Romeo Community Schools

Financial Statements

June 30, 2023

YEO & YEO

BUSINESS SUCCESS PARTNERS

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Independent Auditors' Report

Management and the Board of Education
Romeo Community Schools
Romeo, Michigan

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 the Romeo Community Schools, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Romeo Community Schools' basic financial statements as listed in the table of contents.

In our opinion, based on our audit, 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 Romeo Community Schools, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Romeo Community 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.

Adoption of New Accounting Standard

As discussed in Note 1 to the financial statements, in 2023 the School District adopted new accounting guidance, GASBS No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

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 Romeo Community 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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Romeo Community 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 Romeo Community 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, budgetary comparison information, schedule of the school district's proportionate share of the net pension liability, and schedule of the school district's pension contributions, schedule of the school district's proportionate share of the net OPEB liability, and schedule of the school district's OPEB contributions identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Romeo Community Schools' basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information, as identified in the table of contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2023 on our consideration of Romeo Community 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 Romeo Community 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 Romeo Community Schools' internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Auburn Hills, MI
September 18, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Romeo Community Schools' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2023. Please read this in conjunction with the School District's financial statements, which immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Romeo Community Schools financially as a whole. The government-wide financial statements provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the government-wide financial statements by providing information about the School District's most significant funds - the General Fund and 2022 Facility Bond Fund, with all other funds presented in one column as nonmajor funds. The format of the annual report is as follows:

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

Basic Financial Statements
Government-wide Financial Statements
Fund Financial Statements

Notes to the Financial Statements

Budgetary Information for Major Funds
(Required Supplementary Information)

Other Supplementary Information

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

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the School District's net position - the difference between assets and liabilities, as reported in the statement of net position - as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net position - as reported in the statement of activities - are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools, to assess the overall health of the School District. The statement of net position and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, support services, community services, athletics, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Reporting the Schools District's Most Significant Funds - Fund Financial Statements

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

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

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position as of June 30, 2023 and 2022:

TABLE 1	Governmental Activities	
	June 30, 2023	June 30, 2022
Assets		
Current and other assets	$ 89,077,583	$ 94,803,776
Capital assets	144,535,414	132,253,618
Total assets	233,612,997	227,057,394
Deferred Outflows of Resources		
Deferred amount relating to net pension liability	38,078,098	19,521,237
Deferred amount relating to net OPEB liability	10,694,895	7,570,203
Total deferred outflows of resources	48,772,993	27,091,440
Total assets and deferred outflows of resources	282,385,990	254,148,834
Liabilities		
Current liabilities	11,825,393	10,080,414
Long-term liabilities	264,436,917	219,614,396
Total liabilities	276,262,310	229,694,810
Deferred Inflows of Resources		
Deferred amount relating to net pension liability	6,094,516	30,509,033
Deferred amount relating to net OPEB liability	14,699,120	18,810,783
Total deferred inflows of resources	20,793,636	49,319,816
Total liabilities and deferred inflows of resources	297,055,946	279,014,626
Net Position		
Net investment in capital assets	65,773,371	65,831,742
Restricted	5,777,850	3,389,519
Unrestricted	(86,221,177)	(94,087,053)
Total net position	$ (14,669,956)	$ (24,865,792)

Table 1 focuses on the net position. The change in net position (see Table 2) of the School District's governmental activities is discussed later in this section. The School District's net position was ($14,669,956) at June 30, 2023. Net investment in capital assets totaling $65,773,371 compares the original cost, less depreciation of the School District's capital assets, to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use that net position for day-to-day operations. The remaining amount of net position was unrestricted.

The ($86,221,177) in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. The unrestricted net position balance enables the School District to meet working capital and cash flow requirements as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in unrestricted net position from year to year. Also impacting the net position in fiscal year 2023 and 2022 were the net pension and net OPEB liabilities activities. The net pension liability was $125,472,925 and the net OPEB liability was $7,124,967 at June 30, 2023, contributing to a deficit unrestricted net position of ($86,221,177). In November, 2021, Romeo Community Schools voters approved the issuance of School Building and Site Bonds for $87.5 million. The bonds are to be sold in two series, the first was sold in February, 2022. The second series of bonds is scheduled to be sold in 2025.

The results of this year's operations for the School District as a whole are reported in the statement of activities (Table 2), which shows the changes in net position for fiscal year 2023 and 2022.

TABLE 2	Governmental Activities	
	June 30, 2023	June 30, 2022
Revenue		
Program revenue:		
Charges for services	$ 3,109,815	$ 2,233,802
Operating grants and contributions	24,527,315	20,309,217
General revenue:		
Property taxes	20,899,420	19,691,544
State aid - unrestricted	39,708,557	36,496,402
Special education millage	3,538,223	3,441,323
Interest and investment earnings	2,643,113	73,029
Other	285,658	514,346
Total revenue	94,712,101	82,759,663
Functions/Program Expenses		
Instruction	55,140,505	40,908,763
Supporting services	19,513,496	24,090,347
Food services	2,363,087	2,406,250
Community services	3,727,584	1,548,192
Interest on long-term debt	3,771,593	3,302,113
Total functions/program expenses	84,516,265	72,255,665
Change in net position	10,195,836	10,503,998
Net position - beginning	(24,865,792)	(35,369,790)
Net position - ending	$ (14,669,956)	$ (24,865,792)

As reported in the statement of activities, the cost of all of our governmental activities this year was $84,516,265. Certain activities were partially funded from those who benefited from the programs of $3,109,815 or by other governments and organizations that subsidized certain programs with grants and contributions of $24,527,315. We paid for the remaining "public benefit" portion of our governmental activities with $20,899,420 in taxes, $39,708,557 in unrestricted State Aid, and $6,466,994 with our other revenues, i.e., interest and general entitlements.

The School District experienced an increase in net position of $10,195,836. The key reasons for the change in net position was due, in part, to the increase in revenues through our State Aid increase and use of grant funding, as well as, interest and investment earnings.

<u>The School District's Funds</u>

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

As the School District completed this year, the governmental funds reported a combined fund balance of $78,047,893, which is a decrease of $7,719,423 from last year. The primary reason for the decrease in the combined fund balance is the use of the 2022 Facility Bond proceeds for capital projects throughout the Districts. Many of the projects of Phase 1 are focused on additions to elementary buildings and to the Croswell Early Childhood Center.

In the General Fund, our principal operating fund, the fund balance increased $3,184,101 during 2023. The change in fund balance is mainly due to the District's ability to utilize the Elementary & Secondary School Emergency Relief (ESSER) funds to provide additional support for students regarding learning loss and mental health. This has allowed the District to secure fund balance for future needs of students when Federal assistance is no longer available.

Our Special Revenue Funds had a net increase of $618,350 in fund balance. The Food Services Fund increased its fund balance by $160,679 primarily due to strong continued student meals sales and containment of supply and staffing costs. After two years of the federal reimbursement program that funded all students to receive free meals for the 2021 and 2022 school years. The Food Service fund is expecting to return to free breakfast and lunch provided to all students in the 2024 State Budget Proposal. The Community Services Fund, which includes community facility use services and early childhood services, including after school care and preschool programs, as well as, infant and toddler care, had an increase in fund balance of $309,017 due to the additional receipt of a second round of funding from the Child Care Relief Fund (CCRF) grant program (utilizing federal CARES Act funding) that helps child care providers in Michigan cover costs during the COVID-19 state of emergency. The District does not anticipate further (CCRF) funding and is making improvements to the Croswell Early Childhood Center to expand the learning environment and prepare for the increased need for preschooler programming.

Combined, the Debt Service Funds showed a fund balance decrease of $436,475. This decrease is primarily due to initial payments of the 2022 Facilities Bond.

General Fund Budgetary Highlights

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

There were revisions made to the 2022-2023 General Fund original budget. Revenues were adjusted to account for increases in State revenue that were in the State's budget that was adopted after June 30, 2022. Also, Federal grants revenue were adjusted for CARES Act funding that was allocated to 2023 expenditures.

There were variances between the final budget and actual amounts. At the end of the 2022-2023 fiscal year, and after the final General Fund budget was adopted, the variance was due to continued cautious projected year end expenses and to some planned expenses were not able to be spent in the fiscal year prior to year-end.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2023, the School District had $144,535,414 invested in a broad range of capital assets, including land, buildings, vehicles, furniture, and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of $12,281,796.

	2023	2022
Land	$ 461,702	$ 461,702
Construction in progress	8,243,913	2,271,147
Buildings and building improvements	167,853,861	160,324,680
Land improvements	8,798,985	8,798,985
Buses and other vehicles	5,962,537	4,596,834
Furniture and equipment	27,060,046	25,605,727
Right to use asset - subscription arrangements	387,989	255,056
Total capital assets	218,769,033	202,314,131
Less accumulated depreciation	(74,233,619)	(70,060,513)
Net capital assets	$ 144,535,414	$ 132,253,618

This year's net addition is a combination of the final expenditures of the Server and Storage Upgrades, Romeo Middle School Pool Sound Panels, and doors and lockers replacements, the High School Tennis Courts, and the Transportation Building. While the additional Construction in Progress accounts for the new doors and hardware, the Romeo Middle School Cafeteria remodel, HVAC controls, the Network Switch upgrade, and additions to the Croswell Early Childhood Center, Indian Hills Elementary and Hamilton Parsons Elementary.

Debt

At the end of this year, the School District had $116,345,000 in bonds outstanding versus $120,905,000 in the previous year. Those bonds consisted of the following:

	2022	2021
General obligation bonds	$ 116,345,000	$ 120,905,000

The School District's general obligation bond rating by Standard & Poor's is AA Stable. The State limits the amount of general obligation debt that schools can issue to 15 percent of the assessed value of all taxable property within the School District's boundaries. If the School District issues "qualified debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this debt limit. The School District's outstanding unqualified general obligation debt does not approach the state limit.

Other obligations include accrued compensated absences. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

Our Board of Education and administration consider many factors when setting the School District's 2023-2024 fiscal year budget. Pupil enrollment projections, District Priorities as developed by the District Leadership Team, and the economic outlook at the State and National level.

At the time the District's budget was approved by the Board of Education, the State budget had not been adopted. In July 2023, the Governor signed the FY 2023-24 School Aid Bill. This increases the per pupil funding for Romeo Community Schools by $458 per pupil or roughly $2.4 million. There are also significant increases in At-Risk and special education funding, continued funding of mental health support, career and technical education and opportunities for additional funding for school safety. Another significant allocation in the State Budget is the funding of Universal School Meals, allowing all students K-12 to eat breakfast and lunch for free. The Board of Education was updated regularly as information changed and the District used many resources to keep up with the latest developments as they changed. The budget will be amended in the Fall after student counts are known.

The District has continued to offer the Romeo Virtual Academy for students grades 6-12 for those families that seek an alternative to in-person learning. There has been significant growth in the program and has nearly 200 students enrolled.

As in 2021, the District continued to receive funding from the Federal Government under the CARES Act in the form of Elementary and Secondary School Emergency Relief Funds (ESSER), these funds were to provide districts with funding to pay for the added costs of educating students, addressing learning loss and assisting student with mental health concerns caused the pandemic. This funding was passed through the State of Michigan, through ESSER II and ESSER III allocations. The Federal funds were allocated based on formula that includes 2020-2021 Title I, Part A allocation. The State also passed through some of their Federal funding to schools in an effort to equalize the Federal formula and provide additional funding to districts with low Title I formula allocations. Romeo Community Schools was allocated these additional equalization dollars to bring the District's total allocation to a minimum funding established by the State. In total, the District received an allocation of $8 million in ESSER II and ESSER III funds. The District has been committed to using these funds in accordance with the established allowable uses funding programs that target learning loss and mental health supports for students. ESSER II fund were completely expended in 2023. The remaining ESSER III funds have been committed to be fully expended in 2024. District Administration is planning for transferring costs funded with the ESSER grants back into the General Fund and is already under consideration for the 2025 fiscal year.

For the 2022-2023 School Year, the District returned to free or reduced cost meals will be for students that qualify through an application process. For 2023-2024, the State has implemented universal free breakfast and lunch, and as a supplemental budget for 2022-2023 has established a School Meals Reserve fund to cover the beginning of the school year. Students will be able to eat breakfast and lunch at no charge for 2023-2024 school year.

In addition, one of the most important factors affecting the budget is our student count. The State foundation revenue is determined by multiplying the blended student count by the foundation allowance per pupil. The blended count for the 2024 fiscal year will continue to be 90% of the Fall count and 10% of the previous Spring count. The 2023-2024 budget was adopted in June 2023, based on an estimate of students that will be enrolled in October 2023. Approximately 75 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot assess additional property tax revenue for general operations. As a result, district funding is heavily dependent on the State's ability to fund local school operations. The District also made the strategic decision to not renew the partnership with Lutheran High North High School (LHN). Romeo Community Schools provided non-core instruction, for many years and was able to count those students' FTEs. Without the partnership with LHN, the District will lose 155 FTEs, however it is anticipated that there will be an increase of 30 RCS students for a total net decrease of 125 FTEs.

The District, as of June 30, 2023, has been in contract negotiations with the AFSCME Food Service and the AFSCME Grounds, Maintenance and Mechanics. To date, the contracts are being negotiated as multi-year agreements. There are no other contracts currently open. The financial impact of this contract settlement will be incorporated in future budget amendments.

In November, 2021, Romeo Community Schools voters approved the issuance of School Building and Site Bonds for $87.5 million. The bonds are to be sold in two series, the first being sold in February, 2022. The many of the planned projects include an addition to the Croswell Early Childhood Center, additions to several of the elementary schools, a Robotics/STEM Center at Romeo Middle School, as well as, many other improvements to buildings and learning spaces throughout the District. The second series of bonds is set to be sold in 2025. The 2016 bond final projects are complete, including the new Transportation Facility which is open and operational.

Contacting the District's Financial Management

The financial report is designed to provide our citizens and taxpayers with a general overview of the School District's finances and to show the School District's accountability for the funds it received. If you have questions about this report or need additional information, contact the Business Office.

BASIC FINANCIAL STATEMENTS

Romeo Community Schools
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Cash	$ 23,831,852
Accounts receivable	49,632
Due from other governmental units	11,212,291
Inventory	126,713
Investments	53,798,204
Prepaid items	58,891
Right to use assets - net of amortization	303,416
Capital assets not being depreciated	8,705,615
Capital assets - net of accumulated depreciation	135,526,383
Total assets	233,612,997
Deferred Outflows of Resources	
Deferred amount relating to the net pension liability	38,078,098
Deferred amount relating to the net OPEB liability	10,694,895
Total deferred outflows of resources	48,772,993
Liabilities	
Accounts payable	2,259,204
Due to other governmental units	1,655,687
Payroll deductions and withholdings	29,862
Accrued expenditures	848,284
Accrued salaries payable	5,467,542
Unearned revenue	1,564,814
Long-term liabilities	
Net pension liability	125,472,925
Net OPEB liability	7,124,967
Due within one year	5,024,157
Due in more than one year	126,814,868
Total liabilities	276,262,310

See Accompanying Notes to the Financial Statements

Romeo Community Schools
Statement of Net Position
June 30, 2023

	Governmental Activities
Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	$ 6,094,516
Deferred amount relating to the net OPEB liability	14,699,120
Total deferred inflows of resources	20,793,636
Net Position	
Net investment in capital assets	71,626,969
Restricted for:	
Food service	1,163,735
Debt service	336,257
Capital projects	4,277,858
Unrestricted	(92,074,775)
Total net position	$ (14,669,956)

See Accompanying Notes to the Financial Statements

Romeo Community Schools
Statement of Activities
For the Year Ended June 30, 2023

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Functions/Programs					
Governmental activities					
Instruction	$ 55,140,505	$ -	$ 14,530,849	$ -	$ (40,609,656)
Supporting services	19,513,496	485,003	8,629,054	-	(10,399,439)
Food services	2,363,087	937,656	1,367,412	-	(58,019)
Community services	3,727,584	1,687,156	-	-	(2,040,428)
Interest and fiscal charges on long-term debt	3,771,593	-	-	-	(3,771,593)
Total governmental activities	$ 84,516,265	$ 3,109,815	$ 24,527,315	$ -	(56,879,135)
General revenues					
Property taxes, levied for general purposes					8,746,537
Property taxes, levied for debt service					9,328,085
Property taxes, levied for sinking fund					2,824,798
State aid - unrestricted					39,708,557
Interest and investment earnings					2,643,113
Other					3,823,881
Total general revenues					67,074,971
Change in net position					10,195,836
Net position - beginning, restated					(24,865,792)
Net position - ending					$ (14,669,956)

See Accompanying Notes to the Financial Statements

Romeo Community Schools
Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	2022 Facility Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 11,390,786	$ 2,070,273	$ 10,370,793	$ 23,831,852
Accounts receivable	39,129	-	10,503	49,632
Due from other funds	20,591	-	870,107	890,698
Due from other governmental units	11,212,291	-	-	11,212,291
Inventory	98,516	-	28,197	126,713
Investments	-	53,798,204	-	53,798,204
Prepaid items	58,891	-	-	58,891
Total assets	$ 22,820,204	$ 55,868,477	$ 11,279,600	$ 89,968,281
Liabilities				
Accounts payable	$ 914,171	$ 828,556	$ 516,477	$ 2,259,204
Due to other funds	870,107	-	20,591	890,698
Due to other governmental units	1,655,687	-	-	1,655,687
Payroll deductions and withholdings	29,862	-	-	29,862
Accrued expenditures	48,052	-	4,529	52,581
Accrued salaries payable	5,467,542	-	-	5,467,542
Unearned revenue	1,481,833	-	82,981	1,564,814
Total liabilities	10,467,254	828,556	624,578	11,920,388

See Accompanying Notes to the Financial Statements

Romeo Community Schools
Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	2022 Facility Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances				
Non-spendable				
Inventory	$ 98,516	$ -	$ 28,197	$ 126,713
Prepaid items	58,891	-	-	58,891
Restricted for				
Food service	-	-	1,146,000	1,146,000
Debt service	-	-	1,131,960	1,131,960
Capital projects	-	55,039,921	6,107,144	61,147,065
Committed	-	-	1,433,502	1,433,502
Assigned	-	-	808,219	808,219
Unassigned	12,195,543	-	-	12,195,543
Total fund balances	12,352,950	55,039,921	10,655,022	78,047,893
Total liabilities and fund balances	$ 22,820,204	$ 55,868,477	$ 11,279,600	$ 89,968,281

Romeo Community Schools
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances for governmental funds	$ 78,047,893
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Right to use assets - net of amortization	303,416
Capital assets not being depreciated	8,705,615
Capital assets - net of accumulated depreciation	135,526,383
Deferred outflows (inflows) of resources	
Deferred outflows of resources resulting from the net pension liability	38,078,098
Deferred outflows of resources resulting from the net OPEB liability	10,694,895
Deferred inflows of resources resulting from the net pension liability	(6,094,516)
Deferred inflows of resources resulting from the net OPEB liability	(14,699,120)
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(795,703)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Net pension liability	(125,472,925)
Net OPEB liability	(7,124,967)
Compensated absences	(1,808,247)
Bonds payable	(129,777,652)
Other loans payable and liabilities	(253,126)
Net position of governmental activities	$ (14,669,956)

See Accompanying Notes to the Financial Statements

Romeo Community Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	General Fund	2022 Facility Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Local sources	$ 9,772,505	$ 1,821,214	$ 16,550,955	$ 28,144,674
State sources	55,822,546	-	461,578	56,284,124
Federal sources	4,754,670	-	1,977,834	6,732,504
Interdistrict sources	3,550,799	-	-	3,550,799
Total revenues	73,900,520	1,821,214	18,990,367	94,712,101
Expenditures				
Current				
Education				
Instruction	44,961,549	-	-	44,961,549
Supporting services	24,954,320	-	2,197,341	27,151,661
Food services	-	-	2,113,346	2,113,346
Community services	5,340	-	1,409,326	1,414,666
Intergovernmental payments	7,000	-	-	7,000
Capital outlay	843,742	5,848,808	10,346,054	17,038,604
Debt service				
Principal	76,492	-	4,560,000	4,636,492
Interest and other expenditures	659	-	5,274,153	5,274,812
Total expenditures	70,849,102	5,848,808	25,900,220	102,598,130
Excess (deficiency) of revenues over expenditures	3,051,418	(4,027,594)	(6,909,853)	(7,886,029)

Romeo Community Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	General Fund	2022 Facility Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)				
Proceeds from subscription arrangements	$ 132,933	$ -	$ -	$ 132,933
Proceeds from sale of capital assets	-	-	33,673	33,673
Transfers in	-	-	250	250
Transfers out	(250)	-	-	(250)
Total other financing sources (uses)	132,683	-	33,923	166,606
Net change in fund balances	3,184,101	(4,027,594)	(6,875,930)	(7,719,423)
Fund balances - beginning	9,168,849	59,067,515	17,530,952	85,767,316
Fund balances - ending	$ 12,352,950	$ 55,039,921	$ 10,655,022	$ 78,047,893

Romeo Community 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	$ (7,719,423)
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation and amortization expense	(4,549,914)
Capital outlay	16,924,866
Sale of capital assets (net book value)	(93,156)
Expenses are recorded when incurred in the statement of activities.	
Interest	248,251
Compensated absences	66,724
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in net pension liability	(48,453,662)
Net change in deferrals of resources related to the net pension liability	42,971,378
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and OPEB expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in net OPEB liability	(2,194,110)
Net change in deferrals of resources related to the net OPEB liability	7,236,355
Bond and note proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities.	
Debt issued	(132,933)
Repayments of long-term debt	4,636,492
Amortization of premiums	1,254,968
Change in net position of governmental activities	$ 10,195,836

See Accompanying Notes to the Financial Statements

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Romeo Community Schools (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the district as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

Fund Financial Statements

Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The School District reports the following major governmental funds:

General Fund – The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

2022 Facility Bond Fund – The 2022 Facilities Bond Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for new and updated facilities.

Additionally, the School District reports the following fund types:

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. The School District's Special Revenue Funds include Food Services, High School Store, Student Activity, and Community Services Funds. Operating deficits generated by these activities are generally transferred from the General Fund.

Debt Service Funds – Debt Service Funds are used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Technology Bond Fund – The Technology Bond Capital Projects Fund is used to record bond proceeds or other revenue and the disbursements of invoices specifically designated for acquiring and installing technology equipment and technology infrastructure in school buildings and other facilities, and remodeling, equipping, and re-equipping school buildings and other facilities with respect to the installation of technology equipment and infrastructure.

Sinking Fund – The Sinking Fund is used to record the sinking fund property tax levy and other revenue and the disbursement of invoices specifically for acquiring new school sites, construction or repair of school buildings.

Bus Bond Fund – The Bus Bond Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring school buses.

2020 Facility Bond Fund – The 2020 Facilities Bond Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for new and updated facilities.

Assets, Liabilities and Net Position or Equity

Receivables and Payables - Generally, outstanding amounts owed between funds are classified as "due from/to other funds." These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended Romeo Community Schools, the rates are as follows per $1,000 of assessed value.

General Fund	
Non-principal residence exemption	18.00000
Commercial personal property	6.00000
Debt Service Funds	3.85000
Sinking Fund	1.21270

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. Approximately 61% of the School District's tax roll lies within Washington Township.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by the County of Macomb and remitted to the School District by May 15.

Investments - Investments are stated at fair value. Certificates of deposit are stated at cost which approximates fair value.

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the consumption method, and they therefore are capitalized as prepaid items in both district-wide and fund financial statements.

Capital Assets - Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of $5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20 - 50 years
Land improvements	20 years
Equipment and furniture	5 - 15 years
Computer software	5 years
Buses and other vehicles	5 - 10 years

Deferred Outflows of Resources - A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities in the following year.

Compensated Absences - The liability for compensated absences reported in the district-wide financial statements, consists of earned but unused accumulated vacation and sick leave benefits. A liability for these amounts is reported in governmental funds as it comes due for payment. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments at normal retirement age and other employees who are expected to become eligible in the future to receive such payments upon normal retirement are included.

Long-term Obligations - In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

In the School District's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

Pension - 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 (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions - 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 (MPSERS) and additions to/deductions from MPSERS fiduciary net position have been determined on the same basis as they are reported by MPSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources - A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions relating to the net pension and OPEB liabilities are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPSERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Fund Balance - In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable - amounts that are not available in a spendable form.

Restricted - amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed - amounts that have been formally set aside by the Board of Education for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

Assigned - amounts intended to be used for specific purposes, as determined by the Board of Education or Superintendent. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

Unassigned - all other resources; the remaining fund balances after non-spendable, restrictions, commitments, and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

Use of Estimates

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

Eliminations and Reclassifications
In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Adoption of New Accounting Standards
Statement No. 96, *Subscription-Based Information Technology Arrangements,* is based on the standards established in Statement No. 87 *Leases.* This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA.

Upcoming Accounting and Reporting Changes
Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections. This statement is effective for the year ending June 30, 2024.

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

The School District is evaluating the impact that the above GASBs will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information
Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year. Individual amendments were not material in relation to the original appropriations.

Excess of Expenditures over Appropriations
The School District did not have significant expenditure budget variances.

Compliance - Bond Proceeds
The Capital Projects Funds include capital project activities funded with bonds issued after May 1, 1994. For these capital projects, management believes the School District has complied, in all material respects, with the applicable provisions of Section 1351a of the Revised School Code. The following is a summary of the revenue and expenditures in the Bus Bond Fund, Technology Bond Fund, 2020 Facilities Bond Fund, and 2022 Facilities Bond Fund from the inception of the funds through the current fiscal year:

	Bus Bond	Technology Bond	2020 Facilities Bond	2022 Facilities Bond
Revenues	$ 2,115,513	$ 4,861,305	$ 20,105,272	$ 61,893,045
Expenditures	2,054,520	4,861,305	18,336,979	6,853,124
	$ 60,993	$ -	$ 1,768,293	$ 55,039,921

Compliance - Sinking Funds
The Capital Project Fund records capital project activities funded with Sinking Fund millage. For this fund, management believes the School District has complied, in all material respects, with the applicable provisions of § 1212(1) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 2004-4.

Note 3 - Deposits and Investments

The School District's deposits and investments were reported in the basic financial statements in the following categories:

	Governmental Activities
Cash	$ 23,831,852
Investments	53,798,204
	$ 77,630,056

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	$ 11,790,278
Investments in securities, mutual funds, and similar vehicles	65,838,794
Petty cash and cash on hand	984
Total	$ 77,630,056

As of year end, the School District had the following investments:

Investment	Carrying Value	Maturities	Rating	Rating Organization
External investment pools:				
Michigan Liquid Asset Fund (MILAF):				
MILAF + Portfolio				
Cash Management Class	$ 2,066,592	N/A	AAAm	S&P
MAX Class	9,973,998	N/A	AAAm	S&P
U.S. Treasury Note	2,962,590	10/31/23	AA+u(A-1+u)	S&P
Commercial Paper	46,794,434	8/3/23 - 6/30/25	AA / AA+ / A-1+	S&P
Michigan Class Cooperative Liquid Asset	4,041,180	N/A	AAAm	S&P
	$ 65,838,794			

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is discussed below.

As of June 30, 2023, the net asset value of the School District's investment in MILAF + Portfolio was $12,040,590. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustee's may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of $1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

Interest rate risk - In accordance with its investment policy, the School District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 9 months.

Credit risk - State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District has no investment policy that would further limit its investment choices.

Custodial credit risk - deposits - In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year end, $14,267,559 of the School District's bank balance of $14,517,559 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk - investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year end, none of the School District's investments were exposed to custodial credit risk.

Custodial credit risk - investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year end, none of the School District's investments were exposed to custodial credit risk.

Note 4 - Fair Value Measurements

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The School District has the following recurring fair value measurements as of June 30, 2023:

• Amounts invested in US Treasury Notes of $2,962,590. Amounts invested in Michigan Class Cooperative Liquid Asset of $4,041,180. The investments are valued at fair market value using quoted market prices (Level 1 inputs).

• Amounts invested in Commercial Paper of $46,794,434. Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset (Level 2 inputs).

Note 5 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	$ 461,702	$ -	$ -	$ 461,702
Construction-in-progress	2,271,147	12,700,630	6,727,864	8,243,913
Total capital assets not being depreciated	2,732,849	12,700,630	6,727,864	8,705,615
Capital assets being depreciated				
Buildings and additions	160,324,680	7,646,189	117,008	167,853,861
Land improvements	8,798,985	-	-	8,798,985
Equipment and furniture	25,605,727	1,454,319	-	27,060,046
Buses and other vehicles	4,596,834	1,718,659	352,956	5,962,537
Right to use asset - subscription arrangements	255,056	132,933	-	387,989
Total capital assets being depreciated	199,581,282	10,952,100	469,964	210,063,418
Less accumulated depreciation for				
Buildings and additions	41,861,246	3,035,085	90,914	44,805,417
Land improvements	4,650,123	371,001	-	5,021,124
Equipment and furniture	20,189,363	810,087	-	20,999,450
Buses and other vehicles	3,359,781	249,168	285,894	3,323,055
Right to use asset - subscription arrangements	-	84,573	-	84,573
Total accumulated depreciation	70,060,513	4,549,914	376,808	74,233,619
Net capital assets being depreciated	129,520,769	6,402,186	93,156	135,829,799
Net capital assets	$ 132,253,618	$ 19,102,816	$ 6,821,020	$ 144,535,414
Right to use leased assets				
Right to use assets - net of amortization	$ 255,056	$ 48,360	$ -	$ 303,416
Capital assets				
Capital assets not being depreciated	2,732,849	12,700,630	6,727,864	8,705,615
Capital assets - net of amortization	129,265,713	6,353,826	93,156	135,526,383
Net capital assets	$ 132,253,618	$ 19,102,816	$ 6,821,020	$ 144,535,414

Depreciation expense of capital assets and amortization expense of right to use assets were charged to activities of the School District as follows:

Governmental activities	
Instruction	$ 2,684,449
Supporting services	1,637,969
Food services	136,497
Community services	90,998
Total governmental activities	$ 4,549,914

Construction Contracts

As of year end, the School District had the following construction contracts in progress:

	Total Contract	Remaining Construction Commitment at Year End
Project		
Bus Garage	$ 4,674,849	$ 175,600
Doors and Lockers	1,524,895	219,126
RMS Cafeteria Remodel	1,452,790	1,039,549
Building Decommission Services	389,800	207,300
Indian Hills Addition	3,153,453	2,275,868
Hamilton Parsons Addition	2,218,355	863,497
Memorial Field	68,586	1,436
Croswell	8,830,882	6,863,132
Robotics Addition	86,244	71,348
Amanda Moore Addition	104,178	55,965
Washington Addition	69,990	35,978
RHS Site Improvements Phase 1	199,390	167,219
Server/Storage Upgrades	135,649	37,700
Network Switch Upgrades	762,604	169,110
Boilers/Water Heaters	600,374	176,126
HVAC Controls	859,389	84,998
Total	$ 25,131,428	$ 12,443,952

Note 6 - Interfund Receivables, Payables, and Transfers

Individual interfund receivable and payable balances at year end were:

Payable Fund	Receivable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 870,107
Nonmajor Governmental Funds	General Fund	20,591
		$ 890,698

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Interfund transfers were made during the year, between the General Fund and the Food Service Fund totaling $250. These transfers were made for the revenues collected by the General Fund for the Food Service Fund.

Note 7 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

Grant and categorical aid payments received prior to meeting all eligibility requirements	$ 1,481,833
Student meals	45,425
Childcare	37,556
Total	$ 1,564,814

Note 8 - Subscription Based Information Technology

Subscription Arrangements

The School District has entered into subscription-based information technology arrangements (SBITAs) involving:

- Various desktop and server software subscriptions
- Information technology security software
- Document management software

The future subscription payments under SBITA agreements are as follows:

Year ending June 30,	Principal	Interest
2024	$ 75,006	$ 2,845
2025	136,631	4,999
2026	35,342	987
2027	4,652	155
2028	1,494	41
Total	$ 253,125	$ 9,027

Note 9 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. Other long-term obligations include compensated absences.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and notes payable					
General obligation bonds	$ 120,905,000	$ -	$ 4,560,000	$ 116,345,000	$ 4,525,000
Premium on bonds	14,687,620	-	1,254,968	13,432,652	-
Total bonds payable	135,592,620	-	5,814,968	129,777,652	4,525,000
Other liabilities					
Subscriptions	196,685	132,933	76,493	253,125	75,006
Compensated absences	1,874,971	1,215,963	1,282,687	1,808,247	424,151
Total other liabilities	2,071,656	1,348,896	1,359,180	2,061,372	499,157
Total	$ 137,664,276	$ 1,348,896	$ 7,174,148	$ 131,839,024	$ 5,024,157

For governmental activities, compensated absences are primarily liquidated by the General Fund.

General obligation bonds payable at year end, consist of the following:

2016 Facilities Bond - $56,390,000 due in annual installments of $1,750,000 to $3,800,000 through May 1, 2041, interest at 4.00% to 5.00%	$ 49,100,000
2020 Facilities Bond - $19,000,000 due in annual installments of $650,000 to $875,000 through May 1, 2044, interest at 2.00% to 2.25%	15,600,000
2022 Facilities Bond - $52,515,000 due in annual installments of $1,555,000 to $3,290,000 through May 1, 2045, interest at 4.00%	51,645,000
Total general obligation bonded debt	$ 116,345,000

Future principal and interest requirements for bonded debt and direct borrowings and direct placements are as follows:

	Bonds	
Year Ending June 30,	Principal	Interest
2024	$ 4,525,000	$ 4,880,312
2025	4,935,000	4,694,812
2026	4,155,000	4,492,662
2027	4,320,000	4,320,712
2028	4,485,000	4,141,162
2029-2033	25,505,000	17,592,860
2034-2038	31,295,000	11,660,124
2039-2043	29,745,000	4,574,626
2044-2047	7,380,000	411,488
Total	$ 116,345,000	$ 56,768,758

The general obligation bonds are payable from the Debt Service Funds. As of year end, the fund had a balance of $1,131,960 to pay this debt. Future debt and interest will be payable from future tax levies.

Compensated Absences

Accrued compensated absences at year end, consist of $1,808,247 of vacation and sick hours earned and vested. The amount anticipated to be paid out over the next year is included within the amounts listed as due within one year.

Note 10 - Risk Management

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

Note 11 - Pension Plan

Postemployment Benefits Other Than Pensions (OPEB) Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) 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 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 on the ORS website 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. The System also provides disability and survivor benefits to DB plan members.

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.

Contributions

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 an 17-year period beginning October 1, 2021 and ending September 30, 2038.

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

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	20.14%
Member Investment Plan	3.0 - 7.0%	20.14%
Pension Plus	3.0 - 6.4%	17.22%
Pension Plus 2	6.2%	19.93%
Defined Contribution	0.0%	13.73%

Required contributions to the pension plan from the School District were $11,355,291 for the year ending September 30, 2022.

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

At June 30, 2023, the School District reported a liability of $125,472,925 for its proportionate share of the MPSERS 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 School 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 pension contributions required from all applicable employers during the measurement period. At September 30, 2022, the School District's proportion was 0.3336 percent, which was an increase of 0.0083 percent from its proportion measured as of September 30, 2021.

For the plan year ending September 30, 2022, the School District recognized pension expense of $16,931,368 for the measurement period. For the reporting period ending June 30, 2023, the School District recognized total pension contribution expense of $12,151,749.

Section 147c of the State School Aid Act (MCL 388.1747c) was amended to include a one-time distribution to districts, intermediate districts, and other participating entities of MPSERS, which is referred to as Section 147c(2). Section 147c(2) is required to be forwarded to the state's ORS as additional assets being contributed to the retirement system. This funding is a one-time, state payment toward the MPSERS unfunded liability and not part of the actuarially determined contributions and therefore not included in the above pension expense, pension contributions or related deferred inflows/outflows of resources. For the period ending June 30, 2023, the School District recognized in their financial statements an additional amount related to Section 147c(2) of $3,350,000 in total pension expense and offset in state revenues.

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	$ 1,255,167	$ (280,544)	$ 974,623
Changes of assumptions	21,560,745	-	21,560,745
Net difference between projected and actual earnings on pension plan investments	294,234	-	294,234
Changes in proportion and differences between the School District contributions and proportionate share of contributions	3,683,466	(61,792)	3,621,674
Total to be recognized in future	26,793,612	(342,336)	26,451,276
School District contributions subsequent to the measurement date	11,284,486	(5,752,180)	-
Total	$ 38,078,098	$ (6,094,516)	$ 26,451,276

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. The District will offset the contribution expense in the year ended June 30, 2024 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year
(To Be Recognized in Future Pension Expenses)

2023	$ 8,214,452
2024	6,002,464
2025	4,807,813
2026	7,426,547
	$ 26,451,276

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: 6.00% net of investment expenses
  - Pension Plus Plan: 6.00% net of investment expenses
  - Pension Plus 2 Plan: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 - 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension 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: RP-2014 Male and Female Employee Annuitant Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.

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 is 4.3922 years.

Recognition period for assets is 5 years.

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 Return on Plan Assets
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:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.1 %
Alternative Investment Pools	16.0	8.7
International Equity	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)
	100.0%	

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

Rate of Return
For the plan year ended September 30, 2022, the annual money-weighted rate of return on pension plan investment, 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 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2, 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 6.00% (6.00% for the Pension Plus plan, 6.0% for the Pension Plus 2 plan). 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 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.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate
The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension plus plan, 6.00% for the Pension Plus 2 plan), as well as what the School 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 higher:

1% Decrease *	**Current Single Discount Rate Assumption ***	**1% Increase ***
5.00%	6.00%	7.00%
$ 165,577,647	$ 125,472,925	$ 92,424,827

**Discount rates listed in the following order: Basic and Member Investment Plan (MIP), Pension Plus, and Pension Plus 2.*

Michigan Public School Employees' Retirement System (MPSERS) Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the Michigan Public School Employees' Retirement System (MPSERS)
There were no significant payables to the pension plan that are not ordinary accruals to the School District.

Note 12 - Postemployment Benefits Other Than Pensions (OPEB)
Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) 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.

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 with 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.

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

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 an 17-year period beginning October 1, 2021 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2022.

OPEB Contribution Rates

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

Required contributions to the OPEB plan from the School District were $2,562,401 for the year ended September 30, 2022.

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

At June 30, 2023, the School District reported a liability of $7,124,967 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 School 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 School District's proportion was 0.3364 percent, which was an increase of 0.0133 percent from its proportion measured as of September 30, 2021.

For the plan year ending September 30, 2022, the School District recognized OPEB expense of $(2,448,103) for the measurement period. For the reporting period ending June 30, 2023, the School District recognized total OPEB contribution expense of $2,597,941.

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	$ -	$ (13,955,080)	$ (13,955,080)
Changes of assumptions	6,350,711	(517,111)	5,833,600
Net difference between projected and actual earnings on OPEB plan investments	556,872	-	556,872
Changes in proportion and differences between the School District contributions and proportionate share of contributions	1,545,260	(226,929)	1,318,331
Total to be recognized in future	8,452,843	(14,699,120)	(6,246,277)
School District contributions subsequent to the measurement date	2,242,052	-	-
Total	$ 10,694,895	$ (14,699,120)	$ (6,246,277)

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)	
2023	$ (2,305,451)
2024	(1,982,763)
2025	(1,892,301)
2026	(87,994)
2027	(7,813)
Thereafter	30,045
	$ (6,246,277)

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: 6.00% net of investment expenses

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

Other Assumptions:

- Opt Out Assumption: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have 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 1 or more dependents.

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 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 is 6.2250.

Recognition period for assets in years is 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 Return on Plan Assets

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:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.1 %
Alternative Investment Pools	16.0	8.7
International Equity	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)
	100.0%	

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

Rate of Return

For the plan year ended September 30, 2022, the annual money-weighted rate of return on OPEB plan investment, 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 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that 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 School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the School District's proportionate share of the net OPEB liability calculated using the discount rate of 6.00%, as well as what the School 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 higher:

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
$ 11,951,446	$ 7,124,967	$ 3,060,472

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

The following presents the School District's proportionate share of the net OPEB liability calculated using assumed trend rates, as well as what the School District's proportionate share of 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
$ 2,983,595	$ 7,124,967	$ 11,773,738

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

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 13 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2023.

The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Note 14 - Tax Abatements

The School District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by the cities, villages, and townships in Macomb County. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties.

For the fiscal year ended June 30, 2023, the School District's property tax revenues were reduced by $135,936 under these programs.

There are no significant abatements made by the School District.

Note 15 - Change in Accounting Principle

As indicated in Note 1, The School District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting for transactions that meet that definition. GASB 96 enhances the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The 2022 financial statements include a prior period adjustment for the SBITA agreements. The implementation had the following effect on net position as reported June 30, 2022:

	Governmental Activities
Net position at June 30, 2022	$(24,924,163)
Adjustments:	
Increase subscription right to use asset	255,056
Increase subscription liability	(196,685)
Restated net position at June 30, 2022	$(24,865,792)

REQUIRED SUPPLEMENTARY INFORMATION

Romeo Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Over (Under) Budget
Revenues				
Local sources	$ 8,824,234	$ 9,709,677	$ 9,772,505	$ 62,828
State sources	49,517,748	56,532,004	55,822,546	(709,458)
Federal sources	3,399,690	5,252,658	4,754,670	(497,988)
Interdistrict sources	3,819,817	3,481,391	3,550,799	69,408
Total revenues	65,561,489	74,975,730	73,900,520	(1,075,210)
Expenditures				
Instruction				
Basic programs	32,623,119	35,386,656	34,595,822	(790,834)
Added needs	9,019,318	10,967,672	10,365,727	(601,945)
Supporting services				
Pupil	3,216,506	4,464,169	4,437,189	(26,980)
Instructional staff	3,605,066	4,064,209	4,016,377	(47,832)
General administration	816,448	857,103	792,456	(64,647)
School administration	3,681,749	3,883,171	3,847,116	(36,055)
Business	942,640	995,571	993,214	(2,357)
Operations and maintenance	6,011,799	6,010,008	5,679,328	(330,680)
Pupil transportation services	2,804,050	3,353,584	3,161,419	(192,165)
Central	1,321,179	1,249,998	1,095,785	(154,213)
Athletic activities	897,526	932,750	931,436	(1,314)
Community services	6,528	10,944	5,340	(5,604)
Intergovernmental payments	14,045	14,045	7,000	(7,045)
Capital outlay	437,804	1,299,633	843,742	(455,891)
Debt service				
Principal	-	-	76,492	76,492
Interest and fiscal charges	-	400,000	659	(399,341)
Total expenditures	65,397,777	73,889,513	70,849,102	(3,040,411)
Excess of revenues over expenditures	163,712	1,086,217	3,051,418	1,965,201

Romeo Community Schools
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Over (Under) Budget
Other Financing Sources (Uses)				
Proceeds from subscription arrangements	$ -	$ 400,000	$ 132,933	$ (267,067)
Transfers in	(3,504)	24,208	-	(24,208)
Transfers out	(250)	(250)	(250)	-
Total other financing sources (uses)	(3,754)	423,958	132,683	(291,275)
Net change in fund balances	159,958	1,510,175	3,184,101	1,673,926
Fund balance - beginning	9,168,849	9,168,849	9,168,849	-
Fund balance - ending	$ 9,328,807	$ 10,679,024	$ 12,352,950	$ 1,673,926

Romeo Community Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. School District's proportion of net pension liability (%)	0.33360%	0.32530%	0.32240%	0.30960%	0.30574%	0.31008%	0.31800%	0.33240%	0.33093%	
B. School District's proportionate share of net pension liability	$ 125,472,925	$ 77,019,263	$ 110,742,603	$ 102,513,490	$ 91,906,174	$ 80,355,630	$ 79,349,119	$ 81,198,019	$ 72,891,862	
C. School District's covered payroll	$ 32,492,579	$ 29,042,827	$ 28,780,962	$ 27,299,533	$ 25,624,554	$ 25,842,557	$ 26,288,571	$ 27,651,260	$ 28,679,893	
D. School District's proportionate share of net pension liability as a percentage of its covered payroll	386.16%	265.19%	384.78%	375.51%	358.66%	310.94%	301.84%	293.65%	254.16%	
E. Plan fiduciary net position as a percentage of total pension liability	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%	

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2022.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2022.

Romeo Community Schools
Required Supplementary Information
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Statutorily required contributions	$ 12,151,749	$ 11,063,344	$ 9,685,486	$ 8,817,711	$ 8,127,143	$ 8,484,009	$ 4,877,622	$ 5,188,389	$ 6,060,184	
B. Contributions in relation to statutorily required contributions	12,151,749	11,063,344	9,685,486	8,817,711	8,127,143	8,484,009	4,877,622	5,188,389	6,060,184	
C. Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
D. School District's covered payroll	$ 32,913,594	$ 30,887,847	$ 28,487,302	$ 28,851,583	$ 26,936,718	$ 25,684,574	$ 25,892,315	$ 26,844,402	$ 28,537,317	
E. Contributions as a percentage of covered payroll	36.92%	35.82%	34.00%	30.56%	30.17%	33.03%	18.84%	19.33%	21.24%	

Romeo Community Schools
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. School District's proportion of the net OPEB liability (%)	0.33640%	0.32300%	0.32570%	0.31330%	0.30130%	0.30970%				
B. School District's proportionate share of the net OPEB liability	$ 7,124,967	$ 4,930,857	$ 17,448,836	$ 22,489,072	$ 23,950,367	$ 27,421,914				
C. School District's covered payroll	$ 32,492,579	$ 29,042,827	$ 28,780,962	$ 27,299,533	$ 25,624,554	$ 25,842,557				
D. School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	21.93%	16.98%	60.63%	82.38%	93.47%	106.11%				
E. Plan fiduciary net position as a percentage of total OPEB liability	83.09%	87.33%	59.44%	36.39%	42.95%	36.39%				

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2022.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2022.

Romeo Community Schools
Required Supplementary Information
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
A. Statutorily required contributions	$ 2,597,941	$ 2,457,970	$ 2,358,935	$ 2,372,375	$ 2,169,972	$ 1,949,180				
B. Contributions in relation to statutorily required contributions	2,597,941	2,457,970	2,358,935	2,372,375	2,169,972	1,949,180				
C. Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -				
D. School District's covered payroll	$ 32,913,594	$ 30,887,847	$ 28,487,302	$ 28,851,583	$ 26,936,718	$ 25,684,574				
E. Contributions as a percentage of covered payroll	7.89%	7.96%	8.28%	8.22%	8.06%	7.59%				

OTHER SUPPLEMENTARY INFORMATION

Romeo Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2023

	Special Revenue Funds				Debt Service Funds					Capital Projects Funds				Total
	Community Services Fund	High School Store Fund	Food Services Fund	Student Activity Fund	2016 Facility Bond Debt Fund	Technology Bond Debt Fund	Bus Bond Debt Fund	2020 Facility Bond Debt Fund	2022 Facility Bond Debt Fund	Technology Bond Fund	Sinking Fund	Bus Bond Fund	2020 Facility Bond Fund	Nonmajor Governmental Funds
Assets														
Cash	$ 14,888	$ 34,500	$ 1,198,215	$ 1,459,940	$ 434,873	$ 105,780	$ 49,952	$ 99,904	$ 440,751	$ 13,857	$ 4,389,814	$ 60,993	$ 2,067,326	$ 10,370,793
Accounts receivable	10,503	-	-	-	-	-	-	-	-	-	-	-	-	10,503
Due from other funds	791,661	-	2,537	-	629	11	5	10	45	-	217	-	74,992	870,107
Inventory	-	10,462	17,735	-	-	-	-	-	-	-	-	-	-	28,197
Total assets	$ 817,052	$ 44,962	$ 1,218,487	$ 1,459,940	$ 435,502	$ 105,791	$ 49,957	$ 99,914	$ 440,796	$ 13,857	$ 4,390,031	$ 60,993	$ 2,142,318	$ 11,279,600
Liabilities														
Accounts payable	$ 979	$ -	$ 9,327	$ 6,116	$ -	$ -	$ -	$ -	$ -	$ 13,857	$ 112,173	$ -	$ 374,025	$ 516,477
Due to other funds	19	250	-	20,322	-	-	-	-	-	-	-	-	-	20,591
Accrued expenditures	4,529	-	-	-	-	-	-	-	-	-	-	-	-	4,529
Unearned revenue	37,556	-	45,425	-	-	-	-	-	-	-	-	-	-	82,981
Total liabilities	43,083	250	54,752	26,438	-	-	-	-	-	13,857	112,173	-	374,025	624,578
Fund Balances														
Non-spendable														
Inventory	-	10,462	17,735	-	-	-	-	-	-	-	-	-	-	28,197
Restricted for														
Food service	-	-	1,146,000	-	-	-	-	-	-	-	-	-	-	1,146,000
Debt service	-	-	-	-	435,502	105,791	49,957	99,914	440,796	-	-	-	-	1,131,960
Capital projects	-	-	-	-	-	-	-	-	-	-	4,277,858	60,993	1,768,293	6,107,144
Committed	-	-	-	1,433,502	-	-	-	-	-	-	-	-	-	1,433,502
Assigned	773,969	34,250	-	-	-	-	-	-	-	-	-	-	-	808,219
Total fund balances	773,969	44,712	1,163,735	1,433,502	435,502	105,791	49,957	99,914	440,796	-	4,277,858	60,993	1,768,293	10,655,022
Total liabilities and fund balances	$ 817,052	$ 44,962	$ 1,218,487	$ 1,459,940	$ 435,502	$ 105,791	$ 49,957	$ 99,914	$ 440,796	$ 13,857	$ 4,390,031	$ 60,993	$ 2,142,318	$ 11,279,600

Romeo Community Schools
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023

	Special Revenue Funds				Debt Service Funds					Capital Projects Funds				Total
	Community Services Fund	High School Store Fund	Food Services Fund	Student Activity Fund	2016 Facility Bond Debt Fund	Technology Bond Debt Fund	Bus Bond Debt Fund	2020 Facility Bond Debt Fund	2022 Facility Bond Debt Fund	Technology Bond Fund	Sinking Fund	Bus Bond Fund	2020 Facility Bond Fund	Nonmajor Governmental Funds
Revenues														
Local sources	$ 958,796	$ 52,041	$ 1,006,405	$ 2,291,244	$ 3,826,249	$ 890,237	$ 323,020	$ 501,084	$ 3,546,710	$ 6,219	$ 2,926,478	$ 1,775	$ 220,697	$ 16,550,955
State sources	-	-	149,125	-	27,593	29,216	13,797	120,112	121,735	-	-	-	-	461,578
Federal sources	759,547	-	1,218,287	-	-	-	-	-	-	-	-	-	-	1,977,834
Total revenues	1,718,343	52,041	2,373,817	2,291,244	3,853,842	919,453	336,817	621,196	3,668,445	6,219	2,926,478	1,775	220,697	18,990,367
Expenditures														
Current														
Education														
Supporting services	-	40,986	-	2,153,642	2,075	-	-	-	-	-	638	-	-	2,197,341
Food services	-	-	2,113,346	-	-	-	-	-	-	-	-	-	-	2,113,346
Community services	1,409,326	-	-	-	-	-	-	-	-	-	-	-	-	1,409,326
Capital outlay	-	-	100,042	-	-	-	-	-	-	850,192	1,513,020	1,025,812	6,856,988	10,346,054
Debt service														
Principal	-	-	-	-	1,650,000	965,000	450,000	625,000	870,000	-	-	-	-	4,560,000
Interest and other expenditures	-	-	-	-	2,536,723	29,484	13,752	336,545	2,357,649	-	-	-	-	5,274,153
Total expenditures	1,409,326	40,986	2,213,388	2,153,642	4,188,798	994,484	463,752	961,545	3,227,649	850,192	1,513,658	1,025,812	6,856,988	25,900,220
Excess (deficiency) of revenues over expenditures	309,017	11,055	160,429	137,602	(334,956)	(75,031)	(126,935)	(340,349)	440,796	(843,973)	1,412,820	(1,024,037)	(6,636,291)	(6,909,853)
Other Financing Sources														
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	33,673	-	-	-	33,673
Transfers in	-	-	250	-	-	-	-	-	-	-	-	-	-	250
Total other financing sources	-	-	250	-	-	-	-	-	-	33,673	-	-	-	33,923
Net change in fund balances	309,017	11,055	160,679	137,602	(334,956)	(75,031)	(126,935)	(340,349)	440,796	(810,300)	1,412,820	(1,024,037)	(6,636,291)	(6,875,930)
Fund balances - beginning	464,952	33,657	1,003,056	1,295,900	770,458	180,822	176,892	440,263	-	810,300	2,865,038	1,085,030	8,404,584	17,530,952
Fund balances - ending	$ 773,969	$ 44,712	$ 1,163,735	$ 1,433,502	$ 435,502	$ 105,791	$ 49,957	$ 99,914	$ 440,796	$ -	$ 4,277,858	$ 60,993	$ 1,768,293	$ 10,655,022

Romeo Community Schools
Other Supplementary Information
Schedule of Outstanding Bonded Indebtedness
June 30, 2023

Year Ending June 30,		2016 Facilities Bonds	2020 Facilities Bonds	2022 Facilities Bonds	Total
2024		$ 1,750,000	$ 650,000	$ 2,125,000	$ 4,525,000
2025		1,825,000	675,000	2,435,000	4,935,000
2026		1,925,000	675,000	1,555,000	4,155,000
2027		2,025,000	675,000	1,620,000	4,320,000
2028		2,125,000	675,000	1,685,000	4,485,000
2029		2,225,000	700,000	1,755,000	4,680,000
2030		2,350,000	700,000	1,840,000	4,890,000
2031		2,475,000	700,000	1,935,000	5,110,000
2032		2,600,000	700,000	2,010,000	5,310,000
2033		2,725,000	700,000	2,090,000	5,515,000
2034		2,875,000	700,000	2,175,000	5,750,000
2035		3,025,000	700,000	2,260,000	5,985,000
2036		3,175,000	725,000	2,350,000	6,250,000
2037		3,325,000	750,000	2,445,000	6,520,000
2038		3,475,000	775,000	2,540,000	6,790,000
2039		3,625,000	800,000	2,645,000	7,070,000
2040		3,775,000	825,000	2,750,000	7,350,000
2041		3,800,000	850,000	2,860,000	7,510,000
2042		-	875,000	2,975,000	3,850,000
2043		-	875,000	3,090,000	3,965,000
2044		-	875,000	3,215,000	4,090,000
2045		-	-	3,290,000	3,290,000
Total		$ 49,100,000	$ 15,600,000	$ 51,645,000	$ 116,345,000
	Principal payments due the first day of	May	May	May	
	Interest payments due the first day of	May and November	May and November	May and November	
	Interest rate	4.00% - 5.00%	2.00% - 2.25%	4.00%	
	Original issue	$ 56,390,000	$ 19,000,000	$ 52,515,000	