
Clarenceville School District of Oakland and
Wayne Counties

**Financial Report
with Supplemental Information
June 30, 2022**

Clarenceville School District of Oakland and Wayne Counties

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Independent Auditor's Report

To the Board of Education
Clarenceville School District of Oakland
and Wayne Counties

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Clarenceville School District of Oakland and Wayne Counties (the "School District") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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 the School District as of June 30, 2022 and the respective changes in its 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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.

To the Board of Education
Clarenceville School District of Oakland
and Wayne Counties

In performing an audit in accordance with GAAS 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 the School District's 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 the School District's 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 Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 supplemental 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The other supplemental 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 information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Education
Clarenceville School District of Oakland
and Wayne Counties

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2022 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the School District's 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 the School District's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 25, 2022

Clarenceville School District of Oakland and Wayne Counties

Management's Discussion and Analysis

This section of Clarenceville School District of Oakland and Wayne Counties' (the "School District") annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2022. Please read it 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 financial statements. These statements are organized so the reader can understand Clarenceville School District of Oakland and Wayne Counties 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 and 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 Sinking Fund, with all other funds presented in one column as nonmajor funds. This report is composed of the following elements:

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

Basic Financial Statements

Government-wide Financial Statements

Fund Financial Statements

Notes to Financial Statements

Required Supplemental Information

Budgetary Information for Major Fund

Schedule of Proportionate Share of the Net Pension Liability

Schedule of Proportionate Share of the Net OPEB Liability

Schedule of Pension Contributions

Schedule of OPEB Contributions

Other Supplemental 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, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenue 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources, 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 revenue 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.

Clarenceville School District of Oakland and Wayne Counties

Management's Discussion and Analysis (Continued)

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 School District's 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 other funds to help it control and manage money for particular purposes (the Food Service Fund 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).

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 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. The following table provides a summary of the School District's net position as of June 30, 2022 and 2021:

	Governmental Activities	
	2022	2021
	(in millions)	
Assets		
Current and other assets	\$ 16.5	\$ 14.7
Capital assets	15.1	13.9
Total assets	31.6	28.6
Deferred Outflows of Resources	7.9	11.1
Liabilities		
Current liabilities	3.9	3.6
Noncurrent liabilities	0.4	0.5
Net pension liability	27.8	40.7
Net OPEB liability	1.8	6.3
Total liabilities	33.9	51.1
Deferred Inflows of Resources	18.5	7.4
Net Position (Deficit)		
Net investment in capital assets	15.1	13.9
Restricted	2.8	3.0
Unrestricted	(30.8)	(35.7)
Total net position (deficit)	\$ (12.9)	\$ (18.8)

Clarenceville School District of Oakland and Wayne Counties

Management's Discussion and Analysis (Continued)

The above analysis focuses on net position. The change in net position of the School District's governmental activities is discussed below. The School District's net position was a deficit of \$(12.9) million at June 30, 2022. Net investment in capital assets totaling \$15.1 million compares the original cost, less depreciation of the School District's capital assets. 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 (\$(30.8) million) was unrestricted.

The \$(30.8) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations and the impact from adoption of GASB Statement Nos. 68 and 75 (recording the School District's share of the net pension and OPEB liabilities from the state-managed retirement system). Unrestricted net position, when available, would enable the School District to meet working capital and cash flow requirements and provide for future uncertainties. The operating results of the General Fund and the change in the net pension/OPEB liabilities will have significant impacts on the change in unrestricted net position from year to year.

The results of this year's operations for the School District as a whole are reported in the condensed statement of activities below, which shows the changes in net position for the years ended June 30, 2022 and 2021:

	Governmental Activities	
	2022	2021
	(in millions)	
Revenue		
Program revenue:		
Charges for services	\$ 0.6	\$ 0.2
Operating grants	10.6	8.4
General revenue:		
Taxes	4.0	3.9
State aid not restricted to specific purposes	13.3	12.8
Other	0.4	0.4
Total revenue	28.9	25.7
Expenses		
Instruction	12.8	13.6
Support services	7.1	7.7
Athletics	0.3	0.3
Food services	1.1	0.9
Community services	0.4	0.2
Depreciation expense (unallocated)	1.3	1.3
Total expenses	23.0	24.0
Change in Net Position	5.9	1.7
Net Position (Deficit) - Beginning of year	(18.8)	(20.5)
Net Position (Deficit) - End of year	\$ (12.9)	\$ (18.8)

As reported in the statement of activities, the cost of all of our governmental activities this year was \$23.0 million. Certain activities were partially funded from those who benefited from the programs (\$0.6 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$10.6 million). We paid for the remaining public benefit portion of our governmental activities with \$4.0 million in taxes, \$13.3 million in state foundation allowance, and other revenue (i.e., interest and general entitlements).

The School District experienced an increase in net position of \$5.9 million. Key reasons for the change in net position were increases in federal grant funding and state foundation allowance.

Clarenceville School District of Oakland and Wayne Counties

Management's Discussion and Analysis (Continued)

As discussed above, the net cost shows the financial burden that was placed on the State and the School District's taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

The School District's Funds

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 \$12.6 million, which is an increase of \$1.6 million from last year.

The fund balance of the Sinking Fund decreased by \$0.3 million, as the School District completed projects during the year. At the end of the year, a project to renovate high school classrooms began and will be completed during the 2022-2023 school year. The project's \$0.4 million cost will occur in 2022-2023.

In the General Fund, our principal operating fund, the fund balance increased by \$0.6 million to \$7.2 million. The majority of the increase is the result of the School District receiving state aid amounts in categorical funding higher than originally budgeted. In addition, enrollment was 43 students higher than budgeted. The General Fund's fund balance is available to fund costs related to allowable school operating purposes.

Within our special revenue funds, the Food Service Fund balance increased by approximately \$234,000, while the Community Services Fund and Student/School Activity Fund increased by approximately \$299,000 and \$40,000, respectively.

The fund balance in the Capital Projects Fund increased by approximately \$682,000.

Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenue 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 adopted in June 2022. A schedule showing the School District's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

There were significant revisions made to the 2021-2022 original budget. Budgeted revenue was increased by \$3.1 million due to various line item increases. The state revenue increase of \$1.9 million is a result of the net foundation allowance revenue being \$0.8 million higher than originally budgeted coupled with various state categoricals, including retirement and At-Risk funding being higher than originally budgeted. Federal grant funding was increased \$1.2 million during the year, as the School District recorded federal grants, most notably ESSER grants, the Emergency Connectivity Fund grant, and summer school-related grants. These grants were part of the federal response to the COVID-19 pandemic.

Budgeted expenditures were also increased by approximately \$1.6 million primarily due to the increase in federal grant and state At-Risk funding.

Actual revenue was approximately \$402,000 less than budgeted, as federal grant funding and state aid At-Risk funding were less than budgeted. These amounts will be carried over to 2022-2023.

Actual expenditures were approximately \$0.8 million lower than budgeted, due to federal grant and At-Risk spending being less than budgeted, as well as the impact of not being fully staffed during the year due to the challenges the School District and its contractors had in hiring employees.

Clarenceville School District of Oakland and Wayne Counties

Management's Discussion and Analysis (Continued)

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2022, the School District had \$15.1 million 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 approximately \$1.2 million, or 8.6 percent, from last year.

	<u>2022</u>	<u>2021</u>
Land	\$ 1,106,646	\$ 1,106,646
Construction in progress	601,718	382,952
Buildings and improvements	11,604,686	11,134,434
Furniture and equipment	1,708,693	1,233,626
Buses and other vehicles	94,186	62,819
	<u>\$ 15,115,929</u>	<u>\$ 13,920,477</u>
Total capital assets - Net of accumulated depreciation		

This year's additions of \$2.2 million, before the impact of depreciation, included technology purchases, high school restroom renovations, and parking lot renovation and expansion at Grandview Elementary. We present more detailed information about our capital assets in the notes to the financial statements.

Debt

At the end of this year, the School District had no bonded debt.

Other obligations include accrued vacation pay and sick leave. We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

Our elected officials and administration consider many factors when setting the School District's 2022-2023 fiscal year budget. 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 2022-2023 budget was adopted in June 2022 based on an estimate of students who will enroll in September 2022. Approximately 67.0 percent of total General Fund revenue is from the foundation allowance. Under state law, the School District cannot access additional property tax revenue for general operations. As a result, school funding is heavily dependent on the State's ability to fund local school operations. Based on early enrollment data at the start of the 2022-2023 school year, we anticipate that the fall student count will be slightly lower than the estimates used in creating the 2022-2023 budget. Once the final student count and related per pupil funding are validated, state law requires the School District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Since the School District's revenue is heavily dependent on state funding and the health of the State's School Aid Fund, the actual revenue received depends on the State's ability to collect revenue to fund its appropriation to the School District. The State periodically holds a Consensus Revenue Estimating Conference to estimate revenue. Based on the results of the most recent conference, the State estimates funds are sufficient to fund the appropriation, including a foundation allowance increase of \$450 per pupil. Due to increases in the state required contribution to the retirement system and increases in health care costs, the School District estimates that the net increase in per pupil funding to fund other operating costs will be \$180 per pupil.

Contacting the School District's Management

This financial report is intended to provide our taxpayers, parents, and investors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the business office.

Clarenceville School District of Oakland and Wayne Counties

Statement of Net Position

June 30, 2022

	Governmental Activities
Assets	
Cash and investments (Note 4)	\$ 8,444,180
Receivables:	
Other receivables	10,015
Due from other governments	5,131,978
Inventory	4,301
Prepaid expenses and other assets	76,340
Restricted assets	2,837,278
Capital assets: (Note 6)	
Assets not subject to depreciation	1,708,364
Assets subject to depreciation - Net	<u>13,407,565</u>
Total assets	31,620,021
Deferred Outflows of Resources	
Deferred pension costs (Note 10)	5,687,323
Deferred OPEB costs (Note 10)	<u>2,170,160</u>
Total deferred outflows of resources	7,857,483
Liabilities	
Accounts payable	475,856
Due to other governmental units	493,235
Accrued payroll-related liabilities	2,316,670
Unearned revenue (Note 5)	607,033
Noncurrent liabilities:	
Due within one year (Note 8)	158,789
Due in more than one year (Note 8)	267,432
Net pension liability (Note 10)	27,825,078
Net OPEB liability (Note 10)	<u>1,772,571</u>
Total liabilities	33,916,664
Deferred Inflows of Resources	
Revenue in support of pension contributions made subsequent to the measurement date (Note 10)	1,833,254
Deferred pension cost reductions (Note 10)	9,720,190
Deferred OPEB cost reductions (Note 10)	<u>6,896,626</u>
Total deferred inflows of resources	<u>18,450,070</u>
Net Position (Deficit)	
Net investment in capital assets	15,115,929
Restricted - Capital projects	2,761,278
Unrestricted	<u>(30,766,437)</u>
Total net position (deficit)	<u><u>\$ (12,889,230)</u></u>

Clarenceville School District of Oakland and Wayne Counties

Statement of Activities

Year Ended June 30, 2022

Functions/Programs	Program Revenue			Governmental
	Expenses	Charges for Services	Operating Grants and Contributions	Activities
				Net (Expense) Revenue and Change in Net Position
Primary government - Governmental activities:				
Instruction	\$ 12,808,471	\$ 125	\$ 4,583,899	\$ (8,224,447)
Support services	7,118,875	-	4,547,235	(2,571,640)
Athletics	334,981	53,538	-	(281,443)
Food services	1,132,630	11,180	1,437,444	315,994
Community services	296,532	492,285	-	195,753
Depreciation expense (unallocated)	1,348,319	-	-	(1,348,319)
Total primary government	\$ 23,039,808	\$ 557,128	\$ 10,568,578	(11,914,102)
General revenue:				
Taxes:				
Property taxes levied for general purposes				2,516,240
Property taxes levied for Sinking Fund				1,448,458
State aid not restricted to specific purposes				13,322,481
Interest and investment earnings				19,555
Other				497,130
Total general revenue				<u>17,803,864</u>
Change in Net Position				5,889,762
Net Position (Deficit) - Beginning of year				<u>(18,778,992)</u>
Net Position (Deficit) - End of year				<u>\$ (12,889,230)</u>

Clarenceville School District of Oakland and Wayne Counties

Governmental Funds Balance Sheet

June 30, 2022

	General Fund	Sinking Fund	Nonmajor Funds	Total Governmental Funds
Assets				
Cash and investments (Note 4)	\$ 5,766,840	\$ -	\$ 2,677,340	\$ 8,444,180
Receivables:				
Other receivables	2,712	-	7,303	10,015
Due from other governments	5,009,290	46,467	76,221	5,131,978
Inventory	-	-	4,301	4,301
Prepaid costs	23,349	-	52,991	76,340
Restricted assets	-	2,837,278	-	2,837,278
	<u>\$ 10,802,191</u>	<u>\$ 2,883,745</u>	<u>\$ 2,818,156</u>	<u>\$ 16,504,092</u>
Total assets				
Liabilities				
Accounts payable	\$ 254,280	\$ 122,467	\$ 99,109	\$ 475,856
Due to other governmental units	489,242	-	3,993	493,235
Accrued payroll-related liabilities	2,295,211	-	21,459	2,316,670
Unearned revenue (Note 5)	529,788	-	77,245	607,033
	<u>3,568,521</u>	<u>122,467</u>	<u>201,806</u>	<u>3,892,794</u>
Total liabilities				
Deferred Inflows of Resources - Unavailable revenue (Note 5)				
	<u>18,223</u>	<u>-</u>	<u>-</u>	<u>18,223</u>
Total liabilities and deferred inflows of resources				
	<u>3,586,744</u>	<u>122,467</u>	<u>201,806</u>	<u>3,911,017</u>
Fund Balances				
Nonspendable:				
Inventory	-	-	4,301	4,301
Prepays	23,349	-	52,991	76,340
Restricted:				
Capital projects	-	2,761,278	-	2,761,278
Food service	-	-	411,070	411,070
Committed:				
Capital projects	-	-	1,411,700	1,411,700
Community service	-	-	584,369	584,369
Student/School activities	-	-	151,919	151,919
Unassigned	7,192,098	-	-	7,192,098
	<u>7,215,447</u>	<u>2,761,278</u>	<u>2,616,350</u>	<u>12,593,075</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,802,191</u>	<u>\$ 2,883,745</u>	<u>\$ 2,818,156</u>	<u>\$ 16,504,092</u>

Clarenceville School District of Oakland and Wayne Counties

Governmental Funds Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

	June 30, 2022
Fund Balances Reported in Governmental Funds	\$ 12,593,075
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds:	
Cost of capital assets	37,319,498
Accumulated depreciation	<u>(22,203,569)</u>
Net capital assets used in governmental activities	15,115,929
Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	18,223
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(426,221)
Net pension liability and related deferred inflows and outflows	(31,857,945)
Net OPEB liability and related deferred inflows and outflows	(6,499,037)
Revenue in support of pension contributions made subsequent to the measurement date is reported as a deferred inflow of resources in the statement of net position and is not reported in the funds	<u>(1,833,254)</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (12,889,230)</u></u>

Clarenceville School District of Oakland and Wayne Counties

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2022

	General Fund	Sinking Fund	Nonmajor Funds	Total Governmental Funds
Revenue				
Local sources	\$ 2,812,205	\$ 1,448,673	\$ 777,633	\$ 5,038,511
State sources	18,452,726	40,224	30,803	18,523,753
Federal sources	2,728,110	-	1,673,786	4,401,896
Interdistrict sources	1,260,853	-	-	1,260,853
Total revenue	25,253,894	1,488,897	2,482,222	29,225,013
Expenditures				
Current:				
Instruction	15,143,532	-	-	15,143,532
Support services	7,863,828	9,765	149,855	8,023,448
Athletics	368,897	-	-	368,897
Food services	-	-	1,168,610	1,168,610
Community services	6,642	-	346,553	353,195
Capital outlay	639,397	1,755,541	206,597	2,601,535
Total expenditures	24,022,296	1,765,306	1,871,615	27,659,217
Excess of Revenue Over (Under) Expenditures	1,231,598	(276,409)	610,607	1,565,796
Other Financing Sources (Uses)				
Transfers in (Note 7)	35,820	-	730,062	765,882
Transfers out (Note 7)	(680,062)	-	(85,820)	(765,882)
Total other financing (uses) sources	(644,242)	-	644,242	-
Net Change in Fund Balances	587,356	(276,409)	1,254,849	1,565,796
Fund Balances - Beginning of year	6,628,091	3,037,687	1,361,501	11,027,279
Fund Balances - End of year	\$ 7,215,447	\$ 2,761,278	\$ 2,616,350	\$ 12,593,075

Clarenceville School District of Oakland and Wayne Counties

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2022

Net Change in Fund Balances Reported in Governmental Funds	\$ 1,565,796
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capitalized capital outlay	2,543,771
Depreciation expense	(1,348,319)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	7,668
Revenue in support of pension contributions made subsequent to the measurement date	(303,111)
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	<u>3,423,957</u>
Change in Net Position of Governmental Activities	<u><u>\$ 5,889,762</u></u>

June 30, 2022

Note 1 - Nature of Business

Clarenceville School District of Oakland and Wayne Counties (the "School District") is a school district in the state of Michigan that provides educational services to students.

Note 2 - Significant Accounting Policies

Accounting and Reporting Principles

The School District follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the School District:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements.

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

June 30, 2022

Note 2 - Significant Accounting Policies (Continued)

Fund Accounting

The School District accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the School District to show the particular expenditures for which specific revenue is used. The various funds are aggregated into the following broad fund types:

Governmental Funds

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The School District reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Sinking Fund records capital projects activities funded with the Sinking Fund millage.

Additionally, the School District reports the following nonmajor governmental fund types:

- Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes. The School District's special revenue funds are the Food Service, Community Services, and the Student/School Activity funds. Revenue sources for the Food Service Fund include sales to customers and dedicated grants from federal sources. Revenue sources for the Community Services Fund include revenue for operating child care programs. Revenue sources for the Student Activity Fund include fundraising revenue and donations earned and received by student groups. Any operating deficit generated by these activities is the responsibility of the General Fund.
- Capital projects funds are used to record bond proceeds, property tax revenue, or other revenue and the disbursement of invoices specifically designated for acquiring new school sites, buildings, and equipment; technology upgrades; and remodeling and repairs. The funds operate until the purpose for which they were created is accomplished.

Interfund Activity

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Basis of Accounting

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the School District has spent its resources.

Note 2 - Significant Accounting Policies (Continued)

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the School District considers amounts collected within 60 days of year end to be available for recognition. Revenue not meeting this definition is classified as a deferred inflow of resources.

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value except for investments in external investment pools, which are valued at amortized cost. Investment income is recorded in the fund for which the investment account was established.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories accounted for using the purchase method are recorded as expenditures when purchased and include all inventories of governmental funds other than commodities within the Food Service Fund. Inventories accounted for using the consumption method are recorded as expenditures when consumed rather than when purchased and include commodities within the Food Service Fund. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements, when applicable.

Restricted Assets

The following amounts are reported as restricted assets:

- Unspent property taxes levied and held in the Sinking Fund required to be set aside for construction or allowable purchases

Capital Assets

Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Buildings and improvements	20 - 50
Furniture and equipment	5 - 10
Buses and other vehicles	5 - 10

Note 2 - Significant Accounting Policies (Continued)

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities 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. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund is generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

The School District reports deferred outflows related to pension and OPEB plan costs.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The School District reports deferred inflows related to revenue in support of pension contributions made subsequent to the measurement date and deferred pension and OPEB plan cost reductions. The School District also reports deferred inflows relating to unavailable revenue, which is money that has not been received within the period of availability.

Net Position

Net position of the School District is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

The School District will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Note 2 - Significant Accounting Policies (Continued)

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The School District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The School District has, by resolution, authorized the assistant superintendent to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Properties are assessed as of December 31, and the related property taxes become a lien on July 1 of the following year. These taxes are fully billed on July 1. Tax collections are forwarded to the School District as collected by the assessing municipalities through March 1, at which time they are considered delinquent and added to county tax rolls. Any delinquent taxes collected by the county are remitted to the School District by June 30. The School District considers all receivables to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

The School District receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974) and brownfield tax credits granted by cities, villages, and townships within the boundaries of the School District. The effect of the reduced property tax revenue on the School District is nominal.

Grants and Contributions

The School District receives federal, state, and local grants, as well as contributions from individuals and private organizations. Revenue from grants and contributions (including contributions of capital assets) is recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenue. Amounts restricted to capital acquisitions are reported after nonoperating revenue and expenses.

Note 2 - Significant Accounting Policies (Continued)

Pension and Other Postemployment Benefit (OPEB) Plans

For the purpose of measuring the net pension and net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to each plan, and pension and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees' Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. MPERS uses the economic resources measurement focus and the full accrual basis of accounting. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments (including refunds of employee contributions) are recognized as expenses when due and payable in accordance with the plan benefit terms. Related plan investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

It is the School District's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Sick pay is accrued for the estimated amount that the School District will pay upon employment termination; vacation pay is accrued when incurred. Both of these are reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation are used to liquidate the obligations.

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 at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Upcoming Accounting Pronouncements

In May 2020, the Governmental Accounting Standards Board issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The School District is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2023.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the School District's financial statements for the year ending June 30, 2025.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including October 25, 2022, which is the date the financial statements were available to be issued.

Note 3 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and state law for the General Fund and all special revenue funds, except that capital outlay expenditures are reported in other expenditure categories. All annual appropriations lapse at fiscal year end. The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the School District to have its budget in place by July 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits districts to amend their budgets during the year. The required supplemental information - budgetary comparison schedule is presented on the same basis of accounting used to prepare the budget, which includes certain items having classifications that differ from the statement of revenue, expenditures, and changes in fund balances. During the year, the budget was amended in a legally permissible manner. There were no significant amendments during the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds

The School District did not have significant expenditure budget variances.

Capital Projects Fund Compliance

The Sinking Fund records capital project activities funded with the Sinking Fund millage. For this fund, authorized prior to March 29, 2017, the School District has complied with the applicable provisions of §1212 of the State of Michigan Revised School Code.

Note 4 - Deposits and Investments

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 offices in Michigan. The School District is allowed to invest in U.S. Treasury or agency obligations, U.S. government repurchase agreements, bankers' acceptances, certificates of deposit, commercial paper rated prime at the time of purchase that matures no more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles. The School District's deposits and investments are in accordance with statutory authority.

The School District has designated two financial institutions for the deposit of its funds.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost except for the School District's investments in the Michigan Liquid Asset Fund Plus - MAX Class fund may not be redeemed for at least 14 calendar days, with the exception of direct investments of funds distributed by the State. Redemptions made prior to the applicable 14-day period are subject to a penalty equal to 15 days' interest on the amount so redeemed. There are no limitations or restrictions on participant withdrawals for the School District's other investment pools that are recorded at amortized cost.

Note 4 - Deposits and Investments (Continued)

The School District's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk 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's investment policy requires that financial institutions be evaluated and only those with an acceptable risk level for custodial credit risk be used for the School District's deposits. At year end, the School District had bank deposits totaling \$97,475 (checking accounts) that were uninsured and uncollateralized.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have a policy for custodial credit risk. At June 30, 2022, the School District does not have investments with custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The School District's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The School District has no investment policy that would further limit its investment choices. As of June 30, 2022, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Carrying Value	Rating	Rating Organization
Primary Government			
Money market	\$ 605,946	AAAm	S&P
Bank investment pool	<u>10,392,963</u>	AAAm	S&P
Total	<u>\$ 10,998,909</u>		

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. The School District does not have any investments subject to concentration of credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value as a result of changes in foreign currency exchange rates. State law and the School District's investment policy prohibit investments in foreign currency.

Note 5 - Unavailable/Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue recognition in connection with resources that have been received but not yet earned.

Clarenceville School District of Oakland and Wayne Counties

Notes to Financial Statements

June 30, 2022

Note 5 - Unavailable/Unearned Revenue (Continued)

At June 30, 2022, the School District had \$18,223 of unavailable revenue related to federal grant revenue not received within 60 days of year end and \$607,033 of unearned revenue related to grant and categorical aid payments received prior to meeting all eligibility requirements.

Note 6 - Capital Assets

Capital asset activity of the School District's governmental activities was as follows:

Governmental Activities

	Balance July 1, 2021	Reclassifications	Additions	Disposals/ Transfers	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 1,106,646	\$ -	\$ -	\$ -	\$ 1,106,646
Construction in progress	382,952	(159,515)	378,281	-	601,718
Subtotal	1,489,598	(159,515)	378,281	-	1,708,364
Capital assets being depreciated:					
Buildings and building improvements	27,684,024	159,515	1,370,576	-	29,214,115
Furniture and equipment	5,481,654	-	756,734	-	6,238,388
Buses and other vehicles	120,451	-	38,180	-	158,631
Subtotal	33,286,129	159,515	2,165,490	-	35,611,134
Accumulated depreciation:					
Buildings and improvements	16,549,590	-	1,059,839	-	17,609,429
Furniture and equipment	4,248,028	-	281,667	-	4,529,695
Buses and other vehicles	57,632	-	6,813	-	64,445
Subtotal	20,855,250	-	1,348,319	-	22,203,569
Net capital assets being depreciated	12,430,879	159,515	817,171	-	13,407,565
Net capital assets	\$ 13,920,477	\$ -	\$ 1,195,452	\$ -	\$ 15,115,929

Depreciation expense was not charged to activities, as the School District's assets benefit multiple activities, and allocation is not practical.

Clarenceville School District of Oakland and Wayne Counties

Notes to Financial Statements

June 30, 2022

Note 6 - Capital Assets (Continued)

Construction Commitments

The School District has active construction projects as of June 30, 2022 related to various school improvements. The remaining costs of the projects will be financed with proceeds collected from the Sinking Fund millage. At year end, the School District has spent approximately \$335,000 on contracts that were open at June 30, 2022, with approximately \$591,000 remaining to be completed.

Note 7 - Interfund Receivables, Payables, and Transfers

Interfund balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. At June 30, 2022, there were no interfund balances between the School District's funds.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
Nonmajor governmental funds	General Fund	\$ 35,820
	Nonmajor governmental funds	50,000
General Fund	Nonmajor governmental funds	<u>680,062</u>
	Total	<u><u>\$ 765,882</u></u>

Transfers from the General Fund and Community Services Fund provided funding for various capital projects. Funds from the Food Service Fund were transferred to the General Fund to cover excess costs related to operations of the fund for the purpose for which it was created.

Note 8 - Long-term Debt

Long-term debt activity for the year ended June 30, 2022 can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	\$ 511,311	\$ 27,230	\$ (112,320)	\$ 426,221	\$ 158,789

Note 9 - Risk Management

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

The shared-risk pool program in which the School District participates operates as a common risk-sharing management program for school districts in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

June 30, 2022

Note 10 - Michigan Public School Employees' Retirement System

Plan Description

The School District participates in the Michigan Public School Employees' Retirement System (the "System"), a statewide, cost-sharing, multiple-employer defined benefit public employee retirement system governed by the State of Michigan that covers substantially all employees of the School District. Certain school district employees also receive defined contribution retirement and health care benefits through the System. The System provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The System also provides postemployment health care benefits to retirees and beneficiaries who elect to receive those benefits.

The System is administered by the Office of Retirement Services (ORS). The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplemental information for the pension and postemployment health care plans. That report is available on the web at <http://www.michigan.gov/orsschools>.

Benefits Provided

Benefit provisions of the defined benefit (DB) pension plan and the postemployment health care 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 pension plan and the postemployment health care plan.

Depending on the plan option selected, member retirement benefits are calculated as final average compensation times years of services times a pension factor ranging from 1.25 percent to 1.50 percent. The requirements to retire range from attaining the age of 46 to 60 with years of service ranging from 5 to 30 years, depending on when the employee became a member. Early retirement is computed in the same manner as a regular pension but is permanently reduced by 0.50 percent for each full and partial month between the pension effective date and the date the member will attain age 60. There is no mandatory retirement age.

Depending on the member's date of hire, MPSERS offers the option of participating in the defined contribution (DC) plan that provides a 50 percent employer match (up to 3 percent of salary) on employee contributions.

Members are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. The disability benefits plus authorized outside earnings are limited to 100 percent of the participant's final average compensation, with an increase of 2 percent each year thereafter.

Benefits may transfer to a beneficiary upon death and are determined in the same manner as retirement benefits but with an actuarial reduction.

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

MPSERS provides medical, prescription drug, dental, and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by MPSERS, with the balance deducted from the monthly pension of each retiree health care recipient. Depending on the member's date of hire, this subsidized portion ranges from 80 percent to the maximum allowed by the statute.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Contributions

Public Act 300 of 1980, as amended, required the School District to contribute amounts necessary to finance the coverage of pension benefits of active and retired members. Contribution provisions are specified by state statute and may be amended only by action of the state Legislature. Under these provisions, each school district's contribution is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance a portion of the unfunded accrued liability.

Under the OPEB plan, retirees electing this coverage contribute an amount equivalent to the monthly cost for Part B Medicare and 10 percent, or 20 percent for those not Medicare eligible, of the monthly premium amount for the health, dental, and vision coverage at the time of receiving the benefits. The MPSERS board of trustees annually sets the employer contribution rate to fund the benefits. Participating employers are required to contribute at that rate.

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

The School District's contributions are determined based on employee elections. There are multiple different pension and health care benefit options included in the plan available to employees based on date of hire and the elections available at that time. Contribution rates are adjusted annually by the ORS.

The ranges of rates are as follows:

	Pension	OPEB
October 1, 2020 - September 30, 2021	13.39% - 19.78%	7.57% - 8.43%
October 1, 2021 - September 30, 2022	13.73% - 20.14%	7.23% - 8.09%

Depending on the plan selected, member pension contributions range from 0 percent up to 7.0 percent of gross wages. For certain plan members, a 4 percent employer contribution to the defined contribution pension plan is required. In addition, for certain plan members, a 3 percent employer match is provided to the defined contribution pension plan.

The School District's required and actual pension contributions to the plan for the year ended June 30, 2022 were \$4,135,476, which includes the School District's contributions required for those members with a defined contribution benefit. The School District's required and actual pension contributions include an allocation of \$1,833,254 in revenue received from the State of Michigan and remitted to the System to fund the MPSERS unfunded actuarial accrued liability (UAAL) stabilization rate for the year ended June 30, 2022.

The School District's required and actual OPEB contributions to the plan for the year ended June 30, 2022 were \$973,508, which includes the School District's contributions required for those members with a defined contribution benefit.

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Net Pension Liability

At June 30, 2022, the School District reported a liability of \$27,825,078 for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2020, which used update procedures to roll forward the estimated liability to September 30, 2021. The School District's proportion of the net pension liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2021 and 2020, the School District's proportion was approximately 0.12 percent.

Net OPEB Liability

At June 30, 2022, the School District reported a liability of \$1,772,571 for its proportionate share of the net OPEB liability. The net OPEB liability for fiscal year 2022 was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of September 30, 2020, which used update procedures to roll forward the estimated liability to September 30, 2021. The School District's proportion of the net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected contributions of all participating reporting units, actuarially determined. At September 30, 2021 and 2020, the School District's proportion was approximately 0.12 percent.

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

For 2022, the School District recognized pension expense of \$2,642,304, inclusive of payments to fund the MPSERS UAAL stabilization rate. At June 30, 2022, 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
Difference between expected and actual experience	\$ 431,022	\$ (163,857)
Changes in assumptions	1,753,993	-
Net difference between projected and actual earnings on pension plan investments	-	(8,945,673)
Changes in proportion and differences between the School District's contributions and proportionate share of contributions	-	(610,660)
The School District's contributions to the plan subsequent to the measurement date	3,502,308	-
Total	\$ 5,687,323	\$ (9,720,190)

The \$1,833,254 reported as deferred inflows of resources resulting from the pension portion of state aid payments received pursuant to the UAAL payment will be recognized as state appropriations revenue for the year ended June 30, 2022. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending	Amount
2023	\$ (1,107,146)
2024	(1,732,999)
2025	(2,248,524)
2026	(2,446,506)
Total	\$ (7,535,175)

Clarenceville School District of Oakland and Wayne Counties

Notes to Financial Statements

June 30, 2022

Note 10 - Michigan Public School Employees' Retirement System (Continued)

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

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

For the year ended June 30, 2022, the School District recognized OPEB recovery of \$1,107,774.

At June 30, 2022, 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
Difference between expected and actual experience	\$ -	\$ (5,059,679)
Changes in assumptions	1,481,782	(221,730)
Net difference between projected and actual earnings on OPEB plan investments	-	(1,336,019)
Changes in proportionate share or difference between amount contributed and proportionate share of contributions	13,634	(279,198)
Employer contributions to the plan subsequent to the measurement date	674,744	-
Total	<u>\$ 2,170,160</u>	<u>\$ (6,896,626)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

Years Ending	Amount
2023	\$ (1,452,816)
2024	(1,307,166)
2025	(1,151,174)
2026	(1,062,877)
2027	(377,636)
Thereafter	(49,541)
Total	<u>\$ (5,401,210)</u>

Actuarial Assumptions

The total pension liability and total OPEB liability as of September 30, 2021 are based on the results of an actuarial valuation as of September 30, 2020 and rolled forward. The total pension liability and OPEB liability were determined using the following actuarial assumptions:

Actuarial cost method		Entry age normal
Investment rate of return - Pension	6.00% - 6.80%	Net of investment expenses based on the groups
Investment rate of return - OPEB	6.95%	Net of investment expenses based on the groups
Salary increases	2.75% - 11.55%	Including wage inflation of 2.75%
Health care cost trend rate - OPEB	5.25% - 7.75%	Year 1, graded to 3.5% in year 15, 3.0% in year 120
Mortality basis		RP-2014 Male and Female Employee Annuitant
		Mortality tables, scaled 100% (retirees: 82% for males and 78% for females) and adjusted for mortality improvements using projection scale MP-2017 from 2006
Cost of living pension adjustments	3.00%	Annual noncompounded for MIP members

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Assumption changes as a result of an experience study for the periods from 2012 to 2017 have been adopted by the System for use in the annual pension and OPEB valuations beginning with the September 30, 2018 valuation.

Significant assumption changes since the prior measurement date, September 30, 2020, for the OPEB plan include a increase in the health care cost trend rate of 0.75 percentage points for members under 65 and a reduction from 7.0 percent to 5.25 percent for members over 65. There were no significant changes in assumptions for the pension actuarial valuation. There were no significant benefit terms changes for the pension or OPEB plans since the prior measurement date of September 30, 2020.

Significant assumption changes since the measurement date, September 30, 2021, for the pension and OPEB plan include a reduction of both plans' discount rates to 6.0 percent. The change increases the total plan's net pension liability by approximately \$8.1 billion and the total plan's net OPEB liability by approximately \$1.1 billion.

Discount Rate

The discount rate used to measure the total pension liability was 6.00 to 6.80 percent as of September 30, 2021 depending on the plan option. The discount rate used to measure the total OPEB liability was 6.95 percent as of September 30, 2021. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that district contributions will be made at statutorily required rates.

Based on those assumptions, the pension plan's fiduciary net position and the OPEB plan's fiduciary net position were projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan and OPEB plan investments was applied to all periods of projected benefit payments to determine the total pension liability and total OPEB liability.

The long-term expected rate of return on pension plan and 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 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity pools	25.00 %	5.40 %
Private equity pools	16.00	9.10
International equity pools	15.00	7.50
Fixed-income pools	10.50	(0.70)
Real estate and infrastructure pools	10.00	5.40
Absolute return pools	9.00	2.60
Short-term investment pools	2.00	(1.30)
Real return/opportunistic pools	12.50	6.10
Total	100.00 %	

Note 10 - Michigan Public School Employees' Retirement System (Continued)

Long-term rates of return are net of administrative expense and inflation of 2.0 percent.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the School District, calculated using the discount rate depending on the plan option. The following also reflects what the School District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease <u>(5.00 - 5.80%)</u>	Current Discount Rate <u>(6.00 - 6.80%)</u>	1 Percentage Point Increase <u>(7.00 - 7.80%)</u>
Net pension liability of the School District	\$ 39,782,315	\$ 27,825,078	\$ 17,911,744

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the School District, calculated using the current discount rate. It also reflects what the School District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease <u>(5.95%)</u>	Current Discount Rate <u>(6.95%)</u>	1 Percentage Point Increase <u>(7.95%)</u>
Net OPEB liability of the School District	\$ 3,293,757	\$ 1,772,571	\$ 481,628

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the net OPEB liability of the School District, calculated using the current health care cost trend rate. It also reflects what the School District's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Rate	1 Percentage Point Increase
Net OPEB liability of the School District	\$ 431,430	\$ 1,772,571	\$ 3,281,517

Pension Plan and OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued MPSERS financial report.

Payable to the Pension Plan and OPEB Plan

At June 30, 2022, the School District reported a payable of \$708,627 and \$151,664 for the outstanding amount of contributions to the pension plan and OPEB plan, respectively, required for the year ended June 30, 2022.

Required Supplemental Information

Clarenceville School District of Oakland and Wayne Counties

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
Revenue				
Local sources	\$ 2,817,788	\$ 2,784,786	\$ 2,812,205	\$ 27,419
State sources	16,766,013	18,734,192	18,452,726	(281,466)
Federal sources	1,768,271	2,970,593	2,728,110	(242,483)
Interdistrict sources	1,210,760	1,166,143	1,260,853	94,710
Total revenue	22,562,832	25,655,714	25,253,894	(401,820)
Expenditures				
Current:				
Instruction:				
Basic program	11,224,825	12,687,806	12,403,513	(284,293)
Added needs	3,563,731	3,403,630	3,313,975	(89,655)
Total instruction	14,788,556	16,091,436	15,717,488	(373,948)
Support services:				
Pupil	1,367,677	1,623,622	1,502,558	(121,064)
Instructional staff	1,497,848	1,612,862	1,478,186	(134,676)
General administration	408,836	419,993	414,600	(5,393)
School administration	1,288,638	1,345,725	1,339,186	(6,539)
Business	457,993	495,628	480,199	(15,429)
Operations and maintenance	1,828,985	1,683,511	1,581,724	(101,787)
Pupil transportation services	713,657	648,058	638,867	(9,191)
Central	505,200	521,101	463,998	(57,103)
Total support services	8,068,834	8,350,500	7,899,318	(451,182)
Athletics	335,957	353,780	398,848	45,068
Community services	40,274	62,590	6,642	(55,948)
Total expenditures	23,233,621	24,858,306	24,022,296	(836,010)
Excess of Revenue (Under) Over Expenditures	(670,789)	797,408	1,231,598	434,190
Other Financing Sources (Uses)				
Transfers in	-	-	35,820	35,820
Transfers out	(75,000)	(675,000)	(680,062)	(5,062)
Total other financing uses	(75,000)	(675,000)	(644,242)	30,758
Net Change in Fund Balance	(745,789)	122,408	587,356	464,948
Fund Balance - Beginning of year	6,628,091	6,628,091	6,628,091	-
Fund Balance - End of year	\$ 5,882,302	\$ 6,750,499	\$ 7,215,447	\$ 464,948

Clarenceville School District of Oakland and Wayne Counties

Required Supplemental Information Schedule of Proportionate Share of the Net Pension Liability Michigan Public School Employees' Retirement System

	Last Eight Plan Years							
	Plan Years Ended September 30							
	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.11753 %	0.11846 %	0.11885 %	0.12129 %	0.12407 %	0.12633 %	0.12957 %	0.12983 %
School District's proportionate share of the net pension liability	\$ 27,825,078	\$ 40,692,979	\$ 39,358,425	\$ 36,463,043	\$ 32,152,470	\$ 31,519,140	\$ 31,648,140	\$ 28,596,053
School District's covered payroll	\$ 10,513,172	\$ 10,429,943	\$ 10,291,366	\$ 10,097,167	\$ 10,307,652	\$ 10,516,812	\$ 10,774,731	\$ 11,184,796
School District's proportionate share of the net pension liability as a percentage of its covered payroll	264.67 %	390.16 %	382.44 %	361.12 %	311.93 %	299.70 %	293.73 %	255.67 %
Plan fiduciary net position as a percentage of total pension liability	72.32 %	59.49 %	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %	66.15 %

Clarenceville School District of Oakland and Wayne Counties

Required Supplemental Information Schedule of Proportionate Share of the Net OPEB Liability Michigan Public School Employees' Retirement System

	Last Five Plan Years Plan Years Ended September 30				
	2021	2020	2019	2018	2017
School District's proportion of the net OPEB liability	0.11613 %	0.11751 %	0.11776 %	0.11869 %	0.12376 %
School District's proportionate share of the net OPEB liability	\$ 1,772,571	\$ 6,295,148	\$ 8,452,398	\$ 9,434,342	\$ 10,959,728
School District's covered payroll	\$ 10,513,172	\$ 10,429,943	\$ 10,291,366	\$ 10,097,167	\$ 10,307,652
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.86 %	60.36 %	82.13 %	93.44 %	106.33 %
Plan fiduciary net position as a percentage of total OPEB liability	88.87 %	59.76 %	48.67 %	43.10 %	36.53 %

Clarenceville School District of Oakland and Wayne Counties

Required Supplemental Information Schedule of Pension Contributions Michigan Public School Employees' Retirement System

	Last Eight Fiscal Years							
	Years Ended June 30							
	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 4,048,636	\$ 3,537,046	\$ 3,271,440	\$ 3,148,788	\$ 3,103,614	\$ 2,977,568	\$ 2,959,689	\$ 2,386,357
Contributions in relation to the statutorily required contribution	4,048,636	3,537,046	3,271,440	3,148,788	3,103,614	2,977,568	2,959,689	2,386,357
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's Covered Payroll	\$ 11,156,202	\$ 10,292,562	\$ 10,420,683	\$ 10,203,572	\$ 10,171,707	\$ 10,680,171	\$ 10,576,780	\$ 10,954,128
Contributions as a Percentage of Covered Payroll	36.29 %	34.37 %	31.39 %	30.86 %	30.51 %	27.88 %	27.98 %	21.79 %

Clarenceville School District of Oakland and Wayne Counties

Required Supplemental Information
Schedule of OPEB Contributions
Michigan Public School Employees' Retirement System

	Last Five Fiscal Years				
	Years Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 909,141	\$ 856,521	\$ 837,364	\$ 801,493	\$ 734,674
Contributions in relation to the statutorily required contribution	<u>909,141</u>	<u>856,521</u>	<u>837,364</u>	<u>801,493</u>	<u>734,674</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 11,156,202	\$ 10,292,562	\$ 10,420,683	\$ 10,203,572	\$ 10,171,707
Contributions as a Percentage of Covered Payroll	8.15 %	8.32 %	8.04 %	7.86 %	7.22 %

Clarenceville School District of Oakland and Wayne Counties

Notes to Required Supplemental Information

June 30, 2022

Pension Information

Ultimately, 10 years of data will be presented in both of the pension-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of assumptions for each of the reported plan years ended September 30 except for the following:

- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.25 percentage points.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.45 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017.
- 2017 - The discount rate used in the September 30, 2016 actuarial valuation decreased by 0.50 percentage points.

OPEB Information

Ultimately, 10 years of data will be presented in both of the OPEB-related schedules. The number of years currently presented represents the number of years since the accounting standard requiring these schedules first became applicable.

Benefit Changes

There were no changes of benefit terms for each of the reported plan years ended September 30.

Changes in Assumptions

There were no significant changes of assumptions for each of the reported plan years ended September 30 except for the following:

- 2021 - The health care cost trend rate used in the September 30, 2020 actuarial valuation increased by 0.75 percentage points for members under 65 and decreased by 1.75 percentage points for members over 65. In addition, actual per person health benefit cost was lower than projected. This reduced the plan's total OPEB liability by \$1.3 billion in 2021.
- 2020 - The health care cost trend rate used in the September 30, 2019 actuarial valuation decreased by 0.50 percentage points. This, in addition to actual per person health benefit cost being lower than projected, reduced the plan's total OPEB liability by an additional \$1.8 billion in 2020.
- 2019 - The discount rate used in the September 30, 2018 actuarial valuation decreased by 0.20 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by an additional \$1.4 billion in 2019.
- 2018 - The discount rate used in the September 30, 2017 actuarial valuation decreased by 0.35 percentage points. The valuation also includes the impact of an updated experience study for the periods from 2012 to 2017. This resulted in a lower than projected per person health benefit cost to reduce the plan's total OPEB liability by \$1.4 billion in 2018.

Other Supplemental Information

Clarenceville School District of Oakland and Wayne Counties

Other Supplemental Information Combining Balance Sheet Nonmajor Governmental Funds

June 30, 2022

	Special Revenue Funds				Total
	Food Service Fund	Community Services Fund	Student/School Activity Fund	Capital Projects Fund	
Assets					
Cash and investments	\$ 411,806	\$ 667,384	\$ 160,464	\$ 1,437,686	\$ 2,677,340
Receivables:					
Other receivables	-	2,503	4,800	-	7,303
Due from other governments	59,600	16,621	-	-	76,221
Inventory	4,301	-	-	-	4,301
Prepaid costs	32,500	389	-	20,102	52,991
Total assets	\$ 508,207	\$ 686,897	\$ 165,264	\$ 1,457,788	\$ 2,818,156
Liabilities					
Accounts payable	\$ 52,784	\$ 7,393	\$ 12,946	\$ 25,986	\$ 99,109
Due to other governmental units	1,939	1,851	203	-	3,993
Accrued payroll-related liabilities	3,926	17,337	196	-	21,459
Unearned revenue	1,687	75,558	-	-	77,245
Total liabilities	60,336	102,139	13,345	25,986	201,806
Fund Balances					
Nonspendable:					
Inventory	4,301	-	-	-	4,301
Prepays	32,500	389	-	20,102	52,991
Restricted - Food service	411,070	-	-	-	411,070
Committed:					
Capital projects	-	-	-	1,411,700	1,411,700
Community service	-	584,369	-	-	584,369
Student/School activities	-	-	151,919	-	151,919
Total fund balances	447,871	584,758	151,919	1,431,802	2,616,350
Total liabilities and fund balances	\$ 508,207	\$ 686,897	\$ 165,264	\$ 1,457,788	\$ 2,818,156

Clarenceville School District of Oakland and Wayne Counties

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds

Year Ended June 30, 2022

	Special Revenue Funds				Total
	Food Service Fund	Community Services Fund	Student/School Activity Fund	Capital Projects Fund	
Revenue					
Local sources	\$ 14,875	\$ 428,014	\$ 184,744	\$ 150,000	\$ 777,633
State sources	30,803	-	-	-	30,803
Federal sources	1,406,641	267,145	-	-	1,673,786
Total revenue	1,452,319	695,159	184,744	150,000	2,482,222
Expenditures					
Current:					
Support services	-	-	149,855	-	149,855
Food services	1,168,610	-	-	-	1,168,610
Community services	-	346,553	-	-	346,553
Capital outlay	13,759	-	-	192,838	206,597
Total expenditures	1,182,369	346,553	149,855	192,838	1,871,615
Excess of Revenue Over (Under) Expenditures	269,950	348,606	34,889	(42,838)	610,607
Other Financing Sources (Uses)					
Transfers in	-	-	5,062	725,000	730,062
Transfers out	(35,820)	(50,000)	-	-	(85,820)
Total other financing (uses) sources	(35,820)	(50,000)	5,062	725,000	644,242
Net Change in Fund Balances	234,130	298,606	39,951	682,162	1,254,849
Fund Balances - Beginning of year	213,741	286,152	111,968	749,640	1,361,501
Fund Balances - End of year	\$ 447,871	\$ 584,758	\$ 151,919	\$ 1,431,802	\$ 2,616,350