\$ 6,217	\$ 8,773	\$ 25,723	-	\$ 40,713
Accrued salaries and related items	16,306	-	-	-	16,306
Accrued retirement	2,676	-	-	-	2,676
Intergovernmental payables	-	-	-	989	989
Due to other funds	2,222	-	-	49	2,271
Unearned revenue	47,385	-	-	1,450	48,835
TOTAL LIABILITIES	74,806	8,773	25,723	2,488	111,790
FUND BALANCES					
Nonspendable					
Prepays	11,375	-	-	-	11,375
Restricted	2,321,106	-	1,779,224	2,361,461	6,461,791
Committed for student/school activities	-	1,792,987	-	-	1,792,987
Assigned					
Capital projects	-	-	-	2,076,007	2,076,007
TOTAL FUND BALANCES	2,332,481	1,792,987	1,779,224	4,437,468	10,342,160
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,407,287	\$ 1,801,760	\$ 1,804,947	\$ 4,439,956	\$ 10,453,950

WEST OTTAWA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2022

	Special Revenues		Nonmajor Debt Service	Nonmajor Capital Projects	Total Nonmajor Funds
	Food Service	Student/School Activities			
REVENUES					
Local sources					
Property taxes	\$ -	\$ -	\$ 19,133,542	\$ 730,765	\$ 19,864,307
Investment earnings	24	-	10,790	5,591	16,405
Student/school activities	-	1,092,507	-	-	1,092,507
Food sales	379,609	-	-	-	379,609
Other	347	-	-	136,030	136,377
Total local sources	379,980	1,092,507	19,144,332	872,386	21,489,205
State sources	321,422	-	761,193	29,466	1,112,081
Federal sources	4,920,935	-	-	-	4,920,935
TOTAL REVENUES	5,622,337	1,092,507	19,905,525	901,852	27,522,221
EXPENDITURES					
Current					
Food service activities	4,253,353	-	-	-	4,253,353
Student/school activities	-	781,834	-	-	781,834
Capital outlay	71,253	-	-	265,064	336,317
Debt service					
Principal repayment	-	-	16,375,000	-	16,375,000
Interest	-	-	3,304,498	-	3,304,498
Other	-	-	232,036	-	232,036
TOTAL EXPENDITURES	4,324,606	781,834	19,911,534	265,064	25,283,038
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,297,731	310,673	(6,009)	636,788	2,239,183
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	30,800	-	-	-	30,800
Refunding bonds issued	-	-	28,305,000	-	28,305,000
Payment to refund bond escrow agent	-	-	(28,073,079)	-	(28,073,079)
Transfers in	-	-	170,589	-	170,589
Transfers out	(230,000)	-	(170,589)	-	(400,589)
TOTAL OTHER FINANCING SOURCES (USES)	(199,200)	-	231,921	-	32,721
NET CHANGE IN FUND BALANCES	1,098,531	310,673	225,912	636,788	2,271,904
FUND BALANCES					
Beginning of year	1,233,950	1,482,314	1,553,312	3,800,680	8,070,256
End of year	\$ 2,332,481	\$ 1,792,987	\$ 1,779,224	\$ 4,437,468	\$ 10,342,160

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 249,000	\$ 365,000	\$ 379,980	\$ 14,980
State sources	155,000	310,000	321,422	11,422
Federal sources	3,430,000	5,000,000	4,920,935	(79,065)
TOTAL REVENUES	3,834,000	5,675,000	5,622,337	(52,663)
EXPENDITURES				
Current				
General administration	3,000	3,000	3,000	-
Food service activities and capital outlay	3,831,000	4,372,000	4,321,606	50,394
TOTAL EXPENDITURES	3,834,000	4,375,000	4,324,606	50,394
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	1,300,000	1,297,731	(2,269)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets		31,000	30,800	(200)
Transfers out	-	(230,000)	(230,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(199,000)	(199,200)	(200)
NET CHANGE IN FUND BALANCE	\$ -	\$ 1,101,000	1,098,531	\$ (2,469)
FUND BALANCE				
Beginning of year			1,233,950	
End of year			\$ 2,332,481	

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
STUDENT/SCHOOL ACTIVITIES FUND
YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Student/school activities	<u>\$ 510,000</u>	<u>\$ 960,000</u>	<u>\$ 1,092,507</u>	<u>\$ 132,507</u>
EXPENDITURES				
Current				
Student/school activities	<u>475,000</u>	<u>725,000</u>	<u>781,834</u>	<u>(56,834)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 35,000</u></u>	<u><u>\$ 235,000</u></u>	<u>310,673</u>	<u><u>\$ 75,673</u></u>
FUND BALANCE				
Beginning of year			<u>1,482,314</u>	
End of year			<u><u>\$ 1,792,987</u></u>	

**WEST OTTAWA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2022**

	2014	2015 Refunding	2016 Refunding	2017 Refunding	2018	2019	2020	2020 Refunding	2021	Total Debt Service
ASSETS										
Cash and cash equivalents	\$ 295,907	\$ 110,509	\$ 114,292	\$ 118,401	\$ 145,257	\$ 161,566	\$ 116,957	\$ 699,235	\$ 31,937	\$ 1,794,061
Due from other funds	1,194	-	-	-	-	-	-	-	-	1,194
Taxes receivable	2,201	300	513	900	313	500	125	4,527	313	9,692
TOTAL ASSETS	\$ 299,302	\$ 110,809	\$ 114,805	\$ 119,301	\$ 145,570	\$ 162,066	\$ 117,082	\$ 703,762	\$ 32,250	\$ 1,804,947
LIABILITIES										
Intergovernmental payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,723	\$ -	\$ -	\$ 25,723
FUND BALANCES										
Restricted for debt service	299,302	110,809	114,805	119,301	145,570	162,066	91,359	703,762	32,250	1,779,224
TOTAL LIABILITIES AND FUND BALANCES	\$ 299,302	\$ 110,809	\$ 114,805	\$ 119,301	\$ 145,570	\$ 162,066	\$ 117,082	\$ 703,762	\$ 32,250	\$ 1,804,947

**WEST OTTAWA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	2012A Refunding	2014	2015 Refunding	2016 Refunding	2017 Refunding	2018	2019	2020	2020 Refunding	2021	Total Debt Service
REVENUES											
Local sources											
Property taxes	\$ -	\$ 4,344,849	\$ 592,523	\$ 1,012,225	\$ 1,777,568	\$ 617,211	\$ 987,537	\$ 246,885	\$ 8,937,216	\$ 617,528	\$ 19,133,542
Investment earnings	-	2,888	363	539	943	327	523	131	4,749	327	10,790
State sources	-	172,864	23,572	40,270	70,717	24,555	39,287	9,822	355,551	24,555	761,193
TOTAL REVENUES	-	4,520,601	616,458	1,053,034	1,849,228	642,093	1,027,347	256,838	9,297,516	642,410	19,905,525
EXPENDITURES											
Principal repayment	-	3,775,000	680,000	950,000	1,265,000	300,000	460,000	-	8,425,000	520,000	16,375,000
Interest	-	876,094	20,400	68,868	530,900	365,000	854,200	294,000	197,722	97,314	3,304,498
Other	-	250	500	500	500	500	500	500	500	228,286	232,036
TOTAL EXPENDITURES	-	4,651,344	700,900	1,019,368	1,796,400	665,500	1,314,700	294,500	8,623,222	845,600	19,911,534
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(130,743)	(84,442)	33,666	52,828	(23,407)	(287,353)	(37,662)	674,294	(203,190)	(6,009)
OTHER FINANCING SOURCES (USES):											
Refunding bonds issued	-	-	-	-	-	-	-	-	-	28,305,000	28,305,000
Payment to refund bond escrow agent	-	-	-	-	-	-	-	-	-	(28,073,079)	(28,073,079)
Transfers in	-	2,324	554	948	1,664	577	7,543	145,096	8,364	3,519	170,589
Transfers out	(145,096)	-	-	-	-	-	-	(25,493)	-	-	(170,589)
TOTAL OTHER FINANCING SOURCES (USES)	(145,096)	2,324	554	948	1,664	577	7,543	119,603	8,364	235,440	231,921
NET CHANGE IN FUND BALANCES	(145,096)	(128,419)	(83,888)	34,614	54,492	(22,830)	(279,810)	81,941	682,658	32,250	225,912
FUND BALANCES											
Beginning of year	145,096	427,721	194,697	80,191	64,809	168,400	441,876	9,418	21,104	-	1,553,312
End of year	\$ -	\$ 299,302	\$ 110,809	\$ 114,805	\$ 119,301	\$ 145,570	\$ 162,066	\$ 91,359	\$ 703,762	\$ 32,250	\$ 1,779,224

**WEST OTTAWA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022**

	<u>Sinking Fund</u>	<u>Building Transfer</u>	<u>Total Nonmajor Capital Projects</u>
ASSETS			
Cash and cash equivalents	\$ 1,360,248	\$ 759,775	\$ 2,120,023
Investments	1,000,000	1,311,868	2,311,868
Accounts receivable	-	959	959
Due from other funds	8	4,904	4,912
Taxes receivable	<u>2,194</u>	<u>-</u>	<u>2,194</u>
 TOTAL ASSETS	 <u><u>\$ 2,362,450</u></u>	 <u><u>\$ 2,077,506</u></u>	 <u><u>\$ 4,439,956</u></u>
 LIABILITIES			
Intergovernmental payables	\$ 989	\$ -	\$ 989
Due to other funds	-	49	49
Unearned revenue	<u>-</u>	<u>1,450</u>	<u>1,450</u>
 TOTAL LIABILITIES	 <u>989</u>	 <u>1,499</u>	 <u>2,488</u>
 FUND BALANCES			
Restricted	2,361,461	-	2,361,461
Assigned			
Capital projects	<u>-</u>	<u>2,076,007</u>	<u>2,076,007</u>
 TOTAL FUND BALANCES	 <u>2,361,461</u>	 <u>2,076,007</u>	 <u>4,437,468</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u><u>\$ 2,362,450</u></u>	 <u><u>\$ 2,077,506</u></u>	 <u><u>\$ 4,439,956</u></u>

WEST OTTAWA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Sinking Fund</u>	<u>Building Transfer</u>	<u>Total Nonmajor Capital Projects</u>
REVENUES			
Property taxes	\$ 730,765	\$ -	\$ 730,765
Investment earnings	2,061	3,530	5,591
State sources	29,466	-	29,466
Other	<u>-</u>	<u>136,030</u>	<u>136,030</u>
TOTAL REVENUES	<u>762,292</u>	<u>139,560</u>	<u>901,852</u>
EXPENDITURES			
Capital outlay	<u>265,064</u>	<u>-</u>	<u>265,064</u>
NET CHANGE IN FUND BALANCES	<u>497,228</u>	<u>139,560</u>	<u>636,788</u>
FUND BALANCES			
Beginning of year	<u>1,864,233</u>	<u>1,936,447</u>	<u>3,800,680</u>
End of year	<u><u>\$ 2,361,461</u></u>	<u><u>\$ 2,076,007</u></u>	<u><u>\$ 4,437,468</u></u>

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
SINKING FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 775,000	\$ 760,000	\$ 762,292	\$ 2,292
EXPENDITURES				
Current				
Capital outlay	1,237,000	265,064	265,064	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(462,000)	494,936	497,228	2,292
NET CHANGE IN FUND BALANCE	<u>\$ (462,000)</u>	<u>\$ 494,936</u>	497,228	<u>\$ 2,292</u>
FUND BALANCE				
Beginning of year			<u>1,864,233</u>	
End of year			<u>\$ 2,361,461</u>	

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2022**

2014 Building and Site Bonds

<u>June 30,</u>	<u>Interest Rate</u>	<u>Principal Due May 1</u>	<u>Interest Due</u>		<u>Total Due Annually</u>
			<u>May 1</u>	<u>November 1</u>	
2023	5.000%	\$ 1,225,000	\$ 624,843	\$ 624,844	\$ 2,474,687
2024	5.000%	<u>1,275,000</u>	<u>594,219</u>	<u>594,219</u>	<u>2,463,438</u>
Total 2014 bonded debt		<u>\$ 2,500,000</u>	<u>\$ 1,219,062</u>	<u>\$ 1,219,063</u>	<u>\$ 4,938,125</u>

The above bonds dated June 26, 2014 were issued for the purpose of school building and site. The amount of the original bond issue was \$42,500,000.

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2022**

2016 Refunding Bonds

<u>June 30,</u>	<u>Interest Rate</u>	<u>Principal Due November 1</u>	<u>Interest Due</u>		<u>Total Due Annually</u>
			<u>May 1</u>	<u>November 1</u>	
2023	1.69%	\$ 930,000	\$ 22,562	\$ 30,420	\$ 982,982
2024	1.69%	910,000	14,872	22,562	947,434
2025	1.69%	890,000	7,352	14,872	912,224
2026	1.69%	<u>870,000</u>	<u>-</u>	<u>7,352</u>	<u>877,352</u>
Total 2016 bonded debt		<u>\$ 3,600,000</u>	<u>\$ 44,786</u>	<u>\$ 75,206</u>	<u>\$ 3,719,992</u>

The above bonds dated December 8, 2016 were issued for the purpose of refunding bonds issued in prior years. The amount of the original bond issue was \$5,715,000.

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2022**

2017 Refunding Bonds

<u>June 30,</u>	<u>Interest Rate</u>	<u>Principal Due November 1</u>	<u>Interest Due</u>		<u>Total Due Annually</u>
			<u>May 1</u>	<u>November 1</u>	
2023	4.00%	\$ 1,620,000	\$ 220,400	\$ 252,800	\$ 2,093,200
2024	4.00%	1,620,000	188,000	220,400	2,028,400
2025	4.00%	1,615,000	155,700	188,000	1,958,700
2026	4.00%	1,610,000	123,500	155,700	1,889,200
2027	4.00%	825,000	107,000	123,500	1,055,500
2028	5.00%	835,000	86,125	107,000	1,028,125
2029	5.00%	845,000	65,000	86,125	996,125
2030	5.00%	865,000	43,375	65,000	973,375
2031	5.00%	870,000	21,625	43,375	935,000
2032	5.00%	865,000	-	21,625	886,625
Total 2017 bonded debt		<u>\$ 11,570,000</u>	<u>\$ 1,010,725</u>	<u>\$ 1,263,525</u>	<u>\$ 13,844,250</u>

The above bonds dated December 27, 2017 were issued for the purpose of refunding bonds issued in prior years. The amount of the original bond issue was \$12,835,000.

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2022**

2018 Building and Site Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due		Total Due Annually
			May 1	November 1	
2023	5.00%	\$ 300,000	\$ 171,250	\$ 178,750	\$ 650,000
2024	5.00%	325,000	163,125	171,250	659,375
2025	5.00%	325,000	155,000	163,125	643,125
2026	5.00%	350,000	146,250	155,000	651,250
2027	5.00%	375,000	136,875	146,250	658,125
2028	5.00%	400,000	126,875	136,875	663,750
2029	5.00%	425,000	116,250	126,875	668,125
2030	5.00%	450,000	105,000	116,250	671,250
2031	5.00%	450,000	93,750	105,000	648,750
2032	5.00%	475,000	81,875	93,750	650,625
2033	5.00%	500,000	69,375	81,875	651,250
2034	5.00%	525,000	56,250	69,375	650,625
2035	5.00%	550,000	42,500	56,250	648,750
2036	5.00%	550,000	28,750	42,500	621,250
2037	5.00%	575,000	14,375	28,750	618,125
2038	5.00%	575,000	-	14,375	589,375
Total 2018 bonded debt		<u>\$ 7,150,000</u>	<u>\$ 1,507,500</u>	<u>\$ 1,686,250</u>	<u>\$ 10,343,750</u>

The above bonds dated May 23, 2018 were issued for the purpose of school building and site. The amount of the original bond issue was \$13,795,000.

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2022**

2019 Building and Site Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due		Total Due Annually
			May 1	November 1	
2023	4.00%	\$ 480,000	\$ 417,900	\$ 417,900	\$ 1,315,800
2024	4.00%	485,000	408,300	408,300	1,301,600
2025	4.00%	490,000	398,600	398,600	1,287,200
2026	4.00%	515,000	388,800	388,800	1,292,600
2027	4.00%	540,000	378,500	378,500	1,297,000
2028	4.00%	560,000	367,700	367,700	1,295,400
2029	5.00%	565,000	356,500	356,500	1,278,000
2030	5.00%	565,000	342,375	342,375	1,249,750
2031	5.00%	565,000	328,250	328,250	1,221,500
2032	5.00%	565,000	314,125	314,125	1,193,250
2033	5.00%	1,000,000	300,000	300,000	1,600,000
2034	5.00%	1,000,000	275,000	275,000	1,550,000
2035	5.00%	1,000,000	250,000	250,000	1,500,000
2036	5.00%	1,000,000	225,000	225,000	1,450,000
2037	5.00%	1,000,000	200,000	200,000	1,400,000
2038	5.00%	1,000,000	175,000	175,000	1,350,000
2039	5.00%	1,000,000	150,000	150,000	1,300,000
2040	5.00%	1,000,000	125,000	125,000	1,250,000
2041	5.00%	1,000,000	100,000	100,000	1,200,000
2042	5.00%	1,000,000	75,000	75,000	1,150,000
2043	5.00%	1,000,000	50,000	50,000	1,100,000
2044	5.00%	1,000,000	25,000	25,000	1,050,000
Total 2019 bonded debt		<u>\$ 17,330,000</u>	<u>\$ 5,651,050</u>	<u>\$ 5,651,050</u>	<u>\$ 28,632,100</u>

The above bonds dated May 7, 2019 were issued for the purpose of school building and site. The amount of the original bond issue was \$22,190,000.

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2022**

2020 Building and Site Bonds

<u>June 30,</u>	<u>Interest Rate</u>	<u>Principal Due November 1</u>	<u>Interest Due</u>		<u>Total Due Annually</u>
			<u>May 1</u>	<u>November 1</u>	
2023		\$ -	\$ 147,000	\$ 147,000	\$ 294,000
2024		-	147,000	147,000	294,000
2025		-	147,000	147,000	294,000
2026		-	147,000	147,000	294,000
2027		-	147,000	147,000	294,000
2028	4.00%	2,175,000	147,000	147,000	2,469,000
2029	4.00%	2,425,000	103,500	103,500	2,632,000
2030	4.00%	2,750,000	55,000	55,000	2,860,000
Total 2020 bonded debt		<u>\$ 7,350,000</u>	<u>\$ 1,040,500</u>	<u>\$ 1,040,500</u>	<u>\$ 9,431,000</u>

The above bonds dated June 25, 2020 were issued for the purpose of school building and site. The amount of the original bond issue was \$7,350,000.

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2022**

2020 Refunding Bonds

<u>June 30,</u>	<u>Interest Rate</u>	<u>Principal Due May 1</u>	<u>Interest Due</u>		<u>Total Due Annually</u>
			<u>May 1</u>	<u>November 1</u>	
2023	0.77%	\$ 2,665,000	\$ 71,775	\$ 71,775	\$ 2,808,550
2024	0.93%	2,590,000	61,501	61,501	2,713,002
2025	1.03%	3,030,000	49,458	49,458	3,128,916
2026	1.31%	2,960,000	33,853	33,853	3,027,706
2027	1.42%	<u>2,055,000</u>	<u>14,539</u>	<u>14,539</u>	<u>2,084,078</u>
Total 2020 refunding bonds		<u>\$ 13,300,000</u>	<u>\$ 231,126</u>	<u>\$ 231,126</u>	<u>\$ 13,762,252</u>

The above bonds dated July 30, 2020 were issued for the purpose of refunding bonds issued in prior years. The amount of the original bond issue was \$22,525,000.

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2022**

2021 Refunding Bonds

June 30,	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
2023	0.32%	\$ 1,190,000	\$ 99,234	\$ 101,138	\$ 1,390,372
2024	0.40%	7,515,000	84,204	99,234	7,698,438
2025	0.70%	9,400,000	51,304	84,204	9,535,508
2026	1.06%	9,680,000	-	51,304	9,731,304
Total 2020 refunding bonds		<u>\$ 27,785,000</u>	<u>\$ 234,742</u>	<u>\$ 335,880</u>	<u>\$ 28,355,622</u>

The above bonds dated November 9, 2021 were issued for the purpose of refunding bonds issued in prior years. The amount of the original bond issue was \$28,305,000.

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2022**

2021 Building and Site Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due		Total Due Annually
			May 1	November 1	
2023		\$ 6,030,000	\$ 935,150	\$ 2,123,538	\$ 9,088,688
2024		-	935,150	935,150	1,870,300
2025		-	935,150	935,150	1,870,300
2026		-	935,150	935,150	1,870,300
2027	5.00%	2,020,000	884,650	935,150	3,839,800
2028	5.00%	2,055,000	833,275	884,650	3,772,925
2029	5.00%	2,030,000	782,525	833,275	3,645,800
2030	5.00%	1,950,000	733,775	782,525	3,466,300
2031	5.00%	2,395,000	673,900	733,775	3,802,675
2032	4.00%	2,395,000	626,000	673,900	3,694,900
2033	4.00%	2,395,000	578,100	626,000	3,599,100
2034	4.00%	2,395,000	530,200	578,100	3,503,300
2035	4.00%	2,395,000	482,300	530,200	3,407,500
2036	4.00%	2,395,000	434,400	482,300	3,311,700
2037	4.00%	2,390,000	286,600	434,400	3,111,000
2038	4.00%	2,390,000	338,800	286,600	3,015,400
2039	4.00%	2,390,000	291,000	338,800	3,019,800
2040	4.00%	2,385,000	243,300	291,000	2,919,300
2041	4.00%	2,390,000	195,500	243,300	2,828,800
2042	4.00%	2,360,000	148,300	195,500	2,703,800
2043	4.00%	1,965,000	109,000	148,300	2,222,300
2044	4.00%	1,950,000	70,000	109,000	2,129,000
2045	4.00%	1,500,000	40,000	70,000	1,610,000
2046	4.00%	1,000,000	20,000	40,000	1,060,000
2047	4.00%	1,000,000	-	20,000	1,020,000
Total 2020 bonded debt		<u>\$ 50,175,000</u>	<u>\$ 12,042,225</u>	<u>\$ 14,165,763</u>	<u>\$ 76,382,988</u>

The above bonds dated November 9, 2021 were issued for the purpose of school building and site. The amount of the original bond issue was \$50,175,000.

**WEST OTTAWA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION OVERVIEW
2021 - 2022**

The statistical section contains a wide array of financial and other information that covers several years and reflects social, economic, and financial trends of the District and the area in which the District operates. This section is designed to give the reader a more thorough understanding of the District as a whole than is available in the basic financial statements taken in isolation. The schedules in this section are aggregated into various categories as noted below:

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the District's revenue generating capacity. It should be noted that school funding in Michigan is based on a per student "foundation" amount that is determined by the State of Michigan. Some of the amount determined by the state is raised locally through a millage on "Non-Principal Residence Exemption" property tax values. The state makes up the difference between what is raised locally and what is the state determined revenue amount due to our District. As such, the District's ability to generate unrestricted revenues via local property taxes is severely limited.

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules present demographic and economic indicators to help the reader understand the economic environment within which the District operates.

OPERATING INFORMATION

These schedules contain data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Unless otherwise noted, the information in these schedules is derived from the audited annual financial reports for the relevant year. Certain other information had not been presented previously. The reported numbers begin with the year for which information believed to be accurate is available.

THIS PAGE IS INTENTIONALLY LEFT BLANK

FINANCIAL TRENDS

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Net Position by Component
2013 - 2022

<i>Year ended June 30,</i>	Fiscal Year			
	2013	2014	2015 ¹	2016
Governmental Activities				
Net investment in capital assets	\$ 14,641,571	\$ 21,202,608	\$ 28,235,005	\$ 34,551,245
Restricted	2,241,731	2,250,471	1,111,022	1,252,900
Unrestricted	12,206,291	13,312,827	(86,077,638)	(86,417,225)
Total Primary Government Net Position	\$ 29,089,593	\$ 36,765,906	\$ (56,731,611)	\$ (50,613,080)

¹ Net position was restated for fiscal year 2015 as of July 1, 2014 with the implementation of GASB Statements 68 and 71.

² Net position was restated for fiscal year 2018 as of July 1, 2017 with the implementation of GASB Statement 75.

³ Net position was restated for fiscal year 2020 as of July 1, 2019 with the implementation of GASB Statement 84.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Net Position by Component
2013 - 2022

Fiscal Year					
2017	2018 ²	2019	2020 ³	2021	2022
\$ 42,699,323	\$ 50,772,203	\$ 65,795,204	\$ 64,828,780	\$ 70,267,864	\$ 70,754,663
462,650	1,660,242	453,808	2,025,560	2,789,290	3,012,078
(84,840,964)	(126,463,911)	(129,519,145)	(134,084,592)	(136,020,345)	(121,795,844)
\$ (41,678,991)	\$ (74,031,466)	\$ (63,270,133)	\$ (67,230,252)	\$ (62,963,191)	\$ (48,029,103)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Expenses, Program Revenues, and Net Expense
2013 - 2022

<i>Year Ended June 30,</i>	Fiscal Year			
	2013	2014	2015	2016
Expenses				
Governmental Activities				
Instruction	\$ 45,071,399	\$ 45,505,240	\$ 46,521,013	\$ 48,231,758
Support services	20,657,796	20,114,506	19,682,129	20,069,557
Community services	332,842	318,932	316,322	300,021
Food services	3,302,496	3,308,115	3,534,078	3,489,817
Student/school activities	-	-	-	-
Outgoing transfers and other	3,042	1,639	4,150	3,225
Interest on long-term debt	6,048,141	5,710,959	6,306,720	5,396,764
Unallocated depreciation	4,140,117	3,633,795	3,980,048	3,918,569
Total Expenses	79,555,833	78,593,186	80,344,460	81,409,711
Program Revenues				
Governmental Activities				
Charges for services:				
Instruction	-	-	82,374	34,882
Support services	419,388	204,213	59,039	119,605
Community services	29,947	-	-	-
Food services	1,045,313	1,085,180	1,046,469	1,030,297
Operating grants and contributions	11,879,532	13,142,471	13,853,104	13,200,958
Total Program Revenues	13,374,180	14,431,864	15,040,986	14,385,742
Net Expense	\$ (66,181,653)	\$ (64,161,322)	\$ (65,303,474)	\$ (67,023,969)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Expenses, Program Revenues, and Net Expense
2013 - 2022

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 49,124,124	\$ 51,831,632	\$ 51,468,755	\$ 54,870,445	\$ 53,453,707	\$ 47,099,063
19,777,059	21,253,780	22,159,225	34,455,672	32,388,856	36,869,217
271,776	288,892	262,576	343,025	380,675	349,007
3,864,801	3,745,830	3,778,367	4,199,900	3,908,984	4,006,763
-	-	-	1,365,037	546,701	781,834
-	-	-	-	-	-
5,225,389	4,713,177	4,707,960	7,576,075	4,051,588	3,804,850
4,457,804	4,037,812	3,738,642	4,773,258	5,549,951	5,373,349
82,720,953	85,871,123	86,115,525	107,583,412	100,280,462	98,284,083
109,019	103,051	104,598	76,574	47,228	73,356
130,975	134,694	96,387	101,745	-	82,509
-	-	-	-	-	-
1,170,296	1,120,049	1,183,173	1,052,731	279,382	410,756
17,038,196	18,719,153	18,569,936	20,788,727	23,945,475	28,647,224
18,448,486	20,076,947	19,954,094	22,019,777	24,272,085	29,213,845
\$ (64,272,467)	\$ (65,794,176)	\$ (66,161,431)	\$ (85,563,635)	\$ (76,008,377)	\$ (69,070,238)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
General Revenues and Total Change in Net Position
2013 - 2022

<i>Year Ended June 30,</i>	Fiscal Year			
	2013 ¹	2014	2015 ²	2016
Net Expense	\$ (66,181,653)	\$ (64,161,322)	\$ (65,303,474)	\$ (67,023,969)
General Revenues				
Governmental Activities				
Taxes:				
Property taxes levied for general purposes	10,564,165	10,534,974	10,841,989	11,228,825
Property taxes levied for debt service	14,239,656	14,532,941	14,976,832	15,519,729
Property taxes levied for capital projects sinking fund	549,866	561,406	578,595	598,985
State sources	40,510,276	40,102,845	40,899,930	39,589,543
Intermediate sources	5,501,414	5,621,831	5,195,761	5,084,906
Interest and investment earnings (loss)	42,596	43,930	542,258	354,031
Miscellaneous	229,134	439,708	350,297	766,481
Total General Revenues	71,637,107	71,837,635	73,385,662	73,142,500
Change in Net Position	5,455,454	7,676,313	8,082,188	6,118,531
Prior period adjustment or restatement	(765,136)	-	(101,579,705)	-
Net Position- Beginning of Year	24,399,275	29,089,593	36,765,906	(56,731,611)
Net Position- End of Year	\$ 29,089,593	\$ 36,765,906	\$ (56,731,611)	\$ (50,613,080)

¹ Net position was restated for fiscal year 2013 as of July 1, 2012 with the implementation of GASB Statements 63 and 65.

² Net position was restated for fiscal year 2015 as of July 1, 2014 with the implementation of GASB Statements 68 and 71.

³ Net position was restated for fiscal year 2018 as of July 1, 2017 with the implementation of GASB Statement 75.

⁴ Net position was restated for fiscal year 2020 as of July 1, 2019 with the implementation of GASB Statement 84.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
General Revenues and Total Change in Net Position
2013 - 2022

Fiscal Year					
2017	2018 ³	2019	2020 ⁴	2021	2022
\$ (64,272,467)	\$ (65,794,176)	\$ (66,161,431)	\$ (85,563,635)	\$ (76,008,377)	\$ (69,070,238)
11,519,032	11,782,053	12,177,760	12,822,624	13,385,295	13,994,887
15,292,320	15,827,830	16,566,276	17,499,872	18,421,076	19,133,542
587,702	604,000	626,633	655,644	711,051	730,765
39,447,322	39,676,076	40,917,323	40,004,363	40,837,004	42,963,536
5,548,347	5,424,135	5,196,732	6,837,972	6,571,003	7,188,818
268,130	321,171	956,133	1,504,145	200,117	(301,876)
543,703	546,823	481,907	528,115	149,892	294,654
73,206,556	74,182,088	76,922,764	79,852,735	80,275,438	84,004,326
8,934,089	8,387,912	10,761,333	(5,710,900)	4,267,061	14,934,088
-	(40,740,387)	-	1,750,781	-	-
(50,613,080)	(41,678,991)	(74,031,466)	(63,270,133)	(67,230,252)	(62,963,191)
\$ (41,678,991)	\$ (74,031,466)	\$ (63,270,133)	\$ (67,230,252)	\$ (62,963,191)	\$ (48,029,103)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Fund Balances - Governmental Funds
2013 - 2022

<i>Year Ended June 30,</i>	Fiscal Year			
	2013	2014	2015	2016
General Fund				
Nonspendable	\$ 40,886	\$ 206,354	\$ 39,794	\$ 45,425
Assigned	1,606,000	296,000	1,410,000	1,290,000
Unassigned	9,715,816	11,745,876	11,823,540	11,916,028
Total General Fund	11,362,702	12,248,230	13,273,334	13,251,453
All Other Governmental Funds				
Nonspendable	18,284	40,464	33,545	24,651
Restricted for capital projects	395,948	46,594,256	45,171,998	36,226,730
Restricted for debt service	1,478,770	2,017,266	1,092,934	1,618,110
Restricted for food service	897,154	1,101,611	991,434	1,019,572
Committed for student/school activities	-	-	-	-
Assigned	1,000,636	1,196,468	1,542,944	2,608,419
Total All Other Governmental Funds	3,790,792	50,950,065	48,832,855	41,497,482
Total Fund Balances	\$ 15,153,494	\$ 63,198,295	\$ 62,106,189	\$ 54,748,935

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Fund Balances - Governmental Funds
2013 - 2022

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 115,131	\$ 125,504	\$ 120,887	\$ 192,430	\$ 266,958	\$ 517,260
-	-	700,000	208,000	-	-
14,830,562	15,906,096	14,906,908	16,217,142	19,379,664	21,437,055
14,945,693	16,031,600	15,727,795	16,617,572	19,646,622	21,954,315
41,590	17,083	23,862	7,005	11,347	11,375
17,163,082	24,232,785	43,904,226	45,533,169	28,134,370	50,527,350
1,389,622	1,982,836	1,817,069	1,754,791	1,553,312	1,779,224
819,499	973,571	1,070,128	1,129,375	1,222,603	2,321,106
-	-	-	1,443,100	1,482,314	1,792,987
3,478,105	945,093	1,329,627	1,801,148	1,936,447	2,076,007
22,891,898	28,151,368	48,144,912	51,668,588	34,340,393	58,508,049
\$ 37,837,591	\$ 44,182,968	\$ 63,872,707	\$ 68,286,160	\$ 53,987,015	\$ 80,462,364

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Revenues
2013 - 2022

<i>Year Ended June 30,</i>	Fiscal Year			
	2013	2014	2015	2016
Revenues				
Federal Sources				
Federal grants	\$ 3,053,173	\$ 2,950,098	\$ 2,728,324	\$ 3,009,257
Food service fund	2,425,094	2,476,803	2,646,955	2,776,066
Total federal sources	5,478,267	5,426,901	5,375,279	5,785,323
State Sources				
Restricted	6,482,987	7,715,570	8,477,825	10,487,460
Unrestricted	40,510,276	40,102,845	40,899,930	39,589,543
Total state sources	46,993,263	47,818,415	49,377,755	50,077,003
Other Governmental Units				
Ottawa Area ISD and other districts	5,501,414	5,624,904	5,195,761	5,302,526
Miscellaneous	-	-	-	7,352
Total other governmental units	5,501,414	5,624,904	5,195,761	5,309,878
Local Sources				
Property taxes	25,353,687	25,629,321	26,393,704	27,347,539
Student/school activities	-	-	-	-
Food sales	1,071,682	1,049,624	1,027,290	1,022,345
Investment earnings (loss)	42,596	40,576	484,416	354,031
Miscellaneous	569,343	649,554	622,934	935,948
Total local sources	27,037,308	27,369,075	28,528,344	29,659,863
Total Revenues	\$ 85,010,252	\$ 86,239,295	\$ 88,477,139	\$ 90,832,067

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Revenues
2013 - 2022

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 2,848,826	\$ 2,700,591	\$ 3,081,656	\$ 3,222,425	\$ 6,871,465	\$ 11,521,482
2,787,516	2,702,355	2,748,904	3,037,920	4,027,462	492,035
5,636,342	5,402,946	5,830,560	6,260,345	10,898,927	12,013,517
11,849,137	13,172,346	13,012,964	13,385,378	13,370,608	16,739,682
39,447,322	39,676,076	40,917,323	40,004,363	40,837,004	42,963,536
51,296,459	52,848,422	53,930,287	53,389,741	54,207,612	59,703,218
5,633,943	5,424,135	5,196,732	6,837,972	6,571,003	7,188,818
29,425	25,190	83,061	63,163	1,880	20,000
5,663,368	5,449,325	5,279,793	6,901,135	6,572,883	7,208,818
27,399,054	28,213,883	29,370,669	30,978,140	32,517,422	33,859,194
-	-	-	1,057,356	585,915	1,092,507
1,140,209	1,080,728	1,030,557	884,879	273,124	379,609
268,130	321,171	956,133	1,504,145	200,117	(301,876)
710,348	884,227	740,028	811,123	211,162	434,573
29,517,741	30,500,009	32,097,387	35,235,643	33,787,740	35,464,007
\$ 92,113,910	\$ 94,200,702	\$ 97,138,027	\$ 101,786,864	\$ 105,467,162	\$ 114,389,560

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Expenditures and Debt Service Ratio
2013 - 2022

<i>Year Ended June 30,</i>	Fiscal Year			
	2013	2014	2015	2016
Expenditures				
Instruction	\$ 45,041,645	\$ 45,585,350	\$ 46,734,889	\$ 48,351,220
Pupil support services	3,522,959	3,364,906	3,608,641	3,610,729
Instructional support services	1,738,073	2,014,383	2,473,457	2,681,827
General administration	420,083	449,041	449,215	517,412
School administration	3,732,852	3,467,188	3,383,404	3,292,150
Business services	596,879	579,158	551,582	619,535
Operations and maintenance	5,434,338	5,500,296	5,174,966	5,451,672
Pupil transportation services	3,239,750	2,483,522	2,478,460	2,388,738
Central support services	1,514,610	1,339,048	1,094,908	912,834
Other support services	1,134,074	1,254,638	1,160,287	1,314,558
Community services	294,478	318,932	316,322	300,021
Student/school activities	-	-	-	-
Food service	3,357,104	3,314,534	3,551,991	3,500,560
Child care	38,364	-	-	-
Capital outlay	402,899	844,711	2,572,792	9,519,456
Debt service				
Principal	7,486,519	7,576,096	6,807,728	6,478,522
Interest and other	7,245,549	6,629,509	8,169,220	8,732,097
Total Expenditures	\$ 85,200,176	\$ 84,721,312	\$ 88,527,862	\$ 97,671,331
Debt Service as a Percentage of				
Noncapital Expenditures	17.4%	16.9%	17.4%	17.3%

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Expenditures and Debt Service Ratio
2013 - 2022

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 48,737,298	\$ 49,227,253	\$ 49,305,510	\$ 49,502,820	\$ 50,301,849	\$ 55,305,045
3,714,878	3,869,853	4,024,272	4,451,443	4,488,420	4,976,951
2,425,123	2,509,976	2,999,980	3,603,281	3,482,772	4,194,118
538,696	599,846	804,495	632,825	722,105	767,120
3,279,984	3,419,486	3,694,359	4,187,677	4,404,952	4,706,081
579,649	613,449	648,581	819,069	864,821	1,010,995
5,245,591	5,791,705	6,474,669	6,381,202	6,966,271	7,442,697
2,409,560	2,499,977	2,721,551	2,610,100	2,322,584	2,887,357
909,015	1,179,456	1,099,088	917,221	683,468	790,340
1,121,906	1,234,993	1,329,613	1,449,110	1,422,698	1,765,686
271,776	288,892	262,576	343,025	387,864	349,007
-	-	-	1,365,037	546,701	781,834
3,855,129	3,742,606	3,643,941	3,998,340	3,745,194	4,253,353
-	-	-	-	-	-
18,648,593	11,997,640	8,944,181	9,581,439	19,946,246	38,247,387
6,607,650	6,656,750	7,603,957	7,281,417	14,990,000	16,375,000
9,393,359	9,431,288	9,981,873	11,032,390	4,697,426	4,003,459
\$ 107,738,207	\$ 103,063,170	\$ 103,538,646	\$ 108,156,396	\$ 119,973,371	\$ 147,856,430
18.2%	17.2%	18.7%	18.6%	17.8%	14.7%

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Other Financing Sources (Uses) and Net Change
in Fund Balances, Governmental Funds
2013 - 2022

<i>Year ended June 30,</i>	Fiscal Year			
	2013	2014	2015	2016
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (189,924)	\$ 1,517,983	\$ (50,723)	\$ (6,839,264)
Other Financing Sources (Uses)				
Issuance of bonds	62,895,000	42,500,000	-	-
Refunding bonds issued	-	-	6,580,000	-
Premium on bonds issued	4,907,100	4,025,736	469,680	-
Payment to escrow agent	(66,751,890)	-	(8,001,140)	-
Proceeds from sale of capital assets	-	30,204	7,049	-
Transfers in	968,954	235,258	1,704,831	216,282
Transfers out	(968,954)	(235,258)	(1,704,831)	(216,282)
Other	(43,008)	(29,122)	(96,972)	(517,990)
Total Other Financing Sources (Uses)	1,007,202	46,526,818	(1,041,383)	(517,990)
Net Change in Fund Balances	\$ 817,278	\$ 48,044,801	\$ (1,092,106)	\$ (7,357,254)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Other Financing Sources (Uses) and Net Change
in Fund Balances, Governmental Funds
2013 - 2022

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ (16,906,140)	\$ (8,862,468)	\$ (6,400,619)	\$ (6,369,532)	\$ (14,506,209)	\$ (33,466,870)
-	13,795,000	22,190,000	7,350,000	-	50,175,000
5,715,000	12,835,000	-	-	22,525,000	28,305,000
-	3,180,184	3,887,940	1,682,204	-	9,504,498
(5,673,744)	(14,611,442)	-	-	(22,324,194)	(28,073,079)
-	9,103	12,418	-	6,258	30,800
1,788,900	407,918	256,229	256,873	1,172,518	400,589
(1,788,900)	(407,918)	(256,229)	(256,873)	(1,172,518)	(400,589)
(1,328,303)	-	-	-	-	-
(1,287,047)	15,207,845	26,090,358	9,032,204	207,064	59,942,219
\$ (18,193,187)	\$ 6,345,377	\$ 19,689,739	\$ 2,662,672	\$ (14,299,145)	\$ 26,475,349

THIS PAGE IS INTENTIONALLY LEFT BLANK

REVENUE AND DEBT CAPACITY

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Taxable Value and Actual Value of Taxable Property
Fiscal Years 2012-2013 through 2021-2022
(rate per \$1,000 of assessed value)

<i>Tax Year</i>	Fiscal Year	Estimated Market Value	State Equalized Value
2012	2012-13	\$ 3,957,015,600	\$ 1,978,507,800
2013	2013-14	4,067,634,800	2,033,817,400
2014	2014-15	4,269,466,600	2,134,733,300
2015	2015-16	4,505,007,800	2,252,503,900
2016	2016-17	4,641,421,800	2,320,710,900
2017	2017-18	4,983,998,200	2,491,999,100
2018	2018-19	5,219,855,000	2,609,927,500
2019	2019-20	5,682,440,000	2,841,220,000
2020	2020-21	6,222,145,000	3,111,072,500
2021	2021-22	6,580,036,600	3,290,018,300

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Taxable Value and Actual Value of Taxable Property
Fiscal Years 2012-2013 through 2021-2022
(rate per \$1,000 of assessed value)

Taxable Value			District Tax Rates			
Non-Homestead Property	Homestead Property	Total	Operating	Debt	Other	Total
\$ 684,983,473	\$ 1,089,502,128	\$ 1,774,485,601	18.0000	7.7500	0.3000	26.0500
702,395,554	1,116,434,641	1,818,830,195	18.0000	7.7500	0.3000	26.0500
727,049,156	1,150,902,263	1,877,951,419	18.0000	7.7500	0.3000	26.0500
754,478,827	1,193,756,008	1,948,234,835	18.0000	7.7500	0.2997	26.0497
702,973,350	1,230,060,395	1,933,033,745	18.0000	7.7500	0.2979	26.0479
724,091,342	1,284,131,644	2,008,222,986	18.0000	7.7500	0.2975	26.0475
744,396,433	1,361,603,774	2,106,000,207	18.0000	7.7500	0.2936	26.0436
776,497,316	1,450,957,812	2,227,455,128	18.0000	7.7500	0.2909	26.0409
811,661,218	1,539,506,922	2,351,168,140	18.0000	7.7500	0.3000	26.0500
846,518,734	1,609,548,355	2,456,067,089	18.0000	7.7500	0.2968	26.0468

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Direct and Overlapping Property Tax Rates
Fiscal Years 2012-2013 through 2021-2022
(rate per \$1,000 of assessed value)

District Tax Rates

<i>Tax Year</i>	Fiscal Year	Operating	Debt	Other	Total
2012	2012-13	18.0000	7.7500	0.3000	26.0500
2013	2013-14	18.0000	7.7500	0.3000	26.0500
2014	2014-15	18.0000	7.7500	0.3000	26.0500
2015	2015-16	18.0000	7.7500	0.2997	26.0497
2016	2016-17	18.0000	7.7500	0.2979	26.0479
2017	2017-18	18.0000	7.7500	0.2957	26.0457
2018	2018-19	18.0000	7.7500	0.2936	26.0436
2019	2019-20	18.0000	7.7500	0.2909	26.0409
2020	2020-21	18.0000	7.7500	0.3000	26.0500
2021	2021-22	18.0000	7.7500	0.2968	26.0468

Source: Ottawa County Equalization Department and District records.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Direct and Overlapping Property Tax Rates
Fiscal Years 2012-2013 through 2021-2022
(rate per \$1,000 of assessed value)

Overlapping Rates			
Port Sheldon Township	Holland Township	Park Township	Olive Township
1.4500	6.1000	3.8860	4.9784
1.4500	6.1000	3.8710	4.9784
1.4500	6.1000	4.3584	4.9784
1.4500	6.1000	4.3288	4.9784
1.4488	6.1000	4.3063	4.9603
1.4488	4.8600	3.0252	4.9603
1.4488	4.8600	3.0171	4.9366
1.4488	4.8600	2.9180	4.4352
2.1997	4.8600	2.7612	4.4754
2.1997	4.8600	2.7508	4.4466

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Principal Property Taxpayers,
Current Year and Nine Years Ago

<i>Year Ended December 31,</i>			2021			
Taxpayer	Ad Valorem Taxable Value	Rank	Percentage of Total Taxable Value	Equivalent Industrial Facilities Tax (IFT)	IFT and Taxable Value	
Consumers Energy Co.	\$ 17,599,791	1	0.84%	\$ -	\$ 17,599,791	
Request Foods	15,252,794	2	0.72%	876,687	16,129,481	
L Perrigo Company	5,767,545	3	0.27%	8,184,164	13,951,709	
Grandquest Realty LLC	10,028,900	4	0.48%	-	10,028,900	
SEMCO	8,804,200	5	0.42%	-	8,804,200	
Yes Companies Fred LLC	8,195,553	6	0.39%	-	8,195,553	
CW Clearview LLC	7,695,544	7	0.37%	-	7,695,544	
Stellar Hospitality Holland LLC	7,035,400	8	0.33%	-	7,035,400	
Trendway Corporation	6,225,000	9	0.30%	-	6,225,000	
Occidental Development LTD	5,905,764	10	0.28%	-	5,905,764	
Hoover Universal, Inc						
Boars Head Provisions						
Geenen DeKock Prop. LLC						
DRG Clearview LLC						
Donnelly Corp.						
Metal Flow Corp.						
Gentex Corporation						
Total principal taxpayers	92,510,491		4.39%	\$ 9,060,851	\$ 101,571,342	
Balance of valuations	2,247,888,132		95.61%			
Total Ad Valorem Valuation	\$ 2,340,398,623		100.00%			

*NOTE: District Annual Disclosure

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Principal Property Taxpayers,
Current Year and Nine Years Ago

2012					
	Taxable Value	Rank	Percentage of Total Taxable Value	Equivalent Industrial Facilities Tax (IFT)	IFT and Taxable Value
\$	8,773,471	5	0.49%	\$ -	\$ 8,773,471
	17,021,000	1	0.95%	9,371,859	26,392,859
	7,459,500	8	0.42%	-	7,459,500
	-	2	0.00%	23,349,166	23,349,166
	4,568,500	3	0.26%	7,744,898	12,313,398
	7,638,024	7	0.43%	-	7,638,024
	6,932,400	9	0.39%	-	6,932,400
	7,148,100	6	0.40%	1,096,400	8,244,500
	5,134,100	10	0.29%	1,598,092	6,732,192
	3,021,200	4	0.17%	8,607,800	11,629,000
	67,696,295		3.79%	\$ 51,768,215	\$ 119,464,510
	1,719,823,426		96.21%		
\$	1,787,519,721		100.00%		

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Property Tax Levies and Collections
Fiscal Years 2012-2013 through 2021-2022

<i>Tax Year</i>	<i>Fiscal Year</i>	<i>Taxes Levied for the Fiscal Year</i>	<i>Collected within the Fiscal Year of the Levy</i>		<i>Collections (Refunds) in Subsequent Years</i>	<i>Total Collections to Date</i>	
			<i>Amount</i>	<i>Percentage of Levy</i>		<i>Amount</i>	<i>Percentage of Levy</i>
2012	2012-13	\$ 10,615,218	\$ 10,405,544	98.02%	\$ 200,364	\$ 10,605,908	99.91%
2013	2013-14	10,629,122	10,448,946	98.30%	167,680	10,616,626	99.88%
2014	2014-15	10,875,503	10,720,796	98.58%	148,060	10,868,856	99.94%
2015	2015-16	11,185,226	11,038,203	98.69%	142,960	11,181,163	99.96%
2016	2016-17	11,332,456	11,166,909	98.54%	162,859	11,329,768	99.98%
2017	2017-18	11,757,154	11,615,898	98.80%	135,089	11,750,987	99.95%
2018	2018-19	12,200,733	12,136,018	99.47%	59,075	12,195,093	99.95%
2019	2019-20	12,843,336	12,822,203	99.84%	19,445	12,841,648	99.99%
2020	2020-21	13,486,197	12,957,159	96.08%	512,256	13,469,415	99.88%
2021	2021-22	14,314,536	14,038,932	98.07%	275,604	14,314,536	100.00%

*NOTE: District Annual Disclosure

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Outstanding Debt by Type
Fiscal Years 2012-2013 through 2021-2022

<i>Tax Year</i>	<i>Fiscal Year</i>	General Obligation Bonds	Total Taxable Value	Outstanding Debt as a % of Taxable Value	Estimated Population ¹	Net Outstanding Debt Per Capita	Taxable Value Per Capita
2012	2012-13	\$ 83,477,120	\$ 1,774,485,601	4.70%	48,758	\$ 1,712	\$ 36,394
2013	2013-14	118,401,024	1,818,830,195	6.51%	49,346	2,399	36,859
2014	2014-15	110,333,294	1,877,951,419	5.88%	50,622	2,180	37,098
2015	2015-16	103,854,773	1,948,234,835	5.33%	51,293	2,025	37,983
2016	2016-17	97,097,123	1,933,033,745	5.02%	51,821	1,874	37,302
2017	2017-18	103,495,373	2,008,222,986	5.15%	52,569	1,969	38,202
2018	2018-19	118,081,416	2,106,000,207	5.61%	53,224	2,219	39,569
2019	2019-20	118,150,000	2,227,455,128	5.30%	54,820	2,155	40,632
2020	2020-21	104,205,000	2,351,168,140	4.43%	56,465	1,845	41,639
2021	2021-22	140,760,000	2,456,067,089	5.73%	58,159	2,420	42,230

¹ Estimated based on an extrapolation of the U.S. Census figures of the local units within the School District.
Source: Ottawa County Equalization Department and District records.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Ratio of Outstanding Debt
Fiscal Years 2012-2013 through 2021-2022

<i>Tax Year</i>	<i>Fiscal Year</i>	General Obligation Bonds	Less Pledged Debt Retirement Fund Balance	Net General Bonded Debt	State Equalized Value (SEV)	Percent of Net Bonded Debt to State Equalized Value (SEV)	Percent of Bonded Debt to Estimated Actual Value of Taxable Property	Estimated Population ¹	Net General Bonded Debt per Capita
2012	2012-13	\$ 83,477,120	-	\$ 83,477,120	\$ 1,978,507,800	4.22%	8.44%	48,758	\$ 1,712
2013	2013-14	118,401,024	-	118,401,024	2,033,817,400	5.82%	11.64%	49,346	2,399
2014	2014-15	110,333,294	-	110,333,294	2,134,733,300	5.17%	10.34%	50,622	2,180
2015	2015-16	103,854,773	-	103,854,773	2,252,503,900	4.61%	9.22%	51,293	2,025
2016	2016-17	97,247,123	-	97,247,123	2,320,710,900	4.19%	8.38%	51,821	1,877
2017	2017-18	90,590,373	-	90,590,373	2,491,999,100	3.64%	7.27%	52,569	1,723
2018	2018-19	82,986,416	-	82,986,416	2,609,927,500	3.18%	6.36%	53,224	1,559
2019	2019-20	75,705,000	-	75,705,000	2,841,220,000	2.66%	5.33%	54,820	1,381
2020	2020-21	104,205,000	-	104,205,000	3,111,072,500	3.17%	6.33%	56,465	1,845
2021	2021-22	140,760,000	-	140,760,000	3,290,018,300	4.28%	8.56%	58,159	2,420

¹ Estimated based on an extrapolation of the U.S. Census figures of the local units within the School District.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Direct and Overlapping Governmental Activities Debt
as of June 30, 2022

Year Ended June 30, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Holland Township	\$ 18,464,201	70.70%	\$ 13,054,190
Olive Township	188,370	44.11%	83,090
Park Township	2,722,262	87.61%	2,384,974
Ottawa County	61,604,913	9.82%	6,048,279
Subtotal, overlapping debt			<u>21,570,533</u>
District Direct Debt			<u>104,205,000</u>
Total Direct and Overlapping Debt			<u>\$ 125,775,533</u>

*NOTE: Municipal Advisory Council of Michigan - estimated percentage based on total taxable valuation for each municipality.

Source: Ottawa County Equalization Department and District records.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Legal Debt Margin Information
Fiscal Years 2012-2013 through 2021-2022

Legal Debt Margin Calculation for Fiscal Year 2019-20:

State Equalized Valuation (SEV), July 1, 2020	\$ 3,290,018,300
Statutory Debt Limit (15% of SEV)	493,502,745
Debt applicable to limit	140,760,000

Legal Debt Margin	\$ 352,742,745
--------------------------	-----------------------

<i>Tax Year</i>	<i>Fiscal Year</i>	<i>State Equalized Value (SEV)</i>	<i>Statutory Debt Limit 15% of SEV</i>	<i>Debt Subject to Debt Limit</i>	<i>Legal Debt Margin</i>	<i>Debt as a Percentage of Debt Limit</i>
2012	2012-13	\$ 1,978,507,800	\$ 296,776,170	\$ 83,477,120	\$ 213,299,050	28.13%
2013	2013-14	2,033,817,400	305,072,610	118,401,024	186,671,586	38.81%
2014	2014-15	2,134,733,300	320,209,995	110,333,294	209,876,701	34.46%
2015	2015-16	2,252,503,900	337,875,585	103,854,773	234,020,812	30.74%
2016	2016-17	2,320,710,900	348,106,635	97,097,123	251,009,512	27.89%
2017	2017-18	2,491,999,100	373,799,865	103,495,373	270,304,492	27.69%
2018	2018-19	2,609,927,500	391,489,125	118,081,416	273,407,709	30.16%
2019	2019-20	2,841,220,000	426,183,000	118,150,000	308,033,000	27.72%
2020	2020-21	3,111,072,500	466,660,875	104,205,000	362,455,875	22.33%
2021	2021-22	3,290,018,300	493,502,745	140,760,000	352,742,745	28.52%

DEMOGRAPHIC AND ECONOMIC INFORMATION

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic and Economic Information
Demographic and Economic Statistics
Fiscal Years 2012-2013 through 2021-2022

<i>Tax Year</i>	<i>Fiscal Year</i>	<i>Estimated Population</i>	<u>Unemployment ¹</u>			<i>Inflation Rate ²</i>	<u>Personal Income ³</u>	
			<i>City of Holland and Grand Haven</i>	<i>County of Ottawa</i>	<i>State of Michigan</i>		<i>Total (in thousands)</i>	<i>Per Capita</i>
2012	2012-13	48,758	6.8%	6.8%	9.1%	1.7%	\$ 10,185,984	\$ 37,820
2013	2013-14	49,346	6.0%	6.0%	8.8%	1.5%	10,342,908	37,928
2014	2014-15	50,622	3.9%	3.9%	6.0%	1.6%	10,866,601	39,330
2015	2015-16	51,293	3.0%	3.2%	4.9%	0.1%	11,931,299	42,619
2016	2016-17	51,821	N/A	3.1%	3.8%	1.3%	12,428,750	44,035
2017	2017-18	52,569	N/A	3.1%	4.5%	2.3%	13,252,243	46,275
2018	2018-19	53,224	N/A	3.2%	4.2%	1.8%	14,355,612	49,418
2019	2019-20	54,820	N/A	11.0%	14.8%	0.6%	14,400,384	49,484
2020	2020-21	56,465	N/A	4.3%	5.0%	5.4%	15,544,530	52,759
2021	2021-22	58,159	N/A	3.6%	4.3%	9.1%	N/A	N/A

¹ Federal Reserve Economic Data

² U.S. Department of Labor - Bureau of Labor Statistics

³ U.S. Department of Commerce, Bureau of Economic Analysis and Grand Haven/ Holland Area. Total Personal Income reported in thousands.

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic and Economic Information
Principal Employers in West Michigan
Current Year and Nine Years Ago

Year Ended December 31,

Employer	Type of Business	Rank	Percentage of Total Employment	Rank	Percentage of Total Employment
Gentex Corporation	Automotive Mirrors	1	3.3%	3	3.3%
Herman Miller	Office Furniture	2	2.3%	1	3.6%
Grand Valley State University (2)	Higher Education	3	2.3%	4	2.9%
Magna Mirrors (1)	Automotive Mirrors	4	1.7%	9	1.2%
Holland Hospital	Health Care	5	1.2%	5	1.8%
Meijer	Retailer	6	1.2%	8	1.3%
Jenison Public Schools	Public Education	7	0.9%		
Shape Corporation	Metal Roll Forming	8	0.9%	7	1.4%
Hudsonville Public Schools	Public Education	9	0.9%		
West Ottawa Public Schools	Public Education	10	0.8%		
County of Ottawa	Government			10	1.1%
Haworth, Inc. (1)	Office Furniture			6	1.8%
Johnson Controls (1)	Automotive Interior Parts			2	3.1%
			<u>15.5%</u>		<u>21.5%</u>

¹ Excludes temporary employment agencies

² Facilities located within Ottawa County and/or the City of Holland portion of Allegan County

³ Non-student employees; also includes Grand Rapids & Muskegon

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic and Economic Information
Full-Time-Equivalent District Employees by Type
Fiscal Years 2012-2013 through 2021-2022

Full-Time - Equivalent Employees as of June 30,

Employee Category	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administrators	29	29	27	29	27	31	33	33	41	41
Teachers	442	424	425	425	425	424	411	399	454	476
Clerical/Secretarial	42	40	35	35	35	26	25	31	25	37
Food Service	50	59	61	59	61	58	57	47	57	51
Educational Assistants/Clerks	58	69	68	73	68	73	75	76	75	88
Maintenance/Grounds/Custodial	29	22	22	20	22	17	11	12	11	12
Bus Drivers/Mechanics	63	68	66	63	66	60	63	49	54	47
Data/Technology Services	5	5	4	4	4	3	3	3	3	3
Security/Other	9	9	8	6	8	5	5	5	5	6
Total	727	725	716	714	716	697	683	655	725	761

*NOTE: District Annual Disclosure

OPERATIONAL INFORMATION

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Operational Information
Operating Statistics
Fiscal Years 2012-2013 through 2021-2022

Fiscal Year	Enrollment ¹	Percent Change	Operating Expenditures ²	Percent Change	Cost Per Pupil	Percent Change	Percent of Students Receiving Free or Reduced-Price Meals ³
2012-13	7,391	-0.59%	\$ 66,669,741	-3.54%	\$ 9,020	-2.97%	55.00%
2013-14	7,240	-2.04%	66,356,462	-0.47%	9,165	1.61%	54.37%
2014-15	7,126	-1.58%	67,426,131	1.61%	9,462	3.24%	54.29%
2015-16	6,964	-2.27%	69,440,693	2.99%	9,971	5.38%	55.05%
2016-17	6,848	-1.67%	69,233,476	-0.30%	10,110	1.39%	52.86%
2017-18	6,810	-0.56%	71,234,886	2.89%	10,460	3.47%	56.67%
2018-19	6,739	-1.04%	74,643,582	4.79%	11,076	5.89%	54.95%
2019-20	6,682	-0.85%	75,294,196	0.87%	11,268	1.74%	52.45%
2020-21	6,632	-0.75%	77,386,603	2.78%	11,669	3.56%	50.81%
2021-22	6,541	-1.37%	85,005,409	9.85%	12,996	11.37%	54.80%

¹ Blended count on State Aid Status Reports.

² Audited Financial Statements.

³ State of Michigan Center for Educational Performance and Information (CEPI).

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Operational Information
School Building Information
June 30, 2022

Year Ended June 30, 2022

Site	Grade Configuration	Acreage	Date Originally Constructed	Additions	Square Feet
Glerum Transportation Center	N/A	17.14	1953*	1973,1992,1997	10,327
Great Lakes Elementary	K-5	177.90	1998		67,098
Lakeshore Elementary	K-5	25.25	1993		68,500
Lakewood Elementary	K-5	12.21	1916*	1955,1962,1983,1988,1992	61,770
North Holland Elementary	K-5	15.30	1965	1992,1997, 2019	37,490
Pine Creek Elementary	K-5	156.51	1989		68,500
Sheldon Woods Elementary	K-5	21.23	1965	1992,2004	35,000
Woodside Elementary	K-5	10.39	1965	1986,1992, 2019	72,776
Waukazoo Elementary	K-5	17.86	1917,1937*	1956,1988,1991,2017	66,430
Harbor Lights Middle	6-8	156.51	1961	1977,1988,1990,1997	246,300
Macatawa Bay Middle	6-8	156.51	1972	1992,1993,1997, 2017	211,922
North High School	9-12	177.90	2005		335,000
South High School	9-12	177.90	1999		247,000
South High School Pole Barn	N/A	N/A	1997		5,050
Administration Building	N/A	N/A	2000		12,428
New Transportation	N/A	N/A	2019		11,011
Maintenance Garage	N/A	N/A	1971*	1976,1981,1982,1985	7,411

*NOTE: Demolished

THIS PAGE IS INTENTIONALLY LEFT BLANK

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2021	(Memo Only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2022
<u>U.S. Department of Agriculture</u>									
Passed through Michigan Department of Education									
Child Nutrition Cluster									
Non-cash assistance (Commodities)									
Entitlement Commodities	10.555	2022	\$ 261,025	\$ -	\$ -	\$ -	\$ 249,368	\$ 249,368	\$ -
Cash Assistance									
COVID-19 National School Lunch Program	10.555	221,980	27,566	-	-	-	27,566	27,428	138
COVID-19 National School Lunch Program	10.555	211961/221961	2,986,462	-	-	-	2,986,462	2,986,462	-
COVID-19 National School Lunch Program	10.555	221960	104,809	-	-	-	104,809	-	104,809
COVID-19 National School Lunch Program	10.555	221965	867	-	-	-	867	867	-
COVID-19 National School Lunch Program	10.555	220910	139,046	-	-	-	139,046	139,046	-
Total ALN 10.555			3,519,775	-	-	-	3,508,118	3,403,171	104,947
COVID-19 School Breakfast Program	10.553	221970	49,317	-	-	-	49,317	-	49,317
COVID-19 School Breakfast Program	10.553	211971	105,292	-	-	-	105,292	105,292	-
COVID-19 School Breakfast Program	10.553	221971	968,665	-	-	-	968,665	968,665	-
Total ALN 10.553			1,123,274	-	-	-	1,123,274	1,073,957	49,317
COVID-19 Summer Food Service Program	10.559	210904	472,082	271,962	-	-	200,120	472,082	-
COVID-19 Summer Food Service Program	10.559	220900	35,140	-	-	-	35,141	-	35,141
Total ALN 10.559			507,222	271,962	-	-	235,261	472,082	35,141
Cash Assistance Subtotal			4,889,246	271,962	-	-	4,617,285	4,699,842	189,405
Total Child Nutrition Cluster			5,150,271	271,962	-	-	4,866,653	4,949,210	189,405
Child and Adult Care Food Programs	10.558	211925	9,496	-	-	-	9,496	9,496	-
Child and Adult Care Food Programs	10.558	222010/221920	44,786	-	-	-	44,786	44,786	-
Total ALN 10.558			54,282	-	-	-	54,282	54,282	-
COVID-19 Pandemic EBT Local Level Costs	10.649	210980	3,063	-	-	-	3,063	3,063	-
Total U.S. Department of Agriculture			5,207,616	271,962	-	-	4,923,998	5,006,555	189,405

The accompanying notes are an integral part of this schedule.

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2021	(Memo Only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2022
<u>U.S. Department of Education</u>									
Passed through Michigan Department of Education									
Title I Grants to Local Educational Agencies	84.010	221530-2122	\$ 895,829	\$ -	\$ -	\$ -	\$ 864,260	\$ 481,689	\$ 382,571
Title I Grants to Local Educational Agencies	84.010	211530-2021	959,572	186,494	934,505	-	-	186,494	-
Total ALN 84.010			1,855,401	186,494	934,505	-	864,260	668,183	382,571
Migrant Education State Grant Program (School Year)	84.011	221890-2122	160,513	-	-	-	120,756	41,582	79,174
Migrant Education State Grant Program (School Year)	84.011	211890-2021	113,148	18,132	93,972	-	-	18,132	-
Migrant Education State Grant Program (Summer)	84.011A	221830-2122	109,828	-	-	-	13,268	-	13,268
Migrant Education State Grant Program (Summer)	84.011A	211830-2021	176,642	31,356	31,449	-	108,008	31,356	108,008
Total ALN 84.011			560,131	49,488	125,421	-	242,032	91,070	200,450
Supporting Effective Instruction State Grants	84.367	220520-2122	419,904	-	-	-	300,416	184,968	115,448
Supporting Effective Instruction State Grants	84.367	210520-2021	421,225	83,681	203,272	-	-	83,681	-
Total ALN 84.367			841,129	83,681	203,272	-	300,416	268,649	115,448
English Language Acquisition State Grants	84.365A	220580-2122	178,241	-	-	-	107,324	46,674	60,650
English Language Acquisition State Grants	84.365A	220570-2122	12,413	-	-	-	4,251	4,198	53
English Language Acquisition State Grants	84.365A	210580-2021	185,100	20,279	121,463	-	-	20,279	-
Total ALN 84.365A			375,754	20,279	121,463	-	111,575	71,151	60,703
Student Support and Academic Enrichment Program	84.424	220750-2122	85,758	-	-	-	79,066	17,003	62,063
Student Support and Academic Enrichment Program	84.424A	210775-2022	10,000	-	-	-	10,000	-	10,000
Student Support and Academic Enrichment Program	84.424	210750-2021	106,837	8,825	85,153	(555)	-	8,270	-
Total ALN 84.424			202,595	8,825	85,153	(555)	89,066	25,273	72,063
COVID-19 Elem & Secondary School Emergency Relief - Education Equity Fund	84.425D	203720-1920	83,405	(149)	83,053	149	-	-	-
COVID-19 Elem & Secondary School Emergency Relief - ESSER II Formula	84.425D	213712-2021	2,768,429	-	-	-	2,705,579	1,311,836	1,393,743
COVID-19 Elem & Secondary School Emergency Relief Fund - Formula (2a)	84.425D	213722-2122	460,350	-	-	-	451,191	451,191	-
COVID-19 Elem & Secondary School Emergency Relief Fund - Formula (2b)	84.425D	213742-2122	115,500	-	-	-	115,500	115,500	-
COVID-19 Elem & Secondary School Emergency Relief Fund - Formula (2c)	84.425D	213752-2122	25,000	-	-	-	25,000	25,000	-
COVID-19 Elem & Secondary School Emergency relief Fund - Formula	84.425D	203710-1920	834,052	168,915	812,801	-	-	168,915	-
COVID-19 Governor's Emergency Education Relief Fund [23c(4a-b)]	84.425C	211202	63,500	-	-	-	63,500	-	63,500
COVID-19 Governor's Emergency Education Relief Fund	84.425C	201200	468,861	192	466,573	(192)	-	-	-
Passed through Ottawa Area Intermediate School District (OAISD)									
COVID-19 Homeless Students' Assistance ARP	84.425W	211020-2122	3,716	-	-	-	1,876	-	1,876
Total ALN 84.425			4,822,813	168,958	1,362,427	(43)	3,362,646	2,072,442	1,459,119

The accompanying notes are an integral part of this schedule.

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2021	(Memo Only) Prior Year Expenditures	Adjustments	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2022
<u>U.S. Department of Education (continued)</u>									
Passed through Ottawa Area Intermediate School District (OAISD)									
Special Education Cluster									
Special Education Grants to States - Flowthrough	84.027A	220450-2122	\$ 1,418,732	\$ -	\$ -	\$ -	\$ 1,413,694	\$ 804,135	\$ 609,559
COVID-19 Special Education Grants to States - Flowthrough ARP	84.027X	221280 21-22	325,635	-	-	-	325,635	167,680	157,955
Special Education Grants to States - Flowthrough	84.027A	210450-2021	1,333,430	523,535	1,333,430	-	-	523,535	-
Total ALN 84.027			3,077,797	523,535	1,333,430	-	1,739,329	1,495,350	767,514
Special Education Preschool Grants	84.173A	220460-2212	45,791	-	-	-	45,791	24,580	21,211
COVID-19 Special Education Preschool Grants ARP	84.173X	221285 21-22	34,511	-	-	-	34,511	18,074	16,437
Special Education Preschool Grants	84.173A	210460-2021	47,489	12,202	47,489	-	-	12,202	-
Total ALN 84.173			127,791	12,202	47,489	-	80,302	54,856	37,648
Total Special Education Cluster			3,205,588	535,737	1,380,919	-	1,819,631	1,550,206	805,162
Education for Homeless Children and Youth	84.196A	212320-2021	1,440	351	951	-	-	351	-
Total U.S. Department of Education			11,864,851	1,053,813	4,214,111	(598)	6,789,626	4,747,325	3,095,516
<u>Federal Communications Commission</u>									
Direct Program									
COVID-19 Emergency Connectivity Funds (ECF)	32.009	N/A	252,735	-	-	-	252,735	252,735	-
<u>U.S. Department of Health and Human Services</u>									
Passed through Ottawa Area Intermediate School District (OAISD)									
Medicaid Cluster									
Medical Assistance Program	93.778	N/A	8,436	-	-	-	4,308	4,308	-
TOTAL FEDERAL AWARDS			\$ 17,333,638	\$ 1,325,775	\$ 4,214,111	\$ (598)	\$ 11,970,667	\$ 10,010,923	\$ 3,284,921

The accompanying notes are an integral part of this schedule.

WEST OTTAWA PUBLIC SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

NOTE 1 - BASIS OF PRESENTATION

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

The District qualifies for low-risk auditee status. Management has utilized the NexSys Cash Management System and the Grant Auditor Report in preparing the Schedule of Expenditures of Federal Awards. The District does not pass through federal funds.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. West Ottawa Public Schools has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - RECONCILIATION WITH AUDITED FINANCIAL STATEMENTS

Federal expenditures are reported as revenue in the following funds in the financial statements June 30, 2022:

General fund	\$ 7,092,582
Other nonmajor governmental fund	<u>4,920,935</u>
Total federal revenue in the fund financial statements	12,013,517
Less: Federal assistance funding not subject to single audit act	<u>(42,850)</u>
Expenditures per schedule of expenditures of federal awards	<u><u>\$ 11,970,667</u></u>

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

To the Board of Education
West Ottawa Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Ottawa Public Schools, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise West Ottawa Public Schools' basic financial statements, and have issued our report thereon dated October 28, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Maney Costeiran PC

October 28, 2022

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

To the Board of Education
West Ottawa Public Schools

Report on Compliance for Each Major Federal Program***Opinion on Each Major Federal Program***

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding West Ottawa Public Schools' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of West Ottawa Public Schools' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of West Ottawa Public Schools' internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Maney Costeiran PC

October 28, 2022

**WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principals: *Unmodified*

Internal control over financial reporting:

➤ Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
➤ Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	No
Noncompliance material to financial statements	_____	Yes	_____ <u>X</u> _____	No

Federal Awards

Internal control over major programs:

➤ Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
➤ Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	No

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings that are required to be reported in accordance with Title 2 CFR Section 200.516(a)? _____ Yes _____ X _____ No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.559 84.425	Child Nutrition Cluster Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs:

_____ \$750,000 _____

Auditee qualified as low-risk auditee? _____ X _____ Yes _____ No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

**WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2022**

There were no audit findings in the prior year.



Preparing Students to be College, Career and Life Ready.

Mission Statement

West Ottawa Public Schools,
a caring community,
challenging and inspiring
students to learn and
succeed in a diverse world.

Belief Statement

As the heart of our community,
West Ottawa Public Schools...

- Delivers quality and challenging programs
- Motivates students to succeed
- Honors diversity
- Inspires change
- Ensures a safe and secure environment

Board Goals

- Increase student achievement for all students as measured by the accountability scorecard
- Develop and implement a strategic and integrated communications plan
- Efficient and effective use of district resources
 - Beating the county per pupil average in all major non-instructional expense areas
 - Maintaining a fund balance of 15% of the annual expense in the General and Food Service Funds



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

☎ 517.323.7500

📠 517.323.6346

October 28, 2022

To the Board of Education
West Ottawa Public Schools

In planning and performing our audit of the financial statements of West Ottawa Public Schools as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered West Ottawa Public Schools' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted one matter involving the internal control and other operational matters that is presented for your consideration. This letter does not affect our report dated October 28, 2022 on the financial statements of West Ottawa Public Schools. We will review the status of this comment during our next audit engagement. Our comment and recommendation, which has been discussed with appropriate members of management, is intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, perform any additional study of this matter, or assist you in implementing the recommendation. Our comment is summarized as follows.

Food Service Fund Balance

Per Michigan Department of Education (MDE) guidelines, school food authorities (SFA) must operate food services on a nonprofit basis. We noted that the food service fund balance exceeded the three months' operating expenditures allowed. MDE requires that the SFA spend down the excess by the end of the next school year. We recommend that West Ottawa Public Schools develop a plan to spend down the excess by June 30, 2023.

This report is intended solely for the information and use of management, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation we received from your staff during our engagement and the opportunity to be of service.

Very truly yours,

Maner Costerisan PC



2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912

☎ 517.323.7500

📠 517.323.6346

October 28, 2022

To the Board of Education
West Ottawa Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Ottawa Public Schools for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by West Ottawa Public Schools are described in Note 1 to the financial statements. During 2022 the District implemented Governmental Accounting Standard No. 87, *Leases*. The application of existing policies was not changed during 2022. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

Estimates have been used to calculate the net pension liability and the net other postemployment benefit liability. We evaluated the key factors and assumptions used to develop the balance of the net pension liability and net other postemployment benefit liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate in calculating the liability for employee compensated absences. We evaluated the key factors and assumptions used to develop the balance of employee compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's determination of the estimated life span of the capital assets. We evaluated the key factors and assumptions used by management to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We did not identify any sensitive disclosures.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) which are required and supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

We were not engaged to report on the statistical information, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Board of Education and management of West Ottawa Public Schools and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maney Costeiran PC