



BYRON CENTER PUBLIC SCHOOLS

Helping Students Build Success Stories

Kent County, Michigan

Annual Financial Report

For the year ended June 30, 2023

BYRON CENTER PUBLIC SCHOOLS
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For the year ended June 30, 2023

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

October 11, 2023

The Board of Education
Byron Center Public Schools

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Byron Center Public Schools as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Byron Center 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 Byron Center Public Schools, as of June 30, 2023, and the respective changes in financial position and the respective budgetary comparison for the General Fund, 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 Byron Center 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 Byron Center 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 Byron Center 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 Byron Center 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 listed 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 Byron Center Public Schools' basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules 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 combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of Matter

Changes in Accounting Principle

As discussed in Note L to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* and No. 101, *Compensated Absences* for the fiscal year June 30, 2023. Our opinion is not modified in respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2023, on our consideration of Byron Center 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 Byron Center 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 Byron Center Public Schools' internal control over financial reporting and compliance.



Certified Public Accountants
Grand Rapids, Michigan

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Byron Center Public Schools (“the District”), we provide readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the District’s financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of four parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District:

- The first two statements, the Statement of Net Position and the Statement of Activities, are *district-wide financial statements* that provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District’s operations in more detail than the district-wide statements.
 - ♦ *Governmental funds statements* tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
 - ♦ *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The Basic Financial Statements also include Notes to Financial Statements that explain the information in the Basic Financial Statements and provide more detailed data; Required Supplementary Information includes pension and OPEB information schedules; Other Supplementary Information follows and includes combining and individual fund statements and schedules.

District-wide Statements

The district-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year’s revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two district-wide statements report the District’s net position, and how they have changed. Net position – the difference between the District’s assets, deferred outflows of resources, liabilities, and deferred inflow of resources – is one way to measure the District’s financial health or position.

Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the District’s overall health, one should consider additional non-financial factors such as changes in the District’s property tax-base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are presented as follows:

- *Governmental activities:* The District's basic services are included here, such as regular and special education, instructional support, transportation, administration, community services, food service and athletics. State aid and property taxes finance most of these activities.

New Accounting Pronouncements Implemented

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This Statement enhances the relevance and consistency of information about governments' subscription-based information technology arrangements. In addition, the District implemented GASB Statement No. 101 *Compensated Absences* during the fiscal year ended June 30, 2023. This Statement will provide a more consistent application for recognizing liabilities related to compensated absences, which is expected to potentially eliminate comparability issues between governments that offer different types of leave and enhance the relevance and reliability of information for compensated absences. See Note L for additional information.

Condensed District-wide Financial Information

The Statement of Net Position provides financial information on the District as a whole.

	2023	2022
Assets		
Current assets	\$ 67,861,904	\$ 64,335,080
Net capital assets	171,405,342	154,133,818
Total Assets	239,267,246	218,468,898
Deferred Outflows of Resources	36,251,925	20,493,090
Liabilities		
Current liabilities	18,388,669	19,181,163
Long-term liabilities	187,805,283	170,537,251
Net pension liability	96,541,669	59,788,632
Net OPEB liability	5,431,020	3,872,566
Total Liabilities	308,166,641	253,379,612
Deferred Inflows of Resources	11,347,474	34,199,212
Net Position		
Net investment in capital assets	10,368,126	7,783,793
Restricted	8,660,174	8,475,577
Unrestricted (deficit)	(63,023,244)	(64,876,206)
Total Net Position	\$ (43,994,944)	\$ (48,616,836)

The results of the fiscal year's operations for the District as a whole are presented in the Statement of Activities, which shows the change in total net position for the year:

	<u>2023</u>	<u>2022</u>
Program Revenues		
Charges for services	\$ 3,531,943	\$ 2,529,473
Operating grants	22,356,310	20,683,509
General Revenues		
Property taxes	20,480,870	18,868,024
State school aid, unrestricted	32,532,461	31,337,990
Interest and investment earnings	1,614,028	104,691
Other	1,737,615	1,354,314
Total Revenues	<u>82,253,227</u>	<u>74,878,001</u>
Expenses		
Instruction	40,719,699	33,464,912
Supporting services	24,712,098	21,541,931
Community services	3,125,628	2,737,895
Food service	2,617,606	2,298,100
Other	611,930	-
Interest on long-term debt	5,844,374	5,512,116
Total Expenses	<u>77,631,335</u>	<u>65,554,954</u>
Change in Net Position	4,621,892	9,323,047
Net Position, Beginning of Year	<u>(48,616,836)</u>	<u>(57,939,883)</u>
Net Position, End of Year	<u>\$ (43,994,944)</u>	<u>\$ (48,616,836)</u>

Financial Analysis of the District as a Whole

The District's financial position is the product of many factors; increases in State Aid and decreased costs have contributed to the overall increase in Net Position.

Total revenues exceeded expenses by \$4.6 million on the Statement of Activities, increasing total net position from a deficit of \$48.6 million at June 30, 2022 to a deficit of \$43.9 million at June 30, 2023. Unrestricted net position increased by \$1.9 million, to a deficit of \$63.0 million at June 30, 2023. The District's net pension liability, including deferred outflows and inflows of resources, increased by \$3,525,887 during the fiscal year. In addition, the District's net OPEB liability, including outflows and inflows of resources, decreased by \$3,880,279 during the fiscal year.

The District's total revenues increased by \$7.4 million to \$82.3 million. Property taxes and unrestricted State aid accounted for most of the District's revenue, contributing about 64% of the total revenue. Another 27% came from state and federal aid for specific programs and the remaining 8% from fees charged for services, interest earnings and other local sources.

The total cost of all programs and services increased \$12.1 million to \$77.6 million. The District’s expenses are predominantly related to instructing, pupil services, and for the transporting of students (77%). The District’s administrative and business activities accounted for 7%, operation and maintenance and technology services accounted for 8%. Interest on long-term debt accounted for 8% of total District expenses.

- The table below reflects the District’s student F.T.E. (full time equivalent) increases over the last 22 years.

September	Increase Student FTE	Percentage Increase
2001	126	5.0%
2002	154	5.8%
2003	92	3.4%
2004	138	4.8%
2005	70	2.3%
2006	74	2.4%
2007	21	0.7%
2008	23	0.7%
2009	85	2.6%
2010	76	2.2%
2011	90	2.6%
2012	100	2.8%
2013	141	3.8%
2014	2	0.0%
2015	96	2.5%
2016	70	1.8%
2017	59	1.5%
2018	188	4.7%
2019	84	2.0%
2020	46	1.1%
2021	140	3.3%
2022	0	0.0%

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

The District utilizes two kinds of funds:

- *Governmental funds:* Most of the District’s basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the district-wide statements, a reconciliation is provided in separate statements explaining the relationship (or differences) between them.

- *Fiduciary funds:* The District is the trustee, or fiduciary, for assets that belong to others, such as Private Purpose Scholarship Fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Financial Analysis of the District's Funds

The District uses funds to record and analyze financial information. Byron Center Public School's funds are described as follows:

Major Funds

General Fund

The General Fund is the District's primary operating fund. The General Fund had total revenues of \$61,107,387, other financing sources of \$145,917, total expenditures of \$59,486,979, and other financing uses of \$267,018. The ending fund balance was \$14,413,922, up from \$12,914,615 at June 30, 2022.

Capital Projects Funds

The District has three major Capital Projects Funds. The Building and Site Sinking, the 2020 Construction Capital Projects, and the 2023 Construction Capital Projects. During fiscal year 2022-23, total revenues were \$2,767,022, other financing sources were \$23,748,399 (including proceeds from bond issuance of \$20,810,000 and bond premium of \$2,403,716), total expenditures were \$22,183,675, and total other financing uses were \$534,683. The ending fund balance was \$36,867,638 at June 30, 2023, up from \$33,070,575 at June 30, 2022.

Nonmajor Funds

Special Revenue Funds

The District operated three Special Revenue Funds during the fiscal year: the Food Service, Community Service, and Student/School Activity funds. The total revenue for all Special Revenue Funds was \$6,462,463, total other financing sources were \$289,601, and total expenditures were \$6,470,415. The ending fund balances totaled \$4,805,057. Of the ending fund balances \$1,252,729 is attributable to the Food Service Fund, \$2,884,006 is attributable to the Community Service Fund, and \$668,322 is attributable to the Student/School Activity Fund.

Debt Service Funds

The District operates eight Debt Service Funds. Total revenues were \$11,796,711, total other financing sources were \$3,043,452 (consisting of proceeds from the School Bond Loan Fund), total expenditures were \$14,770,603. The ending fund balances in the Debt Service Funds totaled \$137,738, up from \$68,178 at June 30, 2022.

Capital Projects Fund

There are two nonmajor Capital Projects Funds incorporated into the financial statements of the District. The 2017 Construction and the 2022 Technology and Buses Funds had total revenues of \$117,123 and total expenditures of \$1,165,630. The fund balances totaled \$3,935,686 at June 30, 2023. Of the ending fund balances \$1,261,652 is attributable to the 2017 Construction Fund and \$2,674,034 is attributable to the 2022 Technology and Buses Fund.

Fiduciary Funds

Trust and Agency Funds

The Scholarship Funds are operated as Fiduciary Funds of the District. The assets of these funds are being held for the benefit of the District's students. The Scholarship Fund balance at June 30, 2023 was \$12,445.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget on three (3) separate occasions. The budget amendments were a result of the following:

- The first budget revision in November 2022 reflected the actual student count and staffing costs based upon actual data in lieu of assumptions. As with all "first" revisions, the assumptions are now supported by factual staffing positions which were unknown at the July 1st budget adoption. The District also adjusted the budget to account for federal funding from the third stimulus package and amounts for local special education. This budget also included the negotiated three-year bargaining agreement with the BCEA.
- The second budget revision in March 2023, refined State Aid revenue, Federal revenues, and grants awarded. Of special note was an additional award for ESSER II Sec 98c. On the expenditure side, the budget was revised for the effects of open enrollment for insurance plans, an increase in student technology, and expenditures related to new vehicles.
- The third budget revision in June 2023 again refined State Aid revenue, the sale of assets, local property tax collections from our three major governmental units, and Federal revenues. On the expenditure side, the refinement of outflows was reviewed and projected.
- This particular year it was determined only three (3) budget revisions were necessary.

Capital Asset and Debt Administration

By the end of 2023, the District had invested \$242.29 million in a broad range of capital assets, including land, school buildings, athletic facilities, vehicles, computer equipment and software, and administrative offices. (More detailed information about capital assets can be found in Note E in the Notes to Basic Financial Statements.) Total depreciation and amortization expense for the year was \$4.52 million.

The District's 2022-23 net capital asset additions totaled \$21,795,546 principally in the following areas:

- \$118,781 for land improvements
- \$2,176,769 for building improvements
- \$984,504 for furniture and equipment purchases
- \$390,161 for additional vehicles
- \$513,293 for subscription-based IT arrangements
- \$17,612,038 net addition to construction in progress; \$19,488,622 was added, and \$1,876,584 capitalized and transferred to other fixed assets.

At June 30, 2023, the District’s investment in capital assets and construction in progress (net of accumulated depreciation), increasing by approximately \$17.27 million from the previous year-end, is detailed as follows:

Land	\$ 7,266,787
Construction in progress	38,206,391
Land improvements	3,782,985
Buildings and additions	117,794,546
Furniture and equipment	2,679,794
Vehicles	1,329,362
Subscription-based IT arrangements	<u>345,477</u>
Net Capital Assets	<u><u>\$ 171,405,342</u></u>

Long-term Obligations

At year end, the District had total long-term obligations totaling \$196.93 million of which the largest portion is \$162,390,000 in general obligation bonds. (More detailed information about long-term debt can be found in Note F in the Notes to Basic Financial Statements.)

- The District issued a new bond in the amount of \$20,810,000 with a bond premium of \$2,403,716.
- The District continued to pay down its debt, retiring \$8,275,000 of outstanding bonds and loans.
- The District obtained \$3,043,452 from the Michigan School Bond Loan Fund for payment of annual maturities of its general obligation bonds during the fiscal year, and accrued interest of \$385,442.
- The District entered into multiple subscription-based IT arrangements, the liability outstanding at year end totaled \$123,902.
- The District’s other long-term obligation is for Accumulated Sick/Vacation Leave in the amount of \$123,768.

The District’s underlying rating on the unlimited tax bonds is AA- by Standard and Poor’s. The unlimited bonds also carry the State’s credit rating of AA- by Standard & Poor’s. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within a district’s boundaries. We present more detailed information about our long-term liabilities in the Notes to Basic Financial Statements.

Factors Bearing on the District's Future

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

- The District's student growth count has been beneficial the last twenty (20) years to maintain programs and staff. Student count is a variable that is difficult to predict during challenging economic times. The District utilizes an outside firm (Stanfred & Assoc.) to analyze existing student count and project future student growth for budget purposes. The District received a net 1.99 new students in October 2022 compared to the first count in October 2021. The District had projected no increase of students due to the COVID-19 pandemic, so the increase was greater than anticipated. The enrollment is a result of an additional housing supply and quality educational programs. As a note to the reader, the growth in student count continues to support the District's "Growth and Capacity" study and act upon the student growth via additional educational space at the K-6 grades.
- During 2022-23, the District received a net of \$9,150 per student in State funds in the form of a foundation allowance and local operating taxes. The deduction of \$470 per pupil in fiscal year 2009-10 remains permanently deducted from the State Aid Foundation Allowance. Prior to the "resetting" Byron Center Public Schools received \$7,886 per student, \$1,264 per student increase during the twelve-year period. Overall, the State Aid Foundation Allowance is not keeping pace with managed costs within the District. During the 2022-23 fiscal year the State Aid Foundation Allowance increased by \$450 from the prior year. This continues to be some of the largest increases the District has received since Proposal A took effect.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, 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, contact the Business Office, Byron Center Public Schools, 8542 Byron Center Avenue SW, Byron Center, Michigan 49315. Contact by e-mail: tpowers@bcpsk12.net. Contact by phone: (616) 878-6100.

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BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash equivalents, deposits and investments (Note B)	\$ 59,110,162
Accounts receivable	3,205
Due from other governmental units (Note C)	8,706,385
Inventory	33,045
Prepaid expenses	9,107
Capital assets not being depreciated (Note E)	45,473,178
Capital assets being depreciated and amortized, net (Note E)	125,932,164
Total Assets	239,267,246
Deferred Outflows of Resources	
Loss on advance bond refundings, net	245,160
Deferred pension amounts	28,402,946
Deferred OPEB amounts	7,603,819
Total Deferred Outflows of Resources	36,251,925
Liabilities	
Checks drawn on future deposits	234,314
Accounts payable	1,407,960
Due to other governmental units	2,530,762
Accrued interest payable	1,179,266
Salaries payable	2,117,027
Unearned revenue	1,411,800
Long-term liabilities (Note F):	
Due within one year	9,507,540
Due in more than one year	187,805,283
Net pension liability	96,541,669
Net OPEB liability	5,431,020
Total Liabilities	308,166,641
Deferred Inflows of Resources	
Deferred pension amounts	299,103
Deferred OPEB amounts	11,048,371
Total Deferred Inflows of Resources	11,347,474
Net Position	
Net investment in capital assets	10,368,126
Restricted for:	
Capital projects	4,896,645
Debt service	(1,041,528)
Community services	2,884,006
Food service	1,252,729
Student/school activity	668,322
Unrestricted (deficit)	(63,023,244)
Total Net Position	\$ (43,994,944)

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Statement of Activities
For the year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Operating Grants	
Governmental Activities				
Instruction	\$ 40,719,699	\$ 2,450	\$ 18,787,893	\$ (21,929,356)
Supporting services	24,712,098	276,214	1,342,704	(23,093,180)
Community services	3,125,628	2,219,079	864,372	(42,177)
Food service	2,617,606	1,034,200	1,361,341	(222,065)
Interest on long-term debt	5,844,374	-	-	(5,844,374)
Other	611,930	-	-	(611,930)
Total Governmental Activities	\$ 77,631,335	\$ 3,531,943	\$ 22,356,310	(51,743,082)
General Revenues				
Taxes:				
Property taxes, levied for general operations				7,290,978
Property taxes, levied for debt service				11,585,469
Property taxes, levied for capital improvements				1,604,423
State school aid, unrestricted				32,532,461
Interest and investment earnings				1,614,028
Other				1,737,615
Total General Revenues				56,364,974
Change in Net Position				4,621,892
Net Position - Beginning of Year				(48,616,836)
Net Position - End of Year				\$ (43,994,944)

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Balance Sheet
Governmental Funds
June 30, 2023

	<u>General</u>	<u>Building and Site Sinking</u>	<u>2020 Construction</u>	<u>2023 Construction</u>
Assets				
Cash equivalents, deposits and investments (Note B)	\$12,399,785	\$ 5,017,038	\$10,523,644	\$21,653,629
Accounts receivable	- 2,424	-	-	-
Due from other funds (Note D)	2,519	-	101,712	-
Due from other governmental units (Note C)	8,706,385	-	-	-
Inventory	-	-	-	-
Prepaid expenditures	6,297	-	-	-
Total Assets	<u>\$21,117,410</u>	<u>\$ 5,017,038</u>	<u>\$10,625,356</u>	<u>\$21,653,629</u>
Liabilities and Fund Balances				
Liabilities				
Checks drawn on future deposits	\$ -	\$ -	\$ -	\$ -
Accounts payable	971,459	120,393	185,535	120,651
Due to other funds (Note D)	102,107	-	-	1,000
Due to other governmental units	2,522,038	-	806	-
Salaries payable	2,093,336	-	-	-
Unearned revenue	1,014,548	-	-	-
Total Liabilities	<u>6,703,488</u>	<u>120,393</u>	<u>186,341</u>	<u>121,651</u>
Fund Balances (Note A)				
Nonspendable	6,297	-	-	-
Restricted	-	4,046,645	10,439,015	21,531,978
Committed for future building improvements	2,539,327	850,000	-	-
Assigned	386,396	-	-	-
Unassigned	11,481,902	-	-	-
Total Fund Balances	<u>14,413,922</u>	<u>4,896,645</u>	<u>10,439,015</u>	<u>21,531,978</u>
Total Liabilities and Fund Balances	<u>\$21,117,410</u>	<u>\$ 5,017,038</u>	<u>\$10,625,356</u>	<u>\$21,653,629</u>

See accompanying notes to basic financial statements.

<u>Nonmajor</u>	<u>Total</u>
\$ 9,516,066	\$59,110,162
781	3,205
11,319	115,550
-	8,706,385
33,045	33,045
2,810	9,107
<u>\$ 9,564,021</u>	<u>\$67,977,454</u>

\$ 234,314	\$ 234,314
9,922	1,407,960
12,443	115,550
7,918	2,530,762
23,691	2,117,027
397,252	1,411,800
<u>685,540</u>	<u>7,817,413</u>

35,855	42,152
9,016,940	45,034,578
60,000	3,449,327
-	386,396
(234,314)	11,247,588
<u>8,878,481</u>	<u>60,160,041</u>
<u>\$ 9,564,021</u>	<u>\$67,977,454</u>

BYRON CENTER PUBLIC SCHOOLS
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2023

Total governmental fund balances		\$ 60,160,041
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$242,299,165 and accumulated depreciation is \$70,893,823.		171,405,342
Net bond refunding losses are not expensed but are amortized over the life of the new bond issue on the Statement of Activities.		245,160
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
General obligation bonds	\$ (162,390,000)	
Bond premium, unamortized	(20,804,176)	
Subscription-based IT arrangements	(123,902)	
State school bond loan	(13,870,977)	
Accumulated sick leave	<u>(123,768)</u>	(197,312,823)
Accrued interest is not included as a liability in governmental funds.		(1,179,266)
Net pension liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net pension liability	(96,541,669)	
Deferred outflows of resources	28,402,946	
Deferred inflows of resources	<u>(299,103)</u>	(68,437,826)
Net OPEB liability and related deferred outflows/inflows of resources are not included as assets/liabilities in governmental funds:		
Net OPEB liability	(5,431,020)	
Deferred outflows of resources	7,603,819	
Deferred inflows of resources	<u>(11,048,371)</u>	<u>(8,875,572)</u>
Total net position - governmental activities		<u><u>\$ (43,994,944)</u></u>

See accompanying notes to basic financial statements.

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BYRON CENTER PUBLIC SCHOOLS
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2023

	General	Building and Site Sinking	2020 Construction	2023 Construction
Revenues				
Local sources	\$ 8,446,968	\$1,713,444	\$ 911,709	\$ 138,231
Non-educational entity sources	15,857	-	-	-
State sources	44,794,759	-	3,638	-
Federal sources	3,271,483	-	-	-
Interdistrict sources	4,577,321	-	-	-
Other transactions	999	-	-	-
Total Revenues	61,107,387	1,713,444	915,347	138,231
Expenditures				
Instruction	39,448,819	-	-	-
Supporting services	19,727,948	135	985,495	-
Food service	-	-	-	-
Community services	150,900	-	-	-
Payments to other governmental and not-for-profit entities	57,600	-	-	-
Facilities acquisition, construction, and improvements	101,712	1,132,553	18,245,523	1,615,982
Debt service:				
Principal repayment	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	123,868
Underwriter's discount	-	-	-	80,119
Total Expenditures	59,486,979	1,132,688	19,231,018	1,819,969
Excess (Deficiency) of Revenues Over Expenditures	1,620,408	580,756	(18,315,671)	(1,681,738)
Other Financing Sources (Uses)				
Proceeds from the issuances of bonds	-	-	-	20,810,000
Proceeds from sale of capital assets	5,550	-	-	-
Proceeds from school bond loan fund	-	-	-	-
Inception of subscription-based IT arrangements	140,367	-	-	-
Premium on issuance of bonds	-	-	-	2,403,716
Transfers in	-	-	534,683	-
Transfers out	(267,018)	(534,683)	-	-
Total Other Financing Sources (Uses)	(121,101)	(534,683)	534,683	23,213,716
Net Change in Fund Balances	1,499,307	46,073	(17,780,988)	21,531,978
Fund Balances, Beginning of Year	12,914,615	4,850,572	28,220,003	-
Fund Balances, End of Year	\$14,413,922	\$4,896,645	\$ 10,439,015	\$21,531,978

See accompanying notes to basic financial statements.

<u>Nonmajor</u>	<u>Total</u>
\$ 16,150,584	\$ 27,360,936
187,725	203,582
135,638	44,934,035
1,902,350	5,173,833
-	4,577,321
	999
<u>18,376,297</u>	<u>82,250,706</u>
-	39,448,819
1,662,278	22,375,856
2,758,399	2,758,399
2,843,565	2,994,465
-	57,600
519,321	21,615,091
8,275,000	8,275,000
6,348,085	6,348,085
-	123,868
-	80,119
<u>22,406,648</u>	<u>104,077,302</u>
<u>(4,030,351)</u>	<u>(21,826,596)</u>
-	20,810,000
-	5,550
3,043,452	3,043,452
22,583	162,950
-	2,403,716
267,018	801,701
-	(801,701)
<u>3,333,053</u>	<u>26,425,668</u>
(697,298)	4,599,072
<u>9,575,779</u>	<u>55,560,969</u>
<u>\$ 8,878,481</u>	<u>\$ 60,160,041</u>

BYRON CENTER PUBLIC SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2023

Net change in fund balances - total governmental funds \$ 4,599,072

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlays	\$ 21,795,546	
Depreciation and amortization expense	<u>(4,520,993)</u>	17,274,553

In the Statement of Activities, only the loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale(s) increased financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the assets sold/retired. (3,029)

Upon inception of subscription-based IT arrangements, other financing sources were recognized in the governmental funds, but increased long-term liabilities in the Statement of Net Position. (162,950)

Proceeds from the sale of bond (including bond premiums), or loans, are another financing source in the governmental funds, but increase long-term liabilities in the Statement of Net Position.

General obligation bonds	(20,810,000)	
Bond premium	(2,403,716)	
State school bond loan	<u>(3,428,894)</u>	(26,642,610)

Bond premiums are amortized over the life of the new bond issue on the Statement of Activities. 1,157,148

Losses on advanced bond refunding are amortized over the life of the new bond issue on the Statement of Activities. (55,310)

Repayment of long-term liabilities is an expenditure in the governmental fund, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities:

General obligation bonds	8,275,000	
Subscription-based IT arrangements	<u>39,048</u>	8,314,048

Interest on long-term liabilities in the Statement of Activities differs from the amount reported on the governmental funds because interest is recorded as an expenditure in the funds when it is due and paid, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues regardless of when it is paid. (212,685)

In the Statement of Net Position, accumulated sick leave is measured by the amounts earned during the year. In the governmental funds, however, expenditures are measured by the amount of finance resources used (essentially, the amounts actually paid). This year the amount of these benefits earned exceeds the amounts used/paid by \$737. (737)

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2023

The changes in net pension liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	\$(3,525,887)
The changes in net OPEB liability and related deferred outflows/inflows of resources are not included as revenues/expenditures in governmental funds.	<u>3,880,279</u>
Total changes in net assets - governmental activities	<u><u>\$ 4,621,892</u></u>

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Local sources	\$ 8,454,322	\$ 8,415,690	\$ 8,446,968	\$ 31,278
Non-educational entity sources	-	15,856	15,857	1
State sources	40,208,037	44,710,310	44,794,759	84,449
Federal sources	1,892,105	3,416,337	3,271,483	(144,854)
Interdistrict sources	4,242,260	4,553,987	4,577,321	23,334
Other transactions	-	1,000	999	1
Total Revenues	54,796,724	61,113,180	61,107,387	(5,793)
Expenditures				
Current:				
Instruction:				
Basic programs	30,664,571	33,729,423	33,786,954	(57,531)
Added needs	4,615,663	5,708,145	5,661,865	46,280
Supporting services:				
Pupil services	3,627,498	3,586,334	3,567,695	18,639
Instructional staff services	1,090,176	1,052,326	1,038,794	13,532
General administrative services	692,387	636,395	628,358	8,037
School administrative services	2,641,293	2,743,577	2,705,356	38,221
Business services	986,030	957,067	945,698	11,369
Operation and maintenance services	4,607,974	4,838,933	4,839,277	(344)
Pupil transportation services	2,728,650	2,722,417	2,639,747	82,670
Central services	1,660,665	1,726,288	1,686,748	39,540
Other supporting services	1,448,489	1,694,964	1,676,275	18,689
Community services	164,091	160,704	150,900	9,804
Payments to other governmental and not-for-profit entities	-	57,600	57,600	-
Facilities acquisition, construction, and improvements	-	232,378	101,712	130,666
Total Expenditures	54,927,487	59,846,551	59,486,979	359,572
Excess (Deficiency) of Revenues Over Expenditures	(130,763)	1,266,629	1,620,408	353,779
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	-	-	5,550	5,550
Inception of subscription-based IT arrangements	-	-	140,367	140,367
Transfers out	(267,018)	(267,018)	(267,018)	-
Total Other Financing Sources (Uses)	(267,018)	(267,018)	(121,101)	145,917
Net Change in Fund Balances	(397,781)	999,611	1,499,307	499,696
Fund Balances, Beginning of Year	12,914,615	12,914,615	12,914,615	-
Fund Balances, End of Year	\$12,516,834	\$13,914,226	\$14,413,922	\$ 499,696

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023

	<u>Private Purpose Trust Fund</u>
Assets	
Cash equivalents and investments (Note B)	<u>\$ 12,445</u>
Liabilities	
	<u>-</u>
Net Position	
Restricted for: Individuals and organizations	<u>\$ 12,445</u>

See accompanying notes to basic financial statements.

BYRON CENTER PUBLIC SCHOOLS
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2023

	Private Purpose Trust Fund
Additions	
Interest earnings	\$ 89
Donations	600
Total Additions	689
 Deductions	
Endowment activities - scholarships	600
Change in Net Position	89
Net Position, Beginning of Year	12,356
Net Position, End of Year	\$ 12,445

See accompanying notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

Note A – Summary of Significant Accounting Policies

Byron Center Public Schools (the “District”) was organized under the School Code of the State of Michigan and services a population of approximately 4,427 students. The District is governed by an elected Board of Education consisting of seven members and administered by a Superintendent who is appointed by the aforementioned Board. The District provides a comprehensive range of educational services as specified by state statute and Board of Education policy. These services include elementary education, secondary education, preschool programs, athletic activities, special education, vocational education, community services and general administrative services. The Board of Education also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to school districts. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The District’s significant accounting policies are described below.

1. Reporting Entity

The financial reporting entity consists of a primary government and its component units. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District’s financial statements include the funds of those organizational entities for which its elected governing board is financially accountable.

2. District-wide and Fund Financial Statements

District-wide Financial Statements - The district-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. The District does not allocate indirect costs and, for the most part, the effect of interfund activity has been removed. These statements are to distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities* normally are supported by taxes and intergovernmental revenues, and are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

The Statement of Net Position is reported on the full accrual, economic resources basis, which recognizes all long-term assets as well as all long-term debt and obligations. The District’s net position is reported in three parts: investment in capital assets, net of related debt; restricted net position, and unrestricted net position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes, unrestricted state aid, interest earnings and other items not included among program revenues are reported instead as *general revenues*.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The General Fund, the Building and Site Sinking, the 2020 Construction, and the 2023 Construction Capital Projects Funds are the District's major funds. Nonmajor funds are aggregated and presented in a single column.

Fund Financial Statements – Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Fund level statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. The Balance Sheet reports current assets, current liabilities and fund balances. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources and uses of current financial resources. This differs from the economic resources measurement focus used to report at the district-wide level. Reconciliations between the two sets of statements are provided separately.

Revenues are recognized when susceptible to accrual, i.e., 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 collected within 60 days after the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred if they are paid within 60 days after the end of the current fiscal period. The exception to this general rule is that principal and interest on long-term debt is recognized when due.

Revenues susceptible to accrual are property taxes, State aid, federal and interdistrict revenues and investment income. Other revenues are recognized when received. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of the qualifying expenditures.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. 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 grantor or provider have been met.

The State of Michigan utilizes a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of state and local sources. Revenues from State sources are primarily governed by the School Aid Act and the School Code of Michigan. The state portion of the foundation is provided from the State's School Aid Fund and is recognized as revenues in accordance with State law and accounting principles generally accepted in the United States of America.

Governmental Funds

Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use, and balances of a school district's expendable financial resources and the related current liabilities are accounted for through governmental funds.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

General Fund—The General Fund is the general operating fund of a school district. It is used to account for all financial resources, except those required to be accounted for in another fund. Included are all transactions related to the current operating budget.

Special Revenue Funds—Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

School Service Funds—School Service Funds are used to segregate, for administrative purposes, the transactions of a particular activity from regular revenue and expenditure accounts. A school district maintains full control of these funds. The School Service Funds maintained by the District are the Food Service, Community Service, and the Student/School Activity Funds.

Debt Service Funds—Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt (bonds, notes, loans, leases and school bond loan) principal, interest, and related costs.

Capital Projects Funds—Capital Projects Funds are used to record bond proceeds, property tax revenues or other revenues and the disbursement of monies specifically designated for acquiring new school sites, buildings, equipment and for major remodeling and repairs. The funds are retained until the purpose for which the funds were created has been accomplished. The District currently maintains a 2017 Construction Fund, 2020 Capital Projects Fund, and Building and Site Fund, 2022 Technology and Bus Fund 2023 Capital Projects Fund.

The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, the District has complied with the applicable provisions of Section 1351a of the State of Michigan's School Code. For capital project activities funded with sinking fund millage, the District has complied with the applicable provisions of Section 1212 (I) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by a school district in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Trust Funds—Trust Fund net position and results of operations are not included in the district-wide financial statements. Trust funds are reported using the economic resources measurement focus.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

4. Budgets and Budgetary Accounting

State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act) requires that the General Fund of a school district be under budgetary control and that both budgeted and actual financial results do not incur a deficit. Byron Center Public Schools has also adopted budgets for its Special Revenue Funds. A school district's General Appropriations Resolution (the "budget") must be adopted before the beginning of each fiscal year. No violations (dollar deviations) from a district's budget may occur without a corresponding amendment to the budget. A school district has the ability to amend the budget provided that the amendment is prior to the occurrence of the deviation and prior to the fiscal year end. A school district may also permit the chief administrative or fiscal officer to execute transfers between line items, within defined dollar or percentage limits, without prior approval of the Board of Education. Expenditures may not legally exceed budgeted appropriations at the function level. All appropriations lapse at the end of the fiscal year.

Byron Center Public Schools utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- Starting in the spring, District administrative personnel and department heads work with the Superintendent and Chief Financial Officer to establish proposed operating budgets for the fiscal year commencing the following July 1.
- In June, preliminary operating budgets are submitted to the Board of Education. These budgets include proposed expenditures and the means of financing them.
- Prior to June 30, a public hearing is held to obtain taxpayer comments on the proposed budgets.
- After the budgets are finalized, the Board of Education adopts an appropriations resolution setting forth the amount of the proposed expenditures and the sources of revenue to finance them.
- The original General and Special Revenue Funds budgets were amended during the year in compliance with State of Michigan Public Act 621 (the Uniform Budgetary and Accounting Act).
- Budgets for the General and Special Revenue Funds were adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

5. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budget integration in the governmental funds. There were no substantial encumbrances outstanding at year end.

6. Investments

Investments are recorded at fair value. Investment income is composed of interest and net changes in the fair value of applicable investments.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

7. Inventories/Prepaid Items

Inventories are valued at cost (first-in, first-out), and are accounted for using the consumption method. Inventories of the Food Service Fund consist of food, and other nonperishable supplies. Disbursements for inventory-type items are recorded as expenditures at the time of use for each fund. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

8. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the district-wide financial statements. Assets having a useful life in excess of one year and whose costs exceed \$5,000 are capitalized. Capital assets are stated at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are stated at fair value at the date of donation.

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

Land improvements, buildings and improvements, furniture and equipment, vehicles, and subscription-based IT arrangements are depreciated/amortized using the straight-line method over the shorter of the following estimated useful lives/noncancellable contract period:

Land improvements	10 - 20 years
Buildings and improvements	40 - 50 years
Furniture and equipment	3 - 10 years
Vehicles	5 - 10 years
Subscription-based IT arrangements	2 - 5 years

9. Long-term Obligations

In the district-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. Bonds payable are reported at the total amount of bonds issued.

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 issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

10. Accumulated Vacation/Sick Leave

Accumulated vacation/sick leave at June 30, 2023 has been computed and recorded in the basic financial statements of the District. Employees who leave the District are entitled to reimbursement for a portion of their unused vacation/sick days. At June 30, 2023, the accumulated liabilities, including salary related payments, (expected to be financed by General Fund revenues) for accumulated vacation/sick leave was \$123,768.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

11. Retirement Plan

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, were implemented by the District during the fiscal year ended June 30, 2015. These Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, the Statements identify the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. Cost sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans – pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

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

12. Postemployment Benefits Other Than Pensions

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented by the District during the fiscal year ended June 30, 2018. This Statement establishes standards for recognizing and measuring (OPEB) liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB plans, the Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about OPEB are also addressed. Distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet specific criteria. Cost-sharing employers are those whose employees are provided with defined benefit OPEB through cost-sharing multiple-employer OPEB plans—OPEB plans in which the OPEB obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides OPEB through the OPEB plan.

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

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13. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three such items that qualify for reporting in this category: the deferred charge on a previous year's bond refunding, the deferred outflows of resources relating to the recognition of net pension liability on the financial statements and the deferred outflows of resources relating to the recognition of net OPEB liability on the financial statements.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category: the deferred inflows of resources relating to the recognition of net pension liability on the financial statements and the deferred inflows of resources relating to the recognition of net OPEB liability on the financial statements.

14. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition or construction of those assets. Net position is reported as restricted when there are limitations imposed on their use either through legislation or through external restrictions imposed by creditors, grantors, laws or regulations from other governments.

15. Fund Balances

As of July 1, 2010, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. The stated objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds, detailed as follows:

- Nondisposable – resources that cannot be spent because they are either (a) not in spendable form (inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact (the principal of a permanent fund).
- Restricted – resources that cannot be spent because of (a) constraints externally imposed by creditors (debt covenants), grantors, contributors, or laws or regulations or (b) imposed by law through constitutional provisions or enabling legislation and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.
- Committed – resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (Board of Education). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified uses by taking the same type of action it employed to previously commit those amounts. Committed fund balance does not lapse at year end.

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- Assigned – resources that are constrained by the government’s *intent* to be used for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body or official to which the governing body has designated the authority to assign amounts to be used for specific purposes. Byron Center Public Schools’ Board of Education has delegated authority to assign fund balances for a specific purpose to the CFO. Assigned fund balance does not lapse at year end.
- Unassigned – unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

Byron Center Public Schools has established a policy for its use of unrestricted fund balance amounts, and the District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The District’s Unassigned General Fund Balance will be maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without unnecessary borrowing. The Unassigned General Fund Balance may only be appropriated by resolution of the Board of Education. It is recognized that it will not always be possible to avoid borrowing to provide cash flow.

The Board recognizes that good fiscal management comprises the foundational support of the entire District. To make that support as effective as possible, the Board intends to maintain a fund balance of 10% of the District General Fund annual operating expenditures.

16. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund financial statements are reported as other financing sources/uses.

17. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note B – Cash Equivalents and Investments

The State of Michigan allows a political subdivision to authorize its Treasurer or other chief fiscal officer to invest surplus funds belonging to and under the control of the entity as follows:

- Bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State.

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- Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution is a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this State under the laws of this State or the United States.
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of the purchase.
- Securities issued or guaranteed by agencies or instrumentalities of the United States government.
- United States government or Federal agency obligation repurchase agreements.
- Banker’s acceptances issued by a bank that is a member of the Federal Deposit Insurance Corporation.
- Mutual funds composed entirely of investment vehicles which are legal for direct investment by a school district in Michigan.
- Investment pools, as authorized by the Surplus Funds Investment Pool Act, Act No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for the direct investment by a school district in Michigan.

Balances at June 30, 2023 related to cash equivalents and investments are detailed in the Basic Financial Statements as follows:

Statement of Net Position:	
Governmental activities	\$ 59,110,162
Fiduciary Funds:	
Trust and Agency Funds	12,445
	\$ 59,122,607

Cash Equivalents

Depositories actively used by the District during the year are detailed as follows:

1. United Bank
2. Salt Lake City Bank

Cash equivalents consist of bank interest-earning accounts. United Bank is utilized by all funds of the District. Salt Lake City Bank is used to pay referees in the District’s athletics programs.

Balances at June 30, 2023 related to cash equivalents are detailed in the Basic Financial Statements as follows:

Cash equivalents	\$ 15,720,697
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BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
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Custodial Credit Risk Related to Bank Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to the District. Protection of District deposits is provided by the Federal Deposit Insurance Corporation. At year end, the carrying amount of the District's cash equivalents was \$15,720,697 and the bank balance was \$17,897,324. Of the bank balance, \$388,017 was covered by federal depository insurance and \$17,509,307 was uninsured and uncollateralized. As of July 20, 2023, the District's deposits at the bank are fully protected by Federal Deposit Insurance Corporation through the use of placing deposits at other financial institutions through IntraFi Cash Service Deposit Placement.

Investments

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

Michigan Liquid Asset Fund Plus (MILAF+) – Cash Management	\$ 23,842,750
Michigan Liquid Asset Fund Plus (MILAF+) – MAX Class	19,534,270
	<u>\$ 43,377,020</u>

The Michigan Liquid Asset Fund Plus (MILAF+) is an external pooled investment fund that includes qualified investments in accordance with the applicable sections of the School Code. MILAF+ is not regulated or registered with the Securities Exchange Commission. The MILAF+ Fund is carried at amortized cost and was rated AAAM by Standard & Poor's rating agency. The MILAF+ MAX Class requires a 14-day redemption notice.

Custodial Credit Risk Related to Investments

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the District may not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District minimizes custodial credit risk by limiting investments to the types of securities allowed by State statute, and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business. At June 30, 2023, the District had no investments that were subject to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investment policy does not specifically address credit risk but minimizes its credit risk by limiting investments to the types allowed by the State.

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 funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements. The District's investment policy requires that maturities do not exceed two years.

Concentration of Credit Risk

The District minimizes 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. The District's investment policy places no restrictions on the amount or percentage that may be invested in any one type of security. Excluding U.S. Government guaranteed investments, and mutual fund and pooled investments, no single investment exceeded 5% of total investments at June 30, 2023.

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Foreign Currency Risk

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

Note C – State School Aid/Property Taxes

On March 15, 1994, the voters of the State of Michigan approved Proposal A, which increased the State Sales and Use Tax rates from 4% to 6% and established a State Education Tax at a rate of 6 mills on all property, except that which is exempt by law from ad valorem property taxes, and dedicated the additional revenues generated to Michigan school districts.

These additional State revenues pass through to Michigan school districts in the form of a per pupil "Foundation Allowance" paid on a "blended count" of District pupil membership in February 2022 and October 2022. The 2022-23 "Foundation Allowance" for Byron Center Public Schools was \$9,150 for 4,427 "Full Time Equivalent" students, generating \$44,976,227 in state aid payments to the District of which \$8,142,953 was paid to the District in July and August 2023 and included in "Due From Other Governmental Units" of the General Fund.

Property taxes for the District are levied July 1 and December 1 (the tax lien date) under a split-levy system by the City of Wyoming, the Townships of Byron and Dorr, and the Charter Township of Gaines, and are due 75 days after the levy date. The taxes are then collected by each governmental unit and remitted to the District. The Counties of Kent and Allegan, through their Delinquent Tax Revolving Fund, advance all delinquent real property taxes at March 1 to the District each year prior to June 30.

Section 1211(1) of 1993 PA 312 states that beginning in 1994, the board of a school district shall levy not more than 18 mills, if approved by voters, for school operating purposes, or the number of mills levied in 1993, whichever is less, on non-homestead property only, in order to be eligible to receive funds under the State School Aid Act of 1979. After 1996, electors may approve a 3 mill "Local Enhancement Millage" which must be shared between all local districts in each respective county intermediate district.

As Byron Center Public Schools' electors had previously (May 7, 2019) approved an operating millage extension, the 18 mill non-homestead property tax was levied in the District for 2022-23.

The District levied 7.0 mills in 2022 for debt service purposes and 0.9694 mills for building and site, applied on all taxable property in the District.

Taxable property in the District is assessed initially at 50% of true cash value by the assessing officials of the various units of government that comprise the District. These valuations are then equalized by the county and finally by the State of Michigan, generating the State Equalized Valuation. Taxable valuation increases will be limited, or capped (known as capped valuation), at 5% or the rate of inflation, whichever is less. With the implementation of Proposal A and Public Act 36, taxable property is now divided into two categories: PRE and NPRE.

A principal residence exemption property (PRE) is exempt from the 18 mill "School Operating" tax. It is not exempt from the 6 mill "State Education" tax, any voted "Local Enhancement Millage" nor any additional voted millage for the retirement of debt.

Non-principal residence exemption property (NPRE) is subject to all District levies. However, since Public Act 36, establishing the Michigan Business Tax, was signed into law, Public Acts 37-40 of 2007 now exempt Industrial Personal Property from the 6 mill State Education Tax and up to 18 mills of local school district operating millage (includes property under Industrial Facilities Tax exemptions); and exempt Commercial Personal Property from up to 12 mills of local school district operating millage (exceptions may apply).

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The District is subject to tax abatements granted by the County of Kent with local businesses under the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assists in the building of new facilities, and promotes the establishment of high-tech facilities. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term up to 12 years as determined by the local unit of government. The agreements entered into by each local unit include claw back provisions should the recipient of the tax abatement fail to fully meet its commitments, such as employment levels and timelines for relocation. The tax abated property taxes are calculated by applying half the local property tax millage rate on the total IFT taxable value. This amounts to a reduction in property tax revenue of approximately 50%.

For the year ended June 30, 2023, the District's property tax revenues were reduced by approximately \$161,193 under these agreements.

Note D – Interfund Transfers and Receivables/Payables

Interfund transfers during the year ended June 30, 2023 were as follows:

	Transfers In	Transfers Out
Major Funds		
General Fund:		
Special Revenue Funds:		
Community Service Fund	\$ -	\$ 267,018
Capital Projects Fund:		
Building & Site Fund:		
2020 Construction Fund	-	534,683
2020 Construction Fund:		
Building & Site Fund	534,683	-
Total Major Funds	534,683	801,701
Nonmajor Funds		
Special Revenue Funds:		
Community Service Fund:		
General Fund	267,018	-
Total All Funds	\$ 801,701	\$ 801,701

Interfund transfers are essential to maintain the different funds of the District. The transfers assist the fund with cash flow, payroll, and employee benefits. The District's intent is to appropriate expenditures to these funds on an actual basis to show the true costs of operation for these programs. By making the interfund transfers these expenditures can be allocated to each program as they occur.

BYRON CENTER PUBLIC SCHOOLS
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Amounts due from/to other funds representing interfund receivables and payables for cash flow advances at June 30, 2023 are detailed as follows:

	Due From	Due To
Major Funds		
General Fund:		
Special Revenue Funds:		
Food Service Fund	\$ 813	\$ -
Community Service Fund	706	395
Capital Projects Fund:		
2020 Construction Fund	-	101,712
2023 Construction Fund	1,000	-
Capital Projects Fund:		
2020 Construction Fund:		
General Fund	101,712	-
2023 Construction Fund:		
General Fund	-	1,000
	104,231	103,107
Total Major Funds	104,231	103,107
Nonmajor Funds		
Special Revenue Funds:		
Food Service Fund:		
General Fund	-	813
Community Service Fund	9,664	-
Community Service Fund:		
General Fund	395	706
Food Service Fund	-	9,664
Student/School Activity Fund	-	1,260
Student/School Activity Fund:		
Community Service Fund	1,260	-
	11,319	12,443
Total Nonmajor Funds	11,319	12,443
Total All Funds	\$ 115,550	\$ 115,550

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Note E – Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balances July 1, 2022	Additions	Deductions	Balances June 30, 2023
Capital assets not being depreciated:				
Land	\$ 7,266,787	\$ -	\$ -	\$ 7,266,787
Construction in progress	20,594,353	19,488,622	1,876,584	38,206,391
Total capital assets not being depreciated	27,861,140	\$19,488,622	\$ 1,876,584	45,473,178
Capital assets being depreciated and amortized:				
Land improvements	18,965,968	\$ 118,781	\$ -	19,084,749
Buildings and improvements	157,456,017	2,176,769	-	159,632,786
Furniture and equipment	12,424,042	984,504	-	13,408,546
Vehicles	3,857,036	390,161	60,584	4,186,613
Intangible right-to-use assets:				
Subscription-based IT arrangements	-	513,293	-	513,293
Total capital assets being depreciated and amortized	192,703,063	\$ 4,183,508	\$ 60,584	196,825,987
Less accumulated depreciation and amortization for:				
Land improvements	14,657,611	\$ 644,153	\$ -	15,301,764
Buildings and improvements	38,782,802	3,055,438	-	41,838,240
Furniture and equipment	10,329,238	399,514	-	10,728,752
Vehicles	2,660,734	254,072	57,555	2,857,251
Intangible right-to-use assets:				
Subscription-based IT arrangements	-	167,816	-	167,816
Total accumulated depreciation and amortization	66,430,385	\$ 4,520,993	\$ 57,555	70,893,823
Total capital assets being depreciated and amortized, net	126,272,678			125,932,164
Net Capital Assets	\$ 154,133,818			\$ 171,405,342

Depreciation expense was charged to District activities as follows:

Governmental activities:	
Instruction	\$ 1,992,277
Supporting services	2,217,202
Community services	147,323
Food service	164,191
	\$ 4,520,993

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

Note F – Long-term Obligations

Changes in long-term obligations for the year ended June 30, 2023 are summarized as follows:

	Debt Outstanding July 1, 2022	Debt Added	Debt Retired	Debt Outstanding June 30, 2023
General obligation bonds:				
May 18, 2016	\$ 5,000,000	\$ -	\$ 2,500,000	\$ 2,500,000
June 28, 2017	53,490,000	-	1,120,000	52,370,000
February 27, 2018	2,275,000	-	1,150,000	1,125,000
October 30, 2019	11,960,000	-	-	11,960,000
February 5, 2020	13,685,000	-	1,575,000	12,110,000
June 29, 2020	47,700,000	-	930,000	46,770,000
May 12, 2021	12,860,000	-	1,000,000	11,860,000
February 24, 2022	2,885,000	-	-	2,885,000
May 8, 2023	-	20,810,000	-	20,810,000
Bond premium	19,557,608	2,403,716	1,157,148	20,804,176
Subscription-based IT arrangements	-	162,950	39,048	123,902
State school bond loan	10,442,083	3,428,894	-	13,870,977
Accumulated vacation/sick leave*	123,031	737	-	123,768
	\$ 179,977,722	\$ 26,806,297	\$ 9,471,196	\$ 197,312,823

*Net change only reported, consistent with GASB Statement No. 101 implementation. See Note L.

Long-term bonds and other obligations at June 30, 2023 are comprised of the following:

	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
General Obligation Bonds				
\$10,530K Refunding May 18, 2016:				
Annual maturity of \$2,500K	May 1, 2024	2.55%	\$ 2,500,000	\$ 2,500,000
\$56,535K Building & Site June 28, 2017:				
Annual maturities of \$1,175K to \$3,615K	May 1, 2047	5.00%	52,370,000	1,175,000
\$7,005K Refunding February 27, 2018:				
Annual maturity of \$1,125K	May 1, 2024	5.00%	1,125,000	1,125,000
\$11,960K Refunding October 30, 2019:				
Annual maturities of \$1,860K to \$2,050K	May 1, 2030	2.20%	11,960,000	-
\$16,855K Refunding February 5, 2020:				
Annual maturities of \$1,460K to \$1,560K	May 1, 2031	5.00%	12,110,000	1,560,000
\$48,595K Building & Site June 29, 2020:				
Annual maturities of \$970K to \$2,775K	May 1, 2050	4.00 - 5.00%	46,770,000	970,000
\$13,870K Refunding May 12, 2021:				
Annual maturities of \$1,020K to \$1,365K	May 1, 2033	3.00 - 4.00%	11,860,000	1,020,000
\$2,885K School Technology and Bus Series II February 24, 2022:				
Annual maturities of \$700K to \$750K	May 1, 2028	1.82%	2,885,000	-
\$20,810K Building & Site May 8, 2023:				
Annual maturities of \$405K to \$9,070K	May 1, 2053	5.00 - 5.25%	20,810,000	-
Bond premium		N/A	20,804,176	1,110,068

BYRON CENTER PUBLIC SCHOOLS
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	Final Maturity Dates	Interest Rates	Outstanding Balance	Amount Due Within One Year
Subscription-Based IT Arrangements				
Audience View License:	September 1, 2025	4.75%	15,083	6,784
Annual maturities of \$1,193 to \$7,500				
NWEA License:	September 1, 2026	4.75%	108,819	32,688
Annual maturities of \$6,023 to \$35,867				
Other Obligations				
State school bond loan			13,870,977	-
Accumulated vacation/sick leave			123,768	8,000
			<u>\$ 197,312,823</u>	<u>\$ 9,507,540</u>

The District obtains loans from the Michigan School Loan Revolving fund for the payment of the annual maturities of its general obligation bonds. There is no fixed maturity schedule for the repayment of these loans. Instead, the principal and interest are payable when taxes levied for debt service are no longer needed to retire bonded debt. During the year, the District borrowed \$3,043,452, and accrued interest of \$385,442 was added to the District's outstanding liability to the Fund. At June 30, 2023, the District owed the Fund a total of \$13,870,977.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
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The annual requirements to pay principal and interest on long-term bonds outstanding and subscription-based IT arrangements at June 30, 2023 are as follows:

Years Ended June 30	General Obligation Bonds		Subscription-Based IT Arrangement Liabilities		Total
	Principal	Interest	Principal	Interest	
2024	\$ 8,350,000	\$ 7,075,595	\$ 39,472	\$ 5,885	\$ 15,470,952
2025	7,805,000	6,729,220	41,347	4,010	14,579,577
2026	8,095,000	6,437,093	37,061	2,046	14,571,200
2027	8,275,000	6,133,806	6,022	286	14,415,114
2028	8,445,000	5,821,241	-	-	14,266,241
2029	7,930,000	5,489,321	-	-	13,419,321
2030	8,095,000	5,160,211	-	-	13,255,211
2031	6,210,000	4,821,950	-	-	11,031,950
2032	4,985,000	4,536,650	-	-	9,521,650
2033	5,185,000	4,327,000	-	-	9,512,000
2034	3,990,000	4,108,625	-	-	8,098,625
2035	4,170,000	3,923,250	-	-	8,093,250
2036	4,365,000	3,729,350	-	-	8,094,350
2037	4,565,000	3,526,300	-	-	8,091,300
2038	4,770,000	3,313,900	-	-	8,083,900
2039	4,990,000	3,091,775	-	-	8,081,775
2040	5,220,000	2,859,350	-	-	8,079,350
2041	5,460,000	2,616,125	-	-	8,076,125
2042	5,725,000	2,361,150	-	-	8,086,150
2043	5,950,000	2,095,050	-	-	8,045,050
2044	6,215,000	1,816,669	-	-	8,031,669
2045	6,460,000	1,525,506	-	-	7,985,506
2046	6,715,000	1,222,994	-	-	7,937,994
2047	6,980,000	908,631	-	-	7,888,631
2048	3,460,000	581,969	-	-	4,041,969
2049	3,565,000	432,256	-	-	3,997,256
2050	3,685,000	278,213	-	-	3,963,213
2051	910,000	119,438	-	-	1,029,438
2052	910,000	71,663	-	-	981,663
2053	910,000	23,888	-	-	933,888
	<u>\$ 162,390,000</u>	<u>\$ 95,138,187</u>	<u>\$ 123,902</u>	<u>\$ 12,227</u>	<u>\$ 257,664,316</u>

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
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Note G – Retirement Plan

Plan Description

The Michigan Public School Employees' Retirement System (MPSERS) (the “System”), is a cost-sharing, multiple-employer, state-wide, defined benefit public employee retirement system 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. The board consists of twelve members – eleven appointed by the Governor, and the State Superintendent of Instruction, who serves as the ex-officio member.

The System’s pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System’s health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees’ Retirement Act (1980 PA 300 as amended).

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 Treasurer serves as the investment officer and custodian for the System.

The System’s financial statements are available at www.michigan.gov/orsschools.

Benefits Provided

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. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements based on when the employee became a member. The age and service requirements range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years. Early retirement is computed in the same manner as a regular pension but is permanently reduced by .50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age. Certain employees have the option to participate in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

The System also provides disability and survivor benefits to DB plan members.

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

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member’s rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

Contributions and Funded Status

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. 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 portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2021 valuation will be amortized over a 17-year period beginning October 1, 2021 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for the plan fiscal year ended September 30, 2022.

Plan Name	Pension Contribution Rates:		
	Plan Status	Member	District
Basic	Closed	0.0 – 4.0 %	20.14%
Member Investment Plan (MIP)	Closed	3.0 – 7.0%	20.14%
Pension Plus	Closed	3.0 – 6.4 %	17.22%
Pension Plus 2	Open	6.2%	19.93%
Defined Contribution	Open	0.0%	13.73%

The District’s contributions to MPSERS under all pension plans for the year ended June 30, 2023, inclusive of the MSPERS UAAL Stabilization, totaled \$9,425,549.

Proportionate Share of Reporting Unit’s Net Pension Liability

At June 30, 2023, the District reported a liability of \$96,541,669 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2021. The District’s proportion of the net pension liability was determined by dividing each employer’s statutorily required pension contributions to the System during the measurement period by the percent of the pension contributions required from all applicable employers during the measurement period. At September 30, 2022, the District’s proportion was 0.25670023%, which was an increase from 0.25253470% at September 30, 2021.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

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

For the year ended June 30, 2023, the District recognized pension expense of \$12,814,265. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 965,754	\$ 215,857
Changes of assumptions	16,589,318	—
Net difference between projected and actual earnings on pension plan investments	226,390	—
Changes in proportion and differences between District contributions and proportionate share of contributions	1,876,172	83,246
District contributions subsequent to the measurement date*	8,745,312	—
Total	\$ 28,402,946	\$ 299,103

* This amount, reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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

Years Ending June 30	Amount
2024	\$ 5,853,925
2025	4,292,487
2026	3,557,840
2027	5,654,279

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2021
Actuarial Cost Method:	Entry Age, Normal
Wage Inflation Rate:	2.75%
Investment Rate of Return:	
MIP and Basic Plans (Non-Hybrid):	6.00% net of investment expenses
Pension Plus Plan (Hybrid):	6.00% net of investment expenses
Pension Plus 2:	6.00% net of investment expenses
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Cost-of-Living Adjustments:	3% annual non-compounded for MIP members
Mortality:	
Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Active Members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Disabled Retirees:	RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

Notes:

- Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2018 valuation. The total pension liability as of September 30, 2022 is based on the results of an actuarial valuation date of September 30, 2021 and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [4.3922 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2022 MPSERS Annual Comprehensive Financial Report found on the ORS website at (www.michigan.gov/orsschools).

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

Long-Term Expected Rate of Return on Investments

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of September 30, 2022 are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.1%
Private Equity Pools	16.0%	8.7%
International Equity Pools	15.0%	6.7%
Fixed Income Pools	13.0%	(0.2)%
Real Estate and Infrastructure Pools	10.0%	5.3%
Absolute Return Pools	9.0%	2.7%
Real Return/Opportunistic Pools	10.0%	5.8%
Short-term Investment Pools	2.0%	(0.5)%
Total	100.0%	

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

Rate of Return

For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (4.18)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.0% was used to measure the total pension liability (6.0% for the Pension Plus Plan , 6.0% for the Pension Plus 2 Plan, hybrid plans provided through non-university employers only). This discount rate was based on the long-term expected rate of return on pension plan investments of 6.0% (6.0% for the Pension Plus Plan, 6.0% for the Pension Plus 2 plan). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

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

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.0%, as well as what the District’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:

	1% Decrease 5.0%	Current Single Discount Rate Assumption 6.0%	1% Increase 7.0%
District’s proportionate share of the net pension liability	\$ 127,399,137	\$ 96,541,669	\$ 71,113,725

Michigan Public School Employees’ Retirement System (MPERS) Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued Michigan Public School Employees’ Retirement System September 30, 2022 Annual Comprehensive Financial Report, available here: (www.michigan.gov/orsschools).

Payables to the Michigan Public School Employees’ Retirement System (MPERS)

Payables to the pension plan totaling \$1,203,173 at June 30, 2023 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources.

Note H – Other Postemployment Benefits

Plan Description

The Michigan Public School Employees' Retirement System (MPERS or “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. The board consists of twelve members— eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System’s health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees’ Retirement Act (1980 PA 300 as amended).

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 Treasurer serves as the investment officer and custodian for the System.

The System’s financial statements are available on the ORS website at www.michigan.gov/orsschools.

BYRON CENTER PUBLIC SCHOOLS
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Benefits Provided

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 healthcare 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. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

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 were deposited into their 401(k) account.

Contributions and Funded Status

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

Employer OPEB 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 portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2021 valuation will be amortized over a 17-year period beginning October 1, 2021 and ending September 30, 2038.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

The schedule below summarizes OPEB contribution rates in effect for fiscal year ended September 30, 2022:

OPEB Contribution Rates:

Benefit Structure	Member	District
Premium Subsidy	3.0%	8.09%
Personal Healthcare Fund (PHF)	0.0 %	7.23%

Required contributions to the OPEB plan from the District were \$2,077,915 for the year ended June 30, 2023.

Proportionate Share of Reporting Unit's Net OPEB Liability

At June 30, 2023, the District reported a liability of \$5,431,020 for its proportionate share of the MPSERS net OPEB liability. The net OPEB liability was measured as of September 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation rolled forward from September 2021. The District's proportion of the net OPEB liability was determined by dividing each employer's statutorily required OPEB contributions to the System during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2022, the District's proportion was 0.25641453%, which was an increase from 0.25370955% at September 30, 2021.

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

For the year ended June 30, 2023, the District recognized OPEB credit of \$1,855,889. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ —	\$ 10,637,288
Changes of assumptions	4,840,843	394,169
Net difference between projected and actual earnings on OPEB plan investments	424,477	—
Changes in proportion and differences between District contributions and proportionate share of contributions	539,642	16,914
District contributions subsequent to the measurement date*	1,798,857	—
Total	\$ 7,603,819	\$ 11,048,371

* This amount, reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

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

Years Ending June 30	Amount
2024	\$ (1,827,065)
2025	(1,683,963)
2026	(1,569,908)
2027	(96,635)
2028	(72,515)
Thereafter	6,677

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

Valuation Date:	September 30, 2021
Actuarial Cost Method:	Entry Age, Normal
Asset Valuation Method:	Fair Value
Wage Inflation Rate:	2.75%
Investment Rate of Return:	6.00% net of investment expense
Projected Salary Increases:	2.75% - 11.55%, including wage inflation of 2.75%
Healthcare Cost Trend Rate:	Pre-65 - 7.75% Year 1 graded to 3.5% Year 15; 3.0% Year 120 Post-65 – 5.25% Year 1 graded to 3.5% Year 15; 3.0% Year 120
Mortality:	
Retirees:	RP-2014 Male and Female Healthy Annuitant Mortality Tables, scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Active Members:	RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Disabled Retirees:	RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

Other Assumptions:

Opt Out Assumptions:	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage:	80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
Coverage Election at Retirement:	75% of male and 60% of female future retirees are assumed to elect coverage for one or more dependents.

Notes:

- Assumption changes as a result of an experience study for the period 2012 through 2017 have been adopted by the System for use in the annual OPEB valuations beginning with the September 30, 2018 valuation. The total OPEB liability as of September 30, 2022 is based on the results of an actuarial valuation date of September 30, 2021 and rolled forward using generally accepted actuarial procedures, including the experience study.
- Recognition period for liabilities is the average of the expected remaining service lives of all employees in years: [6.2250 for non-university employers].
- Recognition period for assets in years: 5.0000.
- Full actuarial assumptions are available in the 2022 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Rate of Return on Investments

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2022, are summarized in the following table:

Investment Category	Target Allocation	Long-term Expected Real Rate of Return*
Domestic Equity Pools	25.0%	5.1%
Private Equity Pools	16.0%	8.7%
International Equity Pools	15.0%	6.7%
Fixed Income Pools	13.0%	(0.2)%
Real Estate and Infrastructure Pools	10.0%	5.3%
Absolute Return Pools	9.0%	2.7%
Real Return/Opportunistic Pools	10.0%	5.8%
Short-term Investment Pools	2.0%	(0.5)%
Total	100.0%	

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

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

Rate of Return

For the fiscal year ended September 30, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was (4.99)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.0% 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 6.0%. 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 6.00 percent, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease 5.0%	Current Discount Rate 6.0%	1% Increase 7.0%
District's proportionate share of the net OPEB liability	\$ 9,110,014	\$ 5,431,020	\$ 2,332,851

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Healthcare Cost Trend Rate

The following presents the District's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 2,274,252	\$ 5,431,020	\$ 8,974,556

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2022 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

Payables to the OPEB plan totaling \$165,340 at June 30, 2023 arise from the normal legally required contributions based on the accrued salaries payable at year end, expected to be liquidated with expendable available financial resources.

Note I – Risk Management and Employee Benefits

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

There were no significant reductions in insurance coverage in fiscal 2022-23 and as of year ended June 30, 2023, there were no material pending claims against the District.

Note J – Stewardship, Compliance and Accountability

The District has an unrestricted net position deficit of \$63,023,244 and a total net position deficit of \$43,994,944, as of June 30, 2023. These deficit net positions result primarily from the net pension liability of \$68,437,826 and the net OPEB liability of \$8,875,572 (including deferred outflows and inflows of resources) related to the pension plan and OPEB plan.

Note K – Commitments

On June 28, 2017, the District issued \$56,535,000 of general obligations 2017 Construction Bonds whose proceeds are being used for land improvements, building renovations and additions, and furniture and equipment purchases. At June 30, 2023, unspent balances committed to these construction projects totaled \$1,261,652, which are expected to be fully expended by the year ended June 30, 2024.

On June 29, 2020, the District issued \$48,595,000 of general obligations 2020 Construction Bonds whose proceeds are being used for land improvements, building renovations and additions, and for purchases of furniture and equipment and new school buses. At June 30, 2023, unspent balances committed to these construction projects totaled \$10,439,015, which are expected to be fully expended by the year ended June 30, 2025.

BYRON CENTER PUBLIC SCHOOLS
Notes to Basic Financial Statements
June 30, 2023

On February 24, 2022, the District issued \$2,885,000 of general obligations School and Technology Bus Bonds whose proceeds are being used for technology and bus purchases. At June 30, 2023, unspent balances committed for these purchases totaled \$2,674,034, which are expected to be fully expended by the year ended June 30, 2024.

On May 8, 2023, the District issued \$20,810,000 of general obligations 2023 Construction Bonds whose proceeds are being used for building and site purposes. At June 30, 2023, unspent balances committed for these purchases totaled \$21,531,978, which are expected to be fully expended by the year ended June 30, 2026.

Note L – New Accounting Pronouncements Adopted

Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)* was adopted by the District during the fiscal year ending June 30, 2023. This statement enhances the relevance and consistency of information about governments' SBITAs by requiring recognition of right-to-use subscription assets and a corresponding subscription liability. Upon implementation, the District recognized right-to-use subscription assets and subscription liabilities during the current year totaling \$513,293. Net position as of July 1, 2022 was not required to be restated as a result of implementing the Statement.

Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* was adopted by the District during the fiscal year ended June 30, 2023. This statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

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REQUIRED SUPPLEMENTARY INFORMATION

BYRON CENTER PUBLIC SCHOOLS
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net Pension Liability
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2023

	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>
District's proportion of the net pension liability	0.25670023%	0.25253470%	0.24990127%
District's proportionate share of the net pension liability	\$ 96,541,669	\$ 59,788,632	\$ 85,843,805
District's covered-employee payroll	\$ 26,666,035	\$ 23,080,014	\$ 22,454,672
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	362.04%	259.05%	382.30%
Plan fiduciary net position as a percentage of the total pension liability	60.77%	72.60%	59.72%

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

Note: GASB Statement No 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
0.24621827%	0.24091524%	0.23773689%	0.23274125%	0.22550901%	0.21439511%
\$ 81,539,213	\$ 72,423,470	\$ 61,607,735	\$ 58,067,038	\$ 55,080,636	\$ 47,223,746
\$ 21,852,001	\$ 20,820,987	\$ 20,055,824	\$ 19,972,998	\$ 18,908,348	\$ 18,273,073
373.14%	347.84%	307.18%	290.73%	291.30%	258.43%
60.31%	62.12%	63.96%	63.01%	66.20%	66.15%

BYRON CENTER PUBLIC SCHOOLS
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB Liability
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2023

	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>
District's proportion of the net OPEB liability	0.25641453%	0.25370955%	0.25228778%
District's proportionate share of the net OPEB liability	\$ 5,431,020	\$ 3,872,566	\$ 13,515,730
District's covered-employee payroll	\$ 26,666,035	\$ 23,080,014	\$ 22,454,672
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	20.37%	16.78%	60.19%
Plan fiduciary net position as a percentage of the total OPEB liability	83.09%	84.80%	59.44%

The amounts presented for each fiscal year were determined as of September 30 of the preceding year.

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
0.24910151%	0.24419890%	0.23829060%
\$ 17,901,412	\$ 19,411,253	\$ 21,101,755
\$ 21,852,001	\$ 20,820,987	\$ 20,055,824
81.92%	93.23%	105.22%
48.46%	43.10%	36.53%

BYRON CENTER PUBLIC SCHOOLS
Required Supplementary Information
Schedule of District Pension Contributions
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2023

	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>
Contractually required contribution	\$ 9,425,549	\$ 8,831,980	\$ 7,614,789
Contributions in relation to the contractually required contribution	<u>9,425,549</u>	<u>8,831,980</u>	<u>7,614,789</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 25,960,626	\$ 25,098,086	\$ 22,722,962
Contributions as a percentage of covered employee payroll	36.31%	35.19%	33.51%

Note: GASB Statement No 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>	<u>Year Ended June 30, 2017</u>	<u>Year Ended June 30, 2016</u>	<u>Year Ended June 30, 2015</u>
\$ 7,006,280	\$ 6,658,442	\$ 6,137,356	\$ 6,251,498	\$ 5,818,830	\$ 5,872,421
<u>7,006,280</u>	<u>6,658,442</u>	<u>6,137,356</u>	<u>6,251,498</u>	<u>5,818,830</u>	<u>5,872,421</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 22,914,671	\$ 21,476,041	\$ 20,718,663	\$ 19,868,739	\$ 19,186,215	\$ 18,881,489
30.58%	31.00%	29.62%	31.46%	30.33%	31.10%

BYRON CENTER PUBLIC SCHOOLS
Required Supplementary Information
Schedule of District OPEB Contributions
MPSERS Cost-sharing Multiple-employer Plan
June 30, 2023

	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>
Contractually required contribution	\$ 2,077,915	\$ 1,999,036	\$ 1,868,449
Contributions in relation to the contractually required contribution	<u>2,077,915</u>	<u>1,999,036</u>	<u>1,868,449</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$25,960,626	\$25,098,086	\$22,722,962
Contributions as a percentage of covered employee payroll	8.00%	7.96%	8.22%

Note: GASB Statement No 75 was implemented in fiscal year 2018. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>	<u>Year Ended June 30, 2018</u>
\$ 1,840,452	\$ 1,679,863	\$ 1,516,494
<u>1,840,452</u>	<u>1,679,863</u>	<u>1,516,494</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 22,914,671	\$ 21,476,041	\$ 20,718,663
8.03%	7.82%	7.32%

BYRON CENTER PUBLIC SCHOOLS
Notes to Required Supplementary Information
June 30, 2023

Note A - Net Pension Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2022-23.

Changes of assumptions: There were no changes of benefit assumptions in 2022-23.

Note B - Net Pension OPEB Liability and Contributions

Changes of benefit terms: There were no changes of benefit terms in 2022-23.

Changes of assumptions: There were no changes of benefit assumptions in 2022-23.

SUPPLEMENTARY INFORMATION

GENERAL FUND

To account for resources which are traditionally associated with the general operation of the District and not required to be accounted for in another fund.

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Balance Sheets
June 30, 2023 and 2022

	2023	2022
Assets		
Cash equivalents and investments	\$ 12,399,785	\$ 11,166,535
Accounts receivable	2,424	1,846
Due from other funds	2,519	415
Due from other governmental units	8,706,385	7,710,145
Prepaid expenditures	6,297	303,268
Total Assets	\$ 21,117,410	\$ 19,182,209
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 971,459	\$ 524,183
Due to other funds	102,107	991,570
Due to other governmental units	2,522,038	1,850,739
Salaries payable	2,093,336	2,778,298
Unearned revenue	1,014,548	122,804
Total Liabilities	6,703,488	6,267,594
Fund Balances		
Nonspendable	6,297	303,268
Committed for future building expansion	2,539,327	1,789,327
Assigned	386,396	200,187
Unassigned	11,481,902	10,621,833
Total Fund Balances	14,413,922	12,914,615
Total Liabilities and Fund Balances	\$ 21,117,410	\$ 19,182,209

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedules of Revenues
For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Local sources:		
Property taxes:		
Current property taxes	\$ 7,285,021	\$ 6,717,978
Delinquent and other property taxes	2,781	946
Interest on delinquent taxes	3,176	4,527
	<u>7,290,978</u>	<u>6,723,451</u>
Tuition	<u>2,450</u>	<u>-</u>
Interest earnings:		
Interest on deposits and investments	<u>325,611</u>	<u>16,139</u>
Revenue from student activities:		
Admissions	<u>258,306</u>	<u>243,738</u>
Other local revenue:		
Rental of school property	100	905
Contributions	17,908	27,424
Miscellaneous local revenues	551,615	801,281
	<u>569,623</u>	<u>829,610</u>
Total local sources	8,446,968	7,812,938
Non-educational entity sources	<u>15,857</u>	<u>62,129</u>
State sources:		
State aid	44,031,405	38,794,655
Special education - transportation	463,082	361,552
Special education - itinerants	132,185	104,211
Special education - millage incentive	138,464	129,723
Other grants	29,623	41,440
Total state sources	<u>44,794,759</u>	<u>39,431,581</u>
Federal sources:		
Title I	195,521	238,548
Title II-A	87,326	83,502
Title III	10,691	12,773
Title IV-A	25,424	8,409
ESSER stabilization funds	1,976,664	1,222,593
Emergency connectivity grant	-	860,000
I.D.E.A.	891,615	886,991
Medicaid - school based	12,844	13,818
Health resource advocate	68,263	33,584
Pandemic EBT admin cost grant	3,135	3,063
Total federal sources	<u>3,271,483</u>	<u>3,363,281</u>

(Continued)

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedules of Revenues
For the years ended June 30, 2023 and 2022

	2023	2022
Interdistrict sources:		
ISD collected millage	\$ 3,808,421	\$ 3,424,262
Special education - other local districts	424,302	429,800
Medicaid fee for service	336,758	330,073
GSRP	7,840	7,840
Total interdistrict sources	4,577,321	4,191,975
Other transactions	999	1,389
Total Revenues	\$ 61,107,387	\$ 54,863,293

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedules of Expenditures
For the years ended June 30, 2023 and 2022

	2023	2022
Current:		
Instruction:		
Basic programs:		
Elementary:		
Salaries	\$ 5,421,179	\$ 5,522,145
Employee benefits	5,716,830	4,680,698
Purchased services	682,396	678,585
Supplies	820,963	361,155
Capital outlay	84,220	-
	<u>12,725,588</u>	<u>11,242,583</u>
Middle school:		
Salaries	4,651,568	4,610,357
Employee benefits	4,904,646	3,935,371
Purchased services	439,369	339,326
Supplies	388,734	557,762
Capital outlay	56,147	6,740
Miscellaneous	1,620	1,730
	<u>10,442,084</u>	<u>9,451,286</u>
High school:		
Salaries	4,697,704	4,335,707
Employee benefits	4,829,381	3,686,725
Purchased services	400,015	514,299
Supplies	598,919	735,640
Capital outlay	-	25,899
Miscellaneous	6,669	6,204
Payments to other districts	77,726	26,232
	<u>10,610,414</u>	<u>9,330,706</u>
Pre-kindergarten:		
Miscellaneous	8,868	8,834
Total basic programs	<u>33,786,954</u>	<u>30,033,409</u>
Added needs:		
Special education:		
Salaries	1,797,683	1,578,109
Employee benefits	1,021,671	839,857
Purchased services	147,863	109,281
Supplies	297,881	52,420
Payments to other districts	346,344	469,841
	<u>3,611,442</u>	<u>3,049,508</u>
Compensatory education:		
Salaries	1,358,814	1,034,349
Employee benefits	494,022	397,221
Purchased services	20,817	22,292
Supplies	44,006	46,108
	<u>1,917,659</u>	<u>1,499,970</u>
Career and technical education:		
Salaries	74,473	-
Employee benefits	51,010	-
Purchased services	584	-
Supplies	94	-
Capital outlay	6,603	-
	<u>132,764</u>	<u>-</u>
Total added needs	<u>5,661,865</u>	<u>4,549,478</u>
Total instruction	<u>39,448,819</u>	<u>34,582,887</u>

(Continued)

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedules of Expenditures
For the years ended June 30, 2023 and 2022

	2023	2022
Supporting services:		
Pupil services:		
Guidance services:		
Salaries	\$ 770,801	\$ 681,032
Employee benefits	436,188	386,206
Purchased services	-	50
Miscellaneous	60	-
	<u>1,207,049</u>	<u>1,067,288</u>
Health services:		
Purchased services	209,672	134,731
Supplies	2,426	257
Payments to other districts	128,689	132,357
	<u>340,787</u>	<u>267,345</u>
Psychological services:		
Purchased services	6,248	1,700
Supplies	76	2,682
Payments to other districts	348,604	339,998
	<u>354,928</u>	<u>344,380</u>
Speech pathology services:		
Purchased services	27,704	24,547
Supplies	2,883	2,599
Payments to other districts	684,560	550,166
	<u>715,147</u>	<u>577,312</u>
Social worker services:		
Purchased services	764	281
Supplies	1,840	1,386
Payments to other districts	708,987	586,040
	<u>711,591</u>	<u>587,707</u>
Other pupil services:		
Salaries	150,508	167,052
Employee benefits	55,878	61,686
Purchased services	31,798	26,495
Supplies	9	-
	<u>238,193</u>	<u>255,233</u>
Total pupil services	<u>3,567,695</u>	<u>3,099,265</u>
Instructional staff services:		
Improvement of instruction:		
Salaries	55,337	57,974
Employee benefits	13,486	22,471
Purchased services	134,938	158,125
Supplies	3,004	1,964
Miscellaneous	200	150
	<u>206,965</u>	<u>240,684</u>
Educational media services:		
Salaries	155,326	117,194
Employee benefits	31,316	41,046
Supplies	8,218	11,572
	<u>194,860</u>	<u>169,812</u>

(Continued)

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedules of Expenditures
For the years ended June 30, 2023 and 2022

	2023	2022
Supervision and direction of instruction:		
Salaries	\$ 378,935	\$ 362,139
Employee benefits	243,432	233,800
Purchased services	3,307	3,631
Supplies	10,495	5,402
Miscellaneous	800	734
	<u>636,969</u>	<u>605,706</u>
Total instructional staff services	1,038,794	1,016,202
General administrative services:		
Board of education:		
Salaries	3,630	3,540
Employee benefits	289	279
Purchased services	98,691	87,901
Supplies	8,393	-
Miscellaneous	10,876	12,912
	<u>121,879</u>	<u>104,632</u>
Executive administration:		
Salaries	308,533	290,999
Employee benefits	161,829	146,982
Purchased services	11,419	16,074
Supplies	22,866	9,587
Miscellaneous	1,832	1,922
	<u>506,479</u>	<u>465,564</u>
Total general administrative services	628,358	570,196
School administrative services:		
Office of the principal:		
Salaries	1,599,790	1,594,641
Employee benefits	988,051	931,601
Purchased services	78,385	56,268
Supplies	35,295	24,841
Miscellaneous	3,835	2,168
	<u>2,705,356</u>	<u>2,609,519</u>
Total school administrative services	2,705,356	2,609,519
Business services:		
Fiscal services:		
Salaries	452,349	372,019
Employee benefits	271,855	210,070
Purchased services	45,562	35,266
Supplies	5,807	11,702
Miscellaneous	1,128	1,570
	<u>776,701</u>	<u>630,627</u>
Internal services:		
Salaries	810	571
Employee benefits	184	206
Purchased services	-	752
	<u>994</u>	<u>1,529</u>

(Continued)

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedules of Expenditures
For the years ended June 30, 2023 and 2022

	2023	2022
Other business services:		
Purchased services	\$ 30,559	\$ 35,320
Miscellaneous	118,578	317,521
Payments to other districts	18,866	18,506
	<u>168,003</u>	<u>371,347</u>
Total business services	945,698	1,003,503
Operation and maintenance services:		
Operation and maintenance:		
Salaries	466,871	444,066
Employee benefits	290,067	274,503
Purchased services	2,035,287	1,985,505
Supplies	1,560,279	1,544,151
Capital outlay	124,639	25,708
Miscellaneous	8,343	5,378
	<u>4,485,486</u>	<u>4,279,311</u>
Security services:		
Purchased services	92,135	80,749
Supplies	68,780	-
Capital outlay	192,876	-
	<u>353,791</u>	<u>80,749</u>
Total operation and maintenance services	4,839,277	4,360,060
Pupil transportation services:		
Pupil transportation:		
Salaries	959,399	896,152
Employee benefits	415,394	405,365
Purchased services	241,833	203,153
Supplies	349,533	279,603
Capital outlay	75,753	-
Miscellaneous	2,659	1,976
Payments to other districts	595,176	618,256
Total pupil transportation services	<u>2,639,747</u>	<u>2,404,505</u>
Central services:		
Planning, research, development, and evaluation:		
Salaries	25,000	24,000
Employee benefits	1,950	5,237
Supplies	688	60
	<u>27,638</u>	<u>29,297</u>
Advertising:		
Salaries	71,333	12,500
Employee benefits	31,036	990
Purchased services	24,941	35,630
Miscellaneous	6,072	-
	<u>133,382</u>	<u>49,120</u>

(Continued)

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedules of Expenditures
For the years ended June 30, 2023 and 2022

	2023	2022
Personnel services:		
Salaries	\$ 237,229	\$ 205,083
Employee benefits	112,661	122,991
Purchased services	109,836	48,092
Supplies	12,463	5,295
Miscellaneous	540	433
Payments to other districts	-	127
	<u>472,729</u>	<u>382,021</u>
Technology services:		
Salaries	332,424	306,103
Employee benefits	232,300	221,867
Purchased services	354,280	355,079
Supplies	27,393	8,743
Miscellaneous	8,052	7,897
	<u>954,449</u>	<u>899,689</u>
Pupil accounting:		
Supplies	71,289	66,950
Employee benefits	26,786	25,180
Purchased services	475	1,219
	<u>98,550</u>	<u>93,349</u>
Total central services	<u>1,686,748</u>	<u>1,453,476</u>
Other supporting services:		
Athletics:		
Salaries	810,232	715,440
Employee benefits	347,008	306,137
Purchased services	180,808	200,583
Supplies	273,328	120,105
Capital outlay	45,265	-
Miscellaneous	19,634	19,893
Total other supporting services	<u>1,676,275</u>	<u>1,362,158</u>
Total supporting services	<u>19,727,948</u>	<u>17,878,884</u>
Community services:		
Community pool:		
Salaries	64,932	63,659
Employee benefits	44,332	44,319
Purchased services	13,638	15,323
Supplies	14,218	15,182
Miscellaneous	433	427
	<u>137,553</u>	<u>138,910</u>
Community activities:		
Purchased services	<u>2,000</u>	<u>-</u>
Non-public school pupils:		
Purchased services	<u>11,347</u>	<u>9,857</u>
Total community services	<u>150,900</u>	<u>148,767</u>

(Continued)

BYRON CENTER PUBLIC SCHOOLS
General Fund
Comparative Schedules of Expenditures
For the years ended June 30, 2023 and 2022

	2023	2022
Payments to other governmental and not-for-profit entities		
Miscellaneous	\$ 57,600	\$ -
Facilities acquisition, construction, and improvements:		
Capital outlay	101,712	-
Total Expenditures	\$ 59,486,979	\$ 52,610,538

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NONMAJOR GOVERNMENTAL FUNDS

BYRON CENTER PUBLIC SCHOOLS
Combining Balance Sheet - Nonmajor Governmental Funds
June 30, 2023

	Special Revenue			Debt Service		
	Food Service	Community Service	Student/School Activity	2016 SBLF Refunding	2017 Debt	2018 Refunding
Assets						
Cash equivalents, deposits and investments	\$1,279,739	\$3,252,074	\$ 667,062	\$ 21,359	\$ -	\$ 13,281
Accounts receivable	781	-	-	-	-	-
Due from other funds	9,664	395	1,260	-	-	-
Inventory	33,045	-	-	-	-	-
Prepaid expenditures	-	2,810	-	-	-	-
Total Assets	<u>1,323,229</u>	<u>3,255,279</u>	<u>668,322</u>	<u>21,359</u>	<u>-</u>	<u>13,281</u>
Liabilities and Fund Balances						
Liabilities						
Check draws on future deposits	\$ -	\$ -	\$ -	\$ -	\$234,314	\$ -
Accounts payable	39	430	-	-	-	-
Due to other funds	813	11,630	-	-	-	-
Due to other governmental units	3,764	4,154	-	-	-	-
Salaries payable	10,454	13,237	-	-	-	-
Unearned revenue	55,430	341,822	-	-	-	-
Total Liabilities	<u>70,500</u>	<u>371,273</u>	<u>-</u>	<u>-</u>	<u>234,314</u>	<u>-</u>
Fund Balances						
Nonspendable	33,045	2,810	-	-	-	-
Restricted	1,159,684	2,881,196	668,322	21,359	-	13,281
Committed	60,000	-	-	-	-	-
Unassigned	-	-	-	-	(234,314)	-
Total Fund Balances (Deficit)	<u>1,252,729</u>	<u>2,884,006</u>	<u>668,322</u>	<u>21,359</u>	<u>(234,314)</u>	<u>13,281</u>
Total Liabilities and Fund Balances	<u>\$1,323,229</u>	<u>\$3,255,279</u>	<u>\$ 668,322</u>	<u>\$ 21,359</u>	<u>\$ -</u>	<u>\$ 13,281</u>

Debt Service					Capital Projects		Total
2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	2012 Debt	2017 Construction	2022 Technology and Bus	
\$182,952	\$ 19,245	\$ 27,381	\$ 13,165	\$ 94,669	\$1,271,105	\$2,674,034	\$9,516,066
-	-	-	-	-	-	-	781
-	-	-	-	-	-	-	11,319
-	-	-	-	-	-	-	33,045
-	-	-	-	-	-	-	2,810
<u>182,952</u>	<u>19,245</u>	<u>27,381</u>	<u>13,165</u>	<u>94,669</u>	<u>1,271,105</u>	<u>2,674,034</u>	<u>9,564,021</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234,314
-	-	-	-	-	9,453	-	9,922
-	-	-	-	-	-	-	12,443
-	-	-	-	-	-	-	7,918
-	-	-	-	-	-	-	23,691
-	-	-	-	-	-	-	397,252
-	-	-	-	-	9,453	-	685,540
-	-	-	-	-	-	-	35,855
182,952	19,245	27,381	13,165	94,669	1,261,652	2,674,034	9,016,940
-	-	-	-	-	-	-	60,000
-	-	-	-	-	-	-	(234,314)
<u>182,952</u>	<u>19,245</u>	<u>27,381</u>	<u>13,165</u>	<u>94,669</u>	<u>1,261,652</u>	<u>2,674,034</u>	<u>8,878,481</u>
<u>\$182,952</u>	<u>\$ 19,245</u>	<u>\$ 27,381</u>	<u>\$ 13,165</u>	<u>\$ 94,669</u>	<u>\$1,271,105</u>	<u>\$2,674,034</u>	<u>\$9,564,021</u>

BYRON CENTER PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds
For the year ended June 30, 2023

	Special Revenue		
	Food Service	Community Service	Student/ School Activity
Revenues			
Local sources:			
Property taxes	\$ -	\$ -	\$ -
Interest earnings	16,529	41,957	-
Food sales	1,034,200	-	-
Other local sources	-	2,219,079	924,985
Total local sources	1,050,729	2,261,036	924,985
Non-educational sources	-	187,725	-
State sources	135,638	-	-
Federal sources	1,225,703	676,647	-
Total Revenues	2,412,070	3,125,408	924,985
Expenditures			
Current:			
Supporting services	-	-	830,066
Community services	-	2,843,565	-
Food service	2,758,399	-	-
Facilities acquisition, construction, and improvements	-	38,385	-
Debt service:			
Principal repayment	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	2,758,399	2,881,950	830,066
Excess (Deficiency) of Revenues Over Expenditures	(346,329)	243,458	94,919
Other Financing Sources (Uses)			
Proceeds from school bond loan fund	-	-	-
Inception of subscription-based IT arrangements	-	22,583	-
Transfers in	-	267,018	-
Total Other Financing Sources (Uses)	-	289,601	-
Net Change in Fund Balances	(346,329)	533,059	94,919
Fund Balances, Beginning of Year	1,599,058	2,350,947	573,403
Fund Balances (Deficit), End of Year	\$ 1,252,729	\$ 2,884,006	\$ 668,322

Debt Service							
2016 SBLF Refunding	2017 Debt	2018 Refunding	2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	2022 Debt
\$1,754,371	\$3,177,728	\$1,059,243	\$ 297,912	\$1,555,763	\$2,482,600	\$1,158,546	\$ 99,306
13,683	11,274	8,005	100,112	9,881	10,179	6,287	51,821
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,768,054	3,189,002	1,067,248	398,024	1,565,644	2,492,779	1,164,833	151,127
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,768,054	3,189,002	1,067,248	398,024	1,565,644	2,492,779	1,164,833	151,127
148	146,310	89	25	131	210	597	8
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,500,000	1,120,000	1,150,000	-	1,575,000	930,000	1,000,000	-
121,675	2,675,000	113,750	262,563	684,750	1,944,250	487,400	58,697
2,621,823	3,941,310	1,263,839	262,588	2,259,881	2,874,460	1,487,997	58,705
(853,769)	(752,308)	(196,591)	135,436	(694,237)	(381,681)	(323,164)	92,422
865,045	499,928	203,319	-	703,549	394,932	376,679	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
865,045	499,928	203,319	-	703,549	394,932	376,679	-
11,276	(252,380)	6,728	135,436	9,312	13,251	53,515	92,422
10,083	18,066	6,553	47,516	9,933	14,130	(40,350)	2,247
\$ 21,359	\$ (234,314)	\$ 13,281	\$ 182,952	\$ 19,245	\$ 27,381	\$ 13,165	\$ 94,669

BYRON CENTER PUBLIC SCHOOLS
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Nonmajor Governmental Funds (Continued)
For the year ended June 30, 2023

	Capital Projects		Total
	2017 Construction	2022 Technology and Buses	
Revenues			
Local sources:			
Property taxes	\$ -	\$ -	\$ 11,585,469
Interest earnings	25,953	91,170	386,851
Food sales	-	-	1,034,200
Other local sources	-	-	3,144,064
Total local sources	25,953	91,170	16,150,584
Non-educational sources	-	-	187,725
State sources	-	-	135,638
Federal sources	-	-	1,902,350
Total Revenues	25,953	91,170	18,376,297
Expenditures			
Current:			
Supporting services	427,138	257,556	1,662,278
Community services	-	-	2,843,565
Food service	-	-	2,758,399
Facilities acquisition, construction, and improvements	480,936	-	519,321
Debt service:			
Principal repayment	-	-	8,275,000
Interest and fiscal charges	-	-	6,348,085
Total Expenditures	908,074	257,556	22,406,648
Excess (Deficiency) of Revenues Over Expenditures	(882,121)	(166,386)	(4,030,351)
Other Financing Sources (Uses)			
Proceeds from school bond loan fund	-	-	3,043,452
Inception of subscription-based IT arrangements	-	-	22,583
Transfers in	-	-	267,018
Total Other Financing Sources (Uses)	-	-	3,333,053
Net Change in Fund Balances	(882,121)	(166,386)	(697,298)
Fund Balances, Beginning of Year	2,143,773	2,840,420	9,575,779
Fund Balances, End of Year	\$ 1,261,652	\$ 2,674,034	\$ 8,878,481

BYRON CENTER PUBLIC SCHOOLS
Food Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	\$ 1,033,481	\$ 1,050,729	\$ 17,248
State sources	135,870	135,638	(232)
Federal sources	<u>1,193,041</u>	<u>1,225,703</u>	<u>32,662</u>
Total Revenues	<u>2,362,392</u>	<u>2,412,070</u>	<u>49,678</u>
Expenditures			
Food service	<u>2,752,306</u>	<u>2,758,399</u>	<u>(6,093)</u>
Net Change in Fund Balances	(389,914)	(346,329)	55,771
Fund Balances, Beginning of Year	<u>1,599,058</u>	<u>1,599,058</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 1,209,144</u></u>	<u><u>\$ 1,252,729</u></u>	<u><u>\$ 43,585</u></u>

BYRON CENTER PUBLIC SCHOOLS
Community Service Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the year ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	\$ 2,230,308	\$ 2,261,036	\$ 30,728
Non-educational sources	184,245	187,725	3,480
Federal sources	676,643	676,647	4
Total Revenues	<u>3,091,196</u>	<u>3,125,408</u>	<u>34,212</u>
Expenditures			
Current:			
Community services	2,954,838	2,881,950	72,888
Excess (Deficiency) of Revenues Over Expenditures	<u>136,358</u>	<u>243,458</u>	<u>(38,676)</u>
Other Financing Sources (Uses)			
Inception of subscription-based IT arrangements	-	22,583	22,583
Transfers in	267,018	267,018	-
Total Other Financing Sources (Uses)	<u>267,018</u>	<u>289,601</u>	<u>22,583</u>
Net Change in Fund Balances	403,376	533,059	129,683
Fund Balances, Beginning of Year	<u>2,350,947</u>	<u>2,350,947</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 2,754,323</u>	<u>\$ 2,884,006</u>	<u>\$ 129,683</u>

BYRON CENTER PUBLIC SCHOOLS
Student/School Activity Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Local sources	\$ 840,000	\$ 924,985	\$ 84,985
Expenditures			
Current:			
Supporting services	<u>845,000</u>	<u>830,066</u>	<u>14,934</u>
Net Change in Fund Balance	(5,000)	94,919	99,919
Fund Balance, Beginning of Year	<u>573,403</u>	<u>573,403</u>	-
Fund Balance, End of Year	<u><u>\$ 568,403</u></u>	<u><u>\$ 668,322</u></u>	<u><u>\$ 99,919</u></u>

SPECIAL REVENUE FUNDS

Food Service — to account for monies received from food service activities and federal subsidies for use in administering the hot lunch program of the District.

Community Service — to account for fees received for use in childcare and preschool services for residents, as well as admission fees, donations and interest earnings for use in the operation and maintenance of the District's fine arts performance center.

Student/School Activity Fund — to account for monies held for the benefit of the District's students.

BYRON CENTER PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Balance Sheets
June 30, 2023 and 2022

	2023	2022
Assets		
Cash equivalents	\$ 1,279,739	\$ 1,716,559
Accounts receivable	781	-
Due from other funds	9,664	-
Due from other governmental units	-	9,486
Inventory	33,045	28,774
Total Assets	\$ 1,323,229	\$ 1,754,819
 Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 39	\$ 88,652
Due to other funds	813	147
Due to other governmental units	3,764	2,312
Salaries payable	10,454	6,419
Unearned revenue	55,430	58,231
Total Liabilities	70,500	155,761
Fund Balances		
Nonspendable	33,045	28,774
Restricted	1,159,684	1,570,284
Committed	60,000	-
Total Fund Balances	1,252,729	1,599,058
Total Liabilities and Fund Balances	\$ 1,323,229	\$ 1,754,819

BYRON CENTER PUBLIC SCHOOLS
Food Service Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2023 and 2022

	2023	2022
Revenues		
Local sources:		
Interest earnings:		
Interest on cash equivalents	\$ 16,529	\$ 1,202
Food sales:		
Food sales to students	742,104	-
Food sales to adults	11,630	6,880
Special milk sales	1,537	6,432
Ala carte sales	166,561	156,090
Catering	112,368	39,361
	1,034,200	208,763
Total local sources	1,050,729	209,965
State sources	135,638	122,927
Federal sources	1,225,703	3,072,301
	2,412,070	3,405,193
Total Revenues	2,412,070	3,405,193
Expenditures		
Current:		
Food service:		
Salaries	577,238	533,208
Employee benefits	311,933	279,108
Purchased services	186,245	213,455
Supplies	1,258,298	1,375,596
Capital outlay	412,962	193,935
Miscellaneous	11,723	8,573
	2,758,399	2,603,875
Total Expenditures	2,758,399	2,603,875
Net Change in Fund Balances	(346,329)	801,318
Fund Balances, Beginning of Year	1,599,058	797,740
Fund Balances, End of Year	\$ 1,252,729	\$ 1,599,058

BYRON CENTER PUBLIC SCHOOLS
Community Service Special Revenue Fund
Comparative Balance Sheets
June 30, 2023 and 2022

	2023	2022
Assets		
Cash equivalents	\$ 3,252,074	\$ 2,093,636
Due from other funds	395	991,550
Prepaid expenditures	2,810	-
	Total Assets	Total Assets
	\$ 3,255,279	\$ 3,085,186
Liabilities and Fund Balances		
Liabilities		
Accounts payable	430	84,274
Due to other funds	11,630	1,034
Due to other governmental units	4,154	16,165
Salaries payable	13,237	43,505
Unearned revenue	341,822	589,261
	Total Liabilities	Total Liabilities
	371,273	734,239
Fund Balances		
Nonspendable	2,810	-
Restricted for programs:		
Driver education	151,030	163,901
Preschool	193,199	119,279
Childcare	2,046,241	1,664,133
BCTV	113,777	93,605
Pool	136,653	68,816
Van Singel	240,296	241,213
	Total Fund Balances	Total Fund Balances
	2,884,006	2,350,947
	Total Liabilities and Fund Balances	Total Liabilities and Fund Balances
	\$ 3,255,279	\$ 3,085,186

BYRON CENTER PUBLIC SCHOOLS
Community Service Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2023 and 2022

	2023	2022
Revenues		
Local sources:		
Earnings on cash equivalents	\$ 41,957	\$ 1,818
Revenue from student activities:		
Tuition	1,873,514	1,662,156
Admissions	28,621	27,750
Dues and fees	46,820	43,463
Other student activity income	143,836	113,328
Revenue from community service activities	4,840	38,475
Other local revenue:		
Rentals	94,610	123,028
Contributions	15,551	37,261
Miscellaneous local revenue	11,287	4,087
Total local sources	<u>2,261,036</u>	<u>2,051,366</u>
Non-educational sources	<u>187,725</u>	<u>186,395</u>
Federal sources:		
Child care relief grant	1,000	903,391
Child care sustainability grant	675,647	687,519
Total federal sources	<u>676,647</u>	<u>1,590,910</u>
Total Revenues	<u>3,125,408</u>	<u>3,828,671</u>
Expenditures		
Community services:		
Community recreation:		
Salaries	1,040,311	1,044,077
Employee benefits	464,805	486,725
Purchased services	863,477	764,822
Supplies	214,708	105,672
Capital outlay	36,762	-
Miscellaneous	54,097	58,857
Other community services:		
Salaries	107,916	107,602
Employee benefits	52,376	53,127
Purchased services	1,010	487
Supplies	8,103	35,415
Facilities acquisition, construction, and improvements:		
Capital outlay	<u>38,385</u>	<u>-</u>
Total Expenditures	<u>2,881,950</u>	<u>2,656,784</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>243,458</u>	<u>1,171,887</u>
Other Financing Sources (Uses)		
Inception of subscription-based IT arrangements	22,583	-
Transfers in	<u>267,018</u>	<u>243,553</u>
Total Other Financing Sources (Uses)	<u>289,601</u>	<u>243,553</u>
Net Change in Fund Balances	533,059	1,415,440
Fund Balances, Beginning of Year	<u>2,350,947</u>	<u>935,507</u>
Fund Balances, End of Year	<u>\$ 2,884,006</u>	<u>\$ 2,350,947</u>

BYRON CENTER PUBLIC SCHOOLS
Student/School Activity Special Revenue Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash equivalents	\$ 667,062	\$ 572,383
Due from other funds	1,260	1,020
	\$ 668,322	\$ 573,403
 Liabilities and Fund Balance		
Liabilities	\$ -	\$ -
Fund Balance		
Restricted	668,322	573,403
Total Liabilities and Fund Balance	\$ 668,322	\$ 573,403

BYRON CENTER PUBLIC SCHOOLS
Student/School Activity Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenues		
Local sources:		
Other student activity	<u>\$ 924,985</u>	<u>\$ 718,812</u>
Expenditures		
Current:		
Other student/school activity	<u>830,066</u>	<u>588,519</u>
Net Change in Fund Balance	94,919	130,293
Fund Balance, Beginning of Year	<u>573,403</u>	<u>443,110</u>
Fund Balance, End of Year	<u><u>\$ 668,322</u></u>	<u><u>\$ 573,403</u></u>

DEBT SERVICE FUNDS

To accumulate property tax revenues and interest earnings for repayment of the bond issues of the District used to finance new building construction projects.

BYRON CENTER PUBLIC SCHOOLS
Debt Service Funds
Combining Balance Sheet
June 30, 2023 (with comparative totals as of June 30, 2022)

	<u>2016 SBLF Refunding</u>	<u>2017 Debt</u>	<u>2018 Refunding</u>	<u>2019 SBLF Refunding</u>
Assets				
Cash equivalents	<u>\$ 21,359</u>	<u>\$ -</u>	<u>\$ 13,281</u>	<u>\$ 182,952</u>
Liabilities and Fund Balances				
Liabilities				
Checks drawn on future deposits	\$ -	\$ 234,314	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>234,314</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	21,359	-	13,281	182,952
Unassigned	<u>-</u>	<u>(234,314)</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficit)	<u>21,359</u>	<u>(234,314)</u>	<u>13,281</u>	<u>182,952</u>
Total Liabilities and Fund Balances	<u>\$ 21,359</u>	<u>\$ -</u>	<u>\$ 13,281</u>	<u>\$ 182,952</u>

<u>2020</u> <u>Refunding</u>	<u>2020</u> <u>Debt</u>	<u>2021</u> <u>Refunding</u>	<u>2022</u> <u>Debt</u>	<u>Totals</u> <u>2023</u>	<u>2022</u>
<u>\$ 19,245</u>	<u>\$ 27,381</u>	<u>\$ 13,165</u>	<u>\$ 94,669</u>	<u>\$ 372,052</u>	<u>\$ 68,412</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,314</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,314</u>	<u>234</u>
<u>19,245</u>	<u>27,381</u>	<u>13,165</u>	<u>94,669</u>	<u>372,052</u>	<u>108,528</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(234,314)</u>	<u>(40,350)</u>
<u>19,245</u>	<u>27,381</u>	<u>13,165</u>	<u>94,669</u>	<u>137,738</u>	<u>68,178</u>
<u>\$ 19,245</u>	<u>\$ 27,381</u>	<u>\$ 13,165</u>	<u>\$ 94,669</u>	<u>\$ 372,052</u>	<u>\$ 68,412</u>

BYRON CENTER PUBLIC SCHOOLS
Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2023 (with comparative totals for the year ended June 30, 2022)

	2016 SBLF Refunding	2017 Debt	2018 Refunding
Revenues			
Local sources:			
Property taxes:			
Current property taxes	\$ 1,747,411	\$3,165,120	\$ 1,055,040
Industrial facilities taxes	5,052	9,152	3,051
Delinquent and other property taxes	1,245	2,256	752
Interest on delinquent taxes	663	1,200	400
	<u>1,754,371</u>	<u>3,177,728</u>	<u>1,059,243</u>
Interest earnings:			
Interest on cash equivalents	13,683	11,274	8,005
	<u>-</u>	<u>-</u>	<u>-</u>
Other local sources	-	-	-
Total local sources	<u>1,768,054</u>	<u>3,189,002</u>	<u>1,067,248</u>
Total Revenues	<u>1,768,054</u>	<u>3,189,002</u>	<u>1,067,248</u>
Expenditures			
Support services:			
Other business services	148	146,310	89
Debt service:			
Principal repayment	2,500,000	1,120,000	1,150,000
Interest and fiscal charges:			
Interest expense	121,175	2,674,500	113,750
Paying agent fees	500	500	-
	<u>2,621,823</u>	<u>3,941,310</u>	<u>1,263,839</u>
Total Expenditures	<u>2,621,823</u>	<u>3,941,310</u>	<u>1,263,839</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(853,769)</u>	<u>(752,308)</u>	<u>(196,591)</u>
Other Financing Sources (Uses)			
Proceeds from school bond loan fund	865,045	499,928	203,319
Transfers in	-	-	-
Transfers out	-	-	-
	<u>865,045</u>	<u>499,928</u>	<u>203,319</u>
Total Other Financing Sources (Uses)	<u>865,045</u>	<u>499,928</u>	<u>203,319</u>
Net Change in Fund Balances	11,276	(252,380)	6,728
Fund Balances (Deficit), Beginning of Year	<u>10,083</u>	<u>18,066</u>	<u>6,553</u>
Fund Balances (Deficit), End of Year	<u>\$ 21,359</u>	<u>\$ (234,314)</u>	<u>\$ 13,281</u>

2019 SBLF Refunding	2020 Refunding	2020 Debt	2021 Refunding	2022 Debt	Totals	
					2023	2022
\$ 296,730	\$1,549,590	\$ 2,472,750	\$ 1,153,949	\$ 98,911	\$ 11,539,501	\$10,637,514
858	4,481	7,150	3,337	286	33,367	17,420
211	1,104	1,762	822	71	8,223	1,006
113	588	938	438	38	4,378	4,408
<u>297,912</u>	<u>1,555,763</u>	<u>2,482,600</u>	<u>1,158,546</u>	<u>99,306</u>	<u>11,585,469</u>	<u>10,660,348</u>
<u>100,112</u>	<u>9,881</u>	<u>10,179</u>	<u>6,287</u>	<u>51,821</u>	<u>211,242</u>	<u>3,038</u>
-	-	-	-	-	-	5,227
<u>398,024</u>	<u>1,565,644</u>	<u>2,492,779</u>	<u>1,164,833</u>	<u>151,127</u>	<u>11,796,711</u>	<u>10,668,613</u>
<u>398,024</u>	<u>1,565,644</u>	<u>2,492,779</u>	<u>1,164,833</u>	<u>151,127</u>	<u>11,796,711</u>	<u>10,668,613</u>
25	131	210	597	8	147,518	5,885
-	1,575,000	930,000	1,000,000	-	8,275,000	8,160,000
262,063	684,250	1,943,750	487,400	58,197	6,345,085	6,588,503
500	500	500	-	500	3,000	3,500
<u>262,588</u>	<u>2,259,881</u>	<u>2,874,460</u>	<u>1,487,997</u>	<u>58,705</u>	<u>14,770,603</u>	<u>14,757,888</u>
<u>135,436</u>	<u>(694,237)</u>	<u>(381,681)</u>	<u>(323,164)</u>	<u>92,422</u>	<u>(2,973,892)</u>	<u>(4,089,275)</u>
-	703,549	394,932	376,679	-	3,043,452	4,072,374
-	-	-	-	-	-	2,247
-	-	-	-	-	-	(2,247)
<u>-</u>	<u>703,549</u>	<u>394,932</u>	<u>376,679</u>	<u>-</u>	<u>3,043,452</u>	<u>4,072,374</u>
135,436	9,312	13,251	53,515	92,422	69,560	(16,901)
47,516	9,933	14,130	(40,350)	2,247	68,178	85,079
<u>\$ 182,952</u>	<u>\$ 19,245</u>	<u>\$ 27,381</u>	<u>\$ 13,165</u>	<u>\$ 94,669</u>	<u>\$ 137,738</u>	<u>\$ 68,178</u>

CAPITAL PROJECTS FUNDS

Building and Site Sinking — to account for property tax revenues and interest earnings used to finance building improvements projects.

2017 Construction — to account for bond proceeds used to finance building construction and improvement projects.

2020 Construction — to account for bond proceeds used to finance building construction and improvement projects.

2022 Technology and Buses – to account for bond proceeds used to finance technology and bus purchases.

2023 Construction – to account for bond proceeds used to finance building construction and improvement projects.

BYRON CENTER PUBLIC SCHOOLS
Building and Site Sinking Capital Projects Fund
Comparative Balance Sheets
June 30, 2023 and 2022

	2023	2022
Assets		
Cash equivalents	\$ 5,017,038	\$ 4,954,503
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 120,393	\$ 103,931
Fund Balances		
Restricted	4,046,645	4,130,572
Committed	850,000	720,000
Total Fund Balances	4,896,645	4,850,572
Total Liabilities and Fund Balances	\$ 5,017,038	\$ 4,954,503

BYRON CENTER PUBLIC SCHOOLS
Building and Site Sinking Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2023 and 2022

	2023	2022
Revenues		
Local sources:		
Property taxes:		
Current property taxes	\$ 1,598,057	\$ 1,481,046
Industrial facilities taxes	4,621	2,425
Delinquent and other property taxes	1,139	140
Interest on delinquent taxes	606	614
Total property taxes	1,604,423	1,484,225
Interest earnings:		
Interest on cash equivalents	73,434	6,116
Miscellaneous local revenue	35,587	-
Total Revenues	1,713,444	1,490,341
Expenditures		
Support services:		
Support services business	135	820
Facilities acquisition, construction, and improvements:		
Architecture and engineering services	-	523,139
Building improvement services	1,132,553	693,304
Total Expenditures	1,132,688	1,217,263
Excess (Deficiency) of Revenues Over Expenditures	580,756	273,078
Other Financing Sources (Uses)		
Transfers out	(534,683)	(141,180)
Net Change in Fund Balances	46,073	131,898
Fund Balances, Beginning of Year	4,850,572	4,718,674
Fund Balances, End of Year	\$ 4,896,645	\$ 4,850,572

BYRON CENTER PUBLIC SCHOOLS
2017 Construction Capital Projects Fund
Comparative Balance Sheets
June 30, 2023 and 2022

	2023	2022
Assets		
Cash equivalents and investments	\$ 1,271,105	\$ 2,143,773
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 9,453	\$ -
Fund Balances		
Restricted	1,261,652	1,977,807
Assigned for future expenditures	-	165,966
Total Fund Balances	1,261,652	2,143,773
Total Liabilities and Fund Balances	\$ 1,271,105	\$ 2,143,773

BYRON CENTER PUBLIC SCHOOLS
2017 Construction Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the years ended June 30, 2023 and 2022

	2023	2022
Revenues		
Local sources:		
Interest earnings:		
Interest on cash equivalents	\$ 25,953	\$ 2,619
Expenditures		
Support services:		
Technology	427,138	-
Facilities acquisition, construction, and improvements:		
Architecture and engineering services	65,000	3,300
Building improvement services	3,464	88,386
Other facilities acquisition and construction services	412,472	39,034
Total Expenditures	908,074	130,720
Net Change in Fund Balances	(882,121)	(128,101)
Fund Balances, Beginning of Year	2,143,773	2,271,874
Fund Balances, End of Year	\$ 1,261,652	\$ 2,143,773

BYRON CENTER PUBLIC SCHOOLS
2020 Construction Capital Projects Fund
Comparative Balance Sheets
June 30, 2023 and 2022

	2023	2022
Assets		
Cash equivalents and investments	\$ 10,523,644	\$ 30,725,340
Due from other funds	101,712	-
Total Assets	\$ 10,625,356	\$ 30,725,340
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 185,535	\$ 2,505,337
Due to other governmental units	806	-
Total Liabilities	186,341	2,505,337
Fund Balance		
Restricted	10,439,015	28,220,003
Total Liabilities and Fund Balance	\$ 10,625,356	\$ 30,725,340

BYRON CENTER PUBLIC SCHOOLS
2020 Construction Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2023 and 2022

	2023	2022
Revenues		
Local sources:		
Interest earnings:		
Interest on cash equivalents and investments	\$ 689,901	\$ 70,007
Other local revenue	221,808	-
State sources	3,638	-
Total Revenues	915,347	70,007
Expenditures		
Support services:		
Operating building services	28,558	-
Pupil transportation services	62,942	305,704
Non-instruction technology services	26,145	1,625
Technology	867,850	1,663,836
Facilities acquisition, construction, and improvements:		
Site improvement services	386,074	1,568,867
Architecture and engineering services	311,790	486,966
Building improvement services	16,539,009	16,621,616
Other facilities, acquisition and construction services	1,008,650	268,906
Total Expenditures	19,231,018	20,917,520
Excess (Deficiency) of Revenues Over Expenditures	(18,315,671)	(20,847,513)
Other Financing Sources (Uses)		
Transfers in	534,683	141,180
Net Change in Fund Balance	(17,780,988)	(20,706,333)
Fund Balance, Beginning of Year	28,220,003	48,926,336
Fund Balance, End of Year	\$ 10,439,015	\$ 28,220,003

BYRON CENTER PUBLIC SCHOOLS
2022 Technology and Bus Capital Projects Fund
Comparative Balance Sheets
June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash equivalents and investments	<u>\$ 2,674,034</u>	<u>\$ 2,840,420</u>
Liabilities and Fund Balance		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund Balance		
Restricted	<u>2,674,034</u>	<u>2,840,420</u>
Total Liabilities and Fund Balance	<u>\$ 2,674,034</u>	<u>\$ 2,840,420</u>

BYRON CENTER PUBLIC SCHOOLS
2022 Technology and Bus Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2023 and 2022

	2023	2022
Revenues		
Local sources:		
Interest earnings:		
Interest on cash equivalents and investments	\$ 91,170	\$ 3,752
Expenditures		
Support services:		
Pupil transportation services	257,556	-
Debt service:		
Bond issuance costs	-	48,332
Total Expenditures	257,556	48,332
Excess (Deficiency) of Revenues Over Expenditures	(166,386)	(44,580)
Other Financing Sources (Uses)		
Proceeds from bond issuance	-	2,885,000
Net Change in Fund Balance	(166,386)	2,840,420
Fund Balance, Beginning of Year	2,840,420	-
Fund Balance, End of Year	\$ 2,674,034	\$ 2,840,420

BYRON CENTER PUBLIC SCHOOLS
2023 Construction Capital Projects Fund
Balance Sheet
June 30, 2023

	<u>2023</u>
Assets	
Cash equivalents and investments	<u>\$ 21,653,629</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 120,651
Due to other funds	<u>1,000</u>
Total Liabilities	121,651
Fund Balance	
Restricted	<u>21,531,978</u>
Total Liabilities and Fund Balance	<u>\$ 21,653,629</u>

BYRON CENTER PUBLIC SCHOOLS
2023 Construction Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the year ended June 30, 2023

	2023
Revenues	
Local sources:	
Interest earnings:	
Interest on cash equivalents and investments	\$ 138,231
Expenditures	
Facilities acquisition, construction, and improvements:	
Site improvement services	44,871
Architecture and engineering services	320,208
Building and improvement services	1,112,843
Other facilities acquisition and construction services	138,060
Debt service:	
Bond issuance costs	123,868
Underwriter's discount	80,119
Total Expenditures	1,819,969
Excess (Deficiency) of Revenues Over Expenditures	(1,681,738)
Other Financing Sources (Uses)	
Proceeds from bond issuance	20,810,000
Premium on bond issuance	2,403,716
Total Financing Sources (Uses)	23,213,716
Net Change in Fund Balance	21,531,978
Fund Balance, Beginning of Year	-
Fund Balance, End of Year	\$ 21,531,978

**BYRON CENTER
PUBLIC SCHOOLS
Kent County, Michigan**

Additional Reports Required by
the Uniform Guidance

For the year ended June 30, 2023

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BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2023

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

October 11, 2023

The Board of Education
Byron Center Public Schools
Kent County, Michigan

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 Byron Center Public Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Byron Center Public Schools' basic financial statements, and have issued our report thereon dated October 11, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Byron Center 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 Byron Center Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of Byron Center 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 Byron Center 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.



Certified Public Accountants
Grand Rapids, Michigan

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

October 11, 2023

The Board of Education
Byron Center Public Schools
Kent County, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Byron Center 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 Byron Center Public Schools' major federal programs for the year ended June 30, 2023. Byron Center 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, Byron Center Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Byron Center 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 Byron Center 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 Byron Center 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 Byron Center 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 Byron Center 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 Byron Center 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 Byron Center 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 Byron Center 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Byron Center Public Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise of Byron Center Public Schools' basic financial statements. We issued our report thereon dated October 11, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Certified Public Accountants
Grand Rapids, Michigan

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2023

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
U. S. Department of Education		
Passed through Michigan Department of Education (MDE):		
Title I, Part A:	84.010	
221530 2122		\$ 320,951
231530 2223		<u>219,073</u>
Total Title I, Part A		<u>540,024</u>
Title II, Part A:	84.367	
220520 2122		132,880
230520 2223		<u>113,963</u>
Total Title II, Part A		<u>246,843</u>
Title III, Part A:	84.365	
230570 2223		<u>2,971</u>
Title IV, Part A:	84.424	
230750 2223		<u>31,054</u>
Education Stabilization Fund:	84.425	
213712 2021 ESSER II Formula	84.425D	734,788
213782 2223 98c Learning Loss Grant	84.425D	228,182
213713 2122 ARP/ESSER III	84.425U	1,651,403
213723 2122 ESSER III - 11t Equalization	84.425U	<u>2,988,622</u>
Total Education Stabilization Fund		<u>5,602,995</u>
Total Passed Through MDE		<u>6,423,887</u>
Passed through Kent Intermediate School District (KISD):		
Title III, Part A:	84.365	
230580 2223		<u>9,211</u>
Special Education Cluster:		
I.D.E.A. Flowthrough:	84.027	
220450 2122		749,951
230450 2223		748,164
221280 2122 IDEA Flowthrough ARP	84.027X	<u>177,175</u>
Total I.D.E.A. Flowthrough		<u>1,675,290</u>

See Notes to Schedule of Expenditures of Federal Awards.

Accrued (Deferred) Revenue At July 1, 2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2023
\$ 20,004	\$ 238,548	\$ -	\$ 20,004	\$ -
-	-	195,521	176,881	18,640
20,004	238,548	195,521	196,885	18,640
1,291	83,502	-	1,291	-
-	-	87,326	82,824	4,502
1,291	83,502	87,326	84,115	4,502
-	-	1,480	1,480	-
-	-	25,424	25,424	-
17,800	264,789	117,774	129,078	6,496
-	-	228,182	228,182	-
8,417	353,379	386,845	385,874	9,388
364,150	364,150	1,243,863	1,427,158	180,855
390,367	982,318	1,976,664	2,170,292	196,739
411,662	1,304,368	2,286,415	2,478,196	219,881
-	-	9,211	9,211	-
154,578	749,951	-	154,578	-
-	-	748,164	589,768	158,396
20,791	88,843	88,332	90,292	18,831
175,369	838,794	836,496	834,638	177,227

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2023

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
220460 2122		\$ 38,610
230460 2223		45,544
221285 2122 IDEA Preschool ARP	84.173X	19,162
Total I.D.E.A. Preschool		103,316
Total Special Education Cluster		1,778,606
Total Passed Through KISD		1,787,817
Total U.S. Department of Education		8,211,704
U.S. Department of Health and Human Services		
Passed through Kent Intermediate School District (KISD):		
Medicaid Cluster:		
Medical Assistance Program:	93.778	
2223 Medicaid Outreach		12,844
Epidemiology and Laboratory Capacity for Infectious Diseases:	93.323	
Health Resource Advocate:		
222810		33,584
232810		68,263
Total Epidemiology and Laboratory Capacity for Infectious Diseases		101,847
Total U.S. Department of Health and Human Services		114,691
U.S. Department of Agriculture		
Passed through Michigan Department of Education (MDE):		
Child Nutrition Cluster:		
Non-Cash Assistance (U.S.D.A. Commodities):	10.555	
Entitlement Commodities		147,074
Bonus Commodities		22,377
Total Non-Cash Assistance		169,451

See Notes to Schedule of Expenditures of Federal Awards.

Accrued (Deferred) Revenue At July 1, 2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2023
\$ 12	\$ 38,610	\$ -	\$ 12	\$ -
-	-	45,544	35,328	10,216
2,144	9,587	9,575	9,606	2,113
2,156	48,197	55,119	44,946	12,329
177,525	886,991	891,615	879,584	189,556
177,525	886,991	900,826	888,795	189,556
589,187	2,191,359	3,187,241	3,366,991	409,437
-	-	12,844	-	12,844
32,630	33,584	-	32,630	-
-	-	68,263	52,692	15,571
32,630	33,584	68,263	85,322	15,571
32,630	33,584	81,107	85,322	28,415
-	-	147,074	147,074	-
-	-	22,377	22,377	-
-	-	169,451	169,451	-

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2023

Federal Grantor Pass Through Grantor Program Title Grant Number	Federal Assistance Listing Number	Approved Grant Award Amount
School Breakfast Program:	10.553	
221970		\$ 9,421
231970		104,363
		<hr/>
Total School Breakfast Program		113,784
		<hr/>
National School Lunch Program:	10.555	
220910		95,688
221960		105,783
230910		47,524
231960		693,475
		<hr/>
Total Seamless Summer Option - Lunch		942,470
		<hr/>
Total Cash Assistance		1,056,254
		<hr/>
Total Child Nutrition Cluster		1,225,705
		<hr/>
Pandemic EBT Local Level Costs:	10.649	
220980 2022		3,135
		<hr/>
Total U.S. Department of Agriculture		1,228,840
		<hr/>
Total Federal Financial Assistance		<u><u>\$ 9,555,235</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

Accrued (Deferred) Revenue At July 1, 2022	(Memo Only) Prior Year Expenditures	Current Year Expenditures	Current Year Receipts (Cash Basis)	Accrued (Deferred) Revenue At June 30, 2023
\$ -	\$ -	\$ 9,421	\$ 9,421	\$ -
-	-	104,362	104,362	-
-	-	113,783	113,783	-
-	-	95,688	95,688	-
-	-	105,782	105,782	-
-	-	47,524	47,524	-
-	-	693,475	693,475	-
-	-	942,469	942,469	-
-	-	1,056,252	1,056,252	-
-	-	1,225,703	1,225,703	-
-	-	3,135	3,135	-
-	-	1,228,838	1,228,838	-
\$ 621,817	\$ 2,224,943	\$ 4,497,186	\$ 4,681,151	\$ 437,852

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2023

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Byron Center Public Schools under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with 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 Byron Center Public Schools, it is not intended to and does not present the financial position, changes in net position, or cash flows, as applicable, of Byron Center Public Schools.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

Byron Center Public Schools has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance.

Note D – Grant Section Auditor Report

Management has utilized the MDE NexSys Grant, Application and Cash Management System Grant Auditor Report (GAR) in preparing the Schedule of Expenditures of Federal Awards.

Note E – Non-Cash Assistance

The amounts reported on the Recipient Entitlement Balance Report, or PAL Report, agree with the SEFA for USDA donated food commodities.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2023

Note F – Federal Income Reconciliation

	Grant Expenditures Per Schedule of Federal Financial Assistance	Federal Revenue Per Financial Statements	Difference
Title I, Part A	\$ 195,521	\$ 195,521	\$ -
Title II, Part A	87,326	87,326	-
Title III, Part A	10,691	10,691	-
Title IV, Part A	25,424	25,424	-
Education Stabilization Fund	1,976,664	1,976,664	-
Special Education Cluster	891,615	891,615	-
Medicaid Cluster	12,844	12,844	-
Health Resource Advocate	68,263	68,263	-
Child Care and Development Block Grant	-	676,647	(676,647) *
Child Nutrition Cluster	1,225,703	1,225,703	-
Pandemic EBT Local Level Costs	3,135	3,135	-
	<u>\$ 4,497,186</u>	<u>\$ 5,173,833</u>	<u>\$ (676,647)</u>

* The difference in Federal expenditures to Federal revenue per the financial statements is due to the determination made by the Office of Child Development & Care (CDC) that deemed the recipients of Child Care Stabilization portion of the Child Care and Development Grants to be beneficiaries, not subrecipients.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

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 disclosed that are required to be reported in accordance with the Uniform Guidance?

_____ Yes X No

Identification of major programs audited:

Special Education Cluster:
84.027 - I.D.E.A. Flowthrough
84.173 - I.D.E.A. Preschool
84.425 - Education Stabilization Fund

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

BYRON CENTER PUBLIC SCHOOLS

For the year ended June 30, 2023

Section I - Summary of Auditor's Results (Continued)

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

\$750,000

Auditee qualified as a low-risk auditee?

X

Yes

 No

Section II - Financial Statements Audit Findings

There were no findings that are required to be reported under *Government Auditing Standards*.

Current Year Findings

There were no current year audit findings.

October 11, 2023

The Board of Education
Byron Center Public Schools
Kent County, Michigan

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Byron Center Public Schools for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and Government Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 15, 2023. 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. The significant accounting policies used by Byron Center Public Schools are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2023. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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 Government-Wide financial statements were:

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

Management's estimate of the lives of capital assets. We evaluated the key factors and assumptions used to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole. Certain amounts included in capital assets have been estimated by appraisers based on historical information for assets placed in service prior to implementation of GASB Statement No. 34.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosures affecting the financial statements were related to the District's share of the net pension and net OPEB liabilities related to GASB Statements No. 68 and 75.

The disclosure of the net pension liability and the net OPEB liability in the Notes to the financial statements were recorded as of June 30, 2023 based on information received from the Michigan Office of Retirement Services. We evaluated the key factors and assumptions used to develop these liabilities in determining that it is 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 known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as 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 11, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matter, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit'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 governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Per 7 CFR Part 210.14(b), and as detailed in the Michigan Department of Education (MDE) School Auditing Manual, the District must limit its net cash resources in the Food Service Fund to an amount that does not exceed 3 months average expenditures for its nonprofit school food service. Due to the impact of the COVID-19 pandemic on the School Nutrition Program, which resulted in increased reimbursement rates for meals served, many school districts in the State, including Byron Center Public Schools, now have an excess fund balance and must work with MDE to gain approval of a spend down plan for the subsequent school year. To assist in MDE monitoring efforts, all CPA firms performing audits of school districts in Michigan have been asked to identify districts with excess fund balance though this required communication with governance. An audit finding has not been included in the Single Audit report that accompanies this letter, as excess fund balance requirements are not detailed in the Office of Management and Budget's Compliance Supplement for the Child Nutrition Cluster of Programs.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and Schedules related to the Proportionate Share and Contributions of the District's Net Pension and Net OPEB Liabilities, which are required supplementary information (RSI) that supplements 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 combining and individual fund statements and schedules, which accompany the financial statements but are not RSI. With respect to this 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 supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Comments

The District General Fund balance increased by \$1,499,307 to \$14,413,922 at June 30, 2023. This balance represents approximately 22.80 percent of the District's 2022-23 expenditure budget (down from 23.41 percent at June 30, 2022). Maintaining a fund balance of at least 10 to 20 percent of the ensuing year's expenditure budget is advisable for Byron Center Public Schools. This gives the District more stable operating funds during the year, helps avoid or reduce the necessity of borrowing for short-term cash flow purposes and acts as a buffer against the uncertainty of state aid revenues accruing to the District.

Byron Center Public Schools
Page 4
October 11, 2023

Closing

This communication is intended solely for the information and use of the Byron Center Public Schools Board of Education and management and is not intended to be, and should not be, used by anyone other than these specified parties. We have furnished a copy of this letter to the Michigan Departments of Education and Treasury as an enclosure with the audited financial statements as required by the State of Michigan.

Hungerford Nichols

Certified Public Accountants
Grand Rapids, Michigan