

WEST OTTAWA PUBLIC SCHOOLS

Holland, Michigan

Annual Comprehensive Financial Report

**Fiscal Year Ended
JUNE 30, 2024**

Prepared by:

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

**WEST OTTAWA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

*Superintendent
Timothy. Bearden*

*Assistant Superintendent Business Services
Jeff Malloch*

*Assistant Superintendent Human Resources
Jens Milobinski*

October 28, 2024

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, 2024. 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 6719 FTE (2023-2024). The projected enrollment for the 2024-2025 fiscal year is 6,720 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 Chief Financial Officer 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 of 2023, voters approved \$237 million to further support the District's strategic plan to further improve facilities, update technology, purchase buses, construct a new natatorium, and update other areas around the district.

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, 2019, and 2023 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 \$9,608 per pupil for the minimum foundation allowance in fiscal year 2024. The State of Michigan is forecasted to appropriate \$9,608 per pupil in fiscal year 2025. Although additional resources have been allocated to public school districts through state categorical funding, 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 tenth time in its history for fiscal year 2023-24, 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, 2019, and 2023 bond proposals. The District was awarded its first Certificate of Excellence for the 2014-2015 financial statements and has recently received its ninth consecutive award for the 2022-2023 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,

A handwritten signature in black ink, appearing to read 'TJ Bearden', with a long horizontal line extending to the right.

Timothy J. Bearden
Superintendent of Schools

A handwritten signature in black ink, appearing to read 'J Malloch', with a stylized, cursive script.

Jeffrey W. Malloch
Chief Financial Officer

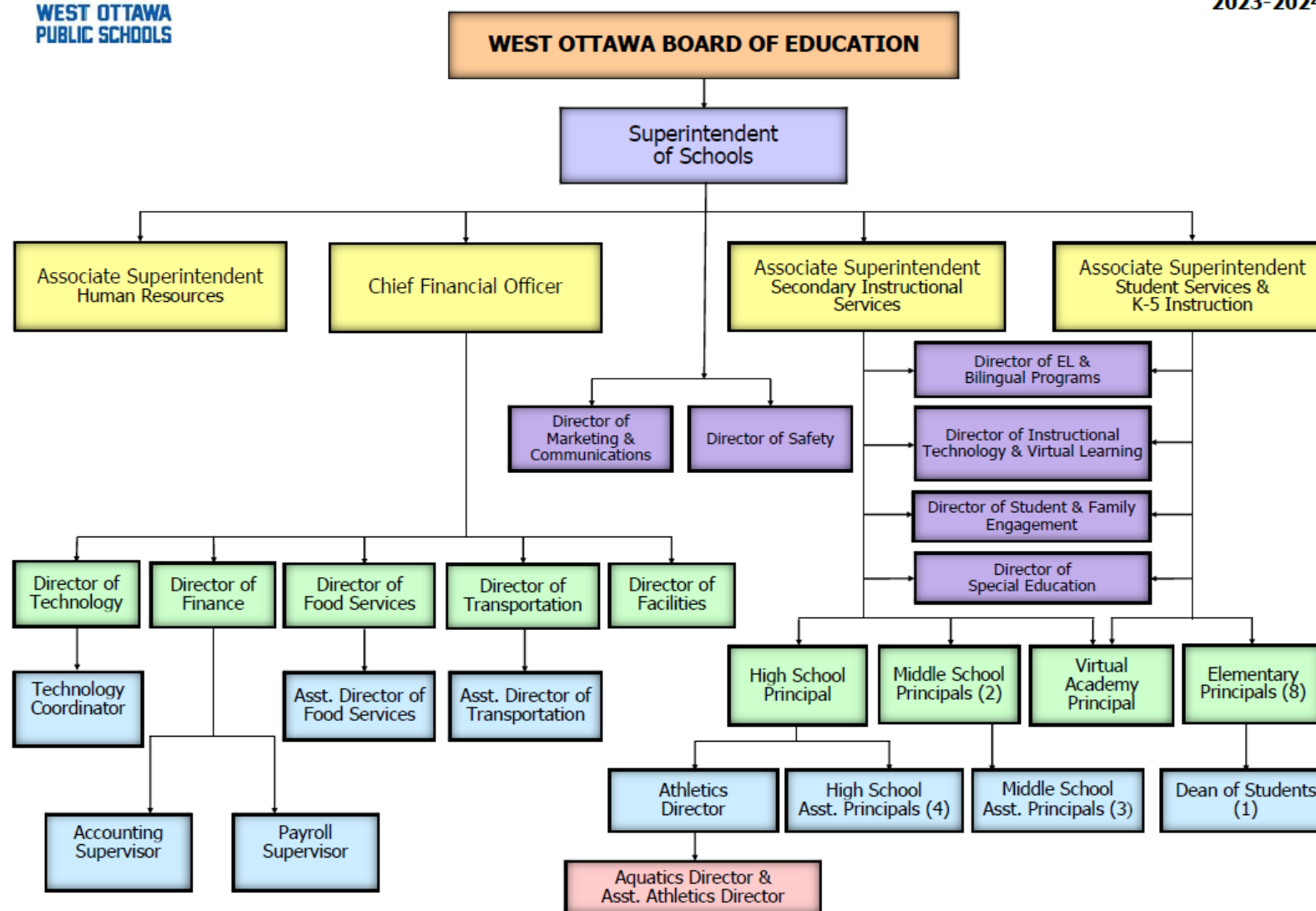
**West Ottawa Public Schools
Annual Comprehensive Financial Report
Principal Officials and Administrative Staff**

2024 Board of Education

President	Cathy Lebster
Vice President	Tyson Smith
Secretary	Mary Remenschneider
Treasurer	Randy Schipper
Trustee	Darrin Duisttermars
Trustee	Lynn Rutan
Trustee	Jim Otteman

2023 - 2024 Administrative Staff

Superintendent	Tim Bearden
Chief Financial Officer	Jeff Malloch
Director of Finance	Kyle Barr



Effective 8/24/2023



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, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/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, 2024, 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, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2024 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 28, 2024

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, 2024.

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, 2024 and 2023.

Table 1 West Ottawa Public Schools Net Position (in Millions)			
	2024	2023	Change
Current assets	\$ 165.50	\$ 107.42	\$ 58.08
Net other postemployment benefit asset	2.53	-	2.53
Capital assets, net	225.27	199.67	25.60
Total assets	393.30	307.09	86.21
Deferred outflows of resources	50.25	62.52	(12.27)
Long-term obligations outstanding	233.60	173.95	59.65
Other liabilities	25.11	21.92	3.19
Net pension liability	144.27	177.68	(33.41)
Total liabilities	402.98	373.55	29.43
Deferred inflows of resources	44.14	32.79	11.35
Net position			
Net investment in capital assets	83.46	72.37	11.09
Restricted	7.71	3.24	4.47
Unrestricted	(94.74)	(112.34)	17.60
Total net position	\$ (3.57)	\$ (36.73)	\$ 33.16

The District's combined net position at the beginning of the fiscal year was (\$36,720,655), and on June 30, 2024 it was (\$3,572,681) which represents an increase of \$33,147,974 as recorded in the statement of activities.

Capital Assets

At June 30, 2024, the District had invested approximately \$340.0 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 \$7.0 million, bringing accumulated depreciation to \$114.7 million as of June 30, 2024.

Table 2 West Ottawa Public Schools' Capital Assets				
	2024		2023	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 4,307,992	\$ -	\$ 4,307,992	\$ 4,307,992
Construction in progress	51,678,683	-	51,678,683	41,054,307
Buildings and improvements	264,497,924	100,986,231	163,511,693	149,150,331
Furniture and equipment	13,090,815	9,005,209	4,085,606	3,689,689
Buses and other vehicles	6,417,513	4,728,448	1,689,065	1,469,297
Total	\$ 339,992,927	\$ 114,719,888	\$ 225,273,039	\$ 199,671,616

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, 2024, the District had approximately \$233.6 million in long-term obligations outstanding. This represents an increase of approximately \$59.6 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 May 2024 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.

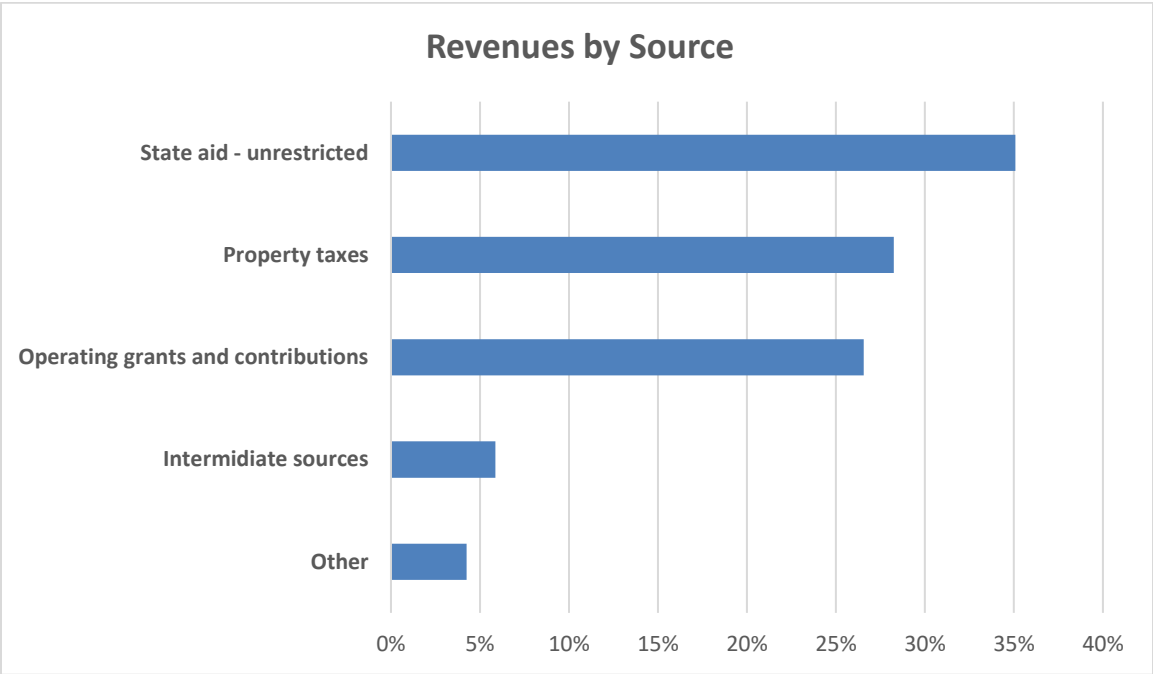
Results of Operations

For the fiscal years ended June 30, 2024 and 2023, the results of operations, on a district-wide basis were:

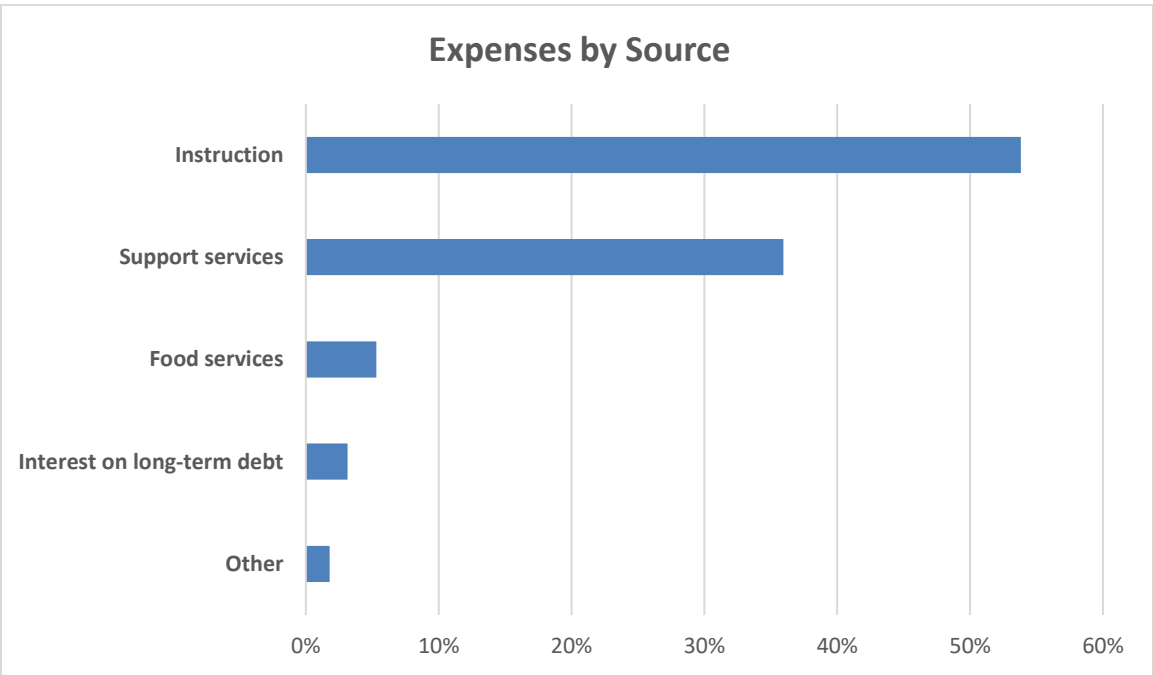
Table 3 Changes in West Ottawa Public Schools' Net Position			
	2024	2023	Change
Revenues			
Program revenues			
Charges for services	\$ 657,382	\$ 1,380,645	\$ (723,263)
Operating grants and contributions	38,336,817	26,234,116	12,102,701
General revenues			
Property taxes	40,788,293	36,730,565	4,057,728
Investment earnings (loss)	4,427,309	2,053,329	2,373,980
State aid - unrestricted	50,651,115	45,825,487	4,825,628
Intermediate sources	8,466,124	7,803,961	662,163
Other	1,041,832	3,639,431	(2,597,599)
Total revenues	144,368,872	123,667,534	20,701,338
Expenses			
Instruction	56,089,477	54,410,113	1,679,364
Support services	37,765,486	38,450,107	(684,621)
Community services	542,198	349,478	192,720
Food services	5,231,164	4,766,011	465,153
Student/school activities	1,311,891	1,045,577	266,314
Interest on long-term debt	3,262,427	7,406,491	(4,144,064)
Unallocated depreciation	7,018,255	5,931,309	1,086,946
Total expenses	111,220,898	112,359,086	(1,138,188)
Change in net position	33,147,974	11,308,448	21,839,526
Net position, beginning of year	(36,720,655)	(48,029,103)	11,308,448
Net position, end of year	\$ (3,572,681)	\$ (36,720,655)	\$ 33,147,974

In most of the above categories, the differences between the 2022-2023 fiscal year and the 2023-2024 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 23 as the State also continues to fund learning loss initiatives. These funds remained fairly constant through FY 24 and then are expected to decrease in FY 25. 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.

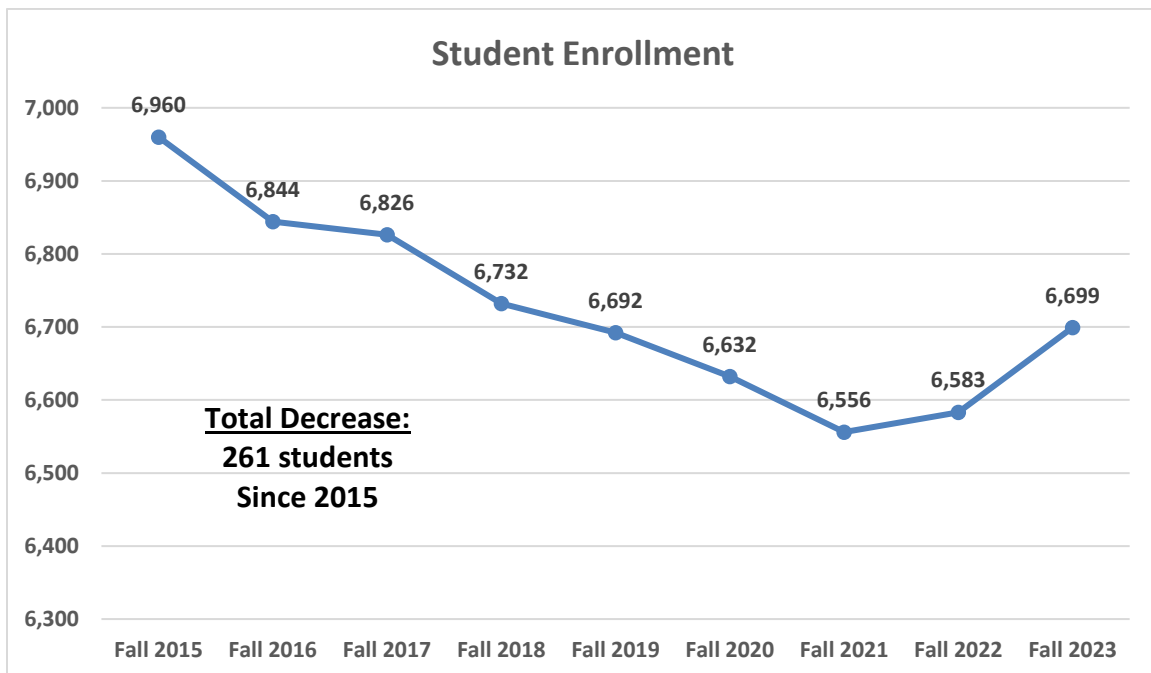
State Sources

The State of Michigan funds districts based on a blended student enrollment. The blended enrollment consists of 90% of the current year's October (2023) count and 10% of the prior year's February (2023) count. The state per-pupil allocation in 2023-2024 was \$9,608 per pupil, an increase of \$458 from 2022-2023.

Student Enrollment

The District's enrollment for the fall count of 2023-2024 was 6,699 students. This is an increase of 116 students or 1.8% from the prior fall. The increase was minimal. Historical data is included below.

Year	Enrollment	Change from Prior Year
Fall 2023	6,699	+116
Fall 2022	6,583	+27
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 2023-2024 fiscal year, the District's net property tax revenues for general purposes were \$17,257,101. This was an increase of 12.8% 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 \$22,675,587.

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 \$855,605.

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 \$47.8 million, which is an increase from the prior year of approximately \$3.4 million, with benefit costs down by approximately \$416,000 and equal to approximately \$35.9 million for the fiscal year. The total health benefit costs for 2023-24 were about \$7.3 million, up approximately \$277,000 from the prior year. The District contributed around \$23.3 million toward employees' pension and other postemployment benefits, a decrease of 5.73% from 2022-2023. 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 2023-2024 fiscal year, the District amended the general fund budget, with the Board adopting the final changes in June 2024. 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 (uses)	<u>\$ 98,453,000</u>	<u>\$ 106,300,000</u>	<u>\$ 105,998,696</u>	<u>\$ (301,304)</u>	-0.28%
Expenditures and other financing uses					
Instruction	\$ 64,794,000	\$ 62,605,000	\$ 62,373,590	\$ 231,410	0.37%
Support services	32,483,000	34,920,000	33,857,760	1,062,240	3.04%
Community services	282,000	405,000	388,598	16,402	4.05%
Capital outlay	<u>490,000</u>	<u>1,540,000</u>	<u>1,561,581</u>	<u>(21,581)</u>	-1.40%
Total expenditures	<u>\$ 98,049,000</u>	<u>\$ 99,470,000</u>	<u>\$ 98,181,529</u>	<u>\$ 1,288,471</u>	1.30%

The actual revenues and other financing sources (uses) for the general fund were about \$106 million. This is below the final amended budget by \$301,304 or .28%. The actual general fund expenditures and other financing uses were \$98.2 million. This is below the final amended budget amount by \$1.3 million, or 1.3%. The variance in general fund revenue was related to the uncertainty of the 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 \$7,817,167 in 2023-2024. The 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.

The accumulated fund balance is approximately \$33.5 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 \$141.3 million, this was an increase of \$52.7 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 2023-2024 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:

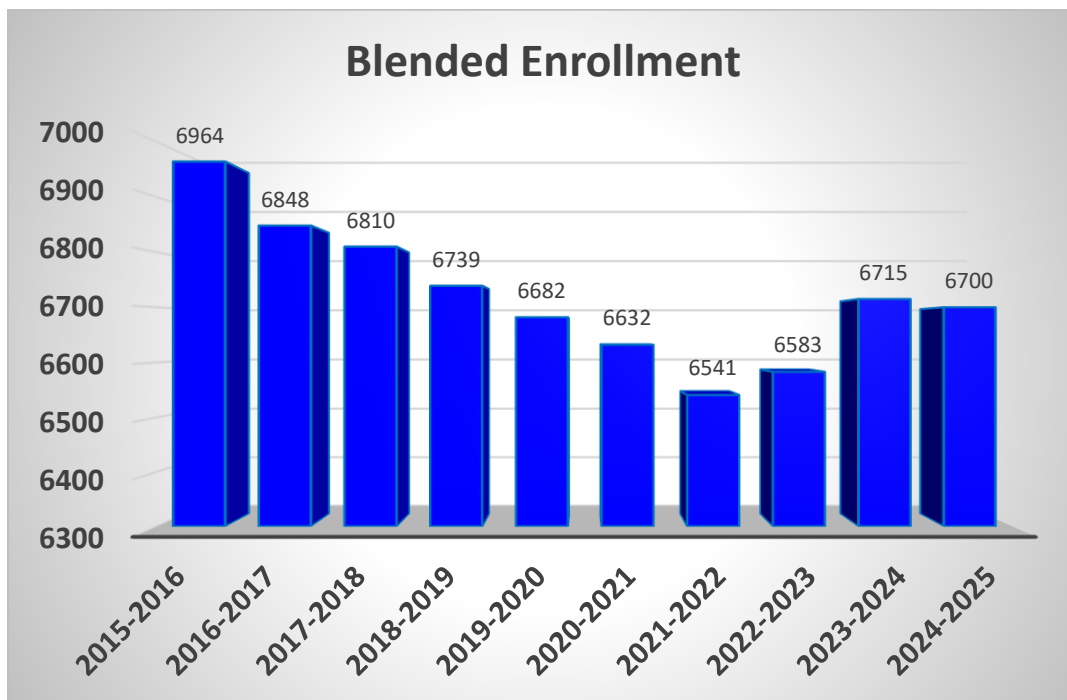
	General Fund	2019 Capital Projects Fund	2023 (2019 Bond) Capital Projects Fund	2024 Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
FUND BALANCE						
Beginning of year	\$ 25,649,254	\$ 15,101,939	\$ 31,813,280	\$ -	\$ 15,943,285	\$ 88,507,758
Increase (decrease)	7,817,167	(15,101,939)	(14,444,088)	74,586,711	(119,342)	52,738,509
End of year	<u>\$ 33,466,421</u>	<u>\$ -</u>	<u>\$ 17,369,192</u>	<u>\$ 74,586,711</u>	<u>\$ 15,823,943</u>	<u>\$ 141,246,267</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 2024-2025 fiscal year with no foundation allowance increase of per pupil. This causes the foundation allowance to remain at \$9,608 per pupil, the same as 2023-2024. This proves extremely difficult for school districts across the State of Michigan, as year over year inflation data continued to increase. Although the CPI growth has slowed, the all items index increased by 2.4% from September 2023 through September 2024.
- Michigan school districts, including West Ottawa Public Schools, will receive a one-time reimbursement in 2024-2025 to be calculated as 5.75% of the previous year's OPEB (Other Post-Employment Benefits) contribution to the Michigan Public School Employees Retirement System (MPERS) as a result it being fully funded after September 30, 2024. Although the state legislature signed this into the 2024-2025 School Aid Budget as a one-time reduction in 2024-2025, Governor Gretchen Whitmer signed Public Act 127 of 2024 on October 3, 2024 – which permanently reduces the employer UAAL contribution rate cap from 20.96% to 15.21% beginning October 1, 2025.
- 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 continues to be difficult to project the future revenue streams from the state school aid fund, particularly now that post-pandemic driven revenue packages are completely a thing of the past. The one constant revenue stream is the foundation allowance driven by student enrollment, and West Ottawa Public Schools is enjoying it's fourth consecutive year of student enrollment growth since a low point in 2021. Online schools and shifts in educational trends in recent years could potentially affect the District's student enrollment in the fall of 2024 and beyond. However, the District is now in its fourth year of operating our own West Ottawa Virtual Academy which continues to capture non-traditional students.
- Continued focus on containing costs to match the size of enrollment will be key in maintaining positive fund balance going forward. The district continues to hire new staff in a manner that is both appropriate and sustainable, ensuring that such positions are instructional and behavioral support positions, which follows categorical funding committed to from the State of Michigan. The District will continue to utilize attrition to move these FTE into general fund certified positions, particularly if the federal and state categorical dollars are not expected to continue in subsequent fiscal years.

- The District received approval from the voters to issue \$89.95 million in new bonds on May 6, 2014 and an additional \$97.95 million in new bonds on May 7, 2019. The District has issued all \$89.95 million of voter approved bonds, including bond premium, from the 2014 authorization. The District has also issued all \$97.95 million of voter approved bonds, including bond premium, from the 2019 authorization. These approvals have allowed 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 that includes a state-of-the art football and soccer stadium, finished the construction of a new performing arts center during the summer of 2024, and is projected to open a brand new, world-class 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, and purchase technology. Additionally, voters approved a \$237 million bond campaign in November 2023, which will provide the district with a 10-year capital improvement campaign to keep West Ottawa Public Schools on the cutting edge throughout the remainder of the 2020's and into the 2030's. The first \$89.95 million in the 2023 bonds were sold in the spring of 2023, and are being used to construct a state-of-art natatorium complex that will feature one of the largest indoor pools in the State of Michigan. These voter approved bonds continue to alleviate pressure on the general fund and repair and improvement fund, as they fund ongoing needs.
- 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. The District will seek to renew the sinking fund millage in the spring of 2025.
- Our recent enrollment trend continues to reverse a decades old course for the District. The chart below shows our last ten 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 2024-2025 bar shows the unaudited FTE for the 2024-2025 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, 2024

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 26,517,906
Investments	22,978,295
Receivables	
Accounts receivable	43,581
Taxes receivable	96,866
Intergovernmental	17,611,663
Inventories	55,813
Prepays	636,910
Net other postemployment benefits asset	2,525,345
Restricted cash - capital projects	82,455,887
Restricted investments - capital projects	15,106,255
Capital assets not being depreciated	55,986,675
Capital assets, net of accumulated depreciation	<u>169,286,364</u>
TOTAL ASSETS	<u>393,301,560</u>
DEFERRED OUTFLOWS OF RESOURCES	
Related to other postemployment benefits	9,202,821
Related to pension	<u>41,049,488</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>50,252,309</u>
LIABILITIES	
Accounts payable	8,154,149
Accrued salaries and related items	5,852,918
Accrued retirement	2,933,873
Accrued interest	861,553
Unearned revenue	7,315,969
Noncurrent liabilities	
Due within one year	15,759,676
Due in more than one year	217,836,343
Net pension liability	<u>144,267,834</u>
TOTAL LIABILITIES	<u>402,982,315</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on refunding, net of amortization	266,231
Related to state aid funding for pension	8,826,941
Related to other postemployment benefits	20,011,173
Related to pension	<u>15,039,890</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>44,144,235</u>
NET POSITION	
Net investment in capital assets	83,463,454
Restricted for debt service	1,904,572
Restricted for capital projects - sinking fund	3,281,754
Restricted for net other postemployment benefits	2,525,345
Unrestricted	<u>(94,747,806)</u>
TOTAL NET POSITION	<u><u>\$ (3,572,681)</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, 2024**

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	\$ 56,089,477	\$ 72,034	\$ 22,499,971	\$ (33,517,472)
Support services	37,765,486	108,801	12,248,606	(25,408,079)
Community services	542,198	-	195,586	(346,612)
Food services	5,231,164	476,547	2,094,155	(2,660,462)
Student/school activities	1,311,891	-	1,298,499	(13,392)
Interest on long-term debt	3,262,427	-	-	(3,262,427)
Unallocated depreciation*	7,018,255	-	-	(7,018,255)
Total governmental activities	<u>\$ 111,220,898</u>	<u>\$ 657,382</u>	<u>\$ 38,336,817</u>	<u>(72,226,699)</u>
General revenues				
Property taxes, levied for general purposes				17,257,101
Property taxes, levied for debt service				22,675,587
Property taxes, levied for capital projects sinking fund				855,605
Investment earnings				4,427,309
State sources				50,651,115
Intermediate sources				8,466,124
Other				<u>1,041,832</u>
Total general revenues				<u>105,374,673</u>
CHANGE IN NET POSITION				33,147,974
NET POSITION, beginning of year				<u>(36,720,655)</u>
NET POSITION, end of year				<u>\$ (3,572,681)</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, 2024**

	General Fund	2019 Capital Projects Fund	2023 Capital Projects Fund	2024 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 18,860,771	\$ -	\$ -	\$ -	\$ 7,657,135	\$ 26,517,906
Investments	14,954,325	-	-	-	8,023,970	22,978,295
Receivables						
Taxes receivable	66,737	-	-	-	30,129	96,866
Accounts receivable	11,696	-	-	-	31,885	43,581
Intergovernmental	17,502,308	-	-	-	109,355	17,611,663
Due from other funds	119,989	-	29,447	1,548,384	108,444	1,806,264
Inventories	-	-	-	-	55,813	55,813
Prepays	623,542	-	-	-	13,368	636,910
Restricted cash - capital projects	-	-	7,725,933	74,729,954	-	82,455,887
Restricted investments - capital projects	-	-	15,106,255	-	-	15,106,255
TOTAL ASSETS	\$ 52,139,368	\$ -	\$ 22,861,635	\$ 76,278,338	\$ 16,030,099	\$ 167,309,440
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 952,847	\$ -	\$ 5,492,443	\$ 1,691,627	\$ 17,232	\$ 8,154,149
Accrued salaries and related items	5,826,236	-	-	-	26,682	5,852,918
Accrued retirement	2,929,171	-	-	-	4,702	2,933,873
Due to other funds	1,693,676	-	-	-	112,588	1,806,264
Unearned revenue	7,271,017	-	-	-	44,952	7,315,969
TOTAL LIABILITIES	18,672,947	-	5,492,443	1,691,627	206,156	26,063,173

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

	General Fund	2019 Capital Projects Fund	2023 Capital Projects Fund	2024 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES						
Nonspendable						
Prepays	\$ 623,542	\$ -	\$ -	\$ -	\$ 13,368	\$ 636,910
Restricted						
Food service	-	-	-	-	1,718,573	1,718,573
Capital projects	-	-	17,369,192	74,586,711	3,281,754	95,237,657
Debt service	-	-	-	-	2,766,125	2,766,125
Committed for student/school activities	-	-	-	-	1,895,653	1,895,653
Assigned						
Subsequent year expenditures	1,630,000	-	-	-	-	1,630,000
Capital projects	-	-	-	-	6,148,470	6,148,470
Unassigned	31,212,879	-	-	-	-	31,212,879
TOTAL FUND BALANCES	33,466,421	-	17,369,192	74,586,711	15,823,943	141,246,267
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 52,139,368</u>	<u>\$ -</u>	<u>\$ 22,861,635</u>	<u>\$ 76,278,338</u>	<u>\$ 16,030,099</u>	<u>\$ 167,309,440</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, 2024

Total governmental fund balances	\$ 141,246,267
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred outflows of resources - related to pension	41,049,488
Deferred outflows of resources - related to other postemployment benefits	9,202,821
Deferred inflows of resources - gain on refunding, net of amortization	(266,231)
Deferred inflows of resources - related to pension	(15,039,890)
Deferred inflows of resources - state aid funding for pension	(8,826,941)
Deferred inflows of resources - related to other postemployment benefits	(20,011,173)
Some assets are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.	
Noncurrent assets at year-end consist of:	
Net other postemployment benefits asset	2,525,345
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
The cost of the capital assets is	339,992,927
Accumulated depreciation is	(114,719,888)
Long-term obligations are not due and payable in the current period and are not reported in the funds:	
General obligation bonds	(233,499,257)
Compensated absences and termination benefits	(96,762)
Accrued interest is not included as a liability in government funds, it is recorded when paid	(861,553)
Net pension liability	(144,267,834)
Net position of governmental activities	<u><u>\$ (3,572,681)</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, 2024

	General Fund	2019 Capital Projects Fund	2023 Capital Projects Fund	2024 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Local sources						
Property taxes	\$ 17,257,101	\$ -	\$ -	\$ -	\$ 23,531,192	\$ 40,788,293
Tuition	72,034	-	-	-	-	72,034
Investment earnings	1,584,700	315,286	1,494,427	133,601	899,295	4,427,309
Student/school activities	-	-	-	-	1,298,499	1,298,499
Food sales	-	-	-	-	463,843	463,843
Other	167,942	834,697	-	-	153,265	1,155,904
Total local sources	19,081,777	1,149,983	1,494,427	133,601	26,346,094	48,205,882
State sources	70,298,037	-	-	-	2,339,002	72,637,039
Federal sources	7,905,966	-	-	-	3,860,349	11,766,315
Incoming transfers and other	8,492,916	-	-	-	-	8,492,916
TOTAL REVENUES	105,778,696	1,149,983	1,494,427	133,601	32,545,445	141,102,152
EXPENDITURES						
Current						
Instruction	62,373,590	-	-	-	-	62,373,590
Supporting services	33,857,760	-	-	-	-	33,857,760
Food service activities	-	-	-	-	5,462,186	5,462,186
Student/school activities	-	-	-	-	1,311,891	1,311,891
Community service activities	388,598	-	-	-	-	388,598
Capital outlay and other	1,561,581	16,251,922	15,851,697	5,294,808	853,611	39,813,619

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

	General Fund	2019 Capital Projects Fund	2023 Capital Projects Fund	2024 Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
EXPENDITURES (continued)						
Debt service						
Principal repayment	\$ -	\$ -	\$ -	\$ -	\$ 19,420,000	\$ 19,420,000
Interest	-	-	-	-	5,402,381	5,402,381
Bond issuance cost and other	-	-	86,818	501,371	4,185	592,374
TOTAL EXPENDITURES	98,181,529	16,251,922	15,938,515	5,796,179	32,454,254	168,622,399
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,597,167	(15,101,939)	(14,444,088)	(5,662,578)	91,191	(27,520,247)
OTHER FINANCING SOURCES (USES)						
Proceeds from issuance of bonds	-	-	-	73,225,000	-	73,225,000
Bond premium	-	-	-	7,024,289	-	7,024,289
Proceeds from sale of capital assets	-	-	-	-	9,467	9,467
Transfer in	230,000	-	-	-	133,088	363,088
Transfer out	(10,000)	-	-	-	(353,088)	(363,088)
TOTAL OTHER FINANCING SOURCES (USES)	220,000	-	-	80,249,289	(210,533)	80,258,756
NET CHANGE IN FUND BALANCES	7,817,167	(15,101,939)	(14,444,088)	74,586,711	(119,342)	52,738,509
FUND BALANCES						
Beginning of year	25,649,254	15,101,939	31,813,280	-	15,943,285	88,507,758
End of year	\$ 33,466,421	\$ -	\$ 17,369,192	\$ 74,586,711	\$ 15,823,943	\$ 141,246,267

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, 2024**

Net change in fund balances total governmental funds **\$ 52,738,509**

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	(7,018,255)
Capital outlay	32,619,678

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	3,001,507
Accrued interest payable, end of the year	(861,553)

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	(73,225,000)
Premium on the debt issuance	(7,024,289)
Payments on debt	19,420,000
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	79,738
Compensated absences and termination benefits, end of the year	(96,762)

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	725,719
Other postemployment benefits related items	8,251,585

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	12,084,194
Pension related items, end of year	(8,826,941)

Change in net position of governmental activities	\$ 33,147,974
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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

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 2019, 2023, and 2024 capital project activities funded with bonds. For these capital projects, the school district has complied with the applicable provisions of Section 1351a of the Revised School Code. The 2023 (2019 Bond Series IV) and 2024 funds are not yet considered substantially complete, and a subsequent year audit is expected. For the 2019 funds, beginning with the year of bond issuance, the school district has reported the annual construction activity in the 2019 Capital Projects Fund. The project for which the 2019 Bonds, Series I, II, and III, were issued was considered complete on June 30, 2024.

**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 2019 and 2023 capital projects bond activity since inception through the current fiscal year:

	<u>2019 Bond</u>	<u>2024 Bond</u>
Revenues and other financing sources	<u>\$ 102,256,635</u>	<u>\$ 80,382,890</u>
Expenditures	<u>\$ 84,887,443</u>	<u>\$ 5,796,179</u>

The above revenue amount includes net bond issuance related to the 2019 and 2024 Bonds of \$84,575,000 and \$73,225,000, respectively. The 2019 Bond includes the 2023 capital projects fund, which is series IV of the 2019 Bond.

The District reports the following *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 Capital Improvement Fund* accounts for the transfers from the general fund for the payment of prevailing wages.

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 of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2023-1.

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, 2024. Although the district does consider these amendments to be significant, they were deemed necessary due to considerable uncertainty at the time the original budget was adopted.

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.

**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)

Investments (concluded)

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.

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 liability and other postemployment benefit asset, 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 assets 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 assets 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.

**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, 2024, 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.

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.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Revenues and Expenditures/Expenses (concluded)

Long-term Obligations (concluded)

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, 2024 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, 2024, \$109,798,891 of the District's bank balance of \$110,298,891 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 \$108,973,793.

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, 2024, 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	<u>\$ 30,060,580</u>	<u>0.4876</u>	<u>100.00%</u>
Portfolio weighted average maturity		<u>0.4876</u>	

One day maturity equals 0.0027, one year equals 1.00

Concentration Of Credit Risk

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Standard & Poor's Rating</u>	<u>Rating Agency</u>
United States Treasury Notes	<u>\$ 30,060,580</u>	AA+	Standard & Poor's

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	\$ 30,060,580	\$ -	\$ -	\$ 30,060,580

The following summarizes the categorization of these amounts as of June 30, 2024:

	<u>Primary Government</u>
Deposits	\$ 116,997,763
Investments	<u>30,060,580</u>
	<u>\$ 147,058,343</u>

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 in the financial statements as of June 30, 2024

	<u>Primary Government</u>
Cash and cash equivalents	\$ 26,517,906
Investments	22,978,295
Restricted cash and cash equivalents	82,455,887
Restricted investments	<u>15,106,255</u>
	<u>\$ 147,058,343</u>

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

NOTE 3 - CAPITAL ASSETS

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

	Balance July 1, 2023	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2024
Assets not being depreciated				
Land	\$ 4,307,992	\$ -	\$ -	\$ 4,307,992
Construction in progress	41,054,307	30,720,169	20,095,793	51,678,683
Subtotal	45,362,299	30,720,169	20,095,793	55,986,675
Other capital assets				
Buildings and improvements	243,926,586	20,571,338	-	264,497,924
Furniture and equipment	12,265,277	825,538	-	13,090,815
Buses and other vehicles	5,819,087	598,426	-	6,417,513
Subtotal	262,010,950	21,995,302	-	284,006,252
Accumulated depreciation				
Buildings and improvements	94,776,255	6,209,976	-	100,986,231
Furniture and equipment	8,575,588	429,621	-	9,005,209
Buses and other vehicles	4,349,790	378,658	-	4,728,448
Total accumulated depreciation	107,701,633	7,018,255	-	114,719,888
Net capital assets being depreciated	154,309,317	14,977,047	-	169,286,364
Net governmental capital assets	<u>\$ 199,671,616</u>	<u>\$ 45,697,216</u>	<u>\$ 20,095,793</u>	<u>\$ 225,273,039</u>

Depreciation expense for the fiscal year ended June 30, 2024 amounted to \$7,018,255. 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 \$14,625,000.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at June 30, 2024 consist of the following:

State aid	\$ 13,173,210
Federal revenue	3,917,334
Intermediate sources and other	521,119
	<u>\$ 17,611,663</u>

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

WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

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, 2024:

	Compensated Absences and Termination Benefits	General Obligation Bonds	Total
Balance, July 1, 2023	\$ 79,738	\$ 173,873,757	\$ 173,953,495
Additions	96,762	80,249,289	80,346,051
Deletions	<u>(79,738)</u>	<u>(20,623,789)</u>	<u>(20,703,527)</u>
Balance, June 30, 2024	96,762	233,499,257	233,596,019
Due within one year	<u>9,676</u>	<u>15,750,000</u>	<u>15,759,676</u>
Due in more than one year	<u><u>\$ 87,086</u></u>	<u><u>\$ 217,749,257</u></u>	<u><u>\$ 217,836,343</u></u>

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

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

Long-term obligations at June 30, 2024 is comprised of the following issues:

General Obligation Bonds

2016 refunding bonds - \$5,715,000, due in annual installments of \$870,000 to \$890,000 through November 1, 2026 with interest at 1.69%.	\$ 1,760,000
2017 refunding bonds - \$12,835,000, due in annual installments of \$825,000 to \$1,615,000 through November 1, 2032 with interest from 4.00% to 5.00%.	8,330,000
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 5.00%.	6,525,000
2019 building and site bonds - \$21,190,000, due in annual installments of \$490,000 to \$1,000,000 through May 1, 2044 with interest from 4.00% to 5.00%.	16,365,000
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 4.00%.	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 1.03% to 1.42%.	8,045,000
2021 refunding bonds - \$28,305,000, due in annual installments of \$9,400,000 to \$9,680,000 through November 1, 2025 with interest from 0.70% to 1.06%.	19,080,000
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 4.00% to 5.00%.	44,145,000
2023 general obligation bonds - \$28,870,000, due in annual installments of \$650,000 to \$1,205,000 through May 1, 2048 with interest of 5.00%.	24,170,000
2024 general obligation bonds - \$73,225,000, due in annual installments of \$1,000,000 to \$12,040,000 through May 1, 2049 with interest of 5.00%.	73,225,000
Issuance premium	<u>24,504,257</u>
Total general obligation bonds	233,499,257
Compensated absences and termination benefits	<u>96,762</u>
Total general long-term obligations	<u><u>\$ 233,596,019</u></u>

On May 20, 2024, the District issued general obligation bonds of \$73,225,000 with an interest rate of 5.0%. The bonds mature at various times through May 1, 2049. The general obligation bonds were issued at a premium of \$7,024,289 after paying issuance costs of \$258,535.

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, 2024, \$52,430,000 of bonds outstanding are considered defeased.

The annual requirements to amortize long-term obligations exclusive of compensated absences payments as of June 30, 2024 are as follows:

Year Ending June 30,	General Obligation Bonds		Compensated Absences and Termination Benefits	Total
	Principal	Interest		
2025	\$ 15,750,000	\$ 6,894,098	\$ -	\$ 22,644,098
2026	16,985,000	8,261,104	-	25,246,104
2027	8,030,000	7,893,128	-	15,923,128
2028	18,740,000	7,504,700	-	26,244,700
2029	11,290,000	6,784,550	-	18,074,550
2030 - 2034	52,835,000	25,872,525	-	78,707,525
2035 - 2039	37,030,000	15,647,650	-	52,677,650
2040 - 2044	29,950,000	8,536,075	-	38,486,075
2045 - 2049	18,385,000	2,591,375	-	20,976,375
2050	-	55,375	-	55,375
	208,995,000	90,040,580	-	299,035,580
Issuance premium	24,504,257	-	-	24,504,257
Compensated absences and termination benefits	-	-	96,762	96,762
	<u>\$ 233,499,257</u>	<u>\$ 90,040,580</u>	<u>\$ 96,762</u>	<u>\$ 323,636,599</u>

Compensated absences and termination benefits typically are liquidated by the general fund. Interest expense for the year ended June 30, 2024 was approximately \$5,402,381.

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

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund payable and receivable balances at June 30, 2024 are as follows:

Receivable Fund		Payable Fund	
General fund	\$ 119,989	General fund	\$ 1,693,676
2023 Capital Projects Fund	29,447	Nonmajor governmental funds	112,588
2024 Capital Projects Fund	1,548,384		
Nonmajor governmental funds	108,444		
	<u>\$ 1,806,264</u>		<u>\$ 1,806,264</u>

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS

Plan Description

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

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

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

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Benefits Provided - Overall

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

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

Benefits Provided - Pension

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

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

Pension Reform 2010

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

Pension Reform 2012

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

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

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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, 2023 were determined as of the September 30, 2020 actuarial valuations. The pension and OPEB benefits, the unfunded (overfunded) actuarial accrued liabilities as of September 30, 2020 are amortized over an 16-year period beginning October 1, 2022 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:

	<u>Pension</u>	<u>Other Postemployment Benefit</u>
October 1, 2023 - September 30, 2024	13.90% - 23.03%	7.06% - 8.31%
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, 2024 were equal to the required contribution total. Total pension contributions were approximately \$19,045,000. Of the total pension contributions approximately \$18,283,000 was contributed to fund the Defined Benefit Plan and approximately \$762,000 was contributed to fund the Defined Contribution Plan.

The District's OPEB contributions for the year ended June 30, 2024 were equal to the required contribution total. Total OPEB contributions were approximately \$4,286,000. Of the total OPEB contributions approximately \$3,895,000 was contributed to fund the Defined Benefit Plan and approximately \$391,000 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

The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of September 30, 2022 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, 2023</u>	<u>September 30, 2022</u>
Total pension liability	\$ 94,947,828,557	\$ 95,876,795,620
Plan fiduciary net position	\$ 62,581,762,238	\$ 58,268,076,344
Net pension liability	\$ 32,366,066,319	\$ 37,608,719,276
Proportionate share	0.44574%	0.44742%
Net pension liability for the District	\$ 144,267,834	\$ 168,268,992

For the year ended June 30, 2024, the District recognized pension expense of \$17,556,932.

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)

At June 30, 2024, 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	\$ 19,548,948	\$ 11,271,479
Net difference between projected and actual earnings on pension plan investments	-	2,952,187
Differences between expected and actual experience	4,554,095	220,995
Changes in proportion and differences between employer contributions and proportionate share of contributions	29,578	595,229
Reporting Unit's contributions subsequent to the measurement date	16,916,867	-
	<u>\$ 41,049,488</u>	<u>\$ 15,039,890</u>

\$16,916,867, 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:

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ 2,975,561
2025	2,090,369
2026	6,178,840
2027	(2,152,039)

WEST OTTAWA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

The net OPEB liability (asset) was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation date of September 30, 2022 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net OPEB liability (asset) was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined.

<u>MPSERS (Plan) Non-University Employers</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Total other postemployment benefits liability	\$ 11,223,648,949	\$ 12,522,713,324
Plan fiduciary net position	\$ 11,789,347,341	\$ 10,404,650,683
Net other postemployment benefits liability (asset)	\$ (565,698,392)	\$ 2,118,062,641
Proportionate share	0.44641%	0.44424%
Net other postemployment benefits liability (asset) for the District	\$ (2,525,345)	\$ 9,409,261

For the year ended June 30, 2024, the District recognized OPEB benefit of 4,356,117.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 5,621,858	\$ 676,978
Net difference between projected and actual earnings on pension plan investments	7,700	-
Differences between expected and actual experience	-	19,082,803
Changes in proportion and differences between employer contributions and proportionate share of contributions	206,473	251,392
Reporting Unit's contributions subsequent to the measurement date	3,366,790	-
	<u>\$ 9,202,821</u>	<u>\$ 20,011,173</u>

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

NOTE 7 - PENSION AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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

\$3,366,790, 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 (asset) in the subsequent fiscal year.

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

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ (4,662,443)
2025	(4,291,881)
2026	(1,717,691)
2027	(1,627,260)
2028	(1,243,307)
2029	(632,560)

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: PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Active: PubT-2010 Male and Female Employee Mortality Tables scaled 100% and MP-202 adjusted for mortality improvements using projection scale from 2010.

Disabled Retirees: PubNS-2010 Male and Female Disabled Retiree Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

**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, 2022. Assumption changes as a result of an experience study for the periods 2017 through 2022 have been adopted by the System for use in the determination of the total pension and OPEB liability beginning with the September 30, 2023 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, 7.50% for year one and graded to 3.5% in year fifteen. Post 65, 6.25% 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 electing two-person coverage are assumed to have coverage continuing after the retiree's death.

Coverage Election at Retirement - 75% of male and 60% of female future retirees who elected coverage 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, 2023 and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.8%
International Equity Pools	15.0%	6.8%
Private Equity Pools	16.0%	9.6%
Real Estate and Infrastructure Pools	10.0%	6.4%
Fixed Income Pools	13.0%	1.3%
Absolute Return Pools	9.0%	4.8%
Real Return/Opportunistic Pools	10.0%	7.3%
Short Term Investment Pools	2.0%	0.3%
	100.0%	

* Long-term rates of return are net of administrative expenses and 2.7% inflation.

Rate of Return - For fiscal year ended September 30, 2023, the annual money-weighted rate of return on pension and OPEB plan investments, net of pension and OPEB plan investment expense, was 8.29% and 7.94%, 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		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Reporting Unit's proportionate share of the net pension liability	<u>\$ 194,905,421</u>	<u>\$ 144,267,834</u>	<u>\$ 102,110,212</u>

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

	Other Postemployment Benefits		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	<u>\$ 2,618,025</u>	<u>\$ (2,525,345)</u>	<u>\$ (6,945,566)</u>

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

	Other Postemployment Benefits		
		Current Healthcare Cost Trend Rate	
	<u>1% Decrease</u>		<u>1% Increase</u>
Reporting Unit's proportionate share of the net other postemployment benefits liability (asset)	<u>\$ (6,956,587)</u>	<u>\$ (2,525,345)</u>	<u>\$ 2,270,712</u>

Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension and OPEB's fiduciary net position is available in the separately issued Michigan Public School Employees' Retirement System 2023 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. \$123,088 was transferred between the debt service funds. The General Fund transferred \$10,000 to the Capital Improvement Fund to set aside funds for prevailing wage.

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

NOTE 10 - CONTINGENT LIABILITIES

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

NOTE 11 - TAX ABATEMENTS

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

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

Municipality	Taxes Abated				
	IFT	Brownfield	PILOT	Other	Total
Olive Township	\$ 14,568	\$ -	\$ -	\$ -	\$ 14,568
Holland Charter Township	949,079	29,452	223,457	74,122	1,276,110
	<u>\$ 963,647</u>	<u>\$ 29,452</u>	<u>\$ 223,457</u>	<u>\$ 74,122</u>	<u>\$ 1,290,678</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. 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.

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

NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS (concluded)

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact. The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

- a. Management's discussion and analysis (MD&A);
 - i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
 - 1) Overview of the Financial Statements,
 - 2) Financial Summary,
 - 3) Detailed Analyses,
 - 4) Significant Capital Asset and Long-Term Financing Activity,
 - 5) Currently Known Facts, Decisions, or Conditions;
 - ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
 - iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
- b. Unusual or infrequent items;
- c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
 - i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
 - ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
- d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
- e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The District is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

**WEST OTTAWA PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 17,259,000	\$ 19,280,000	\$ 19,081,777	\$ (198,223)
State sources	66,596,000	70,700,000	70,298,037	(401,963)
Federal sources	6,150,000	7,400,000	7,905,966	505,966
Incoming transfers and other	8,228,000	8,700,000	8,492,916	(207,084)
TOTAL REVENUES	98,233,000	106,080,000	105,778,696	(301,304)
EXPENDITURES				
Current				
Instruction				
Basic programs	53,464,000	50,190,000	50,187,215	2,785
Added needs	11,330,000	12,415,000	12,186,375	228,625
Total instruction	64,794,000	62,605,000	62,373,590	231,410
Supporting services				
Pupil	5,029,000	5,280,000	5,346,792	(66,792)
Instructional staff	4,470,000	5,725,000	5,370,353	354,647
General administration	799,000	890,000	817,002	72,998
School administration	5,933,000	5,720,000	5,749,182	(29,182)
Business	1,081,000	1,230,000	1,199,305	30,695
Operation/maintenance	8,415,000	8,950,000	8,574,610	375,390
Pupil transportation	3,528,000	3,450,000	3,374,516	75,484
Central	1,086,000	1,180,000	1,129,038	50,962
Athletics	2,142,000	2,495,000	2,296,962	198,038
Total supporting services	32,483,000	34,920,000	33,857,760	1,062,240
Community services	282,000	405,000	388,598	16,402
Capital outlay and other	490,000	1,540,000	1,561,581	(21,581)
TOTAL EXPENDITURES	98,049,000	99,470,000	98,181,529	1,288,471
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	184,000	6,610,000	7,597,167	987,167
OTHER FINANCING SOURCES (USES)				
Transfers in	230,000	230,000	230,000	-
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	220,000	220,000	220,000	-
NET CHANGE IN FUND BALANCE	\$ 404,000	\$ 6,830,000	7,817,167	\$ 987,167
FUND BALANCE				
Beginning of year			25,649,254	
End of year			\$ 33,466,421	

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Reporting Unit's proportion of net pension liability (%)	0.44574%	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	\$ 144,267,834	\$ 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	\$ 44,806,389	\$ 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	321.98%	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)	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

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

	<u>2024</u>	<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	\$ 18,282,651	\$ 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>18,282,651</u>	<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>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 47,356,275	\$ 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	38.61%	45.65%	35.03%	33.05%	30.44%	30.25%	30.85%	27.29%	25.29%	21.07%

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

	2023	2022	2021	2020	2019	2018	2017
Reporting Unit's proportion of net OPEB liability/asset (%)	0.44641%	0.44424%	0.44620%	0.44816%	0.44477%	0.45128%	0.45772%
Reporting Unit's proportionate share of net OPEB liability (asset)	\$ (2,525,345)	\$ 9,409,261	\$ 6,810,756	\$ 24,009,049	\$ 31,924,826	\$ 35,872,101	\$ 40,533,595
Reporting Unit's covered-employee payroll	\$ 44,806,389	\$ 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/asset as a percentage of its covered-employee payroll	5.64%	20.93%	16.91%	60.58%	82.23%	97.49%	104.89%
Plan fiduciary net position as a percentage of total OPEB liability/asset (Non-university employers)	105.04%	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 SEVEN FISCAL YEARS (DETERMINED AS OF THE YEAR ENDED JUNE 30)**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contributions	\$ 3,895,468	\$ 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>3,895,468</u>	<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>	<u>\$ -</u>
Reporting Unit's covered-employee payroll	\$ 47,356,275	\$ 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	8.23%	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, 2024**

NOTE 1 - PENSION INFORMATION

Benefit Changes - there were no changes of benefit terms in 2023.

Changes of Assumptions - the assumption changes for 2023 were:

- Mortality assumptions were updated to the Pub-2010 Male and Female Retiree Mortality Tables from the RP-2014 Male and Female Healthy Annuitant table.

NOTE 2 - OPEB INFORMATION

Benefit Changes - there were no changes of benefit terms in 2023.

Changes of Assumptions - the assumption changes for 2023 were:

- Healthcare cost trend rate
 - Pre 65 decreased to 7.50% for year one graded to 3.50% for year fifteen from 7.75% for year one graded to 3.50% for year fifteen.
 - Post 65 increased to 6.25% for year one and graded to 3.5% for year fifteen from 5.25% for year one and graded to 3.5% for year fifteen.
- Mortality assumptions were updated to the Pub-2010 Male and Female Retiree Mortality Tables from the RP-2014 Male and Female Healthy Annuitant table.

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ADDITIONAL SUPPLEMENTARY INFORMATION

**WEST OTTAWA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND TYPES
JUNE 30, 2024**

	Special Revenues		Nonmajor	Nonmajor	
	Food	Student/School	Debt	Capital	
	Service	Activities	Service	Projects	Total
ASSETS					
Cash and cash equivalents	\$ 1,620,858	\$ 1,874,222	\$ 2,738,476	\$ 1,423,579	\$ 7,657,135
Investments	-	23,970	-	8,000,000	8,023,970
Accounts receivable	10,410	16,250	-	5,225	31,885
Taxes receivable	-	-	27,273	2,856	30,129
Intergovernmental receivable	109,355	-	-	-	109,355
Due from other funds	108,054	-	376	14	108,444
Inventories	55,813	-	-	-	55,813
Prepays	13,368	-	-	-	13,368
TOTAL ASSETS	\$ 1,917,858	\$ 1,914,442	\$ 2,766,125	\$ 9,431,674	\$ 16,030,099
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 13,938	\$ 3,294	\$ -	\$ -	\$ 17,232
Accrued salaries and related items	26,682	-	-	-	26,682
Accrued retirement	4,702	-	-	-	4,702
Due to other funds	97,093	15,495	-	-	112,588
Unearned revenue	43,502	-	-	1,450	44,952
TOTAL LIABILITIES	185,917	18,789	-	1,450	206,156
FUND BALANCES					
Nonspendable					
Prepays	13,368	-	-	-	13,368
Restricted	1,718,573	-	2,766,125	3,281,754	7,766,452
Committed for student/school activities	-	1,895,653	-	-	1,895,653
Assigned					
Capital projects	-	-	-	6,148,470	6,148,470
TOTAL FUND BALANCES	1,731,941	1,895,653	2,766,125	9,430,224	15,823,943
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,917,858	\$ 1,914,442	\$ 2,766,125	\$ 9,431,674	\$ 16,030,099

WEST OTTAWA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2024

	Special Revenues		Nonmajor Debt Service	Nonmajor Capital Projects	Total
	Food Service	Student/School Activities			
REVENUES					
Local sources					
Property taxes	\$ -	\$ -	\$ 22,675,587	\$ 855,605	\$ 23,531,192
Investment earnings	59,690	-	472,134	367,471	899,295
Student/school activities	-	1,298,499	-	-	1,298,499
Food sales	463,843	-	-	-	463,843
Other	3,237	-	-	150,028	153,265
Total local sources	526,770	1,298,499	23,147,721	1,373,104	26,346,094
State sources	1,370,750	-	932,933	35,319	2,339,002
Federal sources	3,860,349	-	-	-	3,860,349
TOTAL REVENUES	5,757,869	1,298,499	24,080,654	1,408,423	32,545,445
EXPENDITURES					
Current					
Food service activities	5,462,186	-	-	-	5,462,186
Student/school activities	-	1,311,891	-	-	1,311,891
Capital outlay	378,065	-	-	475,546	853,611
Debt service					
Principal repayment	-	-	19,420,000	-	19,420,000
Interest	-	-	5,402,381	-	5,402,381
Other	-	-	4,185	-	4,185
TOTAL EXPENDITURES	5,840,251	1,311,891	24,826,566	475,546	32,454,254
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(82,382)	(13,392)	(745,912)	932,877	91,191
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	9,467	-	-	-	9,467
Transfers in	-	-	123,088	10,000	133,088
Transfers out	(230,000)	-	(123,088)	-	(353,088)
TOTAL OTHER FINANCING SOURCES (USES)	(220,533)	-	-	10,000	(210,533)
NET CHANGE IN FUND BALANCES	(302,915)	(13,392)	(745,912)	942,877	(119,342)
FUND BALANCES					
Beginning of year	2,034,856	1,909,045	3,512,037	8,487,347	15,943,285
End of year	\$ 1,731,941	\$ 1,895,653	\$ 2,766,125	\$ 9,430,224	\$ 15,823,943

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
NONMAJOR FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 1,285,000	\$ 530,000	\$ 526,770	\$ (3,230)
State sources	170,000	1,335,000	1,370,750	35,750
Federal sources	3,570,000	3,450,000	3,860,349	410,349
TOTAL REVENUES	5,025,000	5,315,000	5,757,869	442,869
EXPENDITURES				
Current				
General administration	3,000	3,000	3,000	-
Food service activities and capital outlay	5,192,000	5,900,000	5,837,251	62,749
TOTAL EXPENDITURES	5,195,000	5,903,000	5,840,251	62,749
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(170,000)	(588,000)	(82,382)	505,618
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	9,467	9,467	-
Transfers out	(230,000)	(230,000)	(230,000)	-
NET CHANGE IN FUND BALANCE	\$ (400,000)	\$ (808,533)	(302,915)	\$ 505,618
FUND BALANCE				
Beginning of year			2,034,856	
End of year			\$ 1,731,941	

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, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Student/school activities	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,298,499</u>	<u>\$ 298,499</u>
EXPENDITURES				
Current				
Student/school activities	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,311,891</u>	<u>(311,891)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(13,392)</u>	<u>\$ (13,392)</u>
FUND BALANCE				
Beginning of year			<u>1,909,045</u>	
End of year			<u>\$ 1,895,653</u>	

**WEST OTTAWA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2024**

	2014	2015 Refunding	2016 Refunding	2017 Refunding	2018	2019	2020	2020 Refunding	2021	2022	2023	Total Debt Service
ASSETS												
Cash and cash equivalents	\$ 111,907	\$ -	\$ 119,743	\$ 241,409	\$ 68,872	\$ 154,545	\$ 49,526	\$ 297,384	\$ 910,296	\$ 294,275	\$ 490,519	\$ 2,738,476
Due from other funds	376	-	-	-	-	-	-	-	-	-	-	376
Taxes receivable	1,408	-	1,021	2,111	669	1,372	211	2,815	8,375	1,971	7,320	27,273
TOTAL ASSETS	\$ 113,691	\$ -	\$ 120,764	\$ 243,520	\$ 69,541	\$ 155,917	\$ 49,737	\$ 300,199	\$ 918,671	\$ 296,246	\$ 497,839	\$ 2,766,125
FUND BALANCES												
Restricted for debt service	\$ 113,691	\$ -	\$ 120,764	\$ 243,520	\$ 69,541	\$ 155,917	\$ 49,737	\$ 300,199	\$ 918,671	\$ 296,246	\$ 497,839	\$ 2,766,125
TOTAL LIABILITIES AND FUND BALANCES	\$ 113,691	\$ -	\$ 120,764	\$ 243,520	\$ 69,541	\$ 155,917	\$ 49,737	\$ 300,199	\$ 918,671	\$ 296,246	\$ 497,839	\$ 2,766,125

**WEST OTTAWA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	2014	2015 Refunding	2016 Refunding	2017 Refunding	2018	2019	2020	2020 Refunding	2021	2022	2023	Total Debt Service
REVENUES												
Local sources												
Property taxes	\$ 1,170,347	\$ -	\$ 848,498	\$ 1,755,498	\$ 555,914	\$ 1,141,081	\$ 175,550	\$ 2,340,689	\$ 6,963,770	\$ 1,638,160	\$ 6,086,080	\$ 22,675,587
Investment earnings	24,147	-	17,507	38,098	11,469	23,541	3,622	50,723	143,666	33,804	125,557	472,134
State sources	48,151	-	34,910	72,227	22,872	46,948	7,223	96,303	286,500	67,412	250,387	932,933
TOTAL REVENUES	1,242,645	-	900,915	1,865,823	590,255	1,211,570	186,395	2,487,715	7,393,936	1,739,376	6,462,024	24,080,654
EXPENDITURES												
Principal repayment	1,275,000	-	910,000	1,620,000	325,000	485,000	-	2,590,000	7,515,000	-	4,700,000	19,420,000
Interest	63,750	-	37,434	408,400	334,375	816,600	294,000	123,002	183,438	1,870,300	1,271,082	5,402,381
Other	400	-	400	400	400	400	400	400	585	350	450	4,185
TOTAL EXPENDITURES	1,339,150	-	947,834	2,028,800	659,775	1,302,000	294,400	2,713,402	7,699,023	1,870,650	5,971,532	24,826,566
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(96,505)	-	(46,919)	(162,977)	(69,520)	(90,430)	(108,005)	(225,687)	(305,087)	(131,274)	490,492	(745,912)
OTHER FINANCING SOURCES (USES)												
Transfers in	-	-	-	-	-	-	110,509	-	5,232	-	7,347	123,088
Transfers out	(781)	(110,509)	(256)	(814)	(124)	(349)	(65)	(422)	-	(9,768)	-	(123,088)
TOTAL OTHER FINANCING SOURCES (USES)	(781)	(110,509)	(256)	(814)	(124)	(349)	110,444	(422)	5,232	(9,768)	7,347	-
NET CHANGE IN FUND BALANCES	(97,286)	(110,509)	(47,175)	(163,791)	(69,644)	(90,779)	2,439	(226,109)	(299,855)	(141,042)	497,839	(745,912)
FUND BALANCES												
Beginning of year	210,977	110,509	167,939	407,311	139,185	246,696	47,298	526,308	1,218,526	437,288	-	3,512,037
End of year	\$ 113,691	\$ -	\$ 120,764	\$ 243,520	\$ 69,541	\$ 155,917	\$ 49,737	\$ 300,199	\$ 918,671	\$ 296,246	\$ 497,839	\$ 2,766,125

**WEST OTTAWA PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2024**

	Sinking Fund	Building Transfer	Capital Improvement	Total Nonmajor Capital Projects
ASSETS				
Cash and cash equivalents	\$ 1,278,884	\$ 134,695	\$ 10,000	\$ 1,423,579
Investments	2,000,000	6,000,000	-	8,000,000
Accounts receivable	-	5,225	-	5,225
Due from other funds	14	-	-	14
Taxes receivable	2,856	-	-	2,856
	<u>2,856</u>	<u>-</u>	<u>-</u>	<u>2,856</u>
TOTAL ASSETS	<u><u>\$ 3,281,754</u></u>	<u><u>\$ 6,139,920</u></u>	<u><u>10,000</u></u>	<u><u>\$ 9,431,674</u></u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Unearned revenue	\$ -	\$ 1,450	\$ -	\$ 1,450
	<u>-</u>	<u>1,450</u>	<u>-</u>	<u>1,450</u>
FUND BALANCES				
Restricted	3,281,754	-	-	3,281,754
Assigned				
Capital projects	-	6,138,470	10,000	6,148,470
	<u>-</u>	<u>6,138,470</u>	<u>10,000</u>	<u>6,148,470</u>
TOTAL FUND BALANCES	<u><u>3,281,754</u></u>	<u><u>6,138,470</u></u>	<u><u>10,000</u></u>	<u><u>9,430,224</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 3,281,754</u></u>	<u><u>\$ 6,139,920</u></u>	<u><u>\$ 10,000</u></u>	<u><u>\$ 9,431,674</u></u>

WEST OTTAWA PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2024

	<u>Sinking Fund</u>	<u>Building Transfer</u>	<u>Capital Improvement</u>	<u>Total Nonmajor Capital Projects</u>
REVENUES				
Property taxes	\$ 855,605	\$ -	\$ -	\$ 855,605
Investment earnings	132,178	235,293	-	367,471
State sources	35,319	-	-	35,319
Other	-	150,028	-	150,028
	<u>1,023,102</u>	<u>385,321</u>	<u>-</u>	<u>1,408,423</u>
TOTAL REVENUES				
EXPENDITURES				
Capital outlay	<u>475,546</u>	<u>-</u>	<u>-</u>	<u>475,546</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>547,556</u>	<u>385,321</u>	<u>-</u>	<u>932,877</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCES	<u>547,556</u>	<u>385,321</u>	<u>10,000</u>	<u>942,877</u>
FUND BALANCES				
Beginning of year	<u>2,734,198</u>	<u>5,753,149</u>	<u>-</u>	<u>8,487,347</u>
End of year	<u>\$ 3,281,754</u>	<u>\$ 6,138,470</u>	<u>\$ 10,000</u>	<u>\$ 9,430,224</u>

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET TO ACTUAL
NONMAJOR SINKING FUND
YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local sources	\$ 900,000	\$ 1,000,000	\$ 1,023,102	\$ 23,102
EXPENDITURES				
Capital outlay	1,200,000	475,546	475,546	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(300,000)	524,454	547,556	23,102
NET CHANGE IN FUND BALANCE	\$ (300,000)	\$ 524,454	547,556	\$ 23,102
FUND BALANCE				
Beginning of year			2,734,198	
End of year			\$ 3,281,754	

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2024**

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>	
2025	1.69%	\$ 890,000	\$ 7,352	\$ 14,872	\$ 912,224
2026	1.69%	<u>870,000</u>	<u>-</u>	<u>7,352</u>	<u>877,352</u>
	Total	<u>\$ 1,760,000</u>	<u>\$ 7,352</u>	<u>\$ 22,224</u>	<u>\$ 1,789,576</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, 2024**

2017 Refunding Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due		Total Due Annually
			May 1	November 1	
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>\$ 8,330,000</u>	<u>\$ 602,325</u>	<u>\$ 790,325</u>	<u>\$ 9,722,650</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, 2024**

2018 Building and Site Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due		Total Due Annually
			May 1	November 1	
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>\$ 6,525,000</u>	<u>\$ 1,173,125</u>	<u>\$ 1,336,250</u>	<u>\$ 9,034,375</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, 2024**

2019 Building and Site Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due		Total Due Annually
			May 1	November 1	
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>\$ 16,365,000</u>	<u>\$ 4,824,850</u>	<u>\$ 4,824,850</u>	<u>\$ 26,014,700</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, 2024**

2020 Building and Site Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due		Total Due Annually
			May 1	November 1	
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		<u>\$ 7,350,000</u>	<u>\$ 746,500</u>	<u>\$ 746,500</u>	<u>\$ 8,843,000</u>

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

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2024**

2020 Refunding Bonds

<u>June 30,</u>	<u>Interest Rate</u>	<u>Principal Due May 1</u>	<u>Interest Due</u>		<u>Total Due Annually</u>
			<u>May 1</u>	<u>November 1</u>	
2025	1.03%	\$ 3,030,000	\$ 49,458	\$ 49,458	\$ 3,128,916
2026	1.31%	2,960,000	33,853	33,853	3,027,706
2027	1.42%	<u>2,055,000</u>	<u>14,539</u>	<u>14,539</u>	<u>2,084,078</u>
	Total	<u>\$ 8,045,000</u>	<u>\$ 97,850</u>	<u>\$ 97,850</u>	<u>\$ 8,240,700</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, 2024**

2021 Refunding Bonds

<u>June 30,</u>	<u>Interest Rate</u>	<u>Principal Due May 1</u>	<u>Interest Due</u>		<u>Total Due Annually</u>
			<u>May 1</u>	<u>November 1</u>	
2025	0.70%	\$ 9,400,000	\$ 51,304	\$ 84,204	\$ 9,535,508
2026	1.06%	<u>9,680,000</u>	<u>-</u>	<u>51,304</u>	<u>9,731,304</u>
	Total	<u>\$ 19,080,000</u>	<u>\$ 51,304</u>	<u>\$ 135,508</u>	<u>\$ 19,266,812</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, 2024**

2021 Building and Site Bonds

June 30,	Interest Rate	Principal Due November 1	Interest Due		Total Due Annually
			May 1	November 1	
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		<u>\$ 44,145,000</u>	<u>\$ 10,271,925</u>	<u>\$ 11,207,075</u>	<u>\$ 65,624,000</u>

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

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2024**

2023 General Obligation Bonds

June 30,	Interest Rate	Principal Due May 1	Interest Due		Total Due Annually
			May 1	November 1	
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		<u>\$ 24,170,000</u>	<u>\$ 8,657,125</u>	<u>\$ 8,657,125</u>	<u>\$ 41,484,250</u>

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.

**WEST OTTAWA PUBLIC SCHOOLS
BONDED DEBT
JUNE 30, 2024**

2024 General Obligation Bonds

June 30,	Interest Rate	Principal Due		Interest Due		Total Due Annually
		May 1	November 1	May 1	November 1	
2025	5.00%	\$ -	\$ -	\$ 1,805,625	\$ -	\$ 1,805,625
2026	5.00%	-	1,000,000	1,766,500	1,637,392	4,403,892
2027	5.00%	-	1,565,000	1,465,500	1,805,625	4,836,125
2028	5.00%	-	12,040,000	1,358,000	1,766,500	15,164,500
2029	5.00%	-	4,300,000	1,246,750	1,465,500	7,012,250
2030	5.00%	-	4,450,000	1,130,250	1,358,000	6,938,250
2031	5.00%	-	4,660,000	1,007,500	1,246,750	6,914,250
2032	5.00%	-	4,910,000	879,000	1,130,250	6,919,250
2033	5.00%	-	5,140,000	744,375	1,007,500	6,891,875
2034	5.00%	-	5,385,000	603,375	879,000	6,867,375
2035	5.00%	1,120,000	5,640,000	603,375	744,375	6,987,750
2036	5.00%	1,175,000	-	575,375	603,375	1,178,750
2037	5.00%	1,230,000	-	546,000	575,375	1,121,375
2038	5.00%	1,295,000	-	515,250	546,000	1,061,250
2039	5.00%	1,360,000	-	482,875	515,250	998,125
2040	5.00%	1,430,000	-	448,875	482,875	931,750
2041	5.00%	1,500,000	-	413,125	448,875	862,000
2042	5.00%	1,575,000	-	375,625	413,125	788,750
2043	5.00%	1,650,000	-	336,250	375,625	711,875
2044	5.00%	1,735,000	-	295,000	336,250	631,250
2045	5.00%	1,820,000	-	251,625	295,000	546,625
2046	5.00%	1,910,000	-	206,125	251,625	457,750
2047	5.00%	2,010,000	-	158,375	206,125	364,500
2048	5.00%	2,110,000	-	108,125	158,375	266,500
2049	5.00%	2,215,000	-	55,375	108,125	163,500
2050	5.00%	-	-	-	55,375	55,375
Total		<u>\$ 24,135,000</u>	<u>\$ 49,090,000</u>	<u>\$ 17,378,250</u>	<u>\$ 18,412,267</u>	<u>\$ 84,880,517</u>

The above bonds dated May 20, 2024 were issued for the purpose of school building and site. The amount of the original bond issue was \$73,225,000.

**WEST OTTAWA PUBLIC SCHOOLS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
STATISTICAL SECTION OVERVIEW
2023 - 2024**

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
2015 - 2024

<i>Year ended June 30,</i>	Fiscal Year			
	2015 ¹	2016	2017	2018 ²
Governmental Activities				
Net investment in capital assets	\$ 28,235,005	\$ 34,551,245	\$ 42,699,323	\$ 50,772,203
Restricted	1,111,022	1,252,900	462,650	1,660,242
Unrestricted	(86,077,638)	(86,417,225)	(84,840,964)	(126,463,911)
Total Primary Government Net Position	\$ (56,731,611)	\$ (50,613,080)	\$ (41,678,991)	\$ (74,031,466)

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
2015 - 2024

Fiscal Year					
2019	2020 ³	2021	2022	2023	2024
\$ 65,795,204	\$ 64,828,780	\$ 70,267,864	\$ 70,754,663	\$ 72,370,792	\$ 83,463,454
453,808	2,025,560	2,789,290	3,012,078	3,244,728	7,711,671
(129,519,145)	(134,084,592)	(136,020,345)	(121,795,844)	(112,336,175)	(94,747,806)
\$ (63,270,133)	\$ (67,230,252)	\$ (62,963,191)	\$ (48,029,103)	\$ (36,720,655)	\$ (3,572,681)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Expenses, Program Revenues, and Net Expense
2015 - 2024

<i>Year Ended June 30,</i>	Fiscal Year			
	2015	2016	2017	2018
Expenses				
Governmental Activities				
Instruction	\$ 46,521,013	\$ 48,231,758	\$ 49,124,124	\$ 51,831,632
Support services	19,682,129	20,069,557	19,777,059	21,253,780
Community services	316,322	300,021	271,776	288,892
Food services	3,534,078	3,489,817	3,864,801	3,745,830
Student/school activities	-	-	-	-
Outgoing transfers and other	4,150	3,225	-	-
Interest on long-term debt	6,306,720	5,396,764	5,225,389	4,713,177
Unallocated depreciation	3,980,048	3,918,569	4,457,804	4,037,812
Total Expenses	80,344,460	81,409,711	82,720,953	85,871,123
Program Revenues				
Governmental Activities				
Charges for services:				
Instruction	82,374	34,882	109,019	103,051
Support services	59,039	119,605	130,975	134,694
Food services	1,046,469	1,030,297	1,170,296	1,120,049
Operating grants and contributions	13,853,104	13,200,958	17,038,196	18,719,153
Total Program Revenues	15,040,986	14,385,742	18,448,486	20,076,947
Net Expense	\$ (65,303,474)	\$ (67,023,969)	\$ (64,272,467)	\$ (65,794,176)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Expenses, Program Revenues, and Net Expense
2015 - 2024

		Fiscal Year									
2019		2020		2021		2022		2023		2024	
\$	51,468,755	\$	54,870,445	\$	53,453,707	\$	47,099,063	\$	54,410,113	\$	56,089,477
	22,159,225		34,455,672		32,388,856		36,869,217		38,450,107		37,765,486
	262,576		343,025		380,675		349,007		349,478		542,198
	3,778,367		4,199,900		3,908,984		4,006,763		4,766,011		5,231,164
	-		1,365,037		546,701		781,834		1,045,577		1,311,891
	-		-		-		-		-		-
	4,707,960		7,576,075		4,051,588		3,804,850		7,406,491		3,262,427
	3,738,642		4,773,258		5,549,951		5,373,349		5,931,309		7,018,255
	86,115,525		107,583,412		100,280,462		98,284,083		112,359,086		111,220,898
	104,598		76,574		47,228		73,356		64,607		72,034
	96,387		101,745		-		82,509		116,933		108,801
	1,183,173		1,052,731		279,382		410,756		1,199,105		476,547
	18,569,936		20,788,727		23,945,475		28,647,224		26,234,116		38,336,817
	19,954,094		22,019,777		24,272,085		29,213,845		27,614,761		38,994,199
\$	(66,161,431)	\$	(85,563,635)	\$	(76,008,377)	\$	(69,070,238)	\$	(84,744,325)	\$	(72,226,699)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
General Revenues and Total Change in Net Position
2015 - 2024

<i>Year Ended June 30,</i>	Fiscal Year			
	2015 ¹	2016	2017	2018 ²
Net Expense	\$ (65,303,474)	\$ (67,023,969)	\$ (64,272,467)	\$ (65,794,176)
General Revenues				
Governmental Activities				
Taxes:				
Property taxes levied for general purposes	10,841,989	11,228,825	11,519,032	11,782,053
Property taxes levied for debt service	14,976,832	15,519,729	15,292,320	15,827,830
Property taxes levied for capital projects sinking fund	578,595	598,985	587,702	604,000
State sources	40,899,930	39,589,543	39,447,322	39,676,076
Intermediate sources	5,195,761	5,084,906	5,548,347	5,424,135
Interest and investment earnings (loss)	542,258	354,031	268,130	321,171
Miscellaneous	350,297	766,481	543,703	546,823
Total General Revenues	73,385,662	73,142,500	73,206,556	74,182,088
Change in Net Position	8,082,188	6,118,531	8,934,089	8,387,912
Prior period adjustment or restatement	(101,579,705)	-	-	(40,740,387)
Net Position- Beginning of Year	36,765,906	(56,731,611)	(50,613,080)	(41,678,991)
Net Position- End of Year	\$ (56,731,611)	\$ (50,613,080)	\$ (41,678,991)	\$ (74,031,466)

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
General Revenues and Total Change in Net Position
2015 - 2024

Fiscal Year					
2019	2020 ³	2021	2022	2023	2024
\$ (66,161,431)	\$ (85,563,635)	\$ (76,008,377)	\$ (69,070,238)	\$ (84,744,325)	\$ (72,226,699)
12,177,760	12,822,624	13,385,295	13,994,887	15,298,005	17,257,101
16,566,276	17,499,872	18,421,076	19,133,542	20,653,192	22,675,587
626,633	655,644	711,051	730,765	779,368	855,605
40,917,323	40,004,363	40,837,004	42,963,536	45,825,487	50,651,115
5,196,732	6,837,972	6,571,003	7,188,818	7,803,961	8,466,124
956,133	1,504,145	200,117	(301,876)	2,053,329	4,427,309
481,907	528,115	149,892	294,654	3,639,431	1,041,832
76,922,764	79,852,735	80,275,438	84,004,326	96,052,773	105,374,673
10,761,333	(5,710,900)	4,267,061	14,934,088	11,308,448	33,147,974
-	1,750,781	-	-	-	-
(74,031,466)	(63,270,133)	(67,230,252)	(62,963,191)	(48,029,103)	(36,720,655)
\$ (63,270,133)	\$ (67,230,252)	\$ (62,963,191)	\$ (48,029,103)	\$ (36,720,655)	\$ (3,572,681)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Fund Balances - Governmental Funds
2015 - 2024

<i>Year Ended June 30,</i>	Fiscal Year			
	2015	2016	2017	2018
General Fund				
Nonspendable	\$ 39,794	\$ 45,425	\$ 115,131	\$ 125,504
Assigned	1,410,000	1,290,000	-	-
Unassigned	11,823,540	11,916,028	14,830,562	15,906,096
Total General Fund	13,273,334	13,251,453	14,945,693	16,031,600
All Other Governmental Funds				
Nonspendable	33,545	24,651	41,590	17,083
Restricted for capital projects	45,171,998	36,226,730	17,163,082	24,232,785
Restricted for debt service	1,092,934	1,618,110	1,389,622	1,982,836
Restricted for food service	991,434	1,019,572	819,499	973,571
Committed for student/school activities	-	-	-	-
Assigned	1,542,944	2,608,419	3,478,105	945,093
Total All Other Governmental Funds	48,832,855	41,497,482	22,891,898	28,151,368
Total Fund Balances	\$ 62,106,189	\$ 54,748,935	\$ 37,837,591	\$ 44,182,968

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Fund Balances - Governmental Funds
2015 - 2024

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 120,887	\$ 192,430	\$ 266,958	\$ 517,260	\$ 200,225	\$ 623,542
700,000	208,000	-	-	-	1,630,000
14,906,908	16,217,142	19,379,664	21,437,055	25,449,029	31,212,879
15,727,795	16,617,572	19,646,622	21,954,315	25,649,254	33,466,421
23,862	7,005	11,347	11,375	12,714	13,368
43,904,226	45,533,169	28,134,370	50,527,350	49,649,417	95,237,657
1,817,069	1,754,791	1,553,312	1,779,224	3,512,037	2,766,125
1,070,128	1,129,375	1,222,603	2,321,106	2,022,142	1,718,573
-	1,443,100	1,482,314	1,792,987	1,909,045	1,895,653
1,329,627	1,801,148	1,936,447	2,076,007	5,753,149	6,148,470
48,144,912	51,668,588	34,340,393	58,508,049	62,858,504	107,779,846
\$ 63,872,707	\$ 68,286,160	\$ 53,987,015	\$ 80,462,364	\$ 88,507,758	\$ 141,246,267

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Revenues
2015 - 2024

<i>Year Ended June 30,</i>	Fiscal Year			
	2015	2016	2017	2018
Revenues				
Federal Sources				
Federal grants	\$ 2,728,324	\$ 3,009,257	\$ 2,848,826	\$ 2,700,591
Food service fund	2,646,955	2,776,066	2,787,516	2,702,355
Total federal sources	5,375,279	5,785,323	5,636,342	5,402,946
State Sources				
Restricted	8,477,825	10,487,460	11,849,137	13,172,346
Unrestricted	40,899,930	39,589,543	39,447,322	39,676,076
Total state sources	49,377,755	50,077,003	51,296,459	52,848,422
Other Governmental Units				
Ottawa Area ISD and other districts	5,195,761	5,302,526	5,633,943	5,424,135
Miscellaneous	-	7,352	29,425	25,190
Total other governmental units	5,195,761	5,309,878	5,663,368	5,449,325
Local Sources				
Property taxes	26,393,704	27,347,539	27,399,054	28,213,883
Student/school activities	-	-	-	-
Food sales	1,027,290	1,022,345	1,140,209	1,080,728
Investment earnings (loss)	484,416	354,031	268,130	321,171
Miscellaneous	622,934	935,948	710,348	884,227
Total local sources	28,528,344	29,659,863	29,517,741	30,500,009
Total Revenues	\$ 88,477,139	\$ 90,832,067	\$ 92,113,910	\$ 94,200,702

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Revenues
2015 - 2024

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 3,081,656	\$ 3,222,425	\$ 6,871,465	\$ 11,521,482	\$ 6,498,291	\$ 7,905,966
2,748,904	3,037,920	4,027,462	492,035	3,433,487	3,860,349
5,830,560	6,260,345	10,898,927	12,013,517	9,931,778	11,766,315
13,012,964	13,385,378	13,370,608	16,739,682	20,152,847	21,985,924
40,917,323	40,004,363	40,837,004	42,963,536	45,825,487	50,651,115
53,930,287	53,389,741	54,207,612	59,703,218	65,978,334	72,637,039
5,196,732	6,837,972	6,571,003	7,188,818	7,819,307	8,466,124
83,061	63,163	1,880	20,000	58,850	26,792
5,279,793	6,901,135	6,572,883	7,208,818	7,878,157	8,492,916
29,370,669	30,978,140	32,517,422	33,859,194	36,730,565	40,788,293
-	1,057,356	585,915	1,092,507	1,161,635	1,298,499
1,030,557	884,879	273,124	379,609	1,198,400	463,843
956,133	1,504,145	200,117	(301,876)	1,998,925	4,427,309
740,028	811,123	211,162	434,573	3,850,898	1,227,938
32,097,387	35,235,643	33,787,740	35,464,007	44,940,423	48,205,882
\$ 97,138,027	\$ 101,786,864	\$ 105,467,162	\$ 114,389,560	\$ 128,728,692	\$ 141,102,152

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Expenditures and Debt Service Ratio
2015 - 2024

<i>Year Ended June 30,</i>	Fiscal Year			
	2015	2016	2017	2018
Expenditures				
Instruction	\$ 46,734,889	\$ 48,351,220	\$ 48,737,298	\$ 49,227,253
Pupil support services	3,608,641	3,610,729	3,714,878	3,869,853
Instructional support services	2,473,457	2,681,827	2,425,123	2,509,976
General administration	449,215	517,412	538,696	599,846
School administration	3,383,404	3,292,150	3,279,984	3,419,486
Business services	551,582	619,535	579,649	613,449
Operations and maintenance	5,174,966	5,451,672	5,245,591	5,791,705
Pupil transportation services	2,478,460	2,388,738	2,409,560	2,499,977
Central support services	1,094,908	912,834	909,015	1,179,456
Other support services	1,160,287	1,314,558	1,121,906	1,234,993
Community services	316,322	300,021	271,776	288,892
Student/school activities	-	-	-	-
Food service	3,551,991	3,500,560	3,855,129	3,742,606
Capital outlay	2,572,792	9,519,456	18,648,593	11,997,640
Debt service				
Principal	6,807,728	6,478,522	6,607,650	6,656,750
Interest and other	8,169,220	8,732,097	9,393,359	9,431,288
Total Expenditures	\$ 88,527,862	\$ 97,671,331	\$ 107,738,207	\$ 103,063,170
Debt Service as a Percentage of				
Noncapital Expenditures	17.4%	17.3%	18.0%	17.7%

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Governmental Funds Expenditures and Debt Service Ratio
2015 - 2024

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 49,305,510	\$ 49,502,820	\$ 50,301,849	\$ 55,305,045	\$ 59,618,384	\$ 62,373,590
4,024,272	4,451,443	4,488,420	4,976,951	4,860,564	5,346,792
2,999,980	3,603,281	3,482,772	4,194,118	4,365,645	5,370,353
804,495	632,825	722,105	767,120	734,336	817,002
3,694,359	4,187,677	4,404,952	4,706,081	5,520,476	5,749,182
648,581	819,069	864,821	1,010,995	975,184	1,199,305
6,474,669	6,381,202	6,966,271	7,442,697	8,009,391	8,574,610
2,721,551	2,610,100	2,322,584	2,887,357	3,354,153	3,374,516
1,099,088	917,221	683,468	790,340	1,008,498	1,129,038
1,329,613	1,449,110	1,422,698	1,765,686	2,181,446	2,296,962
262,576	343,025	387,864	349,007	307,635	388,598
-	1,365,037	546,701	781,834	1,045,577	1,311,891
3,643,941	3,998,340	3,745,194	4,253,353	4,663,532	5,462,186
8,944,181	9,581,439	19,946,246	38,247,387	35,874,816	39,813,619
7,603,957	7,281,417	14,990,000	16,375,000	14,440,000	19,420,000
9,981,873	11,032,390	4,697,426	4,003,459	5,791,435	5,994,755
\$ 103,538,646	\$ 108,156,396	\$ 119,973,371	\$ 147,856,430	\$ 152,751,072	\$ 168,622,399
18.6%	18.6%	19.7%	18.6%	17.3%	19.7%

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Other Financing Sources (Uses) and Net Change
in Fund Balances, Governmental Funds
2015 - 2024

<i>Year ended June 30,</i>	Fiscal Year			
	2015	2016	2017	2018
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (50,723)	\$ (6,839,264)	\$ (15,624,297)	\$ (8,862,468)
Other Financing Sources (Uses)				
Issuance of bonds	-	-	-	13,795,000
Refunding bonds issued	6,580,000	-	5,715,000	12,835,000
Premium on bonds issued	469,680	-	-	3,180,184
Payment to escrow agent	(8,001,140)	-	(5,673,744)	(14,611,442)
Proceeds from sale of capital assets	7,049	-	-	9,103
Transfers in	1,704,831	216,282	1,788,900	407,918
Transfers out	(1,704,831)	(216,282)	(1,788,900)	(407,918)
Other	(96,972)	(517,990)	(1,328,303)	-
Total Other Financing Sources (Uses)	(1,041,383)	(517,990)	(1,287,047)	15,207,845
Net Change in Fund Balances	\$ (1,092,106)	\$ (7,357,254)	\$ (16,911,344)	\$ 6,345,377

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Financial Trends
Other Financing Sources (Uses) and Net Change
in Fund Balances, Governmental Funds
2015 - 2024

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ (6,400,619)	\$ (6,369,532)	\$ (14,506,209)	\$ (33,466,870)	\$ (24,022,380)	\$ (27,520,247)
22,190,000	7,350,000	-	50,175,000	28,870,000	73,225,000
-	-	22,525,000	28,305,000	-	-
3,887,940	1,682,204	-	9,504,498	3,197,774	7,024,289
-	-	(22,324,194)	(28,073,079)	-	-
12,418	-	6,258	30,800	-	9,467
256,229	256,873	1,172,518	400,589	928,622	363,088
(256,229)	(256,873)	(1,172,518)	(400,589)	(928,622)	(363,088)
-	-	-	-	-	-
26,090,358	9,032,204	207,064	59,942,219	32,067,774	80,258,756
\$ 19,689,739	\$ 2,662,672	\$ (14,299,145)	\$ 26,475,349	\$ 8,045,394	\$ 52,738,509

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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 2014-2015 through 2023-2024
(rate per \$1,000 of assessed value)

<i>Tax Year</i>	Fiscal Year	Estimated Market Value	State Equalized Value
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
2023	2023-24	8,038,957,200	4,019,478,600

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Taxable Value and Actual Value of Taxable Property
Fiscal Years 2014-2015 through 2023-2024
(rate per \$1,000 of assessed value)

Taxable Value			District Tax Rates			
Non-Homestead Property	Homestead Property	Total	Operating	Debt	Other	Total
\$ 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
1,001,161,190	1,886,019,575	2,887,180,765	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 2014-2015 through 2023-2024
(rate per \$1,000 of assessed value)

District Tax Rates

<i>Tax Year</i>	Fiscal Year	Operating	Debt	Other	Total
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
2023	2023-24	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 2014-2015 through 2023-2024
(rate per \$1,000 of assessed value)

Overlapping Rates			
Port Sheldon Township	Holland Township	Park Township	Olive Township
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
2.1997	4.8600	3.3486	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>			2023		
Taxpayer	Ad Valorem Taxable Value	Rank	Percentage of Total Taxable Value	Equivalent Industrial Facilities Tax (IFT)	IFT and Taxable Value
Consumers Energy Co.	\$ 20,014,145	1	0.70%	\$ -	\$ 20,014,145
Continental 512 Fund LLC	16,538,600	2	0.58%	-	16,538,600
Request Foods	10,780,008	3	0.37%	5,701,985	16,481,993
L Perrigo Company	6,255,766	4	0.22%	9,349,432	15,605,198
Grandquest Realty LLC	13,352,145	5	0.46%	-	13,352,145
Desert Leasing JFD LLC	10,936,682	6	0.38%	-	10,936,682
ORF VII Felch Street LLC	10,242,000	7	0.35%	-	10,242,000
SEMCO	9,927,800	8	0.34%	-	9,927,800
CW Clearview LLC	8,346,970	9	0.29%	-	8,346,970
Yes Companies Fred LLC	6,478,499	10	0.22%	-	6,478,499
Hoover Universal, Inc					
Boars Head Provisions					
Geenen DeKock Prop. LLC					
Meijer/Goodwill					
Perrigo Michigan Holland					
Metal Flow Corp.					
Gentex Corporation					
Total principal taxpayers	112,872,615		3.91%	\$ 15,051,417	\$ 127,924,032
Balance of valuations	2,774,308,150		96.09%		
Total Ad Valorem Valuation	\$ 2,887,180,765		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

2014					
Taxable Value	Rank	Percentage of Total Taxable Value	Equivalent Industrial Facilities Tax (IFT)	IFT and Taxable Value	
\$ 10,614,480	4	0.57%	\$ -	\$ 10,614,480	
21,928,500	2	1.16%	6,508,900	28,437,400	
8,026,800					
8,961,200	9	0.48%	-	8,961,200	
				-	
				-	
				-	
				-	
				-	
9,429,500	1	0.50%	19,390,500	28,820,000	
4,686,100	8	0.25%	4,803,700	9,489,800	
7,481,896	10	0.40%	-	7,481,896	
2,921,000	5	0.16%	7,189,000	10,110,000	
9,937,900	6	0.53%	-	9,937,900	
8,511,700	7	0.45%	1,111,800	9,623,500	
-	3	0.00%	11,965,000	11,965,000	
92,499,076		4.50%	\$ 50,968,900	\$ 135,441,176	
1,793,479,143		95.50%			
\$ 1,885,978,219		100.00%			

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Property Tax Levies and Collections
Fiscal Years 2014-2015 through 2023-2024

<i>Tax Year</i>	<i>Fiscal Year</i>	<i>Taxes Levied for the Fiscal Year</i>	<i>Collected within the Fiscal Year of the Levy</i>		<i>Collections (Refunds) in Subsequent Years</i>	<i>Total Collections to Date</i>	
			<i>Amount</i>	<i>Percentage of Levy</i>		<i>Amount</i>	<i>Percentage of Levy</i>
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%
2023	2023-24	17,024,269	16,814,823	98.77%	95,953	16,910,776	99.33%

*NOTE: District Annual Disclosure

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Revenue and Debt Capacity
Outstanding Debt by Type
Fiscal Years 2014-2015 through 2023-2024

<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
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	173,873,757	2,638,182,553	6.59%	59,904	2,903	44,040
2023	2023-24	233,499,257	2,887,180,765	8.09%	61,701	3,784	46,793

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 2014-2015 through 2023-2024

<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
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	97,097,123		97,097,123	2,320,710,900	4.18%	8.37%	51,821	1,874
2017	2017-18	103,495,373		103,495,373	2,491,999,100	4.15%	8.31%	52,569	1,969
2018	2018-19	118,081,416		118,081,416	2,609,927,500	4.52%	9.05%	53,224	2,219
2019	2019-20	118,150,000		118,150,000	2,841,220,000	4.16%	8.32%	54,820	2,155
2020	2020-21	104,205,000		104,205,000	3,111,072,500	3.35%	6.70%	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	173,873,757		173,873,757	3,547,548,850	4.90%	9.80%	59,904	2,903
2023	2023-24	233,499,257		233,499,257	4,019,478,600	5.81%	11.62%	61,701	3,784

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, 2024

Year Ended June 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Holland Township	\$ 15,878,411	71.81%	\$ 11,402,287
Olive Township	139,843	42.64%	59,629
Park Township	2,347,477	87.82%	2,061,554
Port Sheldon Township	-	0.00%	-
Ottawa County	50,392,396	18.94%	9,544,320
Ottawa County ISD	23,755,000	16.67%	3,959,959
Subtotal, overlapping debt			<u>27,027,749</u>
District Direct Debt			<u>233,499,257</u>
Total Direct and Overlapping Debt			<u>\$ 260,527,006</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 2014-2015 through 2023-2024

Legal Debt Margin Calculation for Fiscal Year 2023-24:

State Equalized Valuation (SEV), July 1, 2023	\$ 3,290,018,300
Statutory Debt Limit (15% of SEV)	493,502,745
Debt applicable to limit	140,760,000

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

<i>Tax Year</i>	<i>Fiscal Year</i>	<i>State Equalized Value (SEV)</i>	<i>Statutory Debt Limit 15% of SEV</i>	<i>Debt Subject to Debt Limit</i>	<i>Legal Debt Margin</i>	<i>Debt as a Percentage of Debt Limit</i>
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	173,873,757	358,258,571	32.67%
2023	2023-24	4,019,478,600	602,921,790	233,499,257	369,422,533	38.73%

DEMOGRAPHIC AND ECONOMIC INFORMATION

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic and Economic Information
Demographic and Economic Statistics
Fiscal Years 2014-2015 through 2023-2024

<i>Tax Year</i>	<i>Fiscal Year</i>	<i>Estimated Population</i>	<u>Unemployment ¹</u>			<i>Inflation Rate ²</i>	<u>Personal Income ³</u>	
			<i>City of Holland and Grand Haven</i>	<i>County of Ottawa</i>	<i>State of Michigan</i>		<i>Total (in thousands)</i>	<i>Per Capita</i>
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%	18,358,772	57,038
2023*	2023-24	61,701	N/A	3.8%	4.1%	3.0%	N/A	N/A

*NOTE: City of Holland and Grand Haven unemployment data collection was discontinued by U.S. Bureau of Labor Statistics

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,

2023				2014	
Employer	Type of Business	Rank	Percentage of Total Employment	Rank	Percentage of Total Employment
Gentex	Utility	1	4.10%	1	3.70%
Grand Valley State University (2)	Higher Education	2	2.50%	3	2.90%
MillerKnoll	Office Furniture	3	2.10%	2	3.10%
Holland Hospital	Health Care	4	1.60%	8	1.30%
Shape Corporation	Metal Roll Forming	5	1.30%	4	1.80%
Hudsonville Public Schools	Public Education	6	1.20%		
Meijer Inc	Retailer	7	1.20%	9	1.20%
Jenison Public Schools	Public Education	8	1.10%		
West Ottawa Public Schools	Public Education	9	1.00%		
Zeeland Public Schools	Public Education	10	1.00%		
Haworth Inc (1)	Office Furniture			5	1.60%
Johnson Controls	Automotive Interiors			6	1.50%
Magna Mirros	Automotive Mirrors			7	1.40%
Grand Haven Public Schools	Public Education			10	1.00%
			<u>17.10%</u>		<u>19.50%</u>

¹ 2014 data includes totals of facilities located within Ottawa County and/or the City of Holland portion of Allegan County, reporting was updated in 2020 to only include the Ottawa County portions of these facilities

² Total of all facilities (Ottawa, Kent & Muskegon Counties)

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Demographic and Economic Information
Full-Time-Equivalent District Employees by Type
Fiscal Years 2014-2015 through 2023-2024

Full-Time - Equivalent Employees as of June 30,

Employee Category	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administrators	27	29	27	31	33	33	41	41	49	53
Teachers	425	425	425	414	411	399	454	476	448	465
Clerical/Secretarial	35	35	35	26	25	31	25	37	40	33
Food Service	61	59	61	58	57	47	57	51	54	58
Educational Assistants/Clerks	68	73	68	73	75	76	75	88	111	137
Maintenance/Grounds/Custodial	22	20	22	17	11	12	11	12	13	11
Bus Drivers/Mechanics	66	63	66	60	63	49	54	47	38	43
Data/Technology Services	4	4	4	3	3	3	3	3	9	8
Security/Other	8	6	8	5	5	5	5	6	10	8
Total	716	714	716	687	683	655	725	761	772	816

*NOTE: District Annual Disclosure

OPERATIONAL INFORMATION

WEST OTTAWA PUBLIC SCHOOLS
Annual Comprehensive Financial Report
Operational Information
Operating Statistics
Fiscal Years 2014-2015 through 2023-2024

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
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%	75,294,197	0.87%	11,268	1.74%	52.45%
2020-21	6,632	-0.75%	77,386,603	2.78%	11,669	3.56%	50.81%
2021-22	6,541	-1.37%	85,005,409	9.85%	12,996	11.37%	54.80%
2022-23	6,604	0.96%	91,974,340	8.20%	13,927	7.17%	55.23%
2023-24	6,719	1.74%	98,181,529	6.75%	14,613	4.93%	53.47%

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, 2024

Year Ended June 30, 2024

Site	Grade Configuration	Acreage	Date Originally Constructed	Additions	Square Feet
Glerum Transportation Center	N/A	17.14	1953*	197,319,921,997	10,327
Great Lakes Elementary	K-5	177.90	1998	2,022	67,098
Lakeshore Elementary	K-5	25.25	1993		68,500
Lakewood Elementary	K-5	12.21	1916*	19,551,962,198,319,800,000	61,770
North Holland Elementary	K-5	15.30	1965	19,921,997	37,490
Pine Creek Elementary	K-5	156.51	1989	2,021	71,006
Sheldon Woods Elementary	K-5	21.23	1965	199,220,042,021	35,000
Woodside Elementary	K-5	10.39	1965	19,861,992	72,776
Waukazoo Elementary	K-5	17.86	1917,1937*	1,956,198,819,912,010	66,430
Harbor Lights Middle	6-8	156.51	1961	19,771,988,199,019,900,000	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*	1,976,198,119,821,980	7,411

*NOTE: Demolished

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WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2024
U.S. Department of Agriculture								
Passed through Michigan Department of Education								
Child Nutrition Cluster								
Non-cash assistance (Commodities)								
Entitlement Commodities	10.555	2024	\$ 311,573	\$ -	\$ -	\$ 311,573	\$ 311,573	\$ -
Entitlement Commodities - Bonus	10.555	2024	1,910	-	-	1,910	1,910	-
			313,483	-	-	313,483	313,483	-
Cash Assistance								
School Breakfast Program	10.553	231970	720,310	28,232	631,139	89,171	117,403	-
School Breakfast Program	10.553	241970	769,439	-	-	769,439	769,360	79
Total ALN 10.553			1,489,749	28,232	631,139	858,610	886,763	79
National School Lunch Program	10.555	220910	325,463	-	141,607	183,856	183,856	-
National School Lunch Program	10.555	231960	2,027,820	71,004	1,761,963	265,857	336,861	-
National School Lunch Program	10.555	231980	36,721	9	32,208	4,512	4,521	-
National School Lunch Program	10.555	240910	7,963	-	-	7,963	7,963	-
National School Lunch Program	10.555	241960	1,986,468	-	-	1,986,468	1,986,165	303
National School Lunch Program	10.555	241980	54,313	-	-	54,313	54,313	-
Total ALN 10.555			4,438,748	71,013	1,935,778	2,502,969	2,573,679	303
Summer Food Service Program	10.559	230900	99,914	32,235	32,235	67,679	99,914	-
Summer Food Service Program	10.559	240900	53,569	-	-	53,569	-	53,569
Total ALN 10.559			153,483	32,235	32,235	121,248	99,914	53,569
Cash Assistance Subtotal			6,081,980	131,480	2,599,152	3,482,827	3,560,356	53,951
Total Child Nutrition Cluster			6,395,463	131,480	2,599,152	3,796,310	3,873,839	53,951
Child and Adult Care Food Programs	10.558	231920	43,957	-	38,338	5,619	5,619	-
Child and Adult Care Food Programs	10.558	232010	3,243	-	2,854	389	389	-
Child and Adult Care Food Programs	10.558	241920	45,892	-	-	45,892	45,892	-
Child and Adult Care Food Programs	10.558	242010	3,185	-	-	3,185	3,185	-
Total ALN 10.558			96,277	-	41,192	55,085	55,085	-
Local Foods for Schools	10.185	230985-2023	31,777	-	27,630	4,147	4,147	-
Local Foods for Schools	10.185	230985-2024	4,807	-	-	4,807	4,807	-
Total ALN 10.185			36,584	-	27,630	8,954	8,954	-
Total U.S. Department of Agriculture			6,528,324	131,480	2,667,974	3,860,349	3,937,878	53,951

The accompanying notes are an integral part of this schedule.

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2024
<u>U.S. Department of Treasury</u>								
Passed through Michigan Department of Education COVID-19 ARP Grow Your Own Program	21.027	232423-20231	\$ 2,588,513	\$ 15,346	\$ 15,346	\$ 461,209	\$ 309,469	\$ 167,086
<u>U.S. Department of Education</u>								
Passed through Michigan Department of Education Title I Grants to Local Educational Agencies	84.010	231530-2223	895,364	100,013	866,484	-	100,013	-
Title I Grants to Local Educational Agencies	84.010	241530-2324	893,127	-	-	881,451	601,943	279,508
Total ALN 84.010			1,788,491	100,013	866,484	881,451	701,956	279,508
Migrant Education State Grant Program (School Year)	84.011	231890-2223	118,206	48,343	103,747	-	48,343	-
Migrant Education State Grant Program (School Year)	84.011	241890-2324	92,868	-	-	75,167	37,332	37,835
Migrant Education State Grant Program (Summer)	84.011A	231830-2223	175,663	16,338	-	106,939	123,277	-
Migrant Education State Grant Program (Summer)	84.011A	241830-2324	154,888	-	-	18,442	-	18,442
Total ALN 84.011			541,625	64,681	103,747	200,548	208,952	56,277
Supporting Effective Instruction State Grants	84.367	230520-2223	316,365	9,109	241,051	-	9,109	-
Supporting Effective Instruction State Grants	84.367	240520-2324	254,020	-	-	200,813	168,414	32,399
Total ALN 84.367			570,385	9,109	241,051	200,813	177,523	32,399
English Language Acquisition State Grants	84.365A	230580-2223	178,370	22,028	152,004	-	22,028	-
English Language Acquisition State Grants	84.365A	230570-2223	24,895	221	16,824	-	221	-
English Language Acquisition State Grants	84.365A	240580-2324	135,050	-	-	124,520	86,717	37,803
English Language Acquisition State Grants	84.365A	240570-2324	25,905	-	-	21,502	6,476	15,026
Total ALN 84.365A			364,220	22,249	168,828	146,022	115,442	52,829
Student Support and Academic Enrichment Program	84.424	230750-2223	71,293	6,005	37,099	-	6,005	-
Student Support and Academic Enrichment Program	84.424A	220775-2022	9,000	9,000	9,000	-	9,000	-
Student Support and Academic Enrichment Program	84.424	240750-2324	100,842	-	-	57,782	28,000	29,782
Student Support and Academic Enrichment Program	84.424A	230775-2024	10,000	-	-	7,452	7,343	109
Total ALN 84.424			191,135	15,005	46,099	65,234	50,348	29,891
Education Stabilization Fund								
COVID-19 Elem & Secondary School Emergency Relief - Education Equity Fund	84.425D	213782-2223	338,241	-	92,223	246,017	246,017	-
COVID-19 Elem & Secondary School Emergency Relief - ESSER II Formula	84.425D	213712-20-21	2,768,429	62,851	62,851	-	62,851	-
COVID-19 Elem & Secondary School Emergency Relief - ESSER III Formula	84.425U	213713-2122	6,221,921	262,727	3,231,351	2,990,570	1,176,375	2,076,922
COVID-19 Elem & Secondary School Emergency Relief - ESSER III Equalization	84.425U	213723-2122	1,026,855	-	-	1,006,952	521,475	485,477
COVID-19 Homeless Students' Assistance ARP II	84.425W	211014-2021	13,952	-	-	13,952	13,952	-
Total ALN 84.425			10,369,398	325,578	3,386,425	4,257,491	2,020,670	2,562,399

The accompanying notes are an integral part of this schedule.

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Federal Assistance Listing Number	Pass- through Grantor's Number	Approved Grant Award Amount	Accrued (unearned) Revenue 7/1/2023	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Cash Receipts	Accrued (unearned) Revenue 6/30/2024
<u>U.S. Department of Education (concluded)</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	\$ 176,435	\$ 1,486,817	\$ -	\$ 176,435	\$ -
Special Education Grants to States - Flowthrough	84.027A	240450-2324	1,622,436	-	-	1,622,436	966,336	656,100
Total ALN 84.027			3,109,253	176,435	1,486,817	1,622,436	1,142,771	656,100
Special Education Preschool Grants	84.173A	230460-2223	54,776	7,702	54,776	-	7,702	-
Special Education Preschool Grants	84.173A	240460-2324	57,425	-	-	57,425	30,531	26,894
Total ALN 84.173			112,201	7,702	54,776	57,425	38,233	26,894
Total Special Education Cluster			3,221,454	184,137	1,541,593	1,679,861	1,181,004	682,994
Total U.S. Department of Education			17,046,708	720,772	6,354,227	7,431,420	4,455,895	3,696,297
<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	5,237	-	-	5,237	5,237	-
Total U.S. Department of Health and Human Services			5,237	-	-	5,237	5,237	-
TOTAL FEDERAL AWARDS			\$ 26,168,782	\$ 867,598	\$ 9,037,547	\$ 11,758,215	\$ 8,708,479	\$ 3,917,334

The accompanying notes are an integral part of this schedule.

WEST OTTAWA PUBLIC SCHOOLS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

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, 2024. 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, 2024:

General fund	\$ 7,905,966
Other nonmajor governmental fund	<u>3,860,349</u>
Total federal revenue in the fund financial statements	11,766,315
Less: Federal assistance funding not subject to single audit act	<u>(8,100)</u>
Expenditures per schedule of expenditures of federal awards	<u><u>\$ 11,758,215</u></u>

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

To the Board of Education
West Ottawa Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Ottawa Public Schools, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise West Ottawa Public Schools' basic financial statements, and have issued our report thereon dated October 28, 2024.

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.

Manes Costeiran PC

October 28, 2024

**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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Maney Costeiran PC

October 28, 2024

WEST OTTAWA PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

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:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425	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, 2024**

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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📠 517.323.6346

October 28, 2024

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, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniformed Guidance, 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, 2024. 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 (was):

Management's calculation of the depreciation expense is based on the estimated useful lives of the capital assets.

Management's calculation of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.

Management's allocation of indirect costs between programs is based on actual hours worked by staff on a particular program.

Management's estimate of the discount rate used for leases, the lease term and lease payments/receipts is based on the West Ottawa Public Schools incremental borrowing rate and consideration of the noncancelable period of the lease and reasonably certain lease options.

Investments are carried at fair value, which is defined as the amount that the West Ottawa Public Schools could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller and is generally measured by quoted market prices.

The calculation of the net pension liability and related deferred outflows and inflows of resources is based on an actuarial study which utilized certain actuarial assumptions.

The calculation of the net other post-employment benefits asset and related deferred outflows and inflows of resources is based upon an actuarial study which utilized certain actuarial assumptions.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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. No misstatements were detected as a result of audit procedures.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2024.

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 management and members of the Board of Education 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