

WEST OTTAWA PUBLIC SCHOOLS

Holland, Michigan

Annual Comprehensive Financial Report

**Fiscal Year Ended
JUNE 30, 2023**

Prepared by:

**Business Office
Jeff Malloch, Chief Financial Officer**

**WEST OTTAWA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.....	23
Government-wide Financial Statements	
Statement of Net Position	24
Statement of Activities.....	25
Fund Financial Statements	
Balance Sheet - Governmental Funds	26-27
Reconciliation of Fund Balances on the Balance Sheet of Governmental Funds To Net Position of Governmental Activities on the Statement of Net Position.....	28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	30-31
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	32
Notes to Financial Statements.....	33-64
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, 2023**

TABLE OF CONTENTS

	<u>Page</u>
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	82-91
STATISTICAL SECTION (UNAUDITED)	
Statistical Section Overview	93
Financial Trends.....	95
Net Position by Component.....	96-97
Expenses, Program Revenues and Net Expense.....	98-99
General Revenues and Total Change in Net Position	100-010
Fund Balances - Governmental Funds.....	102-103
Governmental Funds Revenues.....	104-105
Governmental Funds Expenditures and Debt Service Ratio	106-107

**WEST OTTAWA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

TABLE OF CONTENTS

Page

STATISTICAL SECTION (UNAUDITED) (Concluded)

Other Financing Sources (Uses) and Net Change in Fund Balances, Governmental Funds	108-109
Revenue and Debt Capacity	111
Taxable Value and Actual Value of Taxable Property	112-113
Direct and Overlapping Property Tax Rates	114-115
Principal Property Taxpayers	116-117
Property Tax Levies and Collections	118
Outstanding Debt by Type	119
Ratios of Outstanding Debt.....	120
Direct And Overlapping Governmental Activities Debt	121
Legal Debt Margin Information	122
Demographic and Economic Information	123
Demographic and Economic Statistics	124
Principal Employers in West Michigan	125
Full-Time-Equivalent District Employees by Type	126
Operational Information.....	127
Operating Statistics.....	128
School Building Information.....	129

OTHER ITEMS

Schedule of Expenditures of Federal Awards.....	131-133
Notes to Schedule of Expenditures of Federal Awards.....	134
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>	135-136
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	137-139
Schedule of Findings and Questioned Costs.....	140
Schedule of Prior Year Audit Findings	141
Vision and Mission Statement	142



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

West Ottawa Public Schools
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Superintendent
Timothy. Bearden

Assistant Superintendent Business Services
Jeff Malloch

Assistant Superintendent Human Resources
Jens Milobinski

October 26, 2023

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 Chief Financial Officer. It serves as an introduction to our Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. 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 in 2005 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 6,604 FTE (2022-2023). The projected enrollment for the 2023-2024 fiscal year is 6,700 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. All of the 2019 authorized bonds have been issued with the last series being sold in the Spring of 2023.

In November 2018 the community approved an enhancement millage that will generate approximately \$1.9 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. After fiscal year 2023-2024, the District will have exhausted all of the federal funds related to the COVID-19 pandemic. The State of Michigan saw federal aid and state revenue collections that out-paced the projections, and were able to appropriate \$9,150 per pupil for the minimum foundation allowance in fiscal year 2023. The State of Michigan is forecasted to appropriate \$9,608 per pupil in fiscal year 2024. 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 ninth time in its history for fiscal year 2022-23, 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 eighth consecutive award for the 2021-2022 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,

Handwritten signature of Timothy J. Bearden in black ink, featuring a stylized 'T' and 'B'.

Timothy J. Bearden
Superintendent of Schools

Handwritten signature of Jeffrey W. Malloch in black ink, featuring a stylized 'J' and 'M'.

Jeffrey W. Malloch
Chief Financial Officer

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

2023 Board of Education

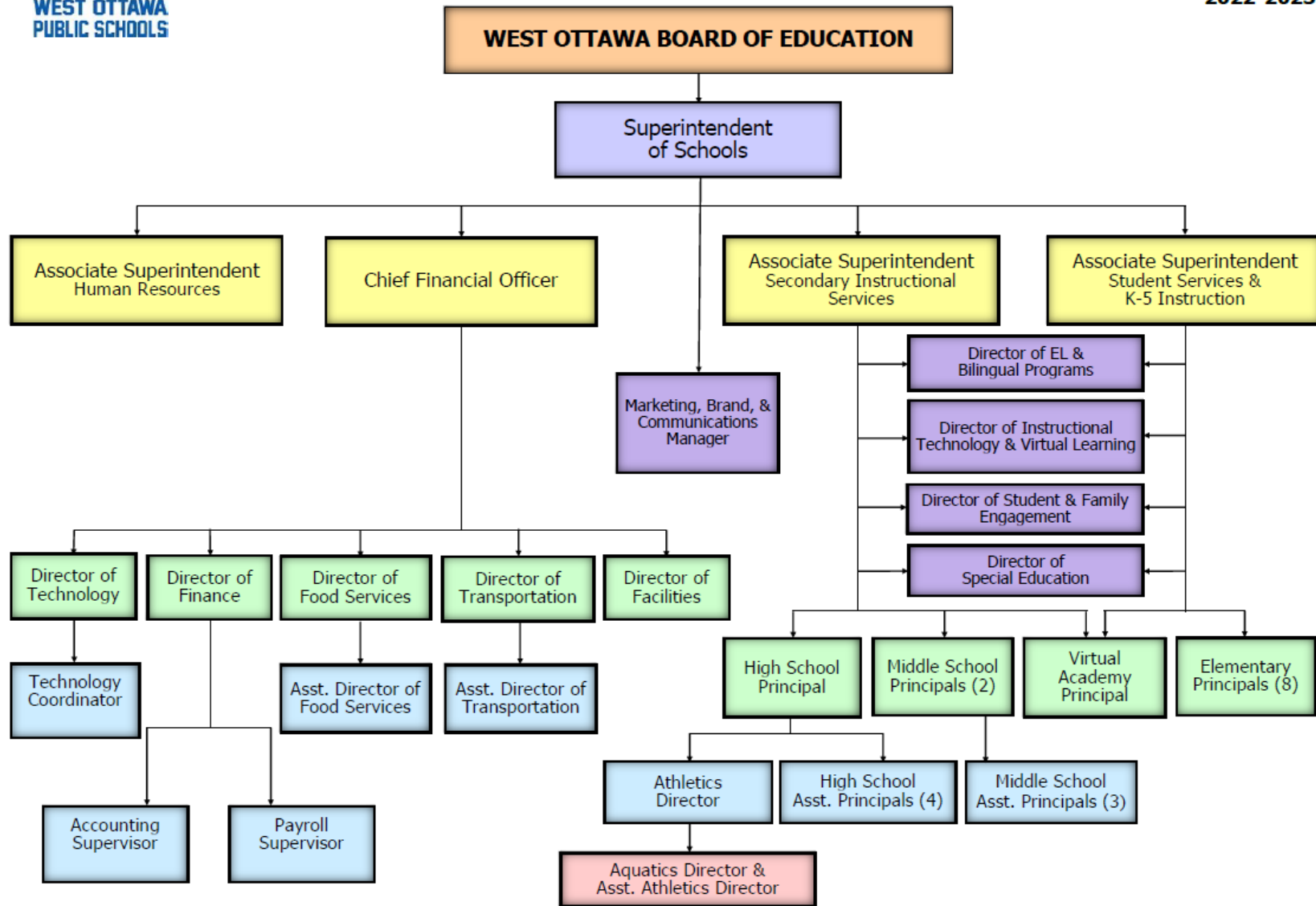
President
Vice President
Secretary
Treasurer
Trustee
Trustee
Trustee

Cathy Lebster
Tyson Smith
Mary Remenschneider
Randy Schipper
Darrin Duistermars
Lynn Rutan
Jim Otteman

2022 - 2023 Administrative Staff

Superintendent
Chief Financial Officer
Director of Finance

Tim Bearden
Jeff Malloch
Kyle Barr



Effective 8/26/2022



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, 2022.

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



A handwritten signature in black ink, reading 'John W. Hutchison'.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

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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, 2023, 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, 2023, 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 26, 2023 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 Costeiran PC

October 26, 2023

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, 2023.

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, 2023 and 2022.

	2023	2022	Change
Current assets	\$ 107.42	\$ 97.96	\$ 9.46
Capital assets, net	199.67	180.46	19.21
Total assets	<u>307.09</u>	<u>278.42</u>	<u>28.67</u>
Deferred outflows of resources	62.52	31.55	30.97
Long-term obligations outstanding	173.95	157.52	16.43
Other liabilities	21.92	18.63	3.29
Net pension and other postemployment benefit liabilities	177.68	112.71	64.97
Total liabilities	<u>373.55</u>	<u>288.86</u>	<u>84.69</u>
Deferred inflows of resources	32.79	69.14	(36.35)
Net position			
Net investment in capital assets	72.37	70.75	1.62
Restricted	3.24	3.01	0.23
Unrestricted	<u>(112.34)</u>	<u>(121.79)</u>	<u>9.45</u>
Total net position	<u>\$ (36.73)</u>	<u>\$ (48.03)</u>	<u>\$ 11.30</u>

The District's combined net position at the beginning of the fiscal year was (\$48,029,103), and on June 30, 2023 it was (\$36,720,655) which represents an increase of \$11,308,448 as recorded in the statement of activities.

Capital Assets

At June 30, 2023, the District had invested over \$307.4 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 \$5.9 million, bringing accumulated depreciation to \$107.7 million as of June 30, 2023.

	2023		2022	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 4,307,992	\$ -	\$ 4,307,992	\$ 6,129,748
Construction in progress	41,054,307	-	41,054,307	42,529,457
Buildings and improvements	243,926,586	94,776,255	149,150,331	126,714,329
Furniture and equipment	12,265,277	8,575,588	3,689,689	3,739,836
Buses and other vehicles	5,819,087	4,349,790	1,469,297	1,343,517
Total	<u>\$ 307,373,249</u>	<u>\$ 107,701,633</u>	<u>\$ 199,671,616</u>	<u>\$ 180,456,887</u>

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, 2023, the District had approximately \$174 million in long-term obligations outstanding. This represents an increase of approximately \$16.4 million from the amount outstanding at the close of the prior fiscal year. The increase is the result of the issuance of new bonds in June 2023 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.

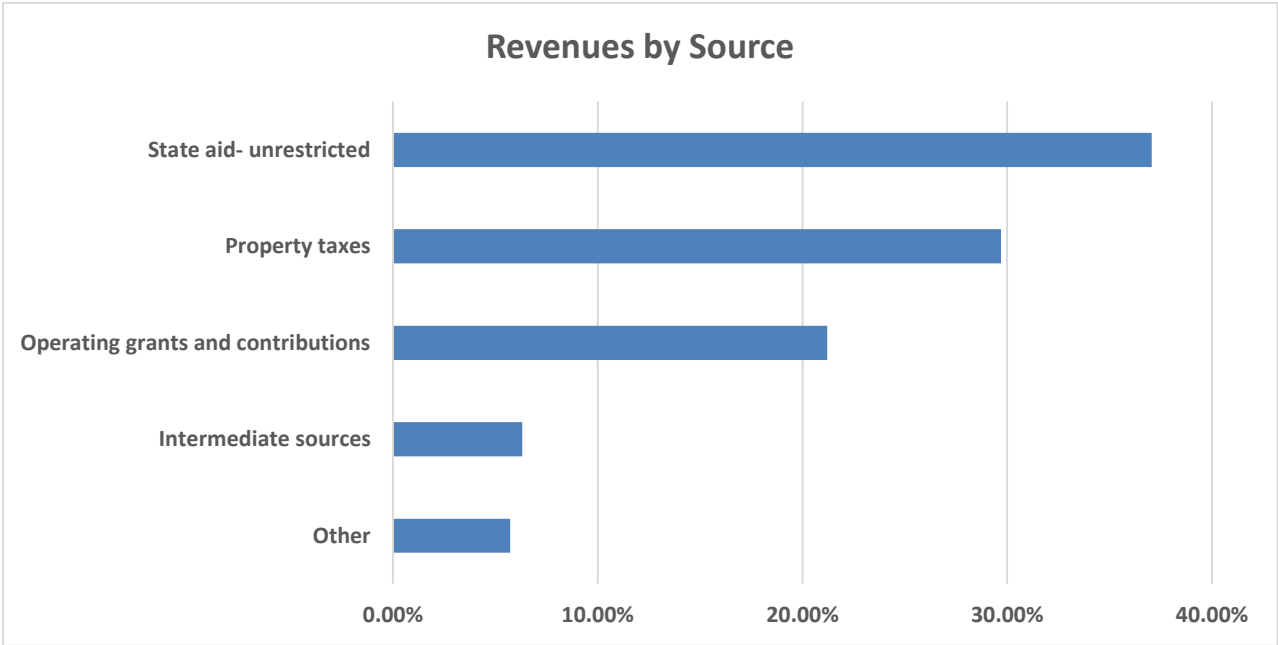
Results of Operations

For the fiscal years ended June 30, 2023 and 2022, the results of operations, on a district-wide basis were:

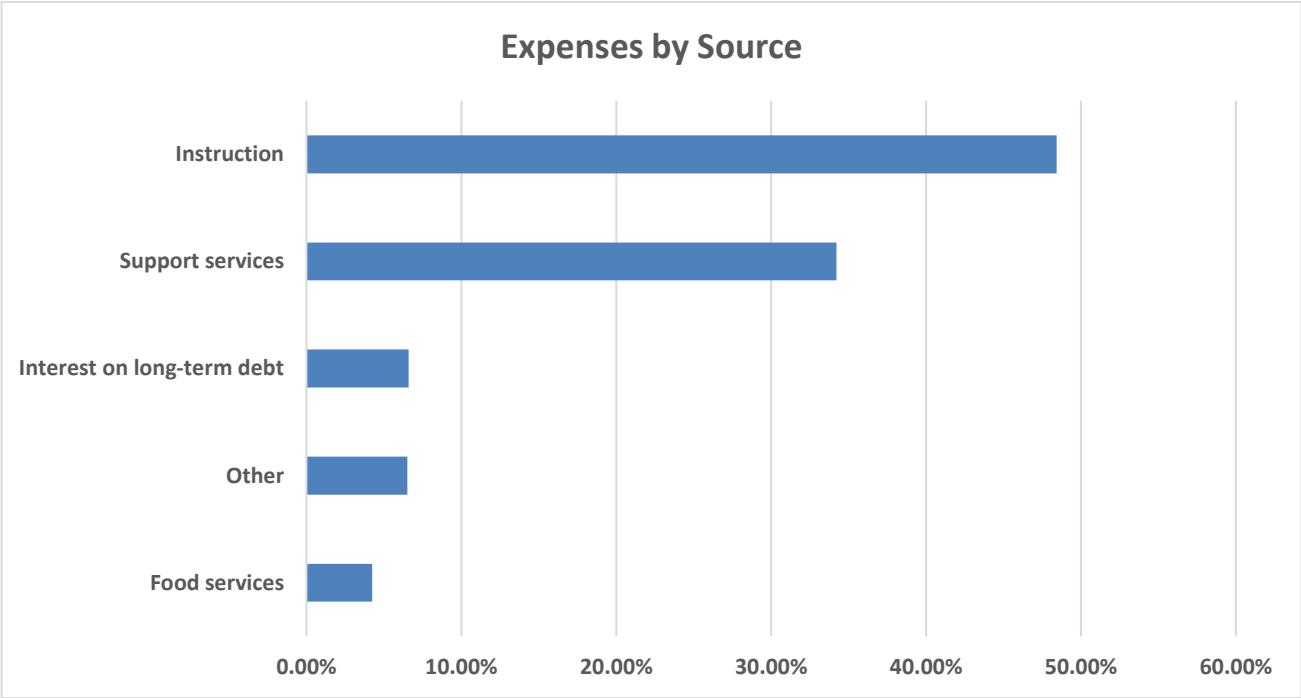
	2023	2022	Change
Revenues			
Program revenues			
Charges for services	\$ 1,380,645	\$ 566,621	\$ 814,024
Operating grants and contributions	26,234,116	28,647,224	(2,413,108)
General revenues			
Property taxes	36,730,565	33,859,194	2,871,371
Investment earnings (loss)	2,053,329	(301,876)	2,355,205
State aid - unrestricted	45,825,487	42,963,536	2,861,951
Intermediate sources	7,803,961	7,188,818	615,143
Other	3,639,431	294,654	3,344,777
Total revenues	123,667,534	113,218,171	10,449,363
Expenses			
Instruction	54,410,113	47,099,063	7,311,050
Support services	38,450,107	36,869,217	1,580,890
Community services	349,478	349,007	471
Food services	4,766,011	4,006,763	759,248
Student/school activities	1,045,577	781,834	263,743
Interest on long-term debt	7,406,491	3,804,850	3,601,641
Unallocated depreciation	5,931,309	5,373,349	557,960
Total expenses	112,359,086	98,284,083	14,075,003
Change in net position	11,308,448	14,934,088	(3,625,640)
Net position, beginning of year	(48,029,103)	(62,963,191)	14,934,088
Net position, end of year	<u>\$ (36,720,655)</u>	<u>\$ (48,029,103)</u>	<u>\$ 11,308,448</u>

In most of the above categories, the differences between the 2021-2022 fiscal year and the 2022-2023 fiscal year (change) would generally be considered well within the normal range.

A notable change in revenue is 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 as the State also continues to fund learning loss initiatives. 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 instructional services. Many of these increases in support services continue to be associated with the infusion of state and 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.

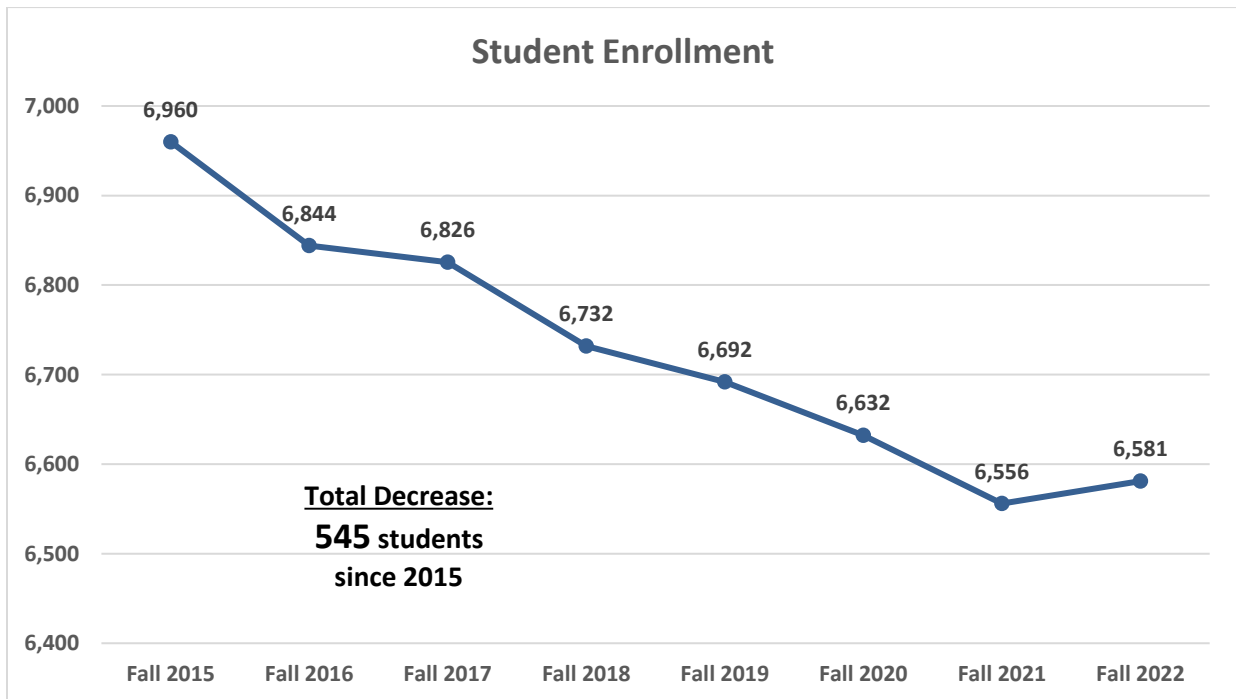
State Sources

The State of Michigan funds districts based on a blended student enrollment. The blended enrollment consists of 90% of the current year's October (2022) count and 10% of the prior year's February (2022) count. The state per-pupil allocation in 2022-2023 was \$9,150 per pupil, an increase of \$450 from 2021-2022.

Student Enrollment

The District's enrollment for the fall count of 2022-2022 was 6,581 students. This is an increase of 25 students or 0.38% from the prior fall. The increase was minimal. Historical data is included below.

Year	Enrollment	Change from Prior Year
Fall 2022	6,581	+25
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



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 2022-2023 fiscal year, the District's net property tax revenues for general purposes were \$15,298,005. This was an increase of 9.3% 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 \$20,653,192.

West Ottawa Public Schools levied a 0.2934 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 \$779,368.

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 \$44.4 million, consistent with the prior year, with benefit costs up by approximately \$6.1 million and equal to approximately \$36.3 million for the fiscal year. The total health benefit costs for 2022-23 were about \$7.0 million, up approximately \$527,000 from the prior year. The District contributed around \$24.7 million toward employees' pension and other postemployment benefits, an increase of 28.61% over 2021-2022. 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 2022-2023 fiscal year, the District amended the general fund budget, with the Board adopting the final changes in June 2023. 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>\$ 91,180,000</u>	<u>\$ 94,980,000</u>	<u>\$ 95,669,281</u>	<u>\$ 689,281</u>	0.73%
Expenditures and other financing uses					
Instruction	\$ 58,630,000	\$ 59,445,000	\$ 59,618,384	\$ (173,384)	-0.29%
Support services	30,910,000	30,825,000	31,009,693	(184,693)	-0.60%
Community services	415,000	280,000	307,635	(27,635)	-9.87%
Capital outlay	<u>1,225,000</u>	<u>1,425,000</u>	<u>1,038,630</u>	<u>386,370</u>	27.11%
Total expenditures and other financing uses	<u>\$ 91,180,000</u>	<u>\$ 91,975,000</u>	<u>\$ 91,974,342</u>	<u>\$ 658</u>	0.00%

The actual revenues and other financing sources for the general fund were about \$95.7 million. This is above the final amended budget by \$689,281 or .73%. The actual general fund expenditures and other financing uses were \$92 million. This is below the final amended budget amount by \$658, or 0%. The variance in general fund revenue was related to the uncertainty of the amount of federal dollars utilized for summer school along with the amount of expenditures in certain state grants which directly impacts the state revenue received.

Analysis of Financial Position

The District had a general fund increase of \$3,694,939 in 2022-2023. The small surplus is the result of conservative fiscal planning in anticipation of future deficits as the State of Michigan faces head wind as the State of Michigan projects stagnant growth in the next few years as the federal stimulus dollars dry up and the UAW strike impact ripples through the state's economy.

The accumulated fund balance is approximately \$25.6 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 \$88.5 million, this was an increase of \$8.04 million from the prior year. The primary reason for this increase 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 2022-2023 included final expenditures for the Harbor Lights renovation and athletic complex, the addition of a new Performing Arts Center at the High school, and the construction of a new elementary school. The changes by major and nonmajor funds are as follows:

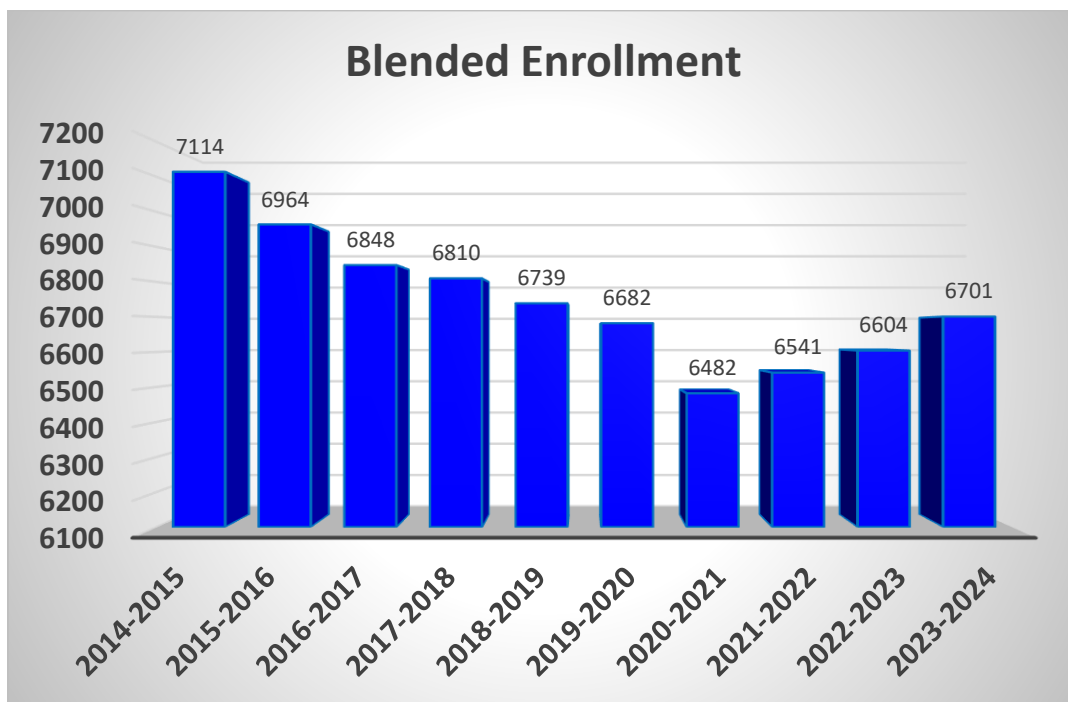
	General Fund	2014 Capital Projects Fund	2019 Capital Projects Fund	2023 (2019 Bond) Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
FUND BALANCE						
Beginning of year	\$ 21,954,315	\$ 7,845,651	\$ 40,320,238	\$ -	\$ 10,342,160	\$ 80,462,364
Increase (decrease)	3,694,939	(7,845,651)	(25,218,299)	31,813,280	5,601,125	8,045,394
End of year	<u>\$ 25,649,254</u>	<u>\$ -</u>	<u>\$ 15,101,939</u>	<u>\$ 31,813,280</u>	<u>\$ 15,943,285</u>	<u>\$ 88,507,758</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 2023-2024 fiscal year with a foundation allowance increase of \$458 per pupil. This would bring the foundation allowance to \$9,608 per pupil. Although this increase seems substantial, it only represents a 5% increase in unrestricted revenue from the State. However, year over year inflation data continues to show CPI increases over 3.6% from September 2022 through September 2023. 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 2023-2024 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 vast improvements on supply chain issues as we move further from the pandemic. However, there are still some limited disruptions which can potentially cause economic hardships on the school district 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. Online schools and shifts in educational trends in recent years could potentially affect the District's student enrollment in the fall of 2023 and beyond. However, the District is now in its third year of operating our own West Ottawa Virtual Academy which will hopefully continue to capture non-traditional students. The District is also going to recognize its third consecutive year of growing enrollment, based on our fall projected student counts.
- 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 few 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 2023-2024 fiscal year.

- 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 also issued all \$97.95 million of voter approved bonds, including bond premium, from the 2019 authorization. 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 is projected to open the new elementary school in the fall of 2025. Additional funds are currently being utilized to replace boilers chillers, improve building security, improve traffic flow, buy buses, purchase technology, complete the performing arts center, and complete the new elementary school. The voter approved bonds continue to alleviate pressure on the general fund and repair and improvement fund, in order 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 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 2023-2024 school year will see an increase in state membership for the third year in a row. The chart below shows our last 10 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 2023-2024 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 Chief Financial Officer, West Ottawa Public Schools, Holland, Michigan.

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BASIC FINANCIAL STATEMENTS

**WEST OTTAWA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2023**

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 31,703,482
Investments	9,638,049
Receivables	
Accounts receivable	31,663
Taxes receivable	97,193
Intergovernmental	13,405,022
Inventories	50,622
Prepays	212,939
Restricted cash - capital projects	43,312,940
Restricted investments - capital projects	8,972,694
Capital assets not being depreciated	45,362,299
Capital assets, net of accumulated depreciation	<u>154,309,317</u>
TOTAL ASSETS	<u>307,096,220</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to other postemployment benefits	12,433,189
Related to pension	<u>50,085,867</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>62,519,056</u>
LIABILITIES	
Accounts payable	5,206,899
Accrued salaries and related items	5,584,961
Accrued retirement	3,360,167
Accrued interest	3,001,507
Unearned revenue	4,764,819
Noncurrent liabilities	
Due within one year	19,427,974
Due in more than one year	154,525,521
Net other postemployment benefits liability	9,409,261
Net pension liability	<u>168,268,992</u>
TOTAL LIABILITIES	<u>373,550,101</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on refunding, net of amortization	342,286
Related to state aid funding for pension	12,084,194
Related to other postemployment benefits	19,558,520
Related to pension	<u>800,830</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>32,785,830</u>
NET POSITION	
Net investment in capital assets	72,370,792
Restricted for debt service	510,530
Restricted for capital projects - sinking fund	2,734,198
Unrestricted	<u>(112,336,175)</u>
TOTAL NET POSITION	<u><u>\$ (36,720,655)</u></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, 2023**

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	\$ 54,410,113	\$ 64,607	\$ 13,287,798	\$ (41,057,708)
Support services	38,450,107	116,933	8,092,074	(30,241,100)
Community services	349,478	-	85,728	(263,750)
Food services	4,766,011	1,199,105	3,606,881	39,975
Student/school activities	1,045,577	-	1,161,635	116,058
Interest on long-term debt	7,406,491	-	-	(7,406,491)
Unallocated depreciation*	5,931,309	-	-	(5,931,309)
Total governmental activities	<u>\$ 112,359,086</u>	<u>\$ 1,380,645</u>	<u>\$ 26,234,116</u>	<u>(84,744,325)</u>
General revenues				
Property taxes, levied for general purposes				15,298,005
Property taxes, levied for debt service				20,653,192
Property taxes, levied for capital projects sinking fund				779,368
Investment earnings				2,053,329
State sources				45,825,487
Intermediate sources				7,803,961
Other				3,639,431
Total general revenues				<u>96,052,773</u>
CHANGE IN NET POSITION				11,308,448
NET POSITION, beginning of year				<u>(48,029,103)</u>
NET POSITION, end of year				<u>\$ (36,720,655)</u>

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

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

**WEST OTTAWA PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	<u>General Fund</u>	<u>2014 Capital Projects Fund</u>	<u>2019 Capital Projects Fund</u>	<u>2023 Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 15,869,165	\$ -	\$ -	\$ -	\$ 15,834,317	\$ 31,703,482
Investments	9,614,170	-	-	-	23,879	9,638,049
Receivables						
Taxes receivable	67,137	-	-	-	30,056	97,193
Accounts receivable	7,969	-	-	-	23,694	31,663
Intergovernmental	13,241,064	-	-	-	163,958	13,405,022
Due from other funds	701,748	9,000	9,359,928	-	67,726	10,138,402
Inventories	-	-	-	-	50,622	50,622
Prepays	200,225	-	-	-	12,714	212,939
Restricted cash - capital projects	-	11,499,660	-	31,813,280	-	43,312,940
Restricted investments - capital projects	-	624,617	8,348,077	-	-	8,972,694
TOTAL ASSETS	<u>\$ 39,701,478</u>	<u>\$ 12,133,277</u>	<u>\$ 17,708,005</u>	<u>\$ 31,813,280</u>	<u>\$ 16,206,966</u>	<u>\$ 117,563,006</u>
LIABILITIES						
Accounts payable	\$ 344,986	\$ 2,223,349	\$ 2,606,066	\$ -	\$ 32,498	\$ 5,206,899
Accrued salaries and related items	5,565,337	-	-	-	19,624	5,584,961
Accrued retirement	3,356,453	-	-	-	3,714	3,360,167
Due to other funds	76,726	9,909,928	-	-	151,748	10,138,402
Unearned revenue	4,708,722	-	-	-	56,097	4,764,819
TOTAL LIABILITIES	<u>14,052,224</u>	<u>12,133,277</u>	<u>2,606,066</u>	<u>-</u>	<u>263,681</u>	<u>29,055,248</u>

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>2023 Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
FUND BALANCES						
Nonspendable						
Prepays	\$ 200,225	\$ -	\$ -	\$ -	\$ 12,714	\$ 212,939
Restricted						
Food service	-	-	-	-	2,022,142	2,022,142
Capital projects	-	-	15,101,939	31,813,280	2,734,198	49,649,417
Debt service	-	-	-	-	3,512,037	3,512,037
Committed for student/school activities	-	-	-	-	1,909,045	1,909,045
Assigned						
Capital projects	-	-	-	-	5,753,149	5,753,149
Unassigned	<u>25,449,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,449,029</u>
TOTAL FUND BALANCES	<u>25,649,254</u>	<u>-</u>	<u>15,101,939</u>	<u>31,813,280</u>	<u>15,943,285</u>	<u>88,507,758</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 39,701,478</u>	<u>\$ 12,133,277</u>	<u>\$ 17,708,005</u>	<u>\$ 31,813,280</u>	<u>\$ 16,206,966</u>	<u>\$ 117,563,006</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, 2023**

Total governmental fund balances	\$ 88,507,758
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred outflows of resources - related to pension	50,085,867
Deferred outflows of resources - related to other postemployment benefits	12,433,189
Deferred inflows of resources - gain on refunding, net of amortization	(342,286)
Deferred inflows of resources - related to pension	(800,830)
Deferred inflows of resources - state aid funding for pension	(12,084,194)
Deferred inflows of resources - related to other postemployment benefits	(19,558,520)
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
The cost of the capital assets is	307,373,249
Accumulated depreciation is	(107,701,633)
Long-term obligations are not due and payable in the current period and are not reported in the funds:	
General obligation bonds	(173,873,757)
Compensated absences and termination benefits	(79,738)
Accrued interest is not included as a liability in government funds, it is recorded when paid	(3,001,507)
Net other postemployment benefits liability	(9,409,261)
Net pension liability	<u>(168,268,992)</u>
Net position of governmental activities	<u><u>\$ (36,720,655)</u></u>

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

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WEST OTTAWA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	<u>General Fund</u>	<u>2014 Capital Projects Fund</u>	<u>2019 Capital Projects Fund</u>	<u>2023 Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Local sources						
Property taxes	\$ 15,298,005	\$ -	\$ -	\$ -	\$ 21,432,560	\$ 36,730,565
Tuition	64,607	-	-	-	-	64,607
Investment earnings (loss)	582,300	82,565	910,608	-	423,452	1,998,925
Student/school activities	-	-	-	-	1,161,635	1,161,635
Food sales	-	-	-	-	1,198,400	1,198,400
Other	175,161	-	20,235	-	3,590,895	3,786,291
	<u>16,120,073</u>	<u>82,565</u>	<u>930,843</u>	<u>-</u>	<u>27,806,942</u>	<u>44,940,423</u>
Total local sources						
State sources	64,942,760	-	-	-	1,035,574	65,978,334
Federal sources	6,513,637	-	-	-	3,433,487	9,947,124
Incoming transfers and other	7,862,811	-	-	-	-	7,862,811
	<u>95,439,281</u>	<u>82,565</u>	<u>930,843</u>	<u>-</u>	<u>32,276,003</u>	<u>128,728,692</u>
TOTAL REVENUES						
EXPENDITURES						
Current						
Instruction	59,618,384	-	-	-	-	59,618,384
Supporting services	31,009,693	-	-	-	-	31,009,693
Food service activities	-	-	-	-	4,663,532	4,663,532
Student/school activities	-	-	-	-	1,045,577	1,045,577
Community service activities	307,635	-	-	-	-	307,635
Capital outlay and other	1,038,630	8,595,604	25,481,754	-	758,828	35,874,816

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>2023 Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
EXPENDITURES (continued)						
Debt service						
Principal repayment	\$ -	\$ -	\$ -	\$ -	\$ 14,440,000	\$ 14,440,000
Interest	-	-	-	-	5,533,591	5,533,591
Other	-	-	-	254,494	3,350	257,844
	<u>91,974,342</u>	<u>8,595,604</u>	<u>25,481,754</u>	<u>254,494</u>	<u>26,444,878</u>	<u>152,751,072</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>3,464,939</u>	<u>(8,513,039)</u>	<u>(24,550,911)</u>	<u>(254,494)</u>	<u>5,831,125</u>	<u>(24,022,380)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from issuance of bonds	-	-	-	28,870,000	-	28,870,000
Bond premium	-	-	-	3,197,774	-	3,197,774
Transfer in	230,000	667,388	-	-	31,234	928,622
Transfer out	-	-	(667,388)	-	(261,234)	(928,622)
	<u>230,000</u>	<u>667,388</u>	<u>(667,388)</u>	<u>32,067,774</u>	<u>(230,000)</u>	<u>32,067,774</u>
NET CHANGE IN FUND BALANCES	3,694,939	(7,845,651)	(25,218,299)	31,813,280	5,601,125	8,045,394
FUND BALANCES						
Beginning of year	<u>21,954,315</u>	<u>7,845,651</u>	<u>40,320,238</u>	<u>-</u>	<u>10,342,160</u>	<u>80,462,364</u>
End of year	<u>\$ 25,649,254</u>	<u>\$ -</u>	<u>\$ 15,101,939</u>	<u>\$ 31,813,280</u>	<u>\$ 15,943,285</u>	<u>\$ 88,507,758</u>

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, 2023**

Net change in fund balances total governmental funds \$ 8,045,394

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	(5,931,309)
Capital outlay	26,988,283
Unrecovered cost on asset disposal	(1,842,245)

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	1,128,607
Accrued interest payable, end of the year	(3,001,507)

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:

Proceeds from debt issuance	(28,870,000)
Premium on the debt issuance	(3,197,774)
Payments on debt	14,440,000
Amortization of bond premium	1,203,789
Amortization of deferred gain on refunding	76,055

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	74,458
Compensated absences and termination benefits, end of the year	(79,738)

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	158,175
Other postemployment benefits related items	7,177,418

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	7,023,036
Pension related items, end of year	(12,084,194)

Change in net position of governmental activities \$ 11,308,448

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

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.

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.

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 2014, 2019, and 2023 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 (concluded)

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:

	2014 Bond	2019 Bond
Revenues and other financing sources	\$ 93,048,879	\$ 99,612,225
Expenditures	\$ 93,048,879	\$ 52,697,006

The above revenue amount includes net bond issuance related to the 2014 and 2019 Bonds of \$90,597,587 and \$84,575,000, 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 (concluded)

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 (concluded)

Budgetary Basis of Accounting (concluded)

- 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, 2023. 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 three 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 (concluded)

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, 2023, 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	0.2934

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 (concluded)

Revenues and Expenditures/Expenses (concluded)

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, 2023 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, 2023, \$75,929,990 of the District's bank balance of \$76,429,990 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 \$75,016,422.

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 (concluded)

As of June 30, 2023, the district had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>%</u>
United States Treasury Notes	\$ 17,586,865	0.1620	94.50%
Certificates of Deposit	1,000,000	0.5670	5.37%
FDIC insured deposit account	23,878	0.0027	0.13%
Total fair value	<u>\$ 18,610,743</u>		<u>100.00%</u>
Portfolio weighted average maturity		<u>0.1835</u>	

1 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 (concluded)

Fair Value Measurement (concluded)

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. that are measured at fair value using net asset per value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

Investment Type	Level 1	Level 2	Level 3	Total
PRIMARY GOVERNMENT				
United States Treasury Notes	\$ 17,586,865	\$ -	\$ -	\$ 17,586,865

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, 2023:

	<u>Primary Government</u>
Cash and cash equivalents	\$ 31,703,482
Investments	9,638,049
Restricted cash and cash equivalents	43,312,940
Restricted investments	<u>8,972,694</u>
	<u>\$ 93,627,165</u>

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

NOTE 3 - CAPITAL ASSETS

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

	<u>Balance July 1, 2022</u>	<u>Additions/ Reclassifications</u>	<u>Deletions/ Reclassifications</u>	<u>Balance June 30, 2023</u>
Assets not being depreciated				
Land	\$ 6,129,748	\$ -	\$ 1,821,756	\$ 4,307,992
Construction in progress	<u>42,529,457</u>	<u>24,726,276</u>	<u>26,201,426</u>	<u>41,054,307</u>
Subtotal	<u>48,659,205</u>	<u>24,726,276</u>	<u>28,023,182</u>	<u>45,362,299</u>
Other capital assets				
Buildings and improvements	216,315,840	27,610,746	-	243,926,586
Furniture and equipment	11,929,476	378,193	42,392	12,265,277
Buses and other vehicles	<u>5,815,639</u>	<u>474,494</u>	<u>471,046</u>	<u>5,819,087</u>
Subtotal	<u>234,060,955</u>	<u>28,463,433</u>	<u>513,438</u>	<u>262,010,950</u>
Accumulated depreciation				
Buildings and improvements	89,601,511	5,174,744	-	94,776,255
Furniture and equipment	8,189,640	407,851	21,903	8,575,588
Buses and other vehicles	<u>4,472,122</u>	<u>348,714</u>	<u>471,046</u>	<u>4,349,790</u>
Total accumulated depreciation	<u>102,263,273</u>	<u>5,931,309</u>	<u>492,949</u>	<u>107,701,633</u>
Net capital assets being depreciated	<u>131,797,682</u>	<u>22,532,124</u>	<u>20,489</u>	<u>154,309,317</u>
Net governmental capital assets	<u>\$ 180,456,887</u>	<u>\$ 47,258,400</u>	<u>\$ 28,043,671</u>	<u>\$ 199,671,616</u>

Depreciation expense for the fiscal year ended June 30, 2023 amounted to \$5,931,309. 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 \$39,356,000.

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

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at June 30, 2023 consist of the following:

State aid	\$ 12,317,705
Federal revenue	867,598
Intermediate sources and other	<u>219,719</u>
	<u><u>\$ 13,405,022</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, 2023:

	Compensated Absences and Termination Benefits	General Obligation Bonds	Total
Balance, July 1, 2022	\$ 74,458	\$ 157,449,772	\$ 157,524,230
Additions	81,098	30,863,985	30,945,083
Deletions	<u>(75,818)</u>	<u>(14,440,000)</u>	<u>(14,515,818)</u>
Balance, June 30, 2023	79,738	173,873,757	173,953,495
Due within one year	<u>7,974</u>	<u>19,420,000</u>	<u>19,427,974</u>
Due in more than one year	<u><u>\$ 71,764</u></u>	<u><u>\$ 154,453,757</u></u>	<u><u>\$ 154,525,521</u></u>

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

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Long-term obligations at June 30, 2023 is comprised of the following issues:

General Obligation Bonds

2014 building and site bonds - \$42,500,000, due in an installment of \$1,275,000 on May 1, 2024 with interest of 5.000%.	\$ 1,275,000
2016 refunding bonds - \$5,715,000, due in annual installments of \$870,000 to \$910,000 through November 1, 2026 with interest at 1.690%.	2,670,000
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%.	9,950,000
2018 building and site bonds - \$13,795,000, due in annual installments of \$325,000 to \$575,000 through November 1, 2038 with interest at 5.000%.	6,850,000
2019 building and site bonds - \$21,190,000, due in annual installments of \$485,000 to \$1,000,000 through May 1, 2044 with interest from 4.000% to 5.000%.	16,850,000
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 0.930% to 1.415%.	10,635,000
2021 refunding bonds - \$28,305,000, due in annual installments of \$7,515,000 to \$9,680,000 through November 1, 2025 with interest from 0.400% to 1.060%.	26,595,000
2021 building and site bonds - \$50,175,000, due in annual installments of \$1,000,000 to \$2,395,000 through November 1, 2046 with interest from 4.000% to 5.000%.	44,145,000
2023 general obligation bonds - \$28,870,000, due in annual installments of \$650,000 to \$4,700,000 through May 1, 2048 with interest of 5.000%.	28,870,000
Issuance premium	<u>18,683,757</u>
Total general obligation bonds	173,873,757
Compensated absences and termination benefits	<u>79,738</u>
Total general long-term obligations	<u><u>\$ 173,953,495</u></u>

On June 14, 2023, the District issued general obligation bonds of \$28,870,000 with an interest rate of 5.0%. The bonds mature at various times through May 1, 2048. The general obligation bonds were issued at a premium of \$3,197,774 after paying issuance costs of \$254,494.

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

NOTE 5 - LONG-TERM OBLIGATIONS (concluded)

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, 2023, \$89,445,000 of bonds outstanding are considered defeased.

The annual requirements to amortize long-term obligations exclusive of compensated absences payments as of June 30, 2023 are as follows:

Year Ending June 30,	General Obligation Bonds		Compensated Absences and Termination Benefits	Total
	Principal	Interest		
2024	\$ 19,420,000	\$ 5,402,381	\$ -	\$ 24,822,381
2025	15,750,000	5,088,473	-	20,838,473
2026	15,985,000	4,857,212	-	20,842,212
2027	6,465,000	4,622,003	-	11,087,003
2028	6,700,000	4,380,200	-	11,080,200
2029 - 2033	30,175,000	17,274,150	-	47,449,150
2034 - 2038	25,725,000	11,093,775	-	36,818,775
2039 - 2043	22,495,000	5,611,500	-	28,106,500
2044 - 2048	12,475,000	1,322,750	-	13,797,750
	155,190,000	59,652,444	-	214,842,444
Issuance premium	18,683,757	-	-	18,683,757
Compensated absences and termination benefits	-	-	79,738	79,738
	<u>\$ 173,873,757</u>	<u>\$ 59,652,444</u>	<u>\$ 79,738</u>	<u>\$ 233,605,939</u>

Compensated absences and termination benefits typically are liquidated by the general fund. Interest expense for the year ended June 30, 2023 was approximately \$7,406,000.

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

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund payable and receivable balances at June 30, 2023 are as follows:

Receivable Fund		Payable Fund	
General fund	\$ 701,748	General fund	\$ 76,726
2014 Capital Projects Fund	9,000	2014 Capital Projects Fund	9,909,928
2019 Capital Projects Fund	9,359,928	Nonmajor governmental funds	151,748
Nonmajor governmental funds	67,726		
	\$ 10,138,402		\$ 10,138,402

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, 2022 were determined as of the September 30, 2019 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2019 are amortized over an 17-year period beginning October 1, 2021 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, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%
October 1, 2022 - September 30, 2023	13.75% - 20.16%	7.21% - 8.07%

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Employer Contributions (concluded)

The District's pension contributions for the year ended June 30, 2023 were equal to the required contribution total. Total pension contributions were approximately \$20,817,000. Of the total pension contributions approximately \$20,271,000 was contributed to fund the Defined Benefit Plan and approximately \$546,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2023 were equal to the required contribution total. Total OPEB contributions were approximately \$3,932,000. Of the total OPEB contributions approximately \$3,627,000 was contributed to fund the Defined Benefit Plan and approximately \$305,000 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2021 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, 2022</u>	<u>September 30, 2021</u>
Total pension liability	\$ 95,876,795,620	\$ 86,392,473,395
Plan fiduciary net position	\$ 58,268,076,344	\$ 62,717,060,920
Net pension liability	\$ 37,608,719,276	\$ 23,675,412,475
Proportionate share	0.44742%	0.44727%
Net pension liability for the District	\$ 168,268,992	\$ 105,893,948

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

For the year ended June 30, 2023, the District recognized pension expense of \$20,111,194.

**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 (concluded)

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

At June 30, 2023, 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	\$ 28,914,642	\$ -
Net difference between projected and actual earnings on pension plan investments	394,591	-
Differences between expected and actual experience	1,683,277	(376,232)
Changes in proportion and differences between employer contributions and proportionate share of contributions	41,942	(424,598)
Reporting Unit's contributions subsequent to the measurement date	19,051,415	-
	\$ 50,085,867	\$ (800,830)

\$19,051,415, 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
2023	\$ 8,550,627
2024	6,452,245
2025	5,563,473
2026	9,667,277

**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, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of September 30, 2021 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, 2022</u>	<u>September 30, 2021</u>
Total other postemployment benefits liability	\$ 12,522,713,324	\$ 12,046,393,511
Plan fiduciary net position	\$ 10,404,650,683	\$ 10,520,015,621
Net other postemployment benefits liability	\$ 2,118,062,641	\$ 1,526,377,890
Proportionate share	0.44424%	0.44620%
Net other postemployment benefits liability for the District	\$ 9,409,261	\$ 6,810,756

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

For the year ended June 30, 2023, the District recognized OPEB benefit of \$3,548,357.

At June 30, 2023, 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	\$ 8,386,776	\$ (682,899)
Net difference between projected and actual earnings on pension plan investments	735,408	-
Differences between expected and actual experience	-	(18,429,137)
Changes in proportion and differences between employer contributions and proportionate share of contributions	186,137	(446,484)
Reporting Unit's contributions subsequent to the measurement date	<u>3,124,868</u>	<u>-</u>
	<u>\$ 12,433,189</u>	<u>\$ (19,558,520)</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 (concluded)

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

\$3,124,868, 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:

Year Ending September 30,	Amount
2023	\$ (3,699,108)
2024	(3,217,148)
2025	(2,848,020)
2026	(286,626)
2027	(196,546)
2028	(2,751)

Actuarial Assumptions

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

Investment Rate of Return for OPEB - 6.00% 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, 2021. 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 6.00% (MIP, Basic, Pension Plus Plan, and Pension Plus 2 Plan), and the other postemployment benefit rate was 6.00%, net of investment and administrative expenses 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, 2022 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%	5.1%
International Equity Pools	15.0%	6.7%
Private Equity Pools	16.0%	8.7%
Real Estate and Infrastructure Pools	10.0%	5.3%
Fixed Income Pools	13.0%	-0.2%
Absolute Return Pools	9.0%	2.7%
Real Return/Oppportunistic Pools	10.0%	5.8%
Short Term Investment Pools	2.0%	-0.5%
	<u>100.0%</u>	

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

Rate of Return - For fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was (4.18)% and (4.99)%, 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 6.00% was used to measure the total pension liability. This discount rate was based on the expected rate of return on pension plan investments of 6.00%. 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 6.00% 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 6.00%. 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 (concluded)

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 6.00%, 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	\$ 222,052,557	\$ 168,268,992	\$ 123,948,912

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 6.00%, 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	\$ 15,783,130	\$ 9,409,261	\$ 4,041,672

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		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Reporting Unit's proportionate share of the net other postemployment benefits liability	\$ 3,940,148	\$ 9,409,261	\$ 15,548,448

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 2022 Annual Comprehensive Financial Report.

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (concluded)

Pension and OPEB Plan Fiduciary Net Position (concluded)

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. \$31,234 was transferred between the debt service funds. The 2019 Capital Projects Fund transferred \$667,388 to the 2014 Capital Projects Fund to reimburse for capital outlay expenditures.

**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				Total
	IFT	Brownfield	PILOT	Other	
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 PRONOUNCEMENTS

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

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

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS (concluded)

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

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLE

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

Summary:

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

There was no material impact on the District's financial statement after the adoption of GASB Statement No. 96.

REQUIRED SUPPLEMENTARY INFORMATION

**WEST OTTAWA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 15,600,000	\$ 16,130,000	\$ 16,120,073	\$ (9,927)
State sources	61,500,000	64,705,000	64,942,760	237,760
Federal sources	6,700,000	6,240,000	6,513,637	273,637
Incoming transfers and other	7,150,000	7,675,000	7,862,811	187,811
TOTAL REVENUES	90,950,000	94,750,000	95,439,281	689,281
EXPENDITURES				
Current				
Instruction				
Basic programs	47,700,000	49,050,000	50,229,325	(1,179,325)
Added needs	10,930,000	10,395,000	9,389,059	1,005,941
Total instruction	58,630,000	59,445,000	59,618,384	(173,384)
Supporting services				
Pupil	5,210,000	4,700,000	4,860,564	(160,564)
Instructional staff	4,560,000	4,340,000	4,365,645	(25,645)
General administration	820,000	740,000	734,336	5,664
School administration	4,990,000	5,545,000	5,520,476	24,524
Business	1,100,000	1,010,000	975,184	34,816
Operation/maintenance	8,160,000	8,015,000	8,009,391	5,609
Pupil transportation	3,260,000	3,360,000	3,354,153	5,847
Central	940,000	1,015,000	1,008,498	6,502
Athletics	1,870,000	2,100,000	2,181,446	(81,446)
Total supporting services	30,910,000	30,825,000	31,009,693	(184,693)
Community services	415,000	280,000	307,635	(27,635)
Capital outlay and other	1,225,000	1,425,000	1,038,630	386,370
TOTAL EXPENDITURES	91,180,000	91,975,000	91,974,342	658
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(230,000)	2,775,000	3,464,939	689,939
OTHER FINANCING SOURCES (USES)				
Transfers in	230,000	230,000	230,000	-
NET CHANGE IN FUND BALANCE	\$ -	\$ 3,005,000	3,694,939	\$ 689,939
FUND BALANCE				
Beginning of year			21,954,315	
End of year			\$ 25,649,254	

**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 NINE FISCAL YEARS (DETERMINED AS OF PLAN YEAR ENDED SEPTEMBER 30)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Reporting Unit's proportion of net pension liability (%)	0.44742%	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	\$ 168,268,992	\$ 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	\$ 44,963,906	\$ 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	374.23%	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)	60.77%	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 NINE FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contributions	\$ 20,270,967	\$ 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	<u>20,270,967</u>	<u>14,988,074</u>	<u>13,015,202</u>	<u>12,050,949</u>	<u>11,697,607</u>	<u>11,766,432</u>	<u>10,335,560</u>	<u>9,810,891</u>	<u>8,086,710</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 44,405,598	\$ 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	45.65%	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 SIX FISCAL YEARS (DETERMINED AS OF THE PLAN YEAR SEPTEMBER 30)**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Reporting Unit's proportion of net OPEB liability (%)	0.44424%	0.44620%	0.44816%	0.44477%	0.45128%	0.45772%
Reporting Unit's proportionate share of net OPEB liability	\$ 9,409,261	\$ 6,810,756	\$ 24,009,049	\$ 31,924,826	\$ 35,872,101	\$ 40,533,595
Reporting Unit's covered-employee payroll	\$ 44,963,906	\$ 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	20.93%	16.91%	60.58%	82.23%	97.49%	104.89%
Plan fiduciary net position as a percentage of total OPEB liability (Non-university employers)	83.09%	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 SIX FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 3,627,463	\$ 3,542,753	\$ 3,416,453	\$ 3,379,893	\$ 3,204,538	\$ 3,729,757
Contributions in relation to statutorily required contributions	<u>3,627,463</u>	<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>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 44,405,598	\$ 42,790,281	\$ 39,384,233	\$ 39,595,133	\$ 38,665,365	\$ 38,146,494
Contributions as a percentage of covered-employee payroll	8.17%	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, 2023**

NOTE 1 - PENSION INFORMATION

Benefit Changes - there were no changes of benefit terms in 2022.

Changes of Assumptions - the assumption changes for 2022 were:

- Discount rate for MIP, Basic, and Pension Plus plans decreased to 6.00% from 6.80%.

NOTE 2 - OPEB INFORMATION

Benefit Changes - there were no changes of benefit terms in 2022.

Changes of Assumptions - the assumption changes for 2022 were:

- Discount rate decreased to 6.00% from 6.95%.

ADDITIONAL SUPPLEMENTARY INFORMATION

**WEST OTTAWA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2023**

	Special Revenues		Nonmajor Debt Service	Nonmajor Capital Projects	Total
	Food Service	Student/School Activities			
ASSETS					
Cash and cash equivalents	\$ 1,909,753	\$ 1,960,702	\$ 3,484,287	\$ 8,479,575	\$ 15,834,317
Investments	-	23,879	-	-	23,879
Accounts receivable	6,686	16,250	-	758	23,694
Taxes receivable	-	-	27,181	2,875	30,056
Intergovernmental receivable	163,958	-	-	-	163,958
Due from other funds	61,568	-	569	5,589	67,726
Inventories	50,622	-	-	-	50,622
Prepays	12,714	-	-	-	12,714
TOTAL ASSETS	\$ 2,205,301	\$ 2,000,831	\$ 3,512,037	\$ 8,488,797	\$ 16,206,966
LIABILITIES					
Accounts payable	\$ 30,378	\$ 2,120	\$ -	\$ -	\$ 32,498
Accrued salaries and related items	19,624	-	-	-	19,624
Accrued retirement	3,714	-	-	-	3,714
Due to other funds	62,082	89,666	-	-	151,748
Unearned revenue	54,647	-	-	1,450	56,097
TOTAL LIABILITIES	170,445	91,786	-	1,450	263,681
FUND BALANCES					
Nonspendable					
Prepays	12,714	-	-	-	12,714
Restricted	2,022,142	-	3,512,037	2,734,198	8,268,377
Committed for student/school activities	-	1,909,045	-	-	1,909,045
Assigned					
Capital projects	-	-	-	5,753,149	5,753,149
TOTAL FUND BALANCES	2,034,856	1,909,045	3,512,037	8,487,347	15,943,285
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,205,301	\$ 2,000,831	\$ 3,512,037	\$ 8,488,797	\$ 16,206,966

WEST OTTAWA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2023

	Special Revenues		Nonmajor Debt Service	Nonmajor Capital Projects	Total
	Food Service	Student/School Activities			
REVENUES					
Local sources					
Property taxes	\$ -	\$ -	\$ 20,653,192	\$ 779,368	\$ 21,432,560
Investment earnings	39,111	-	226,183	158,158	423,452
Student/school activities	-	1,161,635	-	-	1,161,635
Food sales	1,198,400	-	-	-	1,198,400
Other	705	-	-	3,590,190	3,590,895
Total local sources	1,238,216	1,161,635	20,879,375	4,527,716	27,806,942
State sources	173,394	-	830,379	31,801	1,035,574
Federal sources	3,433,487	-	-	-	3,433,487
TOTAL REVENUES	4,845,097	1,161,635	21,709,754	4,559,517	32,276,003
EXPENDITURES					
Current					
Food service activities	4,663,532	-	-	-	4,663,532
Student/school activities	-	1,045,577	-	-	1,045,577
Capital outlay	249,190	-	-	509,638	758,828
Debt service					
Principal repayment	-	-	14,440,000	-	14,440,000
Interest	-	-	5,533,591	-	5,533,591
Other	-	-	3,350	-	3,350
TOTAL EXPENDITURES	4,912,722	1,045,577	19,976,941	509,638	26,444,878
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(67,625)	116,058	1,732,813	4,049,879	5,831,125
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	31,234	-	31,234
Transfers out	(230,000)	-	(31,234)	-	(261,234)
TOTAL OTHER FINANCING SOURCES (USES)	(230,000)	-	-	-	(230,000)
NET CHANGE IN FUND BALANCES	(297,625)	116,058	1,732,813	4,049,879	5,601,125
FUND BALANCES					
Beginning of year	2,332,481	1,792,987	1,779,224	4,437,468	10,342,160
End of year	\$ 2,034,856	\$ 1,909,045	\$ 3,512,037	\$ 8,487,347	\$ 15,943,285

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
NONMAJOR FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 1,200,000	\$ 1,227,671	\$ 1,238,216	\$ 10,545
State sources	160,000	166,230	173,394	7,164
Federal sources	3,200,000	3,408,866	3,433,487	24,621
TOTAL REVENUES	<u>4,560,000</u>	<u>4,802,767</u>	<u>4,845,097</u>	<u>42,330</u>
EXPENDITURES				
Current				
General administration	3,000	3,000	3,000	-
Food service activities and capital outlay	5,300,000	4,980,960	4,909,722	71,238
TOTAL EXPENDITURES	<u>5,303,000</u>	<u>4,983,960</u>	<u>4,912,722</u>	<u>71,238</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(743,000)</u>	<u>(181,193)</u>	<u>(67,625)</u>	<u>113,568</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(230,000)	(230,000)	(230,000)	-
NET CHANGE IN FUND BALANCE	<u>\$ (973,000)</u>	<u>\$ (411,193)</u>	(297,625)	<u>\$ 113,568</u>
FUND BALANCE				
Beginning of year			<u>2,332,481</u>	
End of year			<u>\$ 2,034,856</u>	

**WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
NONMAJOR STUDENT/SCHOOL ACTIVITIES FUND
YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Student/school activities	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ 1,161,635</u>	<u>\$ 411,635</u>
EXPENDITURES				
Current				
Student/school activities	<u>750,000</u>	<u>750,000</u>	<u>1,045,577</u>	<u>(295,577)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>116,058</u>	<u>\$ 116,058</u>
FUND BALANCE				
Beginning of year			<u>1,792,987</u>	
End of year			<u>\$ 1,909,045</u>	

**WEST OTTAWA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2023**

	2014	2015 Refunding	2016 Refunding	2017 Refunding	2018	2019	2020	2020 Refunding	2021	2022	Total Debt Service
ASSETS											
Cash and cash equivalents	\$ 208,408	\$ 110,509	\$ 166,661	\$ 404,375	\$ 138,391	\$ 244,969	\$ 47,022	\$ 523,061	\$ 1,215,348	\$ 425,543	\$ 3,484,287
Due from other funds	569	-	-	-	-	-	-	-	-	-	569
Taxes receivable	2,000	-	1,278	2,936	794	1,727	276	3,247	3,178	11,745	27,181
TOTAL ASSETS	\$ 210,977	\$ 110,509	\$ 167,939	\$ 407,311	\$ 139,185	\$ 246,696	\$ 47,298	\$ 526,308	\$ 1,218,526	\$ 437,288	\$ 3,512,037
FUND BALANCES											
Restricted for debt service	210,977	110,509	167,939	407,311	139,185	246,696	47,298	526,308	1,218,526	437,288	3,512,037
TOTAL LIABILITIES AND FUND BALANCES	\$ 210,977	\$ 110,509	\$ 167,939	\$ 407,311	\$ 139,185	\$ 246,696	\$ 47,298	\$ 526,308	\$ 1,218,526	\$ 437,288	\$ 3,512,037

**WEST OTTAWA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2023**

	2014	2015 Refunding	2016 Refunding	2017 Refunding	2018	2019	2020	2020 Refunding	2021	2022	Total Debt Service
REVENUES											
Local sources											
Property taxes	\$ 1,225,867	\$ -	\$ 986,023	\$ 2,265,188	\$ 612,934	\$ 1,332,464	\$ 213,193	\$ 2,505,032	\$ 2,451,734	\$ 9,060,757	\$ 20,653,192
Investment earnings	14,319	-	10,989	25,262	6,560	14,254	2,472	29,170	26,228	96,929	226,183
State sources	49,287	-	39,644	91,074	24,643	53,573	8,572	100,717	98,574	364,295	830,379
TOTAL REVENUES	1,289,473	-	1,036,656	2,381,524	644,137	1,400,291	224,237	2,634,919	2,576,536	9,521,981	21,709,754
EXPENDITURES											
Principal repayment	1,225,000	-	930,000	1,620,000	300,000	480,000	-	2,665,000	1,190,000	6,030,000	14,440,000
Interest	125,000	-	52,982	473,200	350,000	835,800	294,000	143,549	200,372	3,058,688	5,533,591
Other	250	-	500	500	500	-	-	500	750	350	3,350
TOTAL EXPENDITURES	1,350,250	-	983,482	2,093,700	650,500	1,315,800	294,000	2,809,049	1,391,122	9,089,038	19,976,941
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(60,777)	-	53,174	287,824	(6,363)	84,491	(69,763)	(174,130)	1,185,414	432,943	1,732,813
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	186	-	139	25,702	-	862	4,345	31,234
Transfers out	(27,548)	(300)	(40)	-	(22)	-	-	(3,324)	-	-	(31,234)
TOTAL OTHER FINANCING SOURCES (USES)	(27,548)	(300)	(40)	186	(22)	139	25,702	(3,324)	862	4,345	-
NET CHANGE IN FUND BALANCES	(88,325)	(300)	53,134	288,010	(6,385)	84,630	(44,061)	(177,454)	1,186,276	437,288	1,732,813
FUND BALANCES											
Beginning of year	299,302	110,809	114,805	119,301	145,570	162,066	91,359	703,762	32,250	-	1,779,224
End of year	<u>\$ 210,977</u>	<u>\$ 110,509</u>	<u>\$ 167,939</u>	<u>\$ 407,311</u>	<u>\$ 139,185</u>	<u>\$ 246,696</u>	<u>\$ 47,298</u>	<u>\$ 526,308</u>	<u>\$ 1,218,526</u>	<u>\$ 437,288</u>	<u>\$ 3,512,037</u>

**WEST OTTAWA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023**

	<u>Sinking Fund</u>	<u>Building Transfer</u>	<u>Total Nonmajor Capital Projects</u>
ASSETS			
Cash and cash equivalents	\$ 2,731,301	\$ 5,748,274	\$ 8,479,575
Accounts receivable	-	758	758
Due from other funds	22	5,567	5,589
Taxes receivable	2,875	-	2,875
	<u>2,875</u>	<u>-</u>	<u>2,875</u>
TOTAL ASSETS	<u>\$ 2,734,198</u>	<u>\$ 5,754,599</u>	<u>\$ 8,488,797</u>
LIABILITIES			
Unearned revenue	\$ -	\$ 1,450	\$ 1,450
	<u>-</u>	<u>1,450</u>	<u>1,450</u>
FUND BALANCES			
Restricted	2,734,198	-	2,734,198
Assigned			
Capital projects	-	5,753,149	5,753,149
	<u>-</u>	<u>5,753,149</u>	<u>5,753,149</u>
TOTAL FUND BALANCES	<u>2,734,198</u>	<u>5,753,149</u>	<u>8,487,347</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,734,198</u>	<u>\$ 5,754,599</u>	<u>\$ 8,488,797</u>

**WEST OTTAWA PUBLIC SCHOOLS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2023**

	<u>Sinking Fund</u>	<u>Building Transfer</u>	<u>Total Nonmajor Capital Projects</u>
REVENUES			
Property taxes	\$ 779,368	\$ -	\$ 779,368
Investment earnings	71,206	86,952	158,158
State sources	31,801	-	31,801
Other	<u>-</u>	<u>3,590,190</u>	<u>3,590,190</u>
TOTAL REVENUES	<u>882,375</u>	<u>3,677,142</u>	<u>4,559,517</u>
EXPENDITURES			
Capital outlay	<u>509,638</u>	<u>-</u>	<u>509,638</u>
NET CHANGE IN FUND BALANCES	<u>372,737</u>	<u>3,677,142</u>	<u>4,049,879</u>
FUND BALANCES			
Beginning of year	<u>2,361,461</u>	<u>2,076,007</u>	<u>4,437,468</u>
End of year	<u><u>\$ 2,734,198</u></u>	<u><u>\$ 5,753,149</u></u>	<u><u>\$ 8,487,347</u></u>

**WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
NONMAJOR SINKING FUND
YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 815,000	\$ 870,000	\$ 882,375	\$ 12,375
EXPENDITURES				
Capital outlay	1,000,000	510,000	509,638	362
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(185,000)	360,000	372,737	12,737
NET CHANGE IN FUND BALANCE	<u>\$ (185,000)</u>	<u>\$ 360,000</u>	372,737	<u>\$ 12,737</u>
FUND BALANCE				
Beginning of year			<u>2,361,461</u>	
End of year			<u>\$ 2,734,198</u>	

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2023**

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>	
2024	5.000%	<u>\$ 1,275,000</u>	<u>\$ 31,875</u>	<u>\$ 31,875</u>	<u>\$ 1,338,750</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, 2023**

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>	
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%	870,000	-	7,352	877,352
	Total	<u>\$ 2,670,000</u>	<u>\$ 22,224</u>	<u>\$ 44,786</u>	<u>\$ 2,737,010</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, 2023**

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>	
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	<u>\$ 9,950,000</u>	<u>\$ 790,325</u>	<u>\$ 1,010,725</u>	<u>\$ 11,751,050</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, 2023**

2018 Building and Site Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due		Total Due Annually
			May 1	November 1	
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		<u>\$ 6,850,000</u>	<u>\$ 1,336,250</u>	<u>\$ 1,507,500</u>	<u>\$ 9,693,750</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, 2023**

2019 Building and Site Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due		Total Due Annually
			May 1	November 1	
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		<u>\$ 16,850,000</u>	<u>\$ 5,233,150</u>	<u>\$ 5,233,150</u>	<u>\$ 27,316,300</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, 2023**

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>	
2024	4.00%	\$ -	\$ 147,000	\$ 147,000	\$ 294,000
2025	4.00%	-	147,000	147,000	294,000
2026	4.00%	-	147,000	147,000	294,000
2027	4.00%	-	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	\$ 7,350,000	\$ 893,500	\$ 893,500	\$ 9,137,000

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, 2023**

2020 Refunding Bonds

June 30,	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
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%	2,055,000	14,539	14,539	2,084,078
	Total	<u>\$ 10,635,000</u>	<u>\$ 159,351</u>	<u>\$ 159,351</u>	<u>\$ 10,953,702</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, 2023**

2021 Refunding Bonds

June 30,	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
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	<u>\$ 26,595,000</u>	<u>\$ 135,508</u>	<u>\$ 234,742</u>	<u>\$ 26,965,250</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, 2023**

2021 Building and Site Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due		Total Due Annually	
			May 1	November 1		
2024	5.00%	\$ -	\$ 935,150	\$ 935,150	\$ 1,870,300	
2025	5.00%	-	935,150	935,150	1,870,300	
2026	5.00%	-	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	386,600	434,400	3,211,000	
2038	4.00%	2,390,000	338,800	386,600	3,115,400	
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	\$ 44,145,000	\$ 11,207,075	\$ 12,142,225	\$ 67,494,300

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
BONDED DEBT
JUNE 30, 2023**

2023 General Obligation Bonds

June 30,	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
2024	5.00%	\$ 4,700,000	\$ 721,750	\$ 549,332	\$ 5,971,082
2025	5.00%	-	604,250	604,250	1,208,500
2026	5.00%	-	604,250	604,250	1,208,500
2027	5.00%	650,000	604,250	604,250	1,858,500
2028	5.00%	675,000	588,000	588,000	1,851,000
2029	5.00%	700,000	571,125	571,125	1,842,250
2030	5.00%	725,000	553,625	553,625	1,832,250
2031	5.00%	1,110,000	535,500	535,500	2,181,000
2032	5.00%	1,135,000	507,750	507,750	2,150,500
2033	5.00%	1,160,000	479,375	479,375	2,118,750
2034	5.00%	1,185,000	450,375	450,375	2,085,750
2035	5.00%	1,200,000	420,750	420,750	2,041,500
2036	5.00%	1,200,000	390,750	390,750	1,981,500
2037	5.00%	1,200,000	360,750	360,750	1,921,500
2038	5.00%	1,200,000	330,750	330,750	1,861,500
2039	5.00%	1,200,000	300,750	300,750	1,801,500
2040	5.00%	1,200,000	270,750	270,750	1,741,500
2041	5.00%	1,200,000	240,750	240,750	1,681,500
2042	5.00%	1,200,000	210,750	210,750	1,621,500
2043	5.00%	1,205,000	180,750	180,750	1,566,500
2044	5.00%	1,205,000	150,625	150,625	1,506,250
2045	5.00%	1,205,000	120,500	120,500	1,446,000
2046	5.00%	1,205,000	90,375	90,375	1,385,750
2047	5.00%	1,205,000	60,250	60,250	1,325,500
2048	5.00%	1,205,000	30,125	30,125	1,265,250
		Total	\$ 9,378,875	\$ 9,206,457	\$ 47,455,332

The above bonds dated June 14, 2023 were issued for the purpose of school building and site. The amount of the original bond issue was \$28,870,000.

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**WEST OTTAWA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION OVERVIEW
2022 - 2023**

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.

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FINANCIAL TRENDS

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Net Position by Component
2014 - 2023

<i>Year ended June 30,</i>	Fiscal Year			
	2014	2015¹	2016	2017
Governmental Activities				
Net investment in capital assets	\$ 21,202,608	\$ 28,235,005	\$ 34,551,245	\$ 42,699,323
Restricted	2,250,471	1,111,022	1,252,900	462,650
Unrestricted	13,312,827	(86,077,638)	(86,417,225)	(84,840,964)
Total Primary Government Net Position	\$ 36,765,906	\$ (56,731,611)	\$ (50,613,080)	\$ (41,678,991)

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
2014 - 2023

Fiscal Year					
2018 ²	2019	2020 ³	2021	2022	2023
\$ 50,772,203	\$ 65,795,204	\$ 64,828,780	\$ 70,267,864	\$ 70,754,663	\$ 72,370,792
1,660,242	453,808	2,025,560	2,789,290	3,012,078	3,244,728
(126,463,911)	(129,519,145)	(134,084,592)	(136,020,345)	(121,795,844)	(112,336,175)
\$ (74,031,466)	\$ (63,270,133)	\$ (67,230,252)	\$ (62,963,191)	\$ (48,029,103)	\$ (36,720,655)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Expenses, Program Revenues, and Net Expense
2014 - 2023

<i>Year Ended June 30,</i>	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental Activities				
Instruction	\$ 45,505,240	\$ 46,521,013	\$ 48,231,758	\$ 49,124,124
Support services	20,114,506	19,682,129	20,069,557	19,777,059
Community services	318,932	316,322	300,021	271,776
Food services	3,308,115	3,534,078	3,489,817	3,864,801
Student/school activities	-	-	-	-
Outgoing transfers and other	1,639	4,150	3,225	-
Interest on long-term debt	5,710,959	6,306,720	5,396,764	5,225,389
Unallocated depreciation	3,633,795	3,980,048	3,918,569	4,457,804
Total Expenses	78,593,186	80,344,460	81,409,711	82,720,953
Program Revenues				
Governmental Activities				
Charges for services:				
Instruction	-	82,374	34,882	109,019
Support services	204,213	59,039	119,605	130,975
Community services	-	-	-	-
Food services	1,085,180	1,046,469	1,030,297	1,170,296
Operating grants and contributions	13,142,471	13,853,104	13,200,958	17,038,196
Total Program Revenues	14,431,864	15,040,986	14,385,742	18,448,486
Net Expense	\$ (64,161,322)	\$ (65,303,474)	\$ (67,023,969)	\$ (64,272,467)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Expenses, Program Revenues, and Net Expense
2014 - 2023

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	51,831,632	\$	51,468,755	\$	54,870,445	\$	53,453,707	\$	47,099,063	\$	54,410,113
	21,253,780		22,159,225		34,455,672		32,388,856		36,869,217		38,450,107
	288,892		262,576		343,025		380,675		349,007		349,478
	3,745,830		3,778,367		4,199,900		3,908,984		4,006,763		4,766,011
	-		-		1,365,037		546,701		781,834		1,045,577
	-		-		-		-		-		-
	4,713,177		4,707,960		7,576,075		4,051,588		3,804,850		7,406,491
	4,037,812		3,738,642		4,773,258		5,549,951		5,373,349		5,931,309
	85,871,123		86,115,525		107,583,412		100,280,462		98,284,083		112,359,086
	103,051		104,598		76,574		47,228		73,356		64,607
	134,694		96,387		101,745		-		82,509		116,933
	-		-		-		-		-		-
	1,120,049		1,183,173		1,052,731		279,382		410,756		1,199,105
	18,719,153		18,569,936		20,788,727		23,945,475		28,647,224		26,234,116
	20,076,947		19,954,094		22,019,777		24,272,085		29,213,845		27,614,761
\$	(65,794,176)	\$	(66,161,431)	\$	(85,563,635)	\$	(76,008,377)	\$	(69,070,238)	\$	(84,744,325)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
General Revenues and Total Change in Net Position
2014 - 2023

<i>Year Ended June 30,</i>	Fiscal Year			
	2014	2015 ²	2016	2017
Net Expense	\$ (64,161,322)	\$ (65,303,474)	\$ (67,023,969)	\$ (64,272,467)
General Revenues				
Governmental Activities				
Taxes:				
Property taxes levied for general purposes	10,534,974	10,841,989	11,228,825	11,519,032
Property taxes levied for debt service	14,532,941	14,976,832	15,519,729	15,292,320
Property taxes levied for capital projects sinking fund	561,406	578,595	598,985	587,702
State sources	40,102,845	40,899,930	39,589,543	39,447,322
Intermediate sources	5,621,831	5,195,761	5,084,906	5,548,347
Interest and investment earnings (loss)	43,930	542,258	354,031	268,130
Miscellaneous	439,708	350,297	766,481	543,703
Total General Revenues	71,837,635	73,385,662	73,142,500	73,206,556
Change in Net Position	7,676,313	8,082,188	6,118,531	8,934,089
Prior period adjustment or restatement	-	(101,579,705)	-	-
Net Position- Beginning of Year	29,089,593	36,765,906	(56,731,611)	(50,613,080)
Net Position- End of Year	\$ 36,765,906	\$ (56,731,611)	\$ (50,613,080)	\$ (41,678,991)

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
2014 - 2023

		Fiscal Year									
2018 ³	2019	2020 ⁴	2021	2022	2023						
\$	(65,794,176)	\$	(66,161,431)	\$	(85,563,635)	\$	(76,008,377)	\$	(69,070,238)	\$	(84,744,325)
11,782,053	12,177,760	12,822,624	13,385,295	13,994,887	15,298,005						
15,827,830	16,566,276	17,499,872	18,421,076	19,133,542	20,653,192						
604,000	626,633	655,644	711,051	730,765	779,368						
39,676,076	40,917,323	40,004,363	40,837,004	42,963,536	45,825,487						
5,424,135	5,196,732	6,837,972	6,571,003	7,188,818	7,803,961						
321,171	956,133	1,504,145	200,117	(301,876)	2,053,329						
546,823	481,907	528,115	149,892	294,654	3,639,431						
74,182,088	76,922,764	79,852,735	80,275,438	84,004,326	96,052,773						
8,387,912	10,761,333	(5,710,900)	4,267,061	14,934,088	11,308,448						
(40,740,387)	-	1,750,781	-	-	-						
(41,678,991)	(74,031,466)	(63,270,133)	(67,230,252)	(62,963,191)	(48,029,103)						
\$	(74,031,466)	\$	(63,270,133)	\$	(67,230,252)	\$	(62,963,191)	\$	(48,029,103)	\$	(36,720,655)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Fund Balances - Governmental Funds
2014 - 2023

<i>Year Ended June 30,</i>	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 206,354	\$ 39,794	\$ 45,425	\$ 115,131
Assigned	296,000	1,410,000	1,290,000	-
Unassigned	11,745,876	11,823,540	11,916,028	14,830,562
Total General Fund	12,248,230	13,273,334	13,251,453	14,945,693
All Other Governmental Funds				
Nonspendable	40,464	33,545	24,651	41,590
Restricted for capital projects	46,594,256	45,171,998	36,226,730	17,163,082
Restricted for debt service	2,017,266	1,092,934	1,618,110	1,389,622
Restricted for food service	1,101,611	991,434	1,019,572	819,499
Committed for student/school activities	-	-	-	-
Assigned	1,196,468	1,542,944	2,608,419	3,478,105
Total All Other Governmental Funds	50,950,065	48,832,855	41,497,482	22,891,898
Total Fund Balances	\$ 63,198,295	\$ 62,106,189	\$ 54,748,935	\$ 37,837,591

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Fund Balances - Governmental Funds
2014 - 2023

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 125,504	\$ 120,887	\$ 192,430	\$ 266,958	\$ 517,260	\$ 200,225
-	700,000	208,000	-	-	-
15,906,096	14,906,908	16,217,142	19,379,664	21,437,055	25,449,029
16,031,600	15,727,795	16,617,572	19,646,622	21,954,315	25,649,254
17,083	23,862	7,005	11,347	11,375	12,714
24,232,785	43,904,226	45,533,169	28,134,370	50,527,350	49,649,417
1,982,836	1,817,069	1,754,791	1,553,312	1,779,224	3,512,037
973,571	1,070,128	1,129,375	1,222,603	2,321,106	2,022,142
-	-	1,443,100	1,482,314	1,792,987	1,909,045
945,093	1,329,627	1,801,148	1,936,447	2,076,007	5,753,149
28,151,368	48,144,912	51,668,588	34,340,393	58,508,049	62,858,504
\$ 44,182,968	\$ 63,872,707	\$ 68,286,160	\$ 53,987,015	\$ 80,462,364	\$ 88,507,758

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Revenues
2014 - 2023

<i>Year Ended June 30,</i>	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Federal Sources				
Federal grants	\$ 2,950,098	\$ 2,728,324	\$ 3,009,257	\$ 2,848,826
Food service fund	2,476,803	2,646,955	2,776,066	2,787,516
Total federal sources	5,426,901	5,375,279	5,785,323	5,636,342
State Sources				
Restricted	7,715,570	8,477,825	10,487,460	11,849,137
Unrestricted	40,102,845	40,899,930	39,589,543	39,447,322
Total state sources	47,818,415	49,377,755	50,077,003	51,296,459
Other Governmental Units				
Ottawa Area ISD and other districts	5,624,904	5,195,761	5,302,526	5,633,943
Miscellaneous	-	-	7,352	29,425
Total other governmental units	5,624,904	5,195,761	5,309,878	5,663,368
Local Sources				
Property taxes	25,629,321	26,393,704	27,347,539	27,399,054
Student/school activities	-	-	-	-
Food sales	1,049,624	1,027,290	1,022,345	1,140,209
Investment earnings (loss)	40,576	484,416	354,031	268,130
Miscellaneous	649,554	622,934	935,948	710,348
Total local sources	27,369,075	28,528,344	29,659,863	29,517,741
Total Revenues	\$ 86,239,295	\$ 88,477,139	\$ 90,832,067	\$ 92,113,910

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Revenues
2014 - 2023

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	2,700,591	\$	3,081,656	\$	3,222,425	\$	6,871,465	\$	11,521,482	\$	6,498,291
	2,702,355		2,748,904		3,037,920		4,027,462		492,035		3,433,487
	5,402,946		5,830,560		6,260,345		10,898,927		12,013,517		9,931,778
	13,172,346		13,012,964		13,385,378		13,370,608		16,739,682		20,152,847
	39,676,076		40,917,323		40,004,363		40,837,004		42,963,536		45,825,487
	52,848,422		53,930,287		53,389,741		54,207,612		59,703,218		65,978,334
	5,424,135		5,196,732		6,837,972		6,571,003		7,188,818		7,819,307
	25,190		83,061		63,163		1,880		20,000		58,850
	5,449,325		5,279,793		6,901,135		6,572,883		7,208,818		7,878,157
	28,213,883		29,370,669		30,978,140		32,517,422		33,859,194		36,730,565
	-		-		1,057,356		585,915		1,092,507		1,161,635
	1,080,728		1,030,557		884,879		273,124		379,609		1,198,400
	321,171		956,133		1,504,145		200,117		(301,876)		1,998,925
	884,227		740,028		811,123		211,162		434,573		3,850,898
	30,500,009		32,097,387		35,235,643		33,787,740		35,464,007		44,940,423
\$	94,200,702	\$	97,138,027	\$	101,786,864	\$	105,467,162	\$	114,389,560	\$	128,728,692

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Expenditures and Debt Service Ratio
2014 - 2023

<i>Year Ended June 30,</i>	Fiscal Year			
	2014	2015	2016	2017
Expenditures				
Instruction	\$ 45,585,350	\$ 46,734,889	\$ 48,351,220	\$ 48,737,298
Pupil support services	3,364,906	3,608,641	3,610,729	3,714,878
Instructional support services	2,014,383	2,473,457	2,681,827	2,425,123
General administration	449,041	449,215	517,412	538,696
School administration	3,467,188	3,383,404	3,292,150	3,279,984
Business services	579,158	551,582	619,535	579,649
Operations and maintenance	5,500,296	5,174,966	5,451,672	5,245,591
Pupil transportation services	2,483,522	2,478,460	2,388,738	2,409,560
Central support services	1,339,048	1,094,908	912,834	909,015
Other support services	1,254,638	1,160,287	1,314,558	1,121,906
Community services	318,932	316,322	300,021	271,776
Student/school activities	-	-	-	-
Food service	3,314,534	3,551,991	3,500,560	3,855,129
Child care	-	-	-	-
Capital outlay	844,711	2,572,792	9,519,456	18,648,593
Debt service				
Principal	7,576,096	6,807,728	6,478,522	6,607,650
Interest and other	6,629,509	8,169,220	8,732,097	9,393,359
Total Expenditures	\$ 84,721,312	\$ 88,527,862	\$ 97,671,331	\$ 107,738,207
Debt Service as a Percentage of Noncapital Expenditures	16.9%	17.4%	17.3%	18.2%

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Expenditures and Debt Service Ratio
2014 - 2023

		Fiscal Year									
		2018	2019	2020	2021	2022	2023				
\$	49,227,253	\$	49,305,510	\$	49,502,820	\$	50,301,849	\$	55,305,045	\$	59,618,384
	3,869,853		4,024,272		4,451,443		4,488,420		4,976,951		4,860,564
	2,509,976		2,999,980		3,603,281		3,482,772		4,194,118		4,365,645
	599,846		804,495		632,825		722,105		767,120		734,336
	3,419,486		3,694,359		4,187,677		4,404,952		4,706,081		5,520,476
	613,449		648,581		819,069		864,821		1,010,995		975,184
	5,791,705		6,474,669		6,381,202		6,966,271		7,442,697		8,009,391
	2,499,977		2,721,551		2,610,100		2,322,584		2,887,357		3,354,153
	1,179,456		1,099,088		917,221		683,468		790,340		1,008,498
	1,234,993		1,329,613		1,449,110		1,422,698		1,765,686		2,181,446
	288,892		262,576		343,025		387,864		349,007		307,635
	-		-		1,365,037		546,701		781,834		1,045,577
	3,742,606		3,643,941		3,998,340		3,745,194		4,253,353		4,663,532
	-		-		-		-		-		-
	11,997,640		8,944,181		9,581,439		19,946,246		38,247,387		35,874,816
	6,656,750		7,603,957		7,281,417		14,990,000		16,375,000		14,440,000
	9,431,288		9,981,873		11,032,390		4,697,426		4,003,459		5,791,435
\$	103,063,170	\$	103,538,646	\$	108,156,396	\$	119,973,371	\$	147,856,430	\$	152,751,072
	17.2%		18.7%		18.6%		17.8%		14.7%		14.1%

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Other Financing Sources (Uses) and Net Change
in Fund Balances, Governmental Funds
2014 - 2023

<i>Year ended June 30,</i>	Fiscal Year			
	2014	2015	2016	2017
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,517,983	\$ (50,723)	\$ (6,839,264)	\$ (16,906,140)
Other Financing Sources (Uses)				
Issuance of bonds	42,500,000	-	-	-
Refunding bonds issued	-	6,580,000	-	5,715,000
Premium on bonds issued	4,025,736	469,680	-	-
Payment to escrow agent	-	(8,001,140)	-	(5,673,744)
Proceeds from sale of capital assets	30,204	7,049	-	-
Transfers in	235,258	1,704,831	216,282	1,788,900
Transfers out	(235,258)	(1,704,831)	(216,282)	(1,788,900)
Other	(29,122)	(96,972)	(517,990)	(1,328,303)
Total Other Financing Sources (Uses)	46,526,818	(1,041,383)	(517,990)	(1,287,047)
Net Change in Fund Balances	\$ 48,044,801	\$ (1,092,106)	\$ (7,357,254)	\$ (18,193,187)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Other Financing Sources (Uses) and Net Change
in Fund Balances, Governmental Funds
2014 - 2023

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ (8,862,468)	\$ (6,400,619)	\$ (6,369,532)	\$ (14,506,209)	\$ (33,466,870)	\$ (24,022,380)
13,795,000	22,190,000	7,350,000	-	50,175,000	28,870,000
12,835,000	-	-	22,525,000	28,305,000	-
3,180,184	3,887,940	1,682,204	-	9,504,498	3,197,774
(14,611,442)	-	-	(22,324,194)	(28,073,079)	-
9,103	12,418	-	6,258	30,800	-
407,918	256,229	256,873	1,172,518	400,589	928,622
(407,918)	(256,229)	(256,873)	(1,172,518)	(400,589)	(928,622)
-	-	-	-	-	-
15,207,845	26,090,358	9,032,204	207,064	59,942,219	32,067,774
\$ 6,345,377	\$ 19,689,739	\$ 2,662,672	\$ (14,299,145)	\$ 26,475,349	\$ 8,045,394

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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 2013-2014 through 2022-2023
(rate per \$1,000 of assessed value)

<i>Tax Year</i>	Fiscal Year	Estimated Market Value	State Equalized Value
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
2022	2022-23	7,095,097,700	3,547,548,850

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Taxable Value and Actual Value of Taxable Property
Fiscal Years 2013-2014 through 2022-2023
(rate per \$1,000 of assessed value)

Taxable Value			District Tax Rates			
Non-Homestead Property	Homestead Property	Total	Operating	Debt	Other	Total
\$ 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
914,477,379	1,723,705,174	2,638,182,553	18.0000	7.7500	0.2934	26.0434

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Direct and Overlapping Property Tax Rates
Fiscal Years 2013-2014 through 2022-2023
(rate per \$1,000 of assessed value)

District Tax Rates

<i>Tax Year</i>	Fiscal Year	Operating	Debt	Other	Total
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
2022	2022-23	18.0000	7.7500	0.2934	26.0434

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 2013-2014 through 2022-2023
(rate per \$1,000 of assessed value)

Overlapping Rates

Port Sheldon Township	Holland Township	Park Township	Olive Township
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
2.1997	4.8600	2.7244	2.4889

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>	2022				
Taxpayer	Ad Valorem Taxable Value	Rank	Percentage of Total Taxable Value	Equivalent Industrial Facilities Tax (IFT)	IFT and Taxable Value
Consumers Energy Co.	\$ 15,688,348	1	0.74%	\$ -	\$ 15,688,348
L Perrigo Company	5,957,873	2	0.28%	8,904,221	14,862,094
Request Foods	13,835,399	3	0.66%	-	13,835,399
Grandquest Realty LLC	10,359,853	4	0.49%	-	10,359,853
Yes Companies Fred LLC	8,466,004	5	0.40%	-	8,466,004
CW Clearview LLC	7,949,496	6	0.38%	-	7,949,496
Continental 512 Fund LLC	7,374,868	7	0.35%	-	7,374,868
3601 John F. Donnelly LLC	6,898,269	8	0.33%	-	6,898,269
Occidental Development LTD	6,100,654	9	0.29%	-	6,100,654
Trendway Corporation	6,075,279	10	0.29%	-	6,075,279
Hoover Universal, Inc					
Boars Head Provisions					
Geenen DeKock Prop. LLC					
DRG Clearview LLC					
Perrigo Michigan Holland					
Metal Flow Corp.					
Gentex Corporation					
Total principal taxpayers	88,706,043		4.21%	\$ 8,904,221	\$ 97,610,264
Balance of valuations	2,527,060,657		95.79%		
Total Ad Valorem Valuation	\$ 2,615,766,700		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

2013

Taxable Value	Rank	Percentage of Total Taxable Value	Equivalent Industrial Facilities Tax (IFT)	IFT and Taxable Value
\$ 9,229,484	5	0.52%	\$ -	\$ 9,229,484
23,319,600	1	1.30%	7,057,844	30,377,444
8,026,800	7	0.45%	-	8,026,800
				-
5,572,700	2	0.31%	22,033,918	27,606,618
4,930,700	4	0.28%	7,091,300	12,022,000
7,214,279	9	0.40%	-	7,214,279
6,258,000	10	0.35%	-	6,258,000
7,803,700	8	0.44%	-	7,803,700
7,596,400	6	0.42%	1,280,000	8,876,400
-	3	0.00%	13,743,300	13,743,300
79,951,663		4.47%	\$ 51,206,362	\$ 131,158,025
1,737,478,086		95.53%		
\$ 1,817,429,749		100.00%		

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Property Tax Levies and Collections
Fiscal Years 2013-2014 through 2022-2023

<i>Tax Year</i>	<i>Fiscal Year</i>	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections (Refunds) in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2022	2022-23	15,401,265	15,226,820	98.87%	172,833	15,399,653	99.99%

*NOTE: District Annual Disclosure

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Outstanding Debt by Type
Fiscal Years 2013-2014 through 2022-2023

<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
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
2022	2022-23	155,190,000	2,638,182,553	5.88%	59,904	2,591	44,040

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 2013-2014 through 2022-2023

<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
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
2022	2022-23	155,190,000	-	155,190,000	3,547,548,850	4.37%	8.75%	59,904	2,591

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, 2023

Year Ended June 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Holland Township	\$ 17,237,703	70.97%	\$ 12,233,598
Olive Township	152,561	42.64%	65,052
Park Township	2,548,172	87.51%	2,229,905
Ottawa County	55,265,745	18.70%	10,334,694
Subtotal, overlapping debt			<u>24,863,249</u>
District Direct Debt			<u>155,190,000</u>
Total Direct and Overlapping Debt			<u>\$ 180,053,249</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 2013-2014 through 2022-2023

Legal Debt Margin Calculation for Fiscal Year 2022-23:

State Equalized Valuation (SEV), July 1, 2022	\$ 3,547,548,850
Statutory Debt Limit (15% of SEV)	532,132,328
Debt applicable to limit	155,190,000

Legal Debt Margin \$ 376,942,328

<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>
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%
2022	2022-23	3,547,548,850	532,132,328	155,190,000	376,942,328	29.16%

DEMOGRAPHIC AND ECONOMIC INFORMATION

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic and Economic Information
Demographic and Economic Statistics
Fiscal Years 2013-2014 through 2022-2023

<i>Tax Year</i>	<i>Fiscal Year</i>	Estimated Population	Unemployment ¹			Inflation Rate ²	Personal Income ³	
			City of Holland and Grand Haven	County of Ottawa	State of Michigan		Total (in thousands)	Per Capita
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%	16,775,381	56,076
2022	2022-23	59,904	N/A	3.5%	3.6%	3.0%	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,

				2022		
				2013		
Employer	Type of Business	Rank	Percentage of Total Employment	Rank	Percentage of Total Employment	
Consumers Energy	Utility	1	3.30%	1	6.73%	
Michigan Electric Transmission	Utility	2	0.35%	9	0.21%	
ARC Holland Real Estate Holdings	Real Estate Holdings	3	0.25%			
Gentex	Automotive Mirrors	4	0.22%	2	1.47%	
DTE Gas	Utility	5	0.22%	8	0.22%	
Semco Energy Inc	Utility	6	0.20%			
Herman Miller Inc	Office Furniture	7	0.15%	6	0.28%	
Meijer Inc	Retail	8	0.13%			
Alden GV Owner LLC	Housing	9	0.12%			
Mead Johnson and Co.	Food Products	10	0.12%	3	0.63%	
Request Foods Inc	Food Products			7	0.23%	
Fair Oaks Farm Brands	Food Products			4	0.40%	
Leprino Food Inc	Cheese Production			5	0.32%	
CS Facilities/Continental Dairy	Cheese Production			10	0.20%	
			<u>5.06%</u>		<u>10.69%</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 2013-2014 through 2022-2023

Full-Time - Equivalent Employees as of June 30,

Employee Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administrators	29	27	29	27	31	33	33	41	41	49
Teachers	424	425	425	425	424	411	399	454	476	448
Clerical/Secretarial	40	35	35	35	26	25	31	25	37	40
Food Service	59	61	59	61	58	57	47	57	51	54
Educational Assistants/Clerks	69	68	73	68	73	75	76	75	88	111
Maintenance/Grounds/Custod	22	22	20	22	17	11	12	11	12	13
Bus Drivers/Mechanics	68	66	63	66	60	63	49	54	47	38
Data/Technology Services	5	4	4	4	3	3	3	3	3	9
Security/Other	9	8	6	8	5	5	5	5	6	10
Total	725	716	714	716	697	683	655	725	761	772

*NOTE: District Annual Disclosure

OPERATIONAL INFORMATION

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Operational Information
Operating Statistics
Fiscal Years 2013-2014 through 2022-2023

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
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	-2.11%	85,005,409	12.90%	12,996	15.33%	54.80%
2022-23	6,604	0.96%	91,974,340	8.20%	13,927	7.17%	55.23%

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, 2023

Year Ended June 30, 2023

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	2022	69,698
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	37,490
Pine Creek Elementary	K-5	156.51	1989	2,021	71,006
Sheldon Woods Elementary	K-5	21.23	1965	1992,2004,2021	35,000
Woodside Elementary	K-5	10.39	1965	1986,1992	72,776
Waukazoo Elementary	K-5	17.86	1917,1937*	1956,1988,1991,2017	66,430
Harbor Lights Middle	6-8	156.51	1961	1977,1988,1990,1997,2021	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		244,690
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

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**WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2023
<u>U.S. Department of Agriculture</u>								
Passed through Michigan Department of Education								
Child Nutrition Cluster								
Non-cash assistance (Commodities)								
Entitlement Commodities	10.555	2023	\$ 260,225	\$ -	\$ -	\$ 260,225	\$ 260,225	\$ -
Entitlement Commodities - Bonus	10.555	2023	8,822	-	-	8,822	8,822	-
			<u>269,047</u>	<u>-</u>	<u>-</u>	<u>269,047</u>	<u>269,047</u>	<u>-</u>
Cash Assistance								
COVID-19 School Breakfast Program	10.553	221970	117,804	49,317	49,317	68,487	117,804	-
COVID-19 School Breakfast Program	10.553	231970	631,139	-	-	631,139	602,907	28,232
Total ALN 10.553			<u>748,943</u>	<u>49,317</u>	<u>49,317</u>	<u>699,626</u>	<u>720,711</u>	<u>28,232</u>
National School Lunch Program - Free and Reduced	10.555	231960	1,761,963	-	-	1,761,963	1,690,959	71,004
National School Lunch Program - Afterschool Snack	10.555	231980	32,208	-	-	32,208	32,199	9
National School Lunch Program - Supply Chain Assistance	10.555	221960	313,781	104,809	104,809	208,972	313,781	-
National School Lunch Program - Supply Chain Assistance	10.555	221980	30,271	138	27,566	2,705	2,843	-
National School Lunch Program - Supply Chain Assistance	10.555	220910	141,607	-	-	141,607	141,607	-
National School Lunch Program - Supply Chain Assistance	10.555	230910	73,601	-	-	73,601	73,601	-
Total ALN 10.555			<u>2,353,431</u>	<u>104,947</u>	<u>132,375</u>	<u>2,221,056</u>	<u>2,254,990</u>	<u>71,013</u>
Summer Food Service Program	10.559	220900	173,798	35,141	35,141	138,657	173,798	-
Summer Food Service Program	10.559	230900	32,235	-	-	32,235	-	32,235
Total ALN 10.559			<u>206,033</u>	<u>35,141</u>	<u>35,141</u>	<u>170,892</u>	<u>173,798</u>	<u>32,235</u>
Cash Assistance Subtotal			<u>3,308,407</u>	<u>189,405</u>	<u>216,833</u>	<u>3,091,574</u>	<u>3,149,499</u>	<u>131,480</u>
Total Child Nutrition Cluster			<u>3,577,454</u>	<u>189,405</u>	<u>216,833</u>	<u>3,360,621</u>	<u>3,418,546</u>	<u>131,480</u>
Child and Adult Care Food Programs	10.558	221920	3,764	-	-	3,764	3,764	-
Child and Adult Care Food Programs	10.558	231920	38,337	-	-	38,338	38,338	-
Child and Adult Care Food Programs	10.558	222010	280	-	-	280	280	-
Child and Adult Care Food Programs	10.558	232010	2,854	-	-	2,854	2,854	-
Total ALN 10.558			<u>45,235</u>	<u>-</u>	<u>-</u>	<u>45,236</u>	<u>45,236</u>	<u>-</u>
Local Foods for Schools	10.185	230985-2023	27,630	-	-	27,630	27,630	-
COVID-19 Pandemic EBT Local Level Costs	10.649	220980-2022	3,135	-	-	3,135	3,135	-
Total U.S. Department of Agriculture			<u>3,653,454</u>	<u>189,405</u>	<u>216,833</u>	<u>3,436,622</u>	<u>3,494,547</u>	<u>131,480</u>

The accompanying notes are an integral part of this schedule.

**WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2023
U.S. Department of Treasury								
Passed through Michigan Department of Education COVID-19 ARP Grow Your Own Program	21.027	232423-20231	\$ 2,588,513	\$ -	\$ -	\$ 15,346	\$ -	\$ 15,346
Passed through Ottawa Area Intermediate School District (OAISD) COVID-19 GSRP Expansion Carry Over - ARP SLFRF	21.027	222390-GSRP2122C	10,000	-	-	9,962	9,962	-
Total ALN 21.027			<u>2,598,513</u>	<u>-</u>	<u>-</u>	<u>25,308</u>	<u>9,962</u>	<u>15,346</u>
U.S. Department of Education								
Passed through Michigan Department of Education Title I Grants to Local Educational Agencies	84.010	231530-2223	895,364	-	-	866,484	766,471	100,013
Title I Grants to Local Educational Agencies	84.010	221530-2122	895,829	382,571	864,260	-	382,571	-
Total ALN 84.010			<u>1,791,193</u>	<u>382,571</u>	<u>864,260</u>	<u>866,484</u>	<u>1,149,042</u>	<u>100,013</u>
Migrant Education State Grant Program (School Year)	84.011	231890-2223	118,206	-	-	103,747	55,404	48,343
Migrant Education State Grant Program (School Year)	84.011	221890-2122	160,513	79,174	120,756	-	79,174	-
Migrant Education State Grant Program (Summer)	84.011A	221830-2223	175,663	-	-	16,338	-	16,338
Migrant Education State Grant Program (Summer)	84.011A	221830-2122	109,828	13,268	13,268	68,946	82,214	-
Migrant Education State Grant Program (Summer)	84.011A	211830-2021	176,642	108,008	108,008	-	108,008	-
Total ALN 84.011			<u>740,852</u>	<u>200,450</u>	<u>242,032</u>	<u>189,031</u>	<u>324,800</u>	<u>64,681</u>
Supporting Effective Instruction State Grants	84.367	230520-2223	316,365	-	-	241,051	231,942	9,109
Supporting Effective Instruction State Grants	84.367	220520-2122	419,904	115,448	300,416	-	115,448	-
Total ALN 84.367			<u>736,269</u>	<u>115,448</u>	<u>300,416</u>	<u>241,051</u>	<u>347,390</u>	<u>9,109</u>
English Language Acquisition State Grants	84.365A	230580-2223	178,370	-	-	152,004	129,976	22,028
English Language Acquisition State Grants	84.365A	230570-2223	24,895	-	-	16,824	16,603	221
English Language Acquisition State Grants	84.365A	220580-2122	178,241	60,650	107,324	-	60,650	-
English Language Acquisition State Grants	84.365A	220570-2122	12,413	53	4,251	-	53	-
Total ALN 84.365A			<u>393,919</u>	<u>60,703</u>	<u>111,575</u>	<u>168,828</u>	<u>207,282</u>	<u>22,249</u>
Student Support and Academic Enrichment Program	84.424	230750-2223	71,293	-	-	37,099	31,094	6,005
Student Support and Academic Enrichment Program	84.424A	220775-2022	9,000	-	-	9,000	-	9,000
Student Support and Academic Enrichment Program	84.424	220750-2122	85,758	62,062	79,066	-	62,062	-
Student Support and Academic Enrichment Program	84.424A	210775-2022	10,000	10,000	10,000	-	10,000	-
Total ALN 84.424			<u>176,051</u>	<u>72,062</u>	<u>89,066</u>	<u>46,099</u>	<u>103,156</u>	<u>15,005</u>
Education Stabilization Fund COVID-19 Elem & Secondary School Emergency Relief - Education Equity Fund	84.425D	213782-2223	338,241	-	-	92,223	92,223	-
COVID-19 Elem & Secondary School Emergency Relief - ESSER II Formula	84.425D	213712-20-21	2,768,429	1,393,743	2,705,579	62,850	1,393,742	62,851
COVID-19 Governor's Emergency Education Relief Fund [23c{4a-b}]	84.425C	211202	63,500	63,500	63,500	-	63,500	-
COVID-19 Homeless Students' Assistance ARP	84.425U	213713-2122	4,144,999	-	-	3,231,351	2,968,624	262,727
COVID-19 Homeless Students' Assistance ARP	84.425W	211020-2122	3,716	1,876	1,876	-	1,876	-
Passed through Ottawa Area Intermediate School District (OAISD) COVID-19 Homeless Students' Assistance ARP	84.425W	211012-2122	31,811	-	-	31,811	31,811	-
Total ALN 84.425			<u>7,350,696</u>	<u>1,459,119</u>	<u>2,770,955</u>	<u>3,418,235</u>	<u>4,551,776</u>	<u>325,578</u>

The accompanying notes are an integral part of this schedule.

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2023
<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	230450-2223	\$ 1,486,817	\$ -	\$ -	\$ 1,486,817	\$ 1,310,382	\$ 176,435
COVID-19 Special Education Grants to States - Flowthrough ARP	84.027X	221280 21-22	325,635	157,955	325,635	-	157,955	-
Special Education Grants to States - Flowthrough	84.027A	220450-2122	1,418,732	609,560	1,413,694	5,038	614,598	-
Total ALN 84.027			<u>3,231,184</u>	<u>767,515</u>	<u>1,739,329</u>	<u>1,491,855</u>	<u>2,082,935</u>	<u>176,435</u>
Special Education Preschool Grants	84.173A	230460-2312	54,776	-	-	54,776	47,074	7,702
COVID-19 Special Education Preschool Grants ARP	84.173X	221285 21-22	34,511	16,437	34,511	-	16,437	-
Special Education Preschool Grants	84.173A	210460-2212	45,791	21,211	45,791	-	21,211	-
Total ALN 84.173			<u>135,078</u>	<u>37,648</u>	<u>80,302</u>	<u>54,776</u>	<u>84,722</u>	<u>7,702</u>
Total Special Education Cluster			<u>3,366,262</u>	<u>805,163</u>	<u>1,819,631</u>	<u>1,546,631</u>	<u>2,167,657</u>	<u>184,137</u>
Total U.S. Department of Education			<u>14,555,242</u>	<u>3,095,516</u>	<u>6,197,935</u>	<u>6,476,359</u>	<u>8,851,103</u>	<u>720,772</u>
<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	8,835	-	-	8,835	8,835	-
Total U.S. Department of Health and Human Services			<u>8,835</u>	<u>-</u>	<u>-</u>	<u>8,835</u>	<u>8,835</u>	<u>-</u>
TOTAL FEDERAL AWARDS			<u>\$ 20,816,044</u>	<u>\$ 3,284,921</u>	<u>\$ 6,414,768</u>	<u>\$ 9,947,124</u>	<u>\$ 12,364,447</u>	<u>\$ 867,598</u>

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, 2023

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, 2023. 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, 2023:

General fund	\$ 6,513,637
Other nonmajor governmental fund	<u>3,433,487</u>
Total federal revenue in the fund financial statements	<u><u>\$ 9,947,124</u></u>



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**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, 2023, 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 26, 2023.

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 Costerian PC

October 26, 2023



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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, 2023. 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, 2023.

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 26, 2023

**WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

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 X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

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

Any audit findings 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
84.027, 84.173 84.010 84.425	Special Education Cluster Title I Grants to Local Educational Agencies 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, 2023**

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



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October 26, 2023

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, 2023, 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 26, 2023 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, 2024.

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



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October 26, 2023

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, 2023. Professional standards require that we provide October 26, 2023 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. The entity adopted Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription-based IT Arrangements*, during the year ended June 30, 2023. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. 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 26, 2023.

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